

# 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 accuracy of all numerical information has been verified.

Oregon Public Employees Retirement System

AGENCY NAME

11410 SW 68th 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.

Agency Request

Governor's

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# BUDGET NARRATIVE

## Legislative Action Budget Reports

### Legislative Fiscal Office

900 Court St., NE, H-128  
Salem, OR 97301  
503-966-1828



### Oregon Legislative Emergency Board

Sen. Peter Courtney, Senate Co-Chair  
Rep. Tina Kotek, House Co-Chair

### Certificate

May 25, 2016

Pursuant to the provisions of ORS 291.328, and acting under the authority of ORS 8.105; ORS 291.326(1)(a), (b), (c), and (d); ORS 276.390; ORS 291.371; and ORS 291.375; this hereby certifies that the Emergency Board, meeting on May 25, 2016, took the following actions:

1. **Commission on Judicial Fitness and Disability**  
Acknowledged receipt of a report on compensation plan changes.
2. **Public Defense Services Commission**  
Deferred consideration of a request to fund salary increases.
3. **Department of Education**  
Acknowledged receipt of a report on the implementation of the mixed delivery preschool program.
4. **Department of Education**  
Approved the submission of a federal grant application to the U.S. Department of Health and Human Services in an amount of up to \$75,000 for a Child Care and Development Block Grant Implementation Research and Evaluation Planning Grant.
6. **Department of Education**  
Allocated \$273,062 from the Emergency Fund established by section 1, chapter 837, Oregon Laws 2015 to supplement the appropriation made to the Department of Education by section 1(1), chapter 759, Oregon Laws 2015, Operations, for grants to school districts to improve Internet connectivity and access, with the understanding the Department of Administrative Services will unschedule that amount until school districts and the Department of Education have been notified of the approval of the federal funding.
7. **Higher Education Coordinating Commission**  
Acknowledged receipt of a report on 2016-17 proposed increases to resident undergraduate tuition and mandatory fees at public universities.
8. **Higher Education Coordinating Commission**  
Acknowledged receipt of a report relating to the distribution of funding for Community College academic counselors.

# BUDGET NARRATIVE

- 61. Department of Administrative Services**  
Increased the Other Funds expenditure limitation established for the Department of Administrative Services by section 2(4), chapter 654, Oregon Laws 2015, Chief Human Resource Office, by \$6,520,731; authorized the establishment of 22 limited duration positions (9.17 FTE) and the extension of six existing limited duration positions through the end of the biennium (4.29 FTE), including the reclassification of one to a Principal Executive Manager (PEM) G; adjusted state agency budgets by allocating \$4,292,256 from the special purpose appropriation made to the Emergency Board by section 52, chapter 837, Oregon Laws 2015; increased Lottery Funds expenditure limitations by \$95,628; increased Other Funds expenditure limitations by \$3,357,479; and increased Federal Funds expenditure limitations by \$1,489,374; to adjust state agency budgets to fund assessment increases related to continuation of the Human Resources Information System project and staffing adjustments related to the previously approved DAS Information Technology reorganization per the attached table.
- 62. Department of Administrative Services**  
Established a \$2,336,040 Other Funds Capital Construction expenditure limitation for the Department of Administrative Services to replace the roof at the Department of Environmental Quality and Public Health laboratory, and established a \$4,000,000 Other Funds Capital Construction expenditure limitation for the Department of Administrative Services for capital and tenant improvements at the 550 Building.
- 63. Department of Administrative Services**  
Acknowledged receipt of a report on compensation plan changes and position allocations.
- 64. Department of Administrative Services**  
Approved the 2017-19 uniform rent rates as proposed by the Department of Administrative Services and required under ORS 276.390.
- 65. Department of Revenue**  
Deferred consideration of a funding request for the Property Valuation System information technology project, and directed the agency to report to the Emergency Board in September of 2016 on the status of the project.
- 66. Department of Revenue**  
Increased the Other Funds expenditure limitation established for the Department of Revenue by section 2(1), chapter 596, Oregon Laws 2015, Administration, by \$379,481 and authorized the establishment of five permanent full-time positions (2.71 FTE) for the Recreational Marijuana Program.
- 68. Department of Revenue**  
Acknowledged receipt of a report on the availability of data for tax research and forecasting purposes, and directed the agency to report to the Emergency Board in September of 2016 with an updated status report.

# BUDGET NARRATIVE

## #61 DAS - Attachment A

Agency Name	Chapter	Section	GF	LF	QF	FF	Total
SECRETARY OF STATE	688	01-02	11,079	-	-	-	11,079
SECRETARY OF STATE	688	02-04	-	-	3,767	-	3,767
SECRETARY OF STATE	688	02-01	-	-	7,211	-	7,211
SECRETARY OF STATE	688	02-05	-	-	7,636	-	7,636
SECRETARY OF STATE	688	02-03	-	-	17,437	-	17,437
OREGON STATE TREASURY	689	01-02	-	-	171	-	171
OREGON STATE TREASURY	689	01-01	-	-	21,769	-	21,769
JUDICIAL FIT OR DISABILITY COM	93	01-01	123	-	-	-	123
DISTRICT ATTORNEYS/DEPUTIES	332	01	8,787	-	-	-	8,787
JUDICIAL DEPARTMENT	691	01-02	430,457	-	-	-	430,457
GOVERNMENT ETHICS COMMISSION	465	01-01	-	-	1,824	-	1,824
CRIMINAL JUSTICE COMMISSION	606	03	-	-	-	23	23
CRIMINAL JUSTICE COMMISSION	606	01	1,995	-	-	-	1,995
CRIMINAL JUSTICE COMMISSION	606	02-00	-	-	27	-	27
DEPT OF MILITARY	594	03-01	-	-	-	40,057	40,057
DEPT OF MILITARY	594	03-02	-	-	-	1,878	1,878
DEPT OF MILITARY	594	03-03	-	-	-	9,518	9,518
DEPT OF MILITARY	594	01-04	2	-	-	-	2
DEPT OF MILITARY	594	01-03	1,989	-	-	-	1,989
DEPT OF MILITARY	594	01-01	9,990	-	-	-	9,990
DEPT OF MILITARY	594	01-02	11,713	-	-	-	11,713
DEPT OF MILITARY	594	02-01	-	-	933	-	933
DEPT OF MILITARY	594	02-02	-	-	5,292	-	5,292
DEPT OF MILITARY	594	02-04	-	-	8,653	-	8,653
DEPT OF MILITARY	594	02-03	-	-	28,657	-	28,657
MARINE BOARD	601	01-01	-	-	9,642	-	9,642
BOARD OF PAROLE/POST PRISON	304	01	3,825	-	-	-	3,825
OREGON STATE POLICE	696	03-02	-	-	-	821	821
OREGON STATE POLICE	696	03-04	-	-	-	183	183
OREGON STATE POLICE	696	01-02	1,968	-	-	-	1,968
OREGON STATE POLICE	696	01-03	16,107	-	-	-	16,107
OREGON STATE POLICE	696	01-04	32,324	-	-	-	32,324
OREGON STATE POLICE	696	01-01	162,181	-	-	-	162,181
OREGON STATE POLICE	696	04-00	-	7,935	-	-	7,935
OREGON STATE POLICE	696	02-03	-	-	171	-	171
OREGON STATE POLICE	696	02-01	-	-	21,845	-	21,845
OREGON STATE POLICE	696	02-02	-	-	27,833	-	27,833
OREGON STATE POLICE	696	02-04	-	-	33,030	-	33,030
PUBLIC SAFETY/STDS/TRAINING	658	02-01	-	-	32,477	-	32,477
DEPT OF VETERANS AFFAIRS	616	01-01	5,189	-	-	-	5,189
DEPT OF VETERANS AFFAIRS	616	03	-	-	14,629	-	14,629
DEPT OF CORRECTIONS	655	01-02	1,084,608	-	-	-	1,084,608
DEPARTMENT OF ENERGY	656	01	-	-	27,830	-	27,830
DEPT OF ENVIRONMENTAL QUALITY	593	02-04	-	-	172,399	-	172,399
PSYCHIATRIC REVIEW BOARD	411	01	2,685	-	-	-	2,685
PUBLIC DEFENSE SERVICES	615	01-03	6,104	-	-	-	6,104
PUBLIC DEFENSE SERVICES	615	01-01	12,395	-	-	-	12,395
OREGON YOUTH AUTHORITY	617	03	-	-	-	7,684	7,684
OREGON YOUTH AUTHORITY	617	01-01	234,585	-	-	-	234,585
INDIAN SERVICES COMMISSION	772	13	488	-	-	-	488
DEPT OF CONSUMER/BSN SERVICES	592	02	-	-	-	1,826	1,826
DEPT OF CONSUMER/BSN SERVICES	592	01	-	-	222,548	-	222,548
OREGON HEALTH AUTHORITY	838	04-01	-	-	-	191	191
OREGON HEALTH AUTHORITY	838	04-02	-	-	-	324,234	324,234
OREGON HEALTH AUTHORITY	838	01-01	2	-	-	-	2
OREGON HEALTH AUTHORITY	838	01-02	582,422	-	-	-	582,422
OREGON HEALTH AUTHORITY	838	02-01	-	-	31	-	31
OREGON HEALTH AUTHORITY	838	02-02	-	-	107,079	-	107,079
PUB EMPLOYEES RETIREMNT SYSTEI	595	01-01	-	-	89,634	-	89,634
DEPT OF EMPLOYMENT	485	04	-	-	-	149,532	149,532

# BUDGET NARRATIVE

78th Oregon Legislative Assembly - 2016 Regular Session

BUDGET REPORT AND MEASURE SUMMARY

MEASURE: SB 5701 A

CARRIER: Rep. Buckley

**Joint Committee On Ways and Means**

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**Action:** Do Pass The A-Eng Bill.

**Action Date:** 02/25/16

**Vote:**

**House**

Yeas: 11 - Buckley, Gomberg, Huffman, Komp, Nathanson, Rayfield, Read, Smith, Whisnant, Whitsett, Williamson

Exc: 1 - McLane

**Senate**

Yeas: 7 - Bates, Devlin, Johnson, Monroe, Roblan, Shields, Steiner Hayward

Nays: 4 - Girod, Hansell, Thomsen, Whitsett

Exc: 1 - Winters

**Prepared By:** Linda Ames and Theresa McHugh, Legislative Fiscal Office

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

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Emergency Board; Various Agencies

Biennium: 2015-17

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# BUDGET NARRATIVE

## Budget Summary\*

	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			\$ Change	% Change
<b><u>Emergency Board</u></b>				
General Fund - General Purpose	\$ 30,000,000	\$ 32,000,000	\$ 2,000,000	6.7%
General Fund - Special Purpose Appropriations				
State Agencies for state employee compensation	\$ 120,000,000	\$ -	\$ (120,000,000)	-100.0%
State Agencies for non-state worker compensation	\$ 10,700,000	\$ 700,147	\$ (9,999,853)	-93.5%
State Agencies for education issues	\$ 3,000,000	\$ 1,626,121	\$ (1,373,879)	-45.8%
Dept. of Education - mixed delivery preschool program	\$ 17,540,357	\$ -	\$ (17,540,357)	-100.0%
HECC - college readiness program implementation	\$ 6,865,921	\$ -	\$ (6,865,921)	-100.0%
Dept. of Forestry - fire protection expenses	\$ 6,000,000	\$ 3,945,177	\$ (2,054,823)	-34.2%
Dept. of Revenue - Property Tax Division	\$ 1,836,836	\$ -	\$ (1,836,836)	-100.0%
Dept. of Corrections - Deer Ridge operations expenses	\$ -	\$ 3,000,000	\$ 3,000,000	100.0%
Dept. of Corrections - expenses related to mentally ill	\$ -	\$ 2,000,000	\$ 2,000,000	100.0%
Malheur Nat'l Wildlife Refuge expense reimbursement	\$ -	\$ 2,000,000	\$ 2,000,000	100.0%
<b><u>ADMINISTRATION PROGRAM AREA</u></b>				
<b><u>Department of Administrative Services</u></b>				
General Fund	\$ 12,468,238	\$ 16,073,778	\$ 3,605,540	28.9%
Other Funds	\$ 898,482,207	\$ 911,637,817	\$ 13,155,610	1.5%
<b><u>Advocacy Commissions Office</u></b>				
General Fund	\$ 602,262	\$ 626,557	\$ 24,295	4.0%
<b><u>Employment Relations Board</u></b>				
General Fund	\$ 2,393,033	\$ 2,460,956	\$ 67,923	2.8%
Other Funds	\$ 2,014,991	\$ 2,066,561	\$ 51,570	2.6%
<b><u>Oregon Government Ethics Commission</u></b>				
Other Funds	\$ 2,720,429	\$ 2,789,379	\$ 68,950	2.5%
<b><u>Office of the Governor</u></b>				
General Fund	\$ 12,448,211	\$ 12,773,672	\$ 325,461	2.6%
Lottery Funds	\$ 4,058,418	\$ 4,209,051	\$ 150,633	3.7%
Other Funds	\$ 3,152,058	\$ 3,249,297	\$ 97,239	3.1%

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## BUDGET NARRATIVE

### Budget Summary\*

	2015-17 Legislatively Approved Budget		2016 Committee Recommendation		Committee Change from 2015-17 Leg. Approved		
					\$ Change	% Change	
<b><u>Oregon Liquor Control Commission</u></b>							
Other Funds	\$	178,713,603	\$	181,706,250	\$	2,992,647	1.7%
<b><u>Public Employees Retirement System</u></b>							
Other Funds	\$	95,161,904	\$	107,769,491	\$	12,607,587	13.2%
<b><u>Racing Commission</u></b>							
Other Funds	\$	6,193,966	\$	6,276,229	\$	82,263	1.3%
<b><u>Department of Revenue</u></b>							
General Fund	\$	186,702,371	\$	193,187,720	\$	6,485,349	3.5%
Other Funds	\$	130,931,438	\$	134,486,949	\$	3,555,511	2.7%
<b><u>Secretary of State</u></b>							
General Fund	\$	9,422,659	\$	9,949,390	\$	526,731	5.6%
Other Funds	\$	54,607,321	\$	56,279,809	\$	1,672,488	3.1%
Federal Funds	\$	6,242,689	\$	6,277,676	\$	34,987	0.6%
<b><u>State Library</u></b>							
General Fund	\$	3,536,497	\$	3,626,974	\$	90,477	2.6%
Other Funds	\$	6,227,861	\$	6,440,443	\$	212,582	3.4%
Federal Funds	\$	5,061,853	\$	5,121,642	\$	59,789	1.2%
<b><u>State Treasurer</u></b>							
General Fund	\$	1,658,284	\$	1,687,988	\$	29,704	1.8%
Other Funds	\$	61,114,368	\$	62,170,171	\$	1,055,803	1.7%
<b><u>CONSUMER AND BUSINESS SERVICES PROGRAM AREA</u></b>							
<b><u>State Board of Accountancy</u></b>							
Other Funds	\$	2,454,268	\$	2,506,638	\$	52,370	2.1%

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## BUDGET NARRATIVE

- \$200,000 for disbursement to Portland Playhouse for renovation and restoration of Portland Playhouse's theater in Portland's King neighborhood.

The Subcommittee added \$3,059,680 Other Funds expenditure limitation for one-time costs of issuance and special payments associated with the disbursement of proceeds from the sale of \$3,000,000 in lottery bonds for the City of Warrenton to rebuild a dock used by Pacific Seafood at the site of a seafood processing facility that burned down in June 2013. The processing facility was built in 1941 and acquired, along with the dock, by Pacific Seafood in 1983. The lottery bonds are approved in House Bill 5201. There is no debt service allocated in the 2015-17 biennium, as the bonds will not be sold until the spring of 2017. Debt service for 2017-19 is estimated at \$675,152 Lottery Funds. The Subcommittee also increased Other Funds expenditure limitation by \$55,000 to pay the cost of issuing \$2,500,000 Article XI-Q bonds for repairs and improvements at the Oregon State Fair.

Other Funds limitation was increased by \$453,681 to allow planning for the Human Resources Information System (HRIS) replacement project to continue through May 2016. DAS is to bring any request for additional funding needed to complete stage gate 3 planning through the end of the current biennium to the May 2016 meeting of the Emergency Board. In addition, DAS shall bring a plan to adjust rates and assessment charges for the second year of the biennium to fund both the HRIS planning project and new positions established as a part of the IT reorganization operationalized in Senate Bill 5701. A \$6,500,000 General Fund special purpose appropriation to the Emergency Board for this purpose may be allocated to pay General Fund increases associated with assessment and rate increases.

### **Oregon Liquor Control Commission**

The Subcommittee approved an Other Funds expenditure limitation in the amount of \$1,117,762 for the Oregon Liquor Control Commission to implement the provisions of House Bill 4014, Senate Bill 1511, and Senate Bill 1598. Three permanent regulatory specialist positions and four permanent administrative specialist positions are anticipated to be needed due to an increase in the assumed number of licensees as medical marijuana producers are authorized to transfer excess marijuana to recreational retail outlets, and to cover costs associated with the additional number of people working in the marijuana industry that will be required to have work permits and training. Services and supplies expenditures include \$350,000 for updates to the agency's "What's Legal" public information platform and associated outreach. Of the total amount, \$350,665 Other Funds expenditure limitation is for costs associated with Senate Bill 1598; if that bill is not enacted, this expenditure limitation is to be unscheduled by the Department of Administrative Services Chief Financial Office.

A technical adjustment was approved to convert four limited duration liquor regulatory specialists approved as part of House Bill 5047 to permanent status. This adjustment will have no effect on expenditure limitation in the 2015-17 biennium.

### **Public Employees Retirement System**

The Subcommittee increased expenditure limitation for the Financial and Administrative Services Division by \$100,000 Other Funds for a shortfall in the Secretary of State audit charges assessment budget. In addition, increased expenditure limitation in the amount of \$6,601,170 Other Funds was approved for the Financial and Administrative Services Division for the Office of the State Chief Information Officer Enterprise Technology Services assessment.

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## BUDGET NARRATIVE

The Subcommittee approved a one-time increase in Other Funds expenditure limitation of \$1,255,601 for the Public Employees Retirement System (PERS) Individual Account Program (IAP) information technology project. In addition, the Department of Administrative Services is to schedule all currently unscheduled Other Funds expenditure limitation for the project. The project is to move the administration of the IAP from a third-party administrator to the agency. A re-baselining of the project shows that initial project development costs have increased from \$2.9 million to \$6.1 million. The agency anticipates requesting an estimated \$1.9 million during the 2017-19 biennium to complete project development. The Joint Legislative Committee on Information Management and Technology (JLCIMT) recommendations were also approved.

A one-time increase in Other Funds expenditure limitation of \$1,659,976 was approved for information technology enhancements to the jClarety retirement system. JLCIMT recommendations were also approved. The Subcommittee directed the Department of Administrative Services to unschedule the entire \$1.7 million until the conditions set forth by JLCIMT are satisfied.

### **Department of Revenue**

The Subcommittee reduced the expenditure limitation for the Core Systems Replacement project by \$500,000 Other Funds (recreational marijuana tax proceeds) to account for contract savings for the recreational marijuana module. The original development cost was estimated at \$1 million in House Bill 5047 (2015).

Other Funds expenditure limitation for the Property Tax Division was reduced by \$500,000 because the limitation is in excess of the operational needs of the program and is without an underlying revenue source.

The Subcommittee approved a \$373,841 General Fund reduction and a reduction of 2.60 FTE for the Senior Citizens' and Disabled Citizens' Property Tax Deferral program. This technical adjustment will have no impact on the program, which is statutorily funded with Other Funds (Senior and Disabled Property Tax Deferral account). This is part of an effort to better align the agency's budget with actual program funding.

The General Fund appropriation for the Property Tax Division was increased by \$1.4 million in personal services and FTE on existing positions was increased by 7.20. This appropriation is to backfill Other Funds revenue shortfalls in the County Assessment Function Funding Assistance Account, but only for Department of Revenue Valuation Section (\$1.1 million), and for a reduction in county contract mapping services (\$240,986). A \$1.8 million reduction in Other Funds expenditure limitation was previously included in the agency's legislatively adopted budget. The 2017-19 biennial cost is estimated to be \$1.9 million General Fund.

The Subcommittee approved an increase of \$2,052,807 in Other Funds expenditure limitation (recreational marijuana tax) and the establishment of four permanent full-time Accounting Technician 2 positions (2.92 FTE) and one limited duration Principal Executive Manager B position (0.75 FTE) for the recreational marijuana program. In addition, an Economist 3 position, approved as part of House Bill 5047 (2015), is moved from permanent full-time to limited duration. Personal services costs total \$481,063, with \$653,792 in services and supplies and \$917,952 in capital outlay. Of the \$2.1 million expenditure limitation, \$633,920 is one-time limitation for program start-up and facility construction costs. The 2017-19 biennial cost is estimated to be \$1.4 million Other Funds. This request is for the processing of cash payments related to the recreational marijuana program; however, the Subcommittee's expectation is that this is to be done in an integrated fashion with the agency's current banking, Electronic Funds Transfer, and miscellaneous cash receipting of non-recreational marijuana taxes.

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# BUDGET NARRATIVE

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session

MEASURE: SB 5507 A

## BUDGET REPORT AND MEASURE SUMMARY

CARRIER: Rep. Buckley

### Joint Committee On Ways and Means

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Action: Do Pass.

Action Date: 07/03/15

#### Vote:

#### House

Yeas: 11 - Buckley, Gomberg, Huffman, Komp, McLane, Nathanson, Rayfield, Read, Smith, Whitsett, Williamson

Exc: 1 - Whisnant

#### Senate

Yeas: 12 - Burdick, Devlin, Girod, Hansell, Johnson, Monroe, Roblan, Shields, Steiner Hayward, Thomsen, Whitsett, Winters

Prepared By: Linda Ames and Linda Gilbert, Legislative Fiscal Office

Reviewed By: Ken Rocco, Legislative Fiscal Office

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Agency: Emergency Board

Biennium: 2015-17

Agencies: Various

Biennium: 2013-15

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<b><u>Budget Summary*</u></b>	<u>2013-15 Legislatively Approved Budget</u>	<u>2015-17 Legislatively Adopted Budget</u>	<u>2015-17 Committee Recommendation</u>	<u>Committee Change</u>
<b><u>Emergency Board</u></b>				
General Fund - General Purpose	-	-	\$ 30,000,000	\$ 30,000,000
General Fund - Special Purpose Appropriations				
State employee compensation changes	-	-	\$ 120,000,000	\$ 120,000,000
Compensation changes for non-state employees	-	-	\$ 10,700,000	\$ 10,700,000
Oregon Health Authority/Department of Human Services caseload or other costs	-	-	\$ 40,000,000	\$ 40,000,000
Education - early learning through post-secondary	-	-	\$ 3,000,000	\$ 3,000,000
Department of Administrative Enterprise Technology				
Services rate adjustment costs	-	-	\$ 6,500,000	\$ 6,500,000
Department of Justice - Defense of Criminal Convictions	-	-	\$ 2,000,000	\$ 2,000,000
Department of Human Services for provider audits	-	-	\$ 100,000	\$ 100,000
<b><u>Various Agencies - Omnibus Adjustments</u></b>				
General Fund	-	-	\$ (28,060,645)	\$ (28,060,645)
General Fund Debt Service	-	-	\$ (2,018,162)	\$ (2,018,162)
Lottery Funds	-	-	\$ (725,589)	\$ (725,589)
Other Funds	-	-	\$ (28,527,657)	\$ (28,527,657)
Federal Funds	-	-	\$ (11,062,641)	\$ (11,062,641)
<b><u>ADMINISTRATION PROGRAM AREA</u></b>				
<b><u>Department of Administrative Services</u></b>				
General Fund	-	-	\$ 2,540,000	\$ 2,540,000
Other Funds	-	-	\$ 16,800,847	\$ 16,800,847
Other Funds Nonlimited	-	-	\$ 145,875,000	\$ 145,875,000

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## BUDGET NARRATIVE

<b><u>Budget Summary*</u></b>	<u>2013-15 Legislatively Approved Budget</u>	<u>2015-17 Legislatively Adopted Budget</u>	<u>2015-17 Committee Recommendation</u>	<u>Committee Change</u>
<b><u>Office of the Governor</u></b>				
General Fund	-	-	\$ 500,000	\$ 500,000
Lottery Funds	-	-	\$ 1,332,517	\$ 1,332,517
<b><u>Public Employees Retirement System</u></b>				
Other Funds	-	-	\$ 509,960	\$ 509,960
<b><u>Department of Revenue</u></b>				
General Fund	-	-	\$ 3,935,414	\$ 3,935,414
General Fund Debt Service	-	-	\$ 3,756,256	\$ 3,756,256
Other Funds	-	-	\$ 28,264,440	\$ 28,264,440
<b><u>ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA</u></b>				
<b><u>Oregon Business Development Department</u></b>				
General Fund Debt Service	-	-	\$ 4,089,357	\$ 4,089,357
Lottery Funds	-	-	\$ 1,500,000	\$ 1,500,000
Other Funds	-	-	\$ 227,178,216	\$ 227,178,216
Other Funds Nonlimited	-	-	\$ 25,000,000	\$ 25,000,000
<b><u>Housing and Community Services Department</u></b>				
Other Funds	-	-	\$ 33,444,789	\$ 33,444,789
<b><u>Department of Veterans' Affairs</u></b>				
General Fund	-	-	\$ 500,000	\$ 500,000
<b><u>EDUCATION PROGRAM AREA</u></b>				
<b><u>Department of Education</u></b>				
General Fund	-	-	\$ 56,490,543	\$ 56,490,543
Lottery Funds	-	-	\$ 66,009,457	\$ 66,009,457
Other Funds	-	-	\$ 126,210,000	\$ 126,210,000

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## BUDGET NARRATIVE

- \$1,500,000 Other Funds for disbursement to the City of Tigard for the Hunziker Development Project.

Senate Bill 5507 includes a one-time \$400,000 General Fund appropriation to the Department of Administrative Services for a community-based organization, the YWCA of Greater Portland, to administer the Family Preservation Program (FPP) at Coffee Creek Correctional Facility. The FPP works with the Department of Corrections (DOC) to serve the best interests of the children of incarcerated parents by increasing therapeutic visitation between children and parents. The YWCA of Greater Portland is expected to provide facilitated case management including:

- Participation of a qualified mental health professional with training and experience with persons who have experienced trauma,
- Parenting skills training, including information on child development and attachment,
- Intensive communication between parents and the guardian or caregiver of the child,
- Facilitation of transportation of program participants to and from the prison,
- Facilitation of lodging to program participants when determined to be appropriate,
- Referrals to home visiting services and attorney services,
- Assistance in navigating state agency processes and nonprofit resources, and
- Reporting to the Legislature on measurable outcomes related to the welfare of the participating children and recidivism of participating incarcerated parents.

While the YWCA of Greater Portland will implement the program, DOC also has a role in the program's success. A budget note is included in the DOC section of this report to clarify the DOC role in administering the Family Preservation Program.

### Office of the Governor

The Office of the Governor is increased by \$1,332,517 Lottery Funds for the establishment of five regional solutions coordinator (PEM/F) positions (4.92 FTE). Three of these positions were in the Office of the Governor on a limited-duration basis during the 2013-15 biennium. The other two positions were in the Oregon Business Development Department on a limited-duration basis during the 2013-15 biennium.

The Office of the Governor is increased by \$500,000 General Fund for federal programs coordination. The increase includes one PEM/G position (1.00 FTE) for the program, as well as any needed services and supplies. This function had previously been housed in the Oregon Business Development Department.

### Public Employees Retirement System

The Subcommittee increased the Other Funds expenditure limitation by \$509,960 for the estimated fiscal impacts of House Bill 3495 (\$284,960) and Senate Bill 370 (\$225,000).

The Department of Administrative Services is expected to unschedule \$509,960 of expenditure limitation that may only be scheduled based upon the joint approval of the Office of the State Chief Information Officer and the Legislative Fiscal Office and after a more detailed evaluation of the information technology implementation plans for these two measures.

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# BUDGET NARRATIVE

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session

MEASURE: HB 5034 A

## BUDGET REPORT AND MEASURE SUMMARY

CARRIER: Sen. Steiner Hayward

### Joint Committee On Ways and Means

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**Action:** Do Pass The A-Eng Bill.

**Action Date:** 06/12/15

**Vote:**

#### Senate

**Yeas:** 12 - Burdick, Devlin, Girod, Hansell, Johnson, Monroe, Roblan, Shields, Steiner Hayward, Thomsen, Whitsett, Winters

#### House

**Yeas:** 12 - Buckley, Gomberg, Huffman, Komp, McLane, Nathanson, Rayfield, Read, Smith, Whisnant, Whitsett, Williamson

**Prepared By:** Tamara Brickman, Department of Administrative Services

**Reviewed By:** John Borden, Legislative Fiscal Office

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**Agency:** Public Employees Retirement System

**Biennium:** 2015-17

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# BUDGET NARRATIVE

## Budget Summary\*

	2013-15 Legislatively Approved Budget <sup>(1)</sup>	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				\$ Change	% Change
Other Funds Limited	\$ 86,851,130	\$ 88,364,442	\$ 94,164,006	\$ 7,312,876	8.4%
Other Funds Debt Service	\$ 1,302,850	\$ 1,290,750	\$ 1,290,750	\$ (12,100)	-0.9%
Other Funds Nonlimited	\$ 9,277,875,000	\$ 8,476,114,000	\$ 9,723,458,062	\$ 445,583,062	4.8%
Total	\$ 9,366,028,980	\$ 8,565,769,192	\$ 9,818,912,818	\$ 452,883,838	4.8%

## Position Summary

Authorized Positions	369	364	380	11
Full-time Equivalent (FTE) positions	367.23	364.00	380.00	12.77

<sup>(1)</sup> Includes adjustments through December 2014

\* Excludes Capital Construction expenditures

## Revenue Summary

The Public Employees Retirement System (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. PERS is funded solely through Other Funds, including investment earnings, which is \$14,298,953,101 (representing approximately 78.0 percent of the agency's revenue); contributions, which is \$3,532,290,963 (representing approximately 19.0 percent of the agency's revenue); fees from employers and public employees (members), which is \$491,974,674 (representing approximately 3.0 percent of the agency's revenues); and miscellaneous revenues, which is \$608,060. Primary revenue for the Standard Retiree Health Insurance Account (SHIRA) are investment earnings and insurance premiums 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.

## Summary of General Government Subcommittee Action

PERS is responsible for administering retirement programs for public employees, including state, school, and local government workers. The agency manages a number of programs, including the Tier One-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.

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# BUDGET NARRATIVE

The Subcommittee approved a budget of \$95,454,756 Other Funds, \$9,723,458,062 Other Funds Nonlimited and 380 positions (380.00 FTE) total budget for the agency. The total funds budget of \$9,818,912,818 is a 4.8 percent increase from the 2013-15 Legislatively Approved Budget.

## **Budget Note:**

The Public Employees Retirement System (PERS) is directed to report to the Joint Committee on Ways and Means during the legislative session in 2016, or the next Emergency Board, if the PERS Board adopts any change to the assumed earnings rate. The report is to include an actuarial analysis specially focused on the change in the assumed earnings rate.

## Tier One and Tier Two – 010-01

The Tier One-Tier Two Plan program unit accounts for employee and employer contributions and interest earnings related to the plans and reflects the retirement payments made to Tier One-Tier Two retirees. This program unit is made up entirely of Nonlimited Other Funds expenditure.

The Subcommittee approved a budget of \$8,262,947,862 Other Funds Nonlimited. This is a newly created budget structure for the 2015-17 biennium.

The Subcommittee approved the following:

- Package 801, LFO Adjustments. This package adds \$167,387,000 Other Funds Nonlimited for Tier One and Tier Two benefit payments related to implementing the Moro Supreme Court decision.
- Package 802, Nonlimited Expenditure Increase. This package adds \$756,475,354 Other Funds Nonlimited based on an updated forecast from the agency regarding revenues and expenditures. This updated forecast occurred prior to the Moro Supreme Court decision.

## Retirement Health Insurance Program – 010-02

PERS serves as a group sponsor providing health insurance services to more than 58,000 retired members and dependents. PERS works with insurance carriers to design benefit packages, determine specifications, solicit proposals, analyze carrier responses, and award contracts. PERS uses a third-party administrator to provide insurance services directly to members. The PERS Health Insurance Program is comprised of three statutorily mandated programs: Retirement Health Insurance Account (RHIA); Retiree Health Insurance Premium Account (RHIPA); and the Standard Retiree Health insurance Account (SRHIA).

The majority of the revenue for the SRHIA program comes from member-paid insurance premiums with additional revenues provided from federal sources like the Centers for Medicare and Medicaid Services (CMS) and resulting investment returns. The RHIA and RHIPA programs are funded from employer contributions and the return on investment of those contributions, which are held in the Public Employee Retirement Fund.

The Subcommittee approved a budget of \$558,094,445 Other Funds Nonlimited. This is a newly created budget structure for the 2015-17 biennium.

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## BUDGET NARRATIVE

The Subcommittee approved the following:

- Package 802, Nonlimited Expenditure Increase. This package adds \$86,925,014 Other Funds Nonlimited based on an updated forecast from the agency regarding revenues and expenditures.

### Oregon Public Service Retirement Pension Program – 010-03

The 2003 Legislature created the Oregon Public Service Retirement Pension (OPSRP) program. The OPSRP pension program is funded solely by employer contributions and investment earnings. The OPSRP program unit is made up entirely of Other Funds Nonlimited expenditures.

The Subcommittee approved a budget of \$28,926,864 Other Funds Nonlimited. This is a newly created budget structure for the 2015-17 biennium.

The Subcommittee approved the following:

- Package 801, LFO Adjustments. This package adds \$2,148,000 Other Funds Nonlimited for the OPSRP benefit payments related to implementing the Moro Supreme Court decision.
- Package 802, Nonlimited Expenditure Increase. This package adds \$9,934,263 Other Funds Nonlimited based on an updated forecast from the agency regarding revenues and expenditures. This updated forecast occurred prior to the Moro Supreme Court decision.

### Individual Account Program – 010-04

The Individual Account Program (IAP) is the defined contribution component of the PERS retirement plan.

This program accounts for employee contributions into the IAP, including contributions made by employers on behalf of employees. The IAP program unit is made up entirely of Other Funds Nonlimited expenditures for benefit payments.

The Subcommittee approved a budget of \$873,488,891 Other Funds Nonlimited. This is a newly created budget structure for the 2015-17 biennium.

The Subcommittee approved the following:

- Package 802, Nonlimited Expenditure Increase. This package adds \$224,474,251 Other Funds Nonlimited based on an updated forecast from the agency regarding revenues and expenditures.

### Debt Service – 400

This program accounts for debt service payments on Certificates of Participation issued to finance the PERS headquarters building construction. The debt will be fully repaid by May 2017.

## BUDGET NARRATIVE

The Subcommittee approved a budget of \$1,290,750 Other Funds. This is a 0.9 percent decrease from the 2013-15 Legislatively Approved Budget.

### Central Administration – 500-01

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, Internal Audits and Social Security Program.

The Subcommittee approved a budget of \$3,589,892 Other Funds and 10 positions (10.00 FTE). This is a newly created budget structure for the 2015-17 biennium.

The Subcommittee approved the following:

- Package 801, LFO Adjustments. This package reduces Other Funds expenditure limitation by \$44,386. This adjustment accounts for additional vacancy savings anticipated by the agency as well as savings in Services and Supplies, as the agency's actual expenditures are averaging well below budgeted authority.

### Benefit Payments Division – 500-02

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, as well as calculating and establishing service retirement, disability, and death benefits. Responsibilities also include determining eligibility for disability retirements, administering divorce decrees, and validating beneficiaries.

The Subcommittee approved a budget of \$14,181,869 Other Funds and 80 positions (80.00 FTE). This is a newly created budget structure for the 2015-17 biennium.

The Subcommittee approved the following:

- Package 101, Current Service Metrics Staffing Request. This package provides \$139,706 Other Funds expenditure limitation for one permanent position (1.00 FTE) to handle increasing numbers of retirements related to the OPSRP. The revenue to fund this package is from an administrative expense charged against retirement trust funds.
- Package 801, LFO Adjustments. This package reduces Other Funds expenditure limitation by \$139,373. This adjustment accounts for additional vacancy savings anticipated by the agency as well as savings in Services and Supplies, as the agency's actual expenditures are averaging well below budgeted authority.
- Package 803, Supreme Court Decision. This package adds \$696,820 Other Funds expenditure limitation to provide the department with the resources to implement the Oregon Supreme Court ruling on Senate Bill 822 (2013) and Senate Bill 861 (2013 Special Session). This is a

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## BUDGET NARRATIVE

one-time increase in limitation and is expected to be phased-out of the agency's 2017-19 budget. The revenue to fund this package is from an administrative expense charged against retirement trust funds.

### Financial and Admin Services Division – 500-03

The Financial and Administrative Services Division (FASD) 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. 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. FASD also contains the Facilities Services Section that manages office supplies, general building maintenance, shipping and receiving, and other various ancillary tasks. Human Resources, Retiree Health Insurance and Deferred Compensation programs and are also located within FASD.

The Subcommittee approved a budget of \$22,362,231 Other Funds and 62 positions (62.00 FTE). This is a newly created budget structure for the 2015-17 biennium.

The Subcommittee approved the following:

- Package 101, Current Service Metrics Staffing Request. This package transfers a daytime custodial permanent position (1.00 FTE) to PERS from the Department of Administrative Services (DAS). One position is added to the PERS budget and one position is abolished in the DAS budget (DAS Package 123). There is not a net expenditure change associated with this package. The revenue to fund this package is from an administrative expense charged against retirement and health insurance trust funds.
- Package 801, LFO Adjustments. This package reduces Other Funds expenditure limitation by \$308,398. This adjustment accounts for additional vacancy savings anticipated by the agency as well as savings in Services and Supplies, as the agency's actual expenditures are averaging well below budgeted authority.

### Information Services Division – 500-04

The Information Services Division (ISD) provides technical support to all divisions of the agency. ISD ensure 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.

The Subcommittee approved a budget of \$26,372,236 Other Funds and 75 positions (75.00 FTE). This is a newly created budget structure for the 2015-17 biennium.

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## **Budget Note:**

The Public Employees Retirement System, in consideration of a future information technology upgrade of its retirement applications, is directed to undertake a statutory review to identify recommendations for simplifying and reducing the costs of the statutory benefits structure and its administration. The report is to be submitted to the appropriate legislative committee(s) by September 2016.

The Subcommittee approved the following:

- Package 102, Fully Integrating IAP into ORION-Ph III. This package provides \$1,914,399 Other Funds expenditure limitation for three limited duration positions (3.00 FTE), Services and Supplies and the Capital Outlay to move the administration of the IAP from a third-party administrator to the agency. This will bring the IAP fully in-house. The agency's Oregon Retirement Information On-line Network (ORION) application requires the following three-phase process: Phase I Inception (\$300,000 Other Funds, expended in 2013-15); Phase II Elaboration or Development (\$718,750 Other Funds, expended in 2013-15); and Phase III Construction or Implementation (\$1,914,250 Other Funds to be expended in 2015-17). There is an estimated cost of \$33,000 in the 2017-19 biennium. The revenue for this package is derived from the retirement trust funds the agency administers.

DAS is requested to unschedule \$1,914,399 Other Funds, which may only be scheduled based upon the joint approval of the Office of the State Chief Information Officer, Chief Financial Office, and the Legislative Fiscal Office.

- Package 104, Technology Maintenance and Enhancements. This package adds \$250,000 Other Funds expenditure limitation to provide the agency with resources necessary for planning work that needs to be completed, including a detailed assessment of the current jClarety environment. This assessment is to include the current state of the system and a plan on how to best proceed in dealing with problems associated with the system.
- Package 105, Disaster Recovery Infrastructure Upgrade. This package adds \$1,581,200 Other Funds expenditure limitation to provide the agency with the resources to develop a Disaster Recovery (DR) and Business Continuity (BC) information technology infrastructure for the ORION with the objective of the providing system having the ability to be restored within 48 hours of a "localized" catastrophic event. This package contains three components: (1) development of an off-site "warm" network and data storage site (\$881,000); (2) implementation of a virtual desktop environment (\$529,700); and (3) implementation of a single sign-on infrastructure (\$170,500). There is an estimated 2017-19 cost of \$333,200 Other Funds. The revenue to fund this package is from an administrative expense charged against retirement and health insurance trust funds.

The Department of Administrative Services is requested to unschedule \$1,581,200 Other Funds, which may only be scheduled based upon the joint approval of the Office of the State Chief Information Officer, Chief Financial Office and the Legislative Fiscal Office.

## **Budget Note:**

The Public Employees Retirement System (PERS) is directed to conduct a detailed health check and risk assessment of the current state of its disaster recovery and business continuity environment, including the state of its current disaster recovery and business continuity plans. PERS is to develop an associated prioritized action plan to correct all identified deficiencies and to ensure that its disaster recovery and

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## BUDGET NARRATIVE

business continuity plans are in alignment with state policies, standards, and guidelines. PERS is directed to report to the Joint Committee on Ways and Means during the Legislative session in 2016 with its findings and prioritized action plan.

- Package 801, LFO Adjustments. This package reduces Other Funds expenditure limitation by \$355,076. This adjustment accounts for additional vacancy savings anticipated by the agency as well as savings in Services and Supplies, as the agency's actual expenditures are averaging well below budgeted authority.
- Package 803, Supreme Court Decision. Adds \$906,708 Other Funds expenditure limitation to provide the department with the resources to implement the Oregon Supreme Court ruling on Senate Bill 822 (2013) and Senate Bill 861 (2013 Special Session). This is a one-time increase in limitation and is expected to be phased-out of the agency's 2017-19 budget. The revenue to fund this package is from an administrative expense charged against retirement trust funds.

### Customer Services Division – 500-05

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 from the Online Member Services internet tool, an in-house phone team, and in person where it conducts group and individual counseling through various retirement planning sessions. CSD is also responsible for producing benefit estimates and member account statements. Additionally, CSD 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 including the annual reconciliation process.

The Subcommittee approved a budget of \$20,847,092 Other Funds and 127 positions (127.00 FTE). This is a newly created budget structure for the 2015-17 biennium.

The Subcommittee approved the following:

- Package 101, Current Service Metrics Staffing Request. This package provides \$504,377 Other Funds expenditure limitation to restore four previously limited duration call center staff (4.00 FTE) as permanent positions. These Retirement Counselor positions are expected to maintain favorable service metrics, such as call wait times and abandonment rates. The revenue to fund this package is from an administrative expense charged against retirement trust funds.
- Package 103, Enhance Staffing for Data Verification. This package provides \$956,875 Other Funds expenditure limitation and seven permanent positions (7.00 FTE) to assist the agency in eliminating an increase in the number of backlog of and completing in a reasonable time verification requests received by the agency from potential retirees.
- Package 801, LFO Adjustments. This package reduces Other Funds expenditure limitation by \$221,848. This adjustment accounts for additional vacancy savings anticipated by the agency as well as savings in Services and Supplies, as the agency's actual expenditures are averaging well below budgeted authority.

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### Policy, Planning & Communications Division – 500-07

The Policy, Planning, and Communications Division provides services related to legislative policy, rulemaking, legal counsel coordination, legal services, agency determination review and contested case activities including compliance with state and federal statutes, rules, and court decisions. This division also includes all strategic operational planning for both short and long range goals, enterprise-wide project management, and process improvement initiatives. Communication of all events and activities are provided to internal staff, PERS members and the local media through a variety of sources.

The Subcommittee approved a budget of \$6,810,686 Other Funds and 26 positions (26.00 FTE). This is a newly created budget structure for the 2015-17 biennium.

The Subcommittee approved the following:

- Package 801, LFO Adjustments. This package reduces Other Funds expenditure limitation by \$81,440. This adjustment accounts for additional vacancy savings anticipated by the agency as well as savings in Services and Supplies, as the agency's actual expenditures are averaging well below budgeted authority.

### Summary of Performance Measure Action

See attached Legislatively Adopted 2015-17 Key Performance Measures form.

# BUDGET NARRATIVE

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5034-A

Public Employees Retirement System  
Tamara Brickman -- (503) 378-4709

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2013-15 Legislatively Approved Budget at Dec 2014 *	\$ -	\$ -	\$ 88,153,980	\$ 8,277,875,000	\$ -	\$ -	\$ 9,366,028,980	389	367.23
2015-17 Current Service Level (CSL)*	\$ -	\$ -	\$ 89,655,192	\$ 8,478,114,000	\$ -	\$ -	\$ 8,565,769,192	364	364.00
<b>SUBCOMMITTEE ADJUSTMENTS (from CSL)</b>									
<b>SCR 010-01 - Tier One and TierTwo Pension Programs</b>									
Package 801: LFO Analyst Adjustment									
Special Payments	\$ -	\$ -	\$ -	\$ 167,387,000	\$ -	\$ -	\$ 167,387,000		
Package 802: Nonlimited Expenditure Increase									
Special Payments 8035 Dist to Individuals	\$ -	\$ -	\$ -	\$ 756,475,534	\$ -	\$ -	\$ 756,475,534		
<b>SCR 010-02 - Retirement Health Insurance Programs</b>									
Package 802: Nonlimited Expenditure Increase									
Services and Supplies	\$ -	\$ -	\$ -	\$ 32,935,892	\$ -	\$ -	\$ 32,935,892		
Special Payments 6030 Dist to Non-Gov Units	\$ -	\$ -	\$ -	\$ 53,989,322	\$ -	\$ -	\$ 53,989,322		
<b>SCR 010-03 - Oregon Public Service Retirement Pension Pgm</b>									
Package 801: LFO Analyst Adjustment									
Special Payments	\$ -	\$ -	\$ -	\$ 2,148,000	\$ -	\$ -	\$ 2,148,000		
Package 802: Nonlimited Expenditure Increase									
Special Payments 8035 Dist to Individuals	\$ -	\$ -	\$ -	\$ 9,934,263	\$ -	\$ -	\$ 9,934,263		
<b>SCR 010-04 - Individual Account Program (IAP)</b>									
Package 802: Nonlimited Expenditure Increase									
Special Payments 8035 Dist to Individuals	\$ -	\$ -	\$ -	\$ 224,474,251	\$ -	\$ -	\$ 224,474,251		
<b>SCR 500-01 Central Administration</b>									
Package 801: LFO Analyst Adjustment									
Personal Services (3455 vacancy-savings)	\$ -	\$ -	\$ (25,958)	\$ -	\$ -	\$ -	\$ (25,958)	0	0.00
Services and Supplies	\$ -	\$ -	\$ (18,428)	\$ -	\$ -	\$ -	\$ (18,428)		
<b>SCR 500-02 Benefit Payments Division</b>									
Package 101: Current Service Metrics Staffing Request									
Personal Services	\$ -	\$ -	\$ 128,681	\$ -	\$ -	\$ -	\$ 128,681	1	1.00
Services and Supplies	\$ -	\$ -	\$ 11,025	\$ -	\$ -	\$ -	\$ 11,025		
Package 801: LFO Analyst Adjustment									
Personal Services (3455 vacancy savings)	\$ -	\$ -	\$ (125,795)	\$ -	\$ -	\$ -	\$ (125,795)	0	0.00
Services and Supplies	\$ -	\$ -	\$ (13,578)	\$ -	\$ -	\$ -	\$ (13,578)		
Package 803: Supreme Court Decision									
Services and Supplies	\$ -	\$ -	\$ 696,820	\$ -	\$ -	\$ -	\$ 696,820		

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DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<b>SCR 500-03 Financial &amp; Admin Services Division (FASD)</b>									
Package 101: Current Service Metrics Staffing Request									
Personal Services	\$ -	\$ -	\$ 109,191	\$ -	\$ -	\$ -	\$ 109,191	1	1.00
Services and Supplies	\$ -	\$ -	\$ (109,191)	\$ -	\$ -	\$ -	\$ (109,191)		
Package 801: LFO Analyst Adjustment									
Personal Services (vacancy savings)	\$ -	\$ -	\$ (112,483)	\$ -	\$ -	\$ -	\$ (112,483)	0	0.00
Services and Supplies	\$ -	\$ -	\$ (195,915)	\$ -	\$ -	\$ -	\$ (195,915)		
<b>SCR 500-04 Information Services Division</b>									
Package 102: Fully Integrating IAP into ORION-Ph III									
Personal Services	\$ -	\$ -	\$ 513,075	\$ -	\$ -	\$ -	\$ 513,075	3	3.00
Services and Supplies	\$ -	\$ -	\$ 901,323	\$ -	\$ -	\$ -	\$ 901,323		
Capital Outlay	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000		
Package 104: Technology Maintenance & Enhancements									
Services and Supplies	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000		
Package 105: Disaster Recovery Infrastructure Upgrade									
Services and Supplies	\$ -	\$ -	\$ 555,200	\$ -	\$ -	\$ -	\$ 555,200		
Capital Outlay	\$ -	\$ -	\$ 1,026,000	\$ -	\$ -	\$ -	\$ 1,026,000		
Package 801: LFO Analyst Adjustment									
Personal Services (vacancy savings)	\$ -	\$ -	\$ (145,097)	\$ -	\$ -	\$ -	\$ (145,097)	0	0.00
Services and Supplies	\$ -	\$ -	\$ (209,979)	\$ -	\$ -	\$ -	\$ (209,979)		
Package 803: Supreme Court Decision									
Services and Supplies	\$ -	\$ -	\$ 906,708	\$ -	\$ -	\$ -	\$ 906,708		
<b>SCR 500-05 Customer Services Division</b>									
Package 101: Current Service Metrics Staffing Request									
Personal Services	\$ -	\$ -	\$ 480,277	\$ -	\$ -	\$ -	\$ 480,277	4	4.00
Services and Supplies	\$ -	\$ -	\$ 24,100	\$ -	\$ -	\$ -	\$ 24,100		
Package 103: Enhanced Staffing for Data Verification									
Personal Services	\$ -	\$ -	\$ 879,700	\$ -	\$ -	\$ -	\$ 879,700	7	7.00
Services and Supplies	\$ -	\$ -	\$ 77,175	\$ -	\$ -	\$ -	\$ 77,175		
Package 801: LFO Analyst Adjustment									
Personal Services (vacancy savings)	\$ -	\$ -	\$ (206,330)	\$ -	\$ -	\$ -	\$ (206,330)	0	0.00
Services and Supplies	\$ -	\$ -	\$ (15,518)	\$ -	\$ -	\$ -	\$ (15,518)		
<b>SCR 500-07 Policy, Planning &amp; Communications Division</b>									
Package 801: LFO Analyst Adjustment									
Personal Services (vacancy savings)	\$ -	\$ -	\$ (49,919)	\$ -	\$ -	\$ -	\$ (49,919)	0	0.00
Services and Supplies	\$ -	\$ -	\$ (31,521)	\$ -	\$ -	\$ -	\$ (31,521)		
<b>TOTAL ADJUSTMENTS</b>									
	\$ -	\$ -	\$ 5,709,564	\$ 1,247,344,062	\$ -	\$ -	\$ 1,253,143,626	16	16.00
<b>SUBCOMMITTEE RECOMMENDATION *</b>									
	\$ -	\$ -	\$ 95,454,756	\$ 9,723,458,062	\$ -	\$ -	\$ 9,818,912,818	380	380.00
% Change from 2013-15 Leg Approved Budget	0.0%	0.0%	8.3%	4.8%	0.0%	0.0%	4.8%		
% Change from 2015-17 Current Service Level	0.0%	0.0%	6.5%	14.7%	0.0%	0.0%	14.6%		

\*Excludes Capital Construction Expenditures

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# BUDGET NARRATIVE

## Legislatively Approved 2015-2017 Key Performance Measures

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

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

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
1 - TIMELY RETIREMENT PAYMENTS: Percent of initial service retirements paid within 45 days from retirement date.		Approved KPM	70.00	80.00	80.00
2 - TOTAL BENEFIT ADMIN COSTS: Total benefit administration costs per member.		Approved KPM	125.00	135.00	135.00
3 - MEMBER TO STAFF RATIO: Ratio of members to FTE staff.		Approved KPM	995.00	985.00	985.00
4 - ACCURATE BENEFIT CALCULATIONS: Percent of service retirement monthly benefits accurately calculated to within \$5 per month.		Approved KPM	98.00	100.00	100.00
5 - LEVEL OF PARTICIPATION: Percent of state employees participating in the deferred compensation program.		Approved KPM	35.00	38.00	38.00
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	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.	Availability of Information	Approved KPM	88.00	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	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.	Helpfulness	Approved KPM	91.00	95.00	95.00

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# BUDGET NARRATIVE

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

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

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
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	90.00	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	92.00	95.00	95.00
7 - TIMELY BENEFIT ESTIMATES: Percent of benefit estimates processed within 30 days.		Approved KPM	72.00	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		

**LFO Recommendation:**

The Legislative Fiscal Office recommends approval of the agency's key performance measures and targets.

**Sub-Committee Action:**

The General Government Subcommittee adopted the Legislative Fiscal Office recommendations.

Print Date: 6/11/2015

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# BUDGET NARRATIVE

## Public Employees Retirement System

### Agency Summary

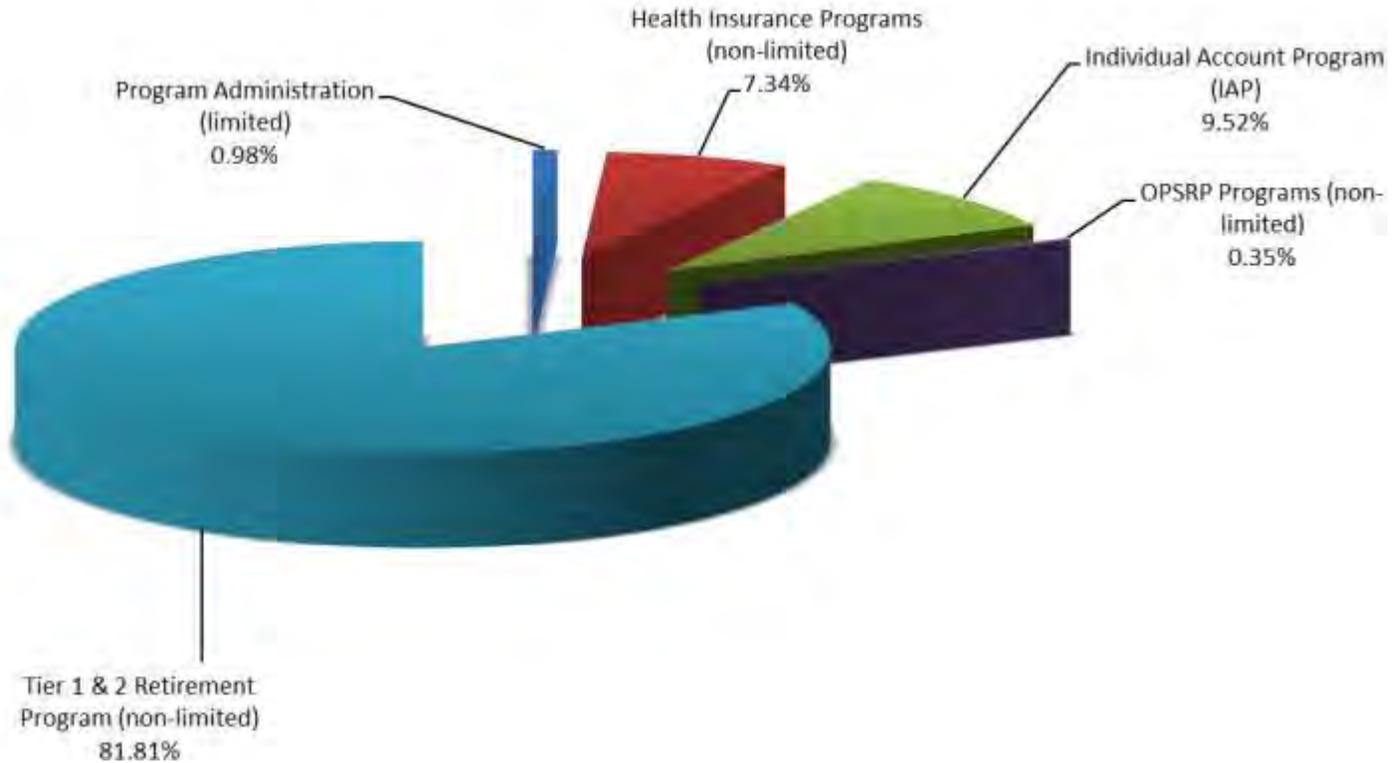
The Public Employees Retirement System (PERS) administers a range of retirement programs on behalf of more than 900 public employers throughout the state of Oregon. These programs are provided to all state agencies, universities, and community colleges; all public school districts; and almost all cities, counties, and other local government units. The agency administers the Tier One and Tier Two Retirement Programs, Oregon Public Service Retirement Plan Pension Program, Individual Account Program, Judge Member Retirement 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

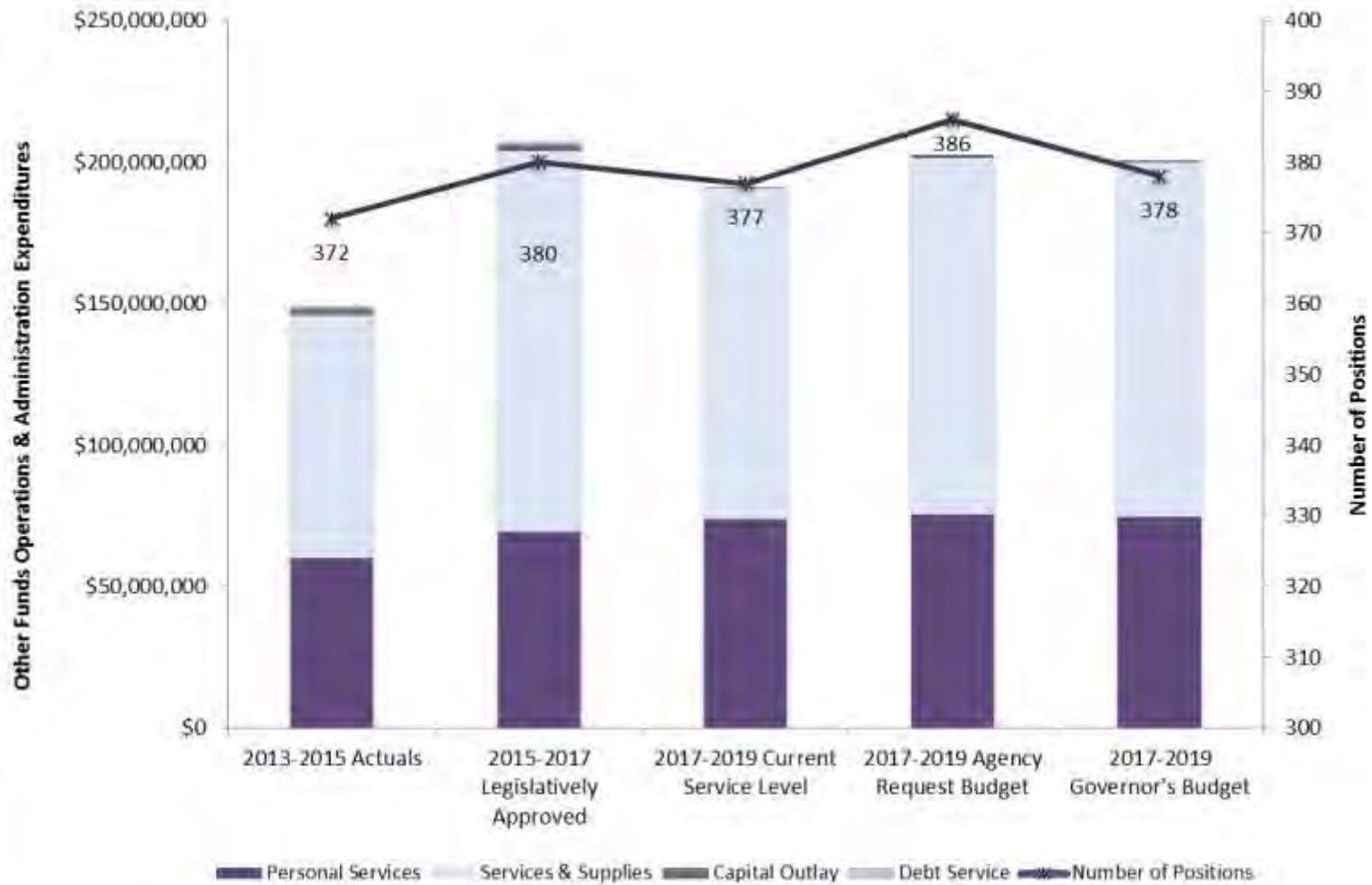
### PERS Expenditures by Activity

Agency Summary  
2017-19 Governor's Budget



## BUDGET NARRATIVE

### PERS Expenditure and Position Number Comparison



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## 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 30th	Limited Budget	PERF Balance		Percent
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	\$ 61,189,774,807		0.0692%
2011-2013	\$ 80,750,830	2012	\$ 40,375,415	\$ 59,456,250,160		0.0679%
		2013	\$ 40,375,415	\$ 65,362,545,518		0.0618%
2013-2015	\$ 86,851,130	2014	\$ 43,425,565	\$ 73,728,185,070		0.0599%
		2015	\$ 43,425,565	\$ 73,865,147,024		0.0574%
2015-2017	\$ 106,949,449	2016	\$ 53,474,724	\$ 71,331,639,411		0.0750%
		2017	\$ 53,474,724	\$ 75,249,130,000	E	0.0711%
	GB					
2017-2019	\$ 109,143,993	2018	\$ 54,571,997	\$ 77,343,380,000	E	0.0706%
		2019	\$ 54,571,997	\$ 79,310,120,000	E	0.0688%

E = Estimated

Although the agency’s 2017-19 budget request is a small increase in absolute dollars over the previous biennium, it still represents a stable percentage of the PERS fund.

# BUDGET NARRATIVE

## Mission Statement and Statutory Authority

### Mission Statement

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

### Shared Vision

Honoring your public service through secure retirement benefits

### Core Values

**Service-Focus** - We work together to meet the needs of others with dependability, professionalism, and respect

**Accountability** - We take ownership for our decisions, actions, and outcomes

**Integrity** - We inspire trust through transparency and ethical, sound judgment

### Core Operating Principles

**Professional** - We are responsive, respectful, and sensitive to the needs of our members, employers, and staff

**Accurate** - We ensure data integrity and provide consistent, dependable information and benefits

**Judicious** - We use sound judgement and prudent, principled decision-making in upholding our fiduciary responsibility

**Information Security** – We are constantly vigilant to safeguard confidential information

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

- Tier One and Tier Two Member Retirement Programs
  - ORS Chapters 237 and 238
- Oregon Public Service Retirement Program (OPSRP)
  - ORS Chapter 238A
- Individual Account Program (IAP)
  - ORS 238A.300 to 238A.475
- Judge Member Retirement Program
  - ORS 238.500 to 238.585
- Public Employee Benefit Equalization Fund
  - ORS 238.485 to 238.492
- Retiree Health Insurance Program
  - ORS 238.410 to 238.420
- Deferred Compensation Program
  - ORS 243.401 to 243.507
- 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 Two-Year Plan

### PERS' Strategic Outcomes, Processes, and Measures

PERS initiated a comprehensive, data-driven strategic planning effort in 2014 that culminated in the 2015-2020 Strategic Plan. The agency's executive leadership team initiated strategic planning to develop a clear roadmap and support alignment on enterprise-level priorities and initiatives that guide budget development and resource allocation. The plan dovetails with the PERS outcome-based management system that drives improvements to daily operations and work processes. The system provides a framework to engage employees in personal and organizational planning that directly aligns with the agency's mission, vision, core values, and operating principles. We continue to integrate problem-solving and decision-making tools that depend on active engagement from staff that have the most direct connection with members, employers, and stakeholders.

Achieving the goals outlined in the 2015-2020 Strategic Plan depends on successful execution of identified objectives, which requires regular monitoring of progress and alignment of priorities during plan implementation. The agency's current strategic and operational planning functions will be used to prioritize and allocate resources for each strategy as implementation plans are executed. Objectives will be accomplished with a variety of approaches including problem solving, project management, breakthrough initiatives, and integration into core business practices. Specific performance metrics will be identified for tracking progress on the plan's objectives.

What follows are summaries of the four major areas of the agency's plan with corresponding goals and objectives. This agency request budget and associated packages reflect the resources needed in each focus area.

### Organizational Management and Development

#### Focus Area: Workforce Development

Goal – Develop and support a culture of workforce excellence and effective leadership practices

- Objective 1 – Define and communicate PERS' measures of workforce excellence and desired leadership practices, consistent with organizational needs and strategic priorities
- Objective 2 – Develop and implement hiring, training, and performance management practices that support a culture of workforce and leadership excellence

#### Focus Area: Organizational Communication

Goal – Foster and enhance transparency, relevancy, and employee satisfaction with intra-agency communications

- Objective 1 – Survey and analyze internal communication deficits from the employees' perspective
- Objective 2 – Develop and implement an internal communication strategy to improve employee satisfaction

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## BUDGET NARRATIVE

Focus Area: PERS Outcome-Based management System (POBMS)

Goal – Complete POBMS integration throughout the agency

- Objective 1 – Fully develop team scorecards to measure performance and drive strategy decisions
- Objective 2 – Normalize POBMS-related methods throughout the agency

### Member Services and Communications

Focus Area: Member Relations

Goal – Engage members throughout their careers so they are better prepared for retirement

- Objective 1 – Develop tools and profiles relevant to members at different life and career stages
- Objective 2 – Brand PERS as a retirement education and planning resource

Focus Area: Quality Delivery Methods

Goal – Improve members' online access to secure content and process status

- Objective 1 – Enhance Online Member Services (OMS) with E-forms for all member transactions as well as views into workflow progress
- Objective 2 – Modernize PERS website to be compatible with mobile devices and integrate with social media

### Data Reliability

Focus Area: Member Accountability

Goal – Establish members as the primary quality check-point on their data of record

- Objective 1 – Target specific data for remediation to allow members to more meaningfully review the content
- Objective 2 – Educate members on the use and limitations of OMS legacy data

Focus Area: Data Constancy

Goal – Ensure data remains static after it is used in a transaction or payment

- Objective 1 – Lock submitted data for each calendar year
- Objective 2 – Lock legacy data after allowing employers to review and correct prior records

Focus Area: Agency Data Warehouse

Goal – Provide staff access to consistent, prompt, and reliable data reports

- Objective 1 – Define all data terms and map data as it related to technical and business needs and usage
- Objective 2 – Provide staff a data reporting structure that allows the user to derive and customize data reports

## BUDGET NARRATIVE

### Information Governance, Security, and Technology

#### Focus Area: IT Governance and Management Model

Goal – Implement improved Information Technology (IT) governance and management to clarify accountability and authority

- Objective 1 – Revise the current IT Governance and Management framework to better align with industry standards
- Objective 2 – Better define and document the inter-relationships between business operations, computer applications, system hardware, and other domains to provide more reliable and accessible information about PERS technology for decision making
- Objective 3 – Establish Information Governance Standards and Best Practices that support management of information assets at the enterprise level

#### Focus Area: Agile Technology System

Goal – Improve IT efficiency and responsiveness to business operational changes

- Objective 1 – Resolve missing functionality and key technical debt issues that are affective ORION’s administration, performance, maintainability, and sustainability
- Objective 2 – Adopt a scalable system development life cycle (SDLC) methodology to align with the risk and complexity of operational requirements

#### Focus Area: Information Security

Goal – Establish and implement an Information Security Management System in accordance with PERS Information Security Plan

- Objective 1 – Establish an information risk assessment process
- Objective 2 – Establish an information security risk treatment process
- Objective 3 – Develop and establish and Information Security Organizational Structure

#### Focus Area: Disaster Recovery

Goal – Provide operational infrastructure that restores critical business services in the event of a localized disaster

- Objective 1 – Define the technology infrastructure that is at risk in the event of a localized disaster and execute a strategy to restore that infrastructure
- Objective 2 – Update the agency’s Business Continuity Plan to align with disaster recovery strategies and infrastructure

## BUDGET NARRATIVE

### Agency Programs

PERS and its associated programs have a significant impact on Oregon's economy. In 2016, Oregon PERS paid approximately \$4.5 billion in benefits to retired members or their benefit recipients. The specific programs administered by PERS are described below:

### Tier One and Tier Two Programs

The Tier One and Tier Two programs are statutorily-created public employee retirement benefit programs. Their administration is funded with Other Fund revenues that provide retirement, death, and disability benefits for more than 100,000 non-retired members and more than 136,000 retired members and beneficiaries. Active Tier One and Tier Two membership will decline over time as the programs have been closed to new members since 2004. However, as these members mature into retirement eligibility, agency workloads for the programs will increase over the next decade. As of December 31, 2016 almost 50,000 (about 50%) of active and inactive Tier One and Tier Two members were eligible to retire by virtue of age or years of service.

The Tier One and 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 accounts, and generating annual member account statements.
- Providing information to members regarding retirement, disability, and death benefits; providing benefit estimates, and explaining benefit payment options for members and beneficiaries.
- Calculating and paying withdrawal, retirement, death, and disability benefits.

### Oregon Public Service Retirement Plan (OPSRP)

The Oregon Public Service Retirement Plan (OPSRP) was created by the Legislative Assembly in 2003 and, financed with Other Funds, provides a pension benefit for OPSRP members and a defined contribution individual account for all PERS members with service after January 1, 2004. 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, 2016, the OPSRP Pension Program had more than 134,000 active and inactive members, which is more than half of the current total active and inactive PERS member population.

## BUDGET NARRATIVE

### **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 calculated with a formula using their final average salary, length of service, and type of service (general vs. police/fire).

### **Individual Account Program (IAP)**

All PERS members active since 2004 participate in the Individual Account Program (IAP). Under 2003 PERS Reform, employee contributions from Tier One, Tier Two, and OPSRP members were directed into this separate IAP account effective January 1, 2004. As of December 31, 2016, there were 262,096 active IAP accounts. The IAP requires members in qualifying positions to contribute six percent of their salary into the IAP, which is invested as part of the Oregon Public Employees Retirement Fund (OPERF) under the oversight of the Oregon Investment Council (OIC).

At retirement, PERS members can choose to receive their IAP account balance in a lump-sum payment or in installments over a 5, 10, 15, or 20-year period, or over the member's anticipated life span. Currently, a third-party administrator provides record keeping services for the program. Member contributions and earnings on those contributions fund the administrative costs related to the IAP. Under the IAP, there is no guarantee of investment return or balance at retirement. Members make contributions that are invested and subject to market fluctuation. Approximately \$364 million in IAP benefit payments were issued during FY 2016.

### **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 and 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.

### **Retiree Health Insurance Programs**

PERS serves as a group sponsor, providing health insurance services to more than 59,000 retired members and dependents. PERS works with insurance carriers to design benefit packages, determine specifications, solicit proposals, analyze carrier responses, and award contracts based on quality of care and cost containment. PERS uses a third-party administrator to provide insurance services directly to members. The PERS Health Insurance Program is comprised of three statutorily-mandated programs:

## BUDGET NARRATIVE

### Retirement Health Insurance Account (RHIA)

This program provides a \$60 per month subsidy to help 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 45,000 retirees receive this subsidy, which totals approximately \$32.4 million 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 agency employment but are not yet Medicare eligible and are not enrolled in the state employee health insurance retiree plans sponsored by Public Employees Benefit 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 more than \$4.6 million in premium subsidies annually to almost 1,300 retirees (average \$298 per member per month.)

### 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 \$200 million per year, third-party administration agreements, and consultant services. Member fees and earnings on dollars held by SRHIA fund this activity.

### **Benefit Equalization Fund (BEF)**

The Legislature created the Benefit Equalization Fund (BEF) in 1997, as permitted by the Internal Revenue Service (IRS), 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 above the IRS limits (around 70 benefit recipients each year.) The BEF began paying members affected by IRC 415 in 1998 and issues approximately \$1.5 million in benefits 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 State's SSA service.

## BUDGET NARRATIVE

### Deferred Compensation Program - Oregon Savings Growth Plan (OSGP)

The Oregon Savings Growth Plan (OSGP) is a deferred compensation program administered by PERS that provides the opportunity for public employees to voluntarily save additional funds to supplement their retirement benefits. This program is available to all state employees and those school districts and local government employers that choose to offer this plan.

This program allows participants to save additional funds for retirement while reducing their current taxable income. The program currently serves over 34,000 current and former state, school district, and local government employees. Plan assets were valued at approximately \$1.55 billion as of June 2016.

A third-party administrator provides OSGP record-keeping and investment services. Investment alternatives are selected with assistance of Oregon State Treasury staff with oversight from the Oregon Investment Council (OIC). PERS manages contracts with the third-party administrator, provides plan enrollment and educational support, monitors participant satisfaction, and provides customer support outside of the third-party administrator. Member contributions and related earnings fund OSGP administration.

In 1997, the Legislative Assembly authorized PERS to extend deferred compensation services to local government employees in addition to state employee participants. PERS provides information about the program to local government employers and coordinates enrollment and plan administration. Employers work directly with OSGP staff to resolve administrative issues, but they send contributions and contribution reports directly to the third party administrator.

### Debt Service

#### PERS Headquarters Building

In 1997, PERS, in cooperation with DAS State Facilities, built the Tigard headquarters building with land and construction costs financed through the issuance of a Certificate of Participation (COP). The balance will be paid 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, with over 70,000 of 219,000 active and inactive members eligible to retire as of December 2016.
- Complex and evolving service delivery expectations to meet customer needs and uphold our responsibility to efficiently administer the retirement programs.
- Program administration complexities resulting from systemic plan dynamics like serial plan changes, litigation, and niche-plan customization.

These combined factors present unique challenges that 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 demographics indicate that the demand for PERS services will continue to increase. PERS has been funded at the Current Service Level (CSL) to process a baseline of 6,000 retirements per year. The number of retirements is increasing each year and may plateau at approximately 9,000 annually. In 2003, retirements spiked to over 12,000 due to benefit changes brought on by legislative reforms. In 2013, PERS experienced more than 9,600 retirements – a spike driven partly by legislative reforms. As of December 31, 2016, more than 70,000 members (more than 31% of all active and inactive members) were currently eligible to retire based on age or years of service.

Member retirements impact all agency activities and services. As more members approach retirement, requests for benefit estimates and retirement information increase. When a member chooses to retire, that triggers a process of data compilation and verification, in partnership with employers, to support the benefit calculation and resulting notice of entitlement which establishes the member benefit. In addition to calculating and processing the pension benefit, members also retire out of the IAP, which requires additional explanation of options, benefits, and processing. The volume of retirement requests and complexity of member account history drives PERS services and operational demands.

Many retiring members choose to participate in the PERS' Health Insurance Program. Their applications require a determination of eligibility, explanation of benefits, and deduction of premium for coverage. This program of five staff and partnership with a third-party administrator is at times challenged in communicating the expense and variety of health care coverage options available to retirees.

## BUDGET NARRATIVE

In addition to retiring members leaving public service, PERS accepts demographic data and establishes account information for new public employees. Finally, retired members are living longer, so PERS is experiencing an increased volume in: the pension roll (number of retirees and beneficiaries receiving benefits); the complexity of cost-of-living adjustment (COLA) calculations especially after the *Moro* ruling in 2015; changes to tax withholding and reporting; and changes to demographic data including addresses and bank routing information.

### Complex and Evolving Plan Structures

From 1945 to 2015, the legislature has approved at least 65 PERS plan changes that have impacted retiree benefit amounts (positively and negatively), eligibility, option selection, and health care premiums. The context, terms, and relationships between statutes, over 70 years, have become more intertwined. In 2003, the legislature made broad changes to PERS by closing eligibility for Tier One and Tier Two and adding the OPSRP Pension and IAP Programs. The changes mandated in 2003 had a major effect on PERS programs and benefit structures and created multiple special projects, technology and otherwise. At that time, PERS found administration of the plans and infrastructure of the system inadequate to meet reasonable service delivery expectations of stakeholders. The intricacy and volume of changes to PERS statutes since 2003 has also led to litigation from employers and members, increased the volume of contested cases, and caused delays in providing some basic services to members.

Subsequent to the 2003 reforms, the 2005 legislative session brought minor plan changes and refinements, but the 2007 legislative session saw challenges and opportunities for improved services as some elements of the 2003 reforms were modified and further refined. During the 2009 and 2010 legislative sessions, changes continued as legislation created the data verification process and allowed purchases using pre-tax funds. In 2011, a key change prohibited PERS from paying a tax remedy increase if a person is not a resident of Oregon or not subject to Oregon personal income tax for those eligible members who retire on or after January 1, 2012. A reduced COLA structure was approved by the legislature in 2013, as was the addition of a temporary, annual supplementary payment, and elimination of all tax remedy payments for retirees who do not pay Oregon income taxes because they don't live in Oregon. At the end of April 2015, the Oregon Supreme Court ruled in the *Moro* decision, that most of the 2013 reforms were unconstitutional, requiring the agency to implement a repayment and recalculation project for more than 120,000 benefit recipients.

Federal law and regulation changes, along with court decisions, also shape and refine the agency directives, requiring increased flexibility and adaptability from PERS at the administrative level and throughout its business processes and systems.

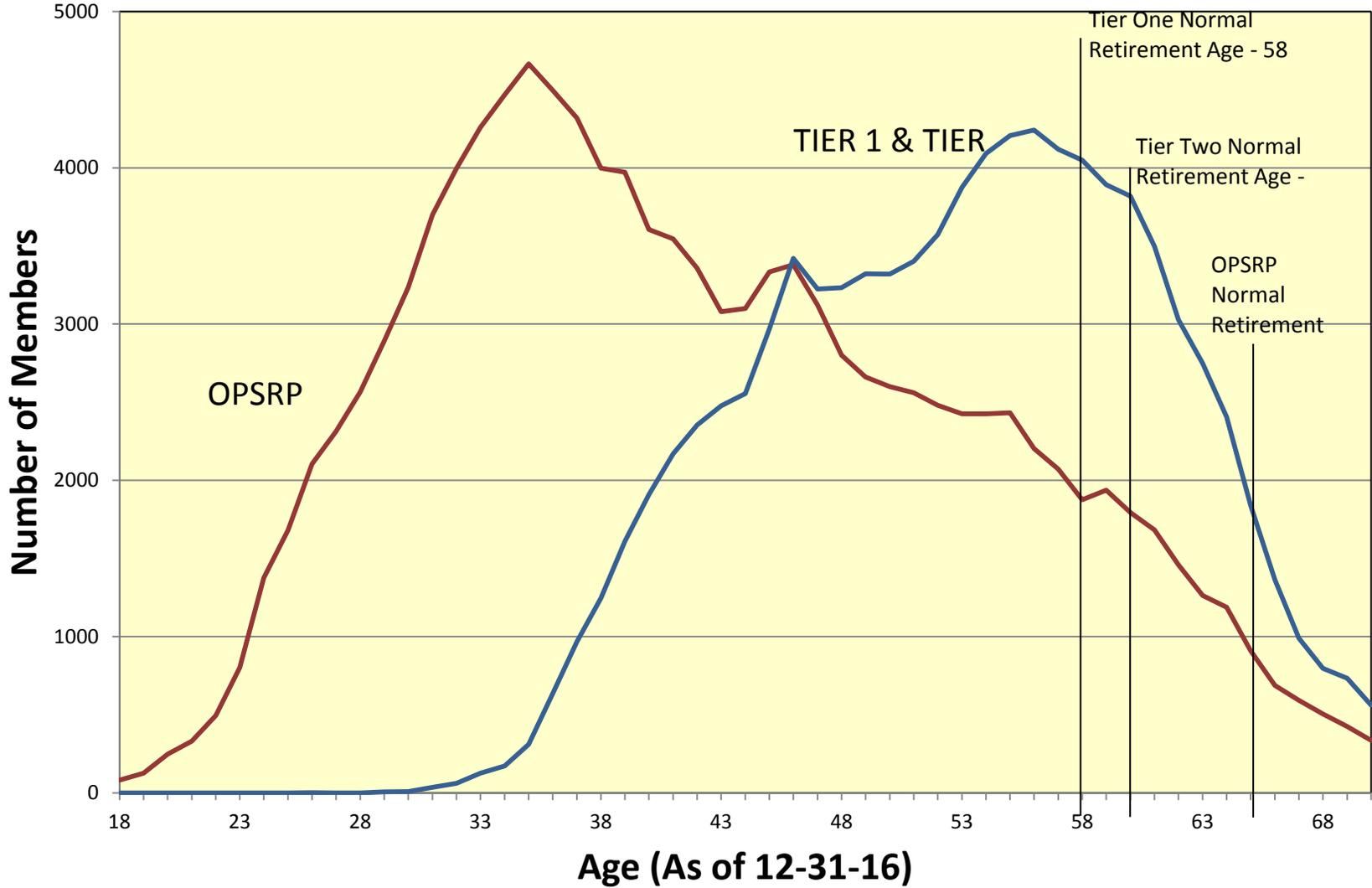
## BUDGET NARRATIVE

### Program Administration Complexities

With its legislatively approved staffing and budget resources, PERS provides a variety of retirement services to almost 350,000 members and benefit recipients, and more than 900 public employers. The agency is heavily dependent on the use of various information technology systems and uses third-party administrators for elements of the Retiree Health Insurance, the Individual Account, and Deferred Compensation Programs. Frequent revisions to the Tier One, Tier Two, and OPSRP programs complicate plan administration and frustrate member expectations. The inability to keep pace with these changes, given the constraints in implementing technology changes or evolving staff organizational models, limits the agency's ability to achieve its Core Value of Service Focus and Operating Principle of Professional performance.

**BUDGET NARRATIVE**

**Active Member Age Distribution PERS and OPSRP**

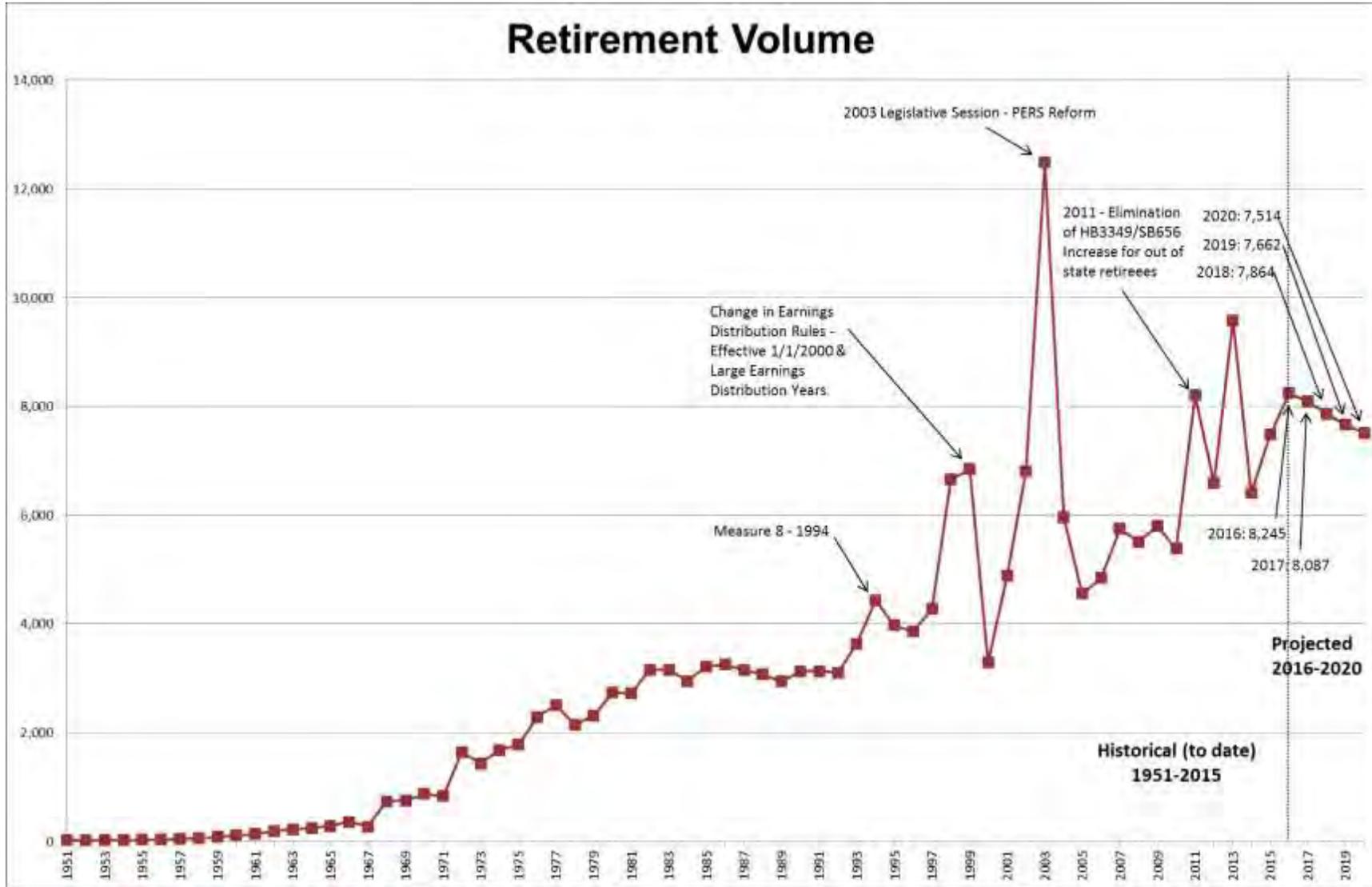


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# BUDGET NARRATIVE



# BUDGET NARRATIVE

## Criteria for 2017-2019 Budget Development

By initiating its new management system in 2012, PERS began an evolution towards becoming an aligned, outcome-driven agency. The Fundamentals Map that was developed in the first phase of that implementation outlines the agency mission, shared vision, and core values and operating principles. The agency's core work is measured according to six key goals, and those goals are achieved through performance improvement across various Outcome and Process Measures.

When PERS completed its design of the PERS Outcome Based Management System (POBMS), the next phase in our development was to address whether the organizational structure best supported the system. By creating the POBMS, we instituted cultural norms in how this agency would function. The agency's organizational structure needed to align with those norms so that further refinement and continued support for POBMS could be facilitated.

Aligning the agency's organizational structure by the processes through which we administer our trusts and other services fosters innovation and simplicity. Establishing clear lines of responsibility communicates to everyone a defined pathway to enhancing our service to members and employers, and accountability to stakeholders and each other. As a result, outcomes on key goals will improve as the focus is sharper on where and how we can better deploy our efforts to fulfill our mission and vision.

An organizational development/change management process was undertaken to transition to this new divisional alignment with the goal of completing that transition by July 1, 2017. Predominantly, this transition addressed scope and accountability for the management positions, team member allocations, and workflow and process changes. As this was an organizational structure change, staff in these divisions who were affected might report to a new manager or be relocated between our headquarters and production offices, but otherwise the work of the agency and their role in that effort was largely unaffected.

Consistent with the strategies underlying POBMS on distributed authority and accountability, the structure will lessen the distance from the Executive Leadership Team (ELT) to the agency staff, allowing ELT members to stay connected to the agency's daily work but not imposing a paternalistic pyramid where decisions have to go through several layers for resolution.

Using these foundational elements of the management system, the agency's planning for the next biennium was based on a strategy to use the budget process to improve agency performance in targeted areas. The proposed Policy Option Packages and organizational structure for the 2017-2019 biennium are connected to tactical, incremental strategies to maintain or improve performance of our business objectives.

## BUDGET NARRATIVE

PERS' 2017-19 Governor's Budget is developed to align with the Governor's 10-Year Strategic Plan of Improving Government and further the agency mission by focusing on improving customer service metrics and strengthening the agency's technology infrastructure. The following summaries describe the 2017-2019 packages.

### ***Package 021 – Phase-In Program Package Approval for three FTE Limited Duration Positions***

This package provided the continued support of the Strunk/Eugene Overpayment Recovery project that was approved by the Legislative Emergency Board in May 2012. Three limited duration positions were approved to continue the collection efforts in the 2015-17 biennium.

These staff members process payments and maintain repayment plans with more than 20,499 benefit recipients while monitoring more than 3,200 invoices that were assigned to third-party collectors. The three limited duration staff continue to be necessary for the remainder of the current biennium and for 2017-19, consistent with the project plan that provided the basis for the Emergency Board's previous approval. The staff may also be necessary in the 2019-21 biennium to maintain the repayment plans and monitor the collection efforts.

### ***Package 101 - Cybersecurity Program***

This proposed policy package is aligned with the PERS 2015-20 Strategic Plan initiative of Information Governance, Security, and Technology in the focus area of Information Security. This program will enhance PERS' Information Security Management System which establishes an information risk assessment and treatment process and develops a formal Information Security Organization Structure. More importantly, the program meets one of PERS' Operating Principles: Information Security. PERS is constantly vigilant to safeguard confidential information.

### ***Package 102 - Fully Integrating IAP Administration into the PERS ORION System - Project Continuation Phase 3***

This proposed policy package is aligned with the PERS 2015-20 Strategic Plan initiative, Member Services and Communications, in the focus area of Quality Delivery Methods by enhancing Online Member Services and modernizing the PERS website to be compatible with common interfaces. In addition, this project will increase Data Reliability, another 2015-20 Strategic Plan initiative, by consolidating IAP data and providing a query process that is more efficient and less complex. Lastly, this project addresses the 2015-20 Strategic Plan initiative for Information Governance, Security, and Technology in two focus areas - Information Governance and Agile Technology System.

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## BUDGET NARRATIVE

### *Package 103 - Business Modernization*

This proposed policy package is aligned with the PERS 2015-20 Strategic Plan initiative of Information Governance, Security, and Technology in the focus area of Agile Technology System by resolving missing functionality and key technical debt issues affecting administration, performance, maintainability, and sustainability of ORION, the Oregon Retirement Information Online Network. In addition, this package will also align with the PERS 2015-20 Strategic Plan initiative, Member Services and Communications, by providing solutions in the focus area of Quality Delivery Methods by leveraging mobile devices and social media. This proposed package will provide technology modernization and a case management solution that will bring modernized solutions that maintain current service levels, are more efficient in managing pension plan changes, and enhance member services while maintaining the overall cost per member to administer benefits.

## BUDGET NARRATIVE

### Performance Measures

#### *2016 Annual Performance Progress Report*

With the combined resources of the agency budget and Policy Option Packages approved in 2015, PERS made significant progress on the objectives set forth in the Key Performance Measures, as well as in the area of business process improvements as measured through the PERS Outcome Based Management System. 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. During FY2016, PERS issued 60% of its pension benefit inceptions within 45 days of the member's effective retirement date, a decrease from the 74% performance rate in FY2015. This year's decrease in performance was impacted by staff turnover and available staffing resources in the units involved in the pension inception process. Several key staff promoted into other areas, and new employees were hired in their places. Staffing resources were also affected by a large recalculation project resulting from the *Moro* court case. Key employees have been involved in this two year project, resulting in a drain on the staffing resources.

Despite these limitations this year, staff continue to build on system functionality as well as improving and limiting workarounds. In addition to system process improvements, we have streamlined and made process improvements to the retirement application itself and application processing.

#### **High-Quality Customer Service**

PERS' Key Performance Measure is to achieve a customer satisfaction rating of "good" or "excellent" from 95 percent of members and employers. The percentage of members rating our service either "good" or "excellent" was 92 percent in 2016; employers' ratings were 88 percent. Member-oriented services such as the one-on-one retirement application assistance program continue to be very successful. PERS has also continued to offer workshops and 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.

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### Optimize Effectiveness and Efficiency

PERS strives to deliver high-quality, cost-effective service to members and employers. PERS' member to staff ratio decreased to 977:1 in FY2016, down from 991:1 in FY2015. The staffing for FY16 increased by twelve FTE from FY15 levels while the membership levels were up by 2.0% for the period. This membership increase, coupled with the increased staffing level, is the cause for the decrease in the member to staff ratio this year.

Demographics tell us that the portion of public employees eligible to retire is already high (about 36% of all members) and will continue to grow if the number of retirements stays constant. While the rising volume of retirements is an issue facing most public pension systems, 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 2015. 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.

*Please see the full 2016 Annual Performance Progress Report in the Special Reports Section of this document for more information.*

## BUDGET NARRATIVE

### Major Information Technology Projects

Much of the work and communication with and throughout PERS is electronic in nature. Employers report data electronically, members are educated and informed about their benefits electronically (through the PERS web site and emails) and may conduct their benefit administration tasks (e.g., sending information change requests) electronically, and PERS databases hold copious volumes of employment history and associated information about members through and after public employment, stretching back the better part of a century. PERS staff use this data and a variety of tools to calculate benefit estimates, generate payments, and track more than 350,000 active and inactive members or benefit recipients.

The 2003 PERS Reforms drove development of the current technology systems and databases. Since that time, further operational and process efficiencies have been developed based on existing technology; but technology has evolved and member and employer interactions are becoming more web (and mobile) based. To keep pace with these changes, PERS must have an agile technology platform responsive to its business expectations, a key goal in our 2015-2020 strategic plan.

PERS has evolved into a process-driven organization through implementation of its outcome-based management system (which began development in 2012). We judge the success of agency work and make decisions about changes based on processes and their outcomes, which provides a rational, data driven approach to agency priorities and resource allocation. To build on and refine existing resources, PERS proposes strategic investment in technology during the 2017-2019 biennium.

### Cybersecurity

\$2,252,966 increase in limitation and the establishment of three permanent positions to create and support a PERS Cybersecurity team.

As highlighted in PERS' five-year strategic plan, information governance, security, and technology are core to delivering on our mission to pay the right person the right benefit at the right time. When we dive deeper and speak about information security, or cybersecurity in today's vernacular, we are focused on the protection of information from a wide range of threats to ensure business continuity, protect members' personal information, minimize business risk, and maximize return on investments and business opportunities. Cybersecurity, therefore, is comprised of implementing suitable controls, including policies, procedures, organization structures, and software and hardware functions. These controls need to be established, implemented, monitored and improved, where necessary, to ensure that the specific security and business objectives of the agency are met.

While PERS maintains a cybersecurity function, it is fragmented: there is not enough focus on end-user awareness training; it lacks operational accountability; and is often viewed as an afterthought when developing or implementing new technologies. Therefore,

## BUDGET NARRATIVE

PERS seeks to create a team which will be responsible for developing, implementing, and managing the PERS Cybersecurity Program.

The Cybersecurity Program will enhance the PERS Information Security Management System, which establishes an information risk assessment and treatment process, and the development of a formal Information Security Organizational Structure.

### **Integration of the IAP into ORION**

\$2,757,596 increase in limitation and the continuation of three limited duration positions to complete the third phase of the IAP Administration project.

The Individual Account Program (IAP) was created in August 2003 by the Oregon Legislature with the mandate that the program be operational four months later in January 2004. At that time, PERS contracted with a third-party administrator (TPA) to administer the program. In 2006, the PERS Board adopted a remediation plan for the IAP to align with PERS' annual contribution reconciliation and earnings crediting processes and set the IAP on an administratively consistent footing. The TPA could not be expected to provide complete functionality to administer all aspects of the IAP after remediation as no other account-based benefit system in the country matched its eligibility and service complexities. PERS developed manual processes and off-line workarounds for IAP contribution calculation, invoicing, earnings crediting, and distribution determinations to fill the functionality gap.

PERS explored several options to address the shortcomings of the current IAP administration model. Based on several factors, PERS chose to bring IAP administration in house and to support it with internal resources. Initial project approval was granted by the legislature in 2013, with further approval and funding for Phase I (Proof of Concept), Phase II (Planning), and Phase III (Execution/Transition - through June 2017) provided in the 2015 and 2016 sessions. Phase I and II have been completed. Phase III is currently in progress and completion is expected in December 2018. This phase is funded through the end of the current biennium.

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### Business Modernization

\$6,401,007 increase in limitation and the establishment of three permanent positions for technology modernization and a pension case management solution.

The agency's 2015-2020 Strategic Plan has a goal to provide an Agile Technology System that improves efficiency and responsiveness to business operational changes. The objective is to resolve functionality and technical debt deficiencies that affect system administration, performance, maintainability, and sustainability. The Oregon Retirement Information Online Network (ORION) is the agency's enterprise IT system with applications that support agency operations. This request highlights the value of normalizing the Information Service Division (ISD) current service level budget to allow adequate, steady resources to enhance member services, modernize the technology platform, and address functional inefficiencies in ORION that will preserve the investment in automated solutions.

Oregon has one of the highest complexity scores among 72 leading global pension systems as reported by CEM Benchmarking, a comprehensive research firm on pension administration. As a consequence of this complexity, maintaining PERS' Information Technology similarly requires customized solutions to mirror the system's administration. Storing, organizing, and flexibility, relating to the massive data that PERS receives, results in constantly evolving technology needs. Technology solutions for this complex network are expensive, but promote efficiencies and internal controls that are essential for an enterprise that must process financial transactions for hundreds of thousands of members, beneficiaries, and employers. To meet the demand for an agile, accessible, and accurate IT solution, PERS must constantly evolve its technology platform.

The current ISD, Enterprise Application Section (EAS) staffing level, including contractors, manages high priority ORION Maintenance and Enhancement changes and the IAP Administration Project. To meet business demands for additional enhancements and ORION modernization, PERS will require resources above current staffing levels, mixing core competencies from internal staff with upgraded functionalities provided by vendors.

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## Summary of 2015-17 Biennium Budget

### Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Public Employees Retirement System, Oregon  
 2017-19 Biennium

Governor's 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
2015-17 Leg Adopted Budget	380	380.00	9,818,619,966	-	-	95,161,904	-	9,723,458,062	-
2015-17 Emergency Boards	-	-	12,607,587	-	-	12,607,587	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>380</b>	<b>380.00</b>	<b>9,831,227,553</b>	<b>-</b>	<b>-</b>	<b>107,769,491</b>	<b>-</b>	<b>9,723,458,062</b>	<b>-</b>
<b>2017-19 Base Budget Adjustments</b>									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	(6)	(6.00)	2,883,405	-	-	2,883,405	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	(1,290,750)	-	-	(1,290,750)	-	-	-
Base Nonlimited Adjustment	-	-	1,270,712,938	-	-	-	-	1,270,712,938	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	<b>374</b>	<b>374.00</b>	<b>11,103,533,146</b>	<b>-</b>	<b>-</b>	<b>109,362,146</b>	<b>-</b>	<b>10,994,171,000</b>	<b>-</b>
<b>Essential Packages</b>									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	641,817	-	-	641,817	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	243,922	-	-	243,922	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>885,739</b>	<b>-</b>	<b>-</b>	<b>885,739</b>	<b>-</b>	<b>-</b>	<b>-</b>
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	3	3.00	804,304	-	-	804,304	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	(8,322,234)	-	-	(8,322,234)	-	-	-
<b>Subtotal</b>	<b>3</b>	<b>3.00</b>	<b>(7,517,930)</b>	<b>-</b>	<b>-</b>	<b>(7,517,930)</b>	<b>-</b>	<b>-</b>	<b>-</b>
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	899,929	-	-	899,929	-	-	-
State Gov't & Services Charges Increase/(Decrease)	-	-	(6,251,033)	-	-	(6,251,033)	-	-	-

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## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Public Employees Retirement System, Oregon  
 2017-19 Biennium

Governor's 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	-	-	(5,351,104)	-	-	(5,351,104)	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	17,732	-	-	17,732	-	-	-
<b>Subtotal: 2017-19 Current Service Level</b>	<b>377</b>	<b>377.00</b>	<b>11,091,567,583</b>	<b>-</b>	<b>-</b>	<b>97,396,583</b>	<b>-</b>	<b>10,994,171,000</b>	<b>-</b>

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## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Public Employees Retirement System, Oregon  
 2017-19 Biennium

Governor's 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: 2017-19 Current Service Level</b>	377	377.00	11,091,567,583	-	-	97,396,583	-	10,994,171,000	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	377	377.00	11,091,567,583	-	-	97,396,583	-	10,994,171,000	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	(2)	(2.00)	(495,921)	-	-	(495,921)	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	(422,825)	-	-	(234,824)	-	(188,001)	-
092 - Statewide AG Adjustment	-	-	(80,047)	-	-	(80,047)	-	-	-
101 - Cybersecurity Program	-	-	2,252,966	-	-	2,252,966	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	3	3.00	2,757,595	-	-	2,757,595	-	-	-
103 - Business Modernization	-	-	6,401,007	-	-	6,401,007	-	-	-
200 - Data Center Migration	-	-	1,147,634	-	-	1,147,634	-	-	-
<b>Subtotal Policy Packages</b>	1	1.00	11,559,409	-	-	11,747,410	-	(188,001)	-
<b>Total 2017-19 Governor's Budget</b>	378	378.00	11,103,126,992	-	-	109,143,993	-	10,993,982,999	-
Percentage Change From 2015-17 Leg Approved Budget	-0.53%	-0.53%	12.94%	-	-	1.28%	-	13.07%	-
Percentage Change From 2017-19 Current Service Level	0.27%	0.27%	-0.10%	-	-	12.06%	-	-	-

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## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Non-Limited Programs  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-010-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	-	-	9,723,458,062	-	-	-	-	9,723,458,062	-
2015-17 Emergency Boards	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	-	-	<b>9,723,458,062</b>	-	-	-	-	<b>9,723,458,062</b>	-
<b>2017-19 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	-	-	1,270,712,938	-	-	-	-	1,270,712,938	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	-	-	<b>10,994,171,000</b>	-	-	-	-	<b>10,994,171,000</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: 2017-19 Current Service Level</b>	-	-	<b>10,994,171,000</b>	-	-	-	-	<b>10,994,171,000</b>	-

# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Non-Limited Programs  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-010-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal: 2017-19 Current Service Level</b>	-	-	10,994,171,000	-	-	-	-	10,994,171,000	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	-	-	10,994,171,000	-	-	-	-	10,994,171,000	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	(188,001)	-	-	-	-	(188,001)	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Cybersecurity Program	-	-	-	-	-	-	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	-	-	-	-	-	-	-	-	-
103 - Business Modernization	-	-	-	-	-	-	-	-	-
200 - Data Center Migration	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	-	-	(188,001)	-	-	-	-	(188,001)	-
<b>Total 2017-19 Governor's Budget</b>	-	-	10,993,982,999	-	-	-	-	10,993,982,999	-
Percentage Change From 2015-17 Leg Approved Budget	-	-	13.07%	-	-	-	-	13.07%	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

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## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Tier One and Tier Two Pension Programs  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-010-01-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	-	-	8,262,947,862	-	-	-	-	8,262,947,862	-
2015-17 Emergency Boards	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>-</b>	<b>-</b>	<b>8,262,947,862</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,262,947,862</b>	<b>-</b>
<b>2017-19 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	-	-	820,052,138	-	-	-	-	820,052,138	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	<b>-</b>	<b>-</b>	<b>9,083,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,083,000,000</b>	<b>-</b>
020 - Phase In / Out Pgm & One-time Cost:									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
<b>Subtotal: 2017-19 Current Service Level</b>	<b>-</b>	<b>-</b>	<b>9,083,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,083,000,000</b>	<b>-</b>

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Tier One and Tier Two Pension Programs  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-010-01-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal: 2017-19 Current Service Level</b>	-	-	9,083,000,000	-	-	-	-	9,083,000,000	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	-	-	9,083,000,000	-	-	-	-	9,083,000,000	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Cybersecurity Program	-	-	-	-	-	-	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	-	-	-	-	-	-	-	-	-
103 - Business Modernization	-	-	-	-	-	-	-	-	-
200 - Data Center Migration	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	-	-	-	-	-	-	-	-	-
<b>Total 2017-19 Governor's Budget</b>	-	-	9,083,000,000	-	-	-	-	9,083,000,000	-
Percentage Change From 2015-17 Leg Approved Budget	-	-	9.92%	-	-	-	-	9.92%	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Retirement Health Insurance Programs  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-010-02-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	-	-	558,094,445	-	-	-	-	558,094,445	-
2015-17 Emergency Boards	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>-</b>	<b>-</b>	<b>558,094,445</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>558,094,445</b>	<b>-</b>
<b>2017-19 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	-	-	257,176,555	-	-	-	-	257,176,555	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	<b>-</b>	<b>-</b>	<b>815,271,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>815,271,000</b>	<b>-</b>
020 - Phase In / Out Pgm & One-time Cost:									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
<b>Subtotal: 2017-19 Current Service Level</b>	<b>-</b>	<b>-</b>	<b>815,271,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>815,271,000</b>	<b>-</b>

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Retirement Health Insurance Programs  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-010-02-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal: 2017-19 Current Service Level</b>	-	-	815,271,000	-	-	-	-	815,271,000	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	-	-	815,271,000	-	-	-	-	815,271,000	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	(178,208)	-	-	-	-	(178,208)	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Cybersecurity Program	-	-	-	-	-	-	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	-	-	-	-	-	-	-	-	-
103 - Business Modernization	-	-	-	-	-	-	-	-	-
200 - Data Center Migration	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	-	-	(178,208)	-	-	-	-	(178,208)	-
<b>Total 2017-19 Governor's Budget</b>	-	-	815,092,792	-	-	-	-	815,092,792	-
Percentage Change From 2015-17 Leg Approved Budget	-	-	46.05%	-	-	-	-	46.05%	-
Percentage Change From 2017-19 Current Service Level	-	-	-0.02%	-	-	-	-	-0.02%	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Oregon Public Service Retirement Pension Pgm  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-010-03-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	-	-	28,926,864	-	-	-	-	28,926,864	-
2015-17 Emergency Boards	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	-	-	<b>28,926,864</b>	-	-	-	-	<b>28,926,864</b>	-
<b>2017-19 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	-	-	10,073,136	-	-	-	-	10,073,136	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	-	-	<b>39,000,000</b>	-	-	-	-	<b>39,000,000</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: 2017-19 Current Service Level</b>	-	-	<b>39,000,000</b>	-	-	-	-	<b>39,000,000</b>	-

# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
Oregon Public Service Retirement Pension Pgm  
2017-19 Biennium

Governor's Budget  
Cross Reference Number: 45900-010-03-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal: 2017-19 Current Service Level</b>	-	-	39,000,000	-	-	-	-	39,000,000	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	-	-	39,000,000	-	-	-	-	39,000,000	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Cybersecurity Program	-	-	-	-	-	-	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	-	-	-	-	-	-	-	-	-
103 - Business Modernization	-	-	-	-	-	-	-	-	-
200 - Data Center Migration	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	-	-	-	-	-	-	-	-	-
<b>Total 2017-19 Governor's Budget</b>	-	-	39,000,000	-	-	-	-	39,000,000	-
Percentage Change From 2015-17 Leg Approved Budget	-	-	34.82%	-	-	-	-	34.82%	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Individual Account Program (IAP)  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-010-04-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	-	-	873,488,891	-	-	-	-	873,488,891	-
2015-17 Emergency Boards	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	-	-	<b>873,488,891</b>	-	-	-	-	<b>873,488,891</b>	-
<b>2017-19 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	-	-	183,411,109	-	-	-	-	183,411,109	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	-	-	<b>1,056,900,000</b>	-	-	-	-	<b>1,056,900,000</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: 2017-19 Current Service Level</b>	-	-	<b>1,056,900,000</b>	-	-	-	-	<b>1,056,900,000</b>	-

# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Individual Account Program (IAP)  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-010-04-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal: 2017-19 Current Service Level</b>	-	-	1,056,900,000	-	-	-	-	1,056,900,000	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	-	-	1,056,900,000	-	-	-	-	1,056,900,000	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	(9,793)	-	-	-	-	(9,793)	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Cybersecurity Program	-	-	-	-	-	-	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	-	-	-	-	-	-	-	-	-
103 - Business Modernization	-	-	-	-	-	-	-	-	-
200 - Data Center Migration	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	-	-	(9,793)	-	-	-	-	(9,793)	-
<b>Total 2017-19 Governor's Budget</b>	-	-	1,056,890,207	-	-	-	-	1,056,890,207	-
Percentage Change From 2015-17 Leg Approved Budget	-	-	21.00%	-	-	-	-	21.00%	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon**  
**Tier One and Tier Two Plan**  
**2017-19 Biennium**

**Governor's 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
2015-17 Leg Adopted Budget	-	-	-	-	-	-	-	-	-
2015-17 Emergency Boards	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2017-19 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	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
<b>Subtotal: 2017-19 Current Service Level</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Tier One and Tier Two Plan  
 2017-19 Biennium

Governor's 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
<b>Subtotal: 2017-19 Current Service Level</b>	-	-	-	-	-	-	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	-	-	-	-	-	-	-	-	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Cybersecurity Program	-	-	-	-	-	-	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	-	-	-	-	-	-	-	-	-
103 - Business Modernization	-	-	-	-	-	-	-	-	-
200 - Data Center Migration	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	-	-	-	-	-	-	-	-	-
<b>Total 2017-19 Governor's Budget</b>	-	-	-	-	-	-	-	-	-
Percentage Change From 2015-17 Leg Approved Budget	-	-	-	-	-	-	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Oregon Public Service Retirement Plan  
 2017-19 Biennium

Governor's 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
2015-17 Leg Adopted Budget	-	-	-	-	-	-	-	-	-
2015-17 Emergency Boards	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2017-19 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	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
<b>Subtotal: 2017-19 Current Service Level</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Oregon Public Service Retirement Plan  
 2017-19 Biennium

Governor's 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: 2017-19 Current Service Level</b>	-	-	-	-	-	-	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	-	-	-	-	-	-	-	-	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Cybersecurity Program	-	-	-	-	-	-	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	-	-	-	-	-	-	-	-	-
103 - Business Modernization	-	-	-	-	-	-	-	-	-
200 - Data Center Migration	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	-	-	-	-	-	-	-	-	-
<b>Total 2017-19 Governor's Budget</b>	-	-	-	-	-	-	-	-	-
Percentage Change From 2015-17 Leg Approved Budget	-	-	-	-	-	-	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Operations  
 2017-19 Biennium

Governor's 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
2015-17 Leg Adopted Budget	-	-	-	-	-	-	-	-	-
2015-17 Emergency Boards	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2017-19 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			-	-					-
Capital Construction			-	-					-
<b>Subtotal 2017-19 Base Budget</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
<b>Subtotal: 2017-19 Current Service Level</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Operations  
 2017-19 Biennium

Governor's 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
<b>Subtotal: 2017-19 Current Service Level</b>	-	-	-	-	-	-	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	-	-	-	-	-	-	-	-	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Cybersecurity Program	-	-	-	-	-	-	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	-	-	-	-	-	-	-	-	-
103 - Business Modernization	-	-	-	-	-	-	-	-	-
200 - Data Center Migration	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	-	-	-	-	-	-	-	-	-
<b>Total 2017-19 Governor's Budget</b>	-	-	-	-	-	-	-	-	-
Percentage Change From 2015-17 Leg Approved Budget	-	-	-	-	-	-	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Debt Service  
 2017-19 Biennium

Governor's 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
2015-17 Leg Adopted Budget	-	-	1,290,750	-	-	1,290,750	-	-	-
2015-17 Emergency Boards	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	-	-	<b>1,290,750</b>	-	-	<b>1,290,750</b>	-	-	-
<b>2017-19 Base Budget Adjustments</b>									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	(1,290,750)	-	-	(1,290,750)	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</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: 2017-19 Current Service Level</b>	-	-	-	-	-	-	-	-	-

# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon**  
**Debt Service**  
**2017-19 Biennium**

**Governor's 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: 2017-19 Current Service Level</b>	-	-	-	-	-	-	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	-	-	-	-	-	-	-	-	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Cybersecurity Program	-	-	-	-	-	-	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	-	-	-	-	-	-	-	-	-
103 - Business Modernization	-	-	-	-	-	-	-	-	-
200 - Data Center Migration	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	-	-	-	-	-	-	-	-	-
<b>Total 2017-19 Governor's Budget</b>	-	-	-	-	-	-	-	-	-
Percentage Change From 2015-17 Leg Approved Budget	-	-	-100.00%	-	-	-100.00%	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon  
Limited - Operations  
2017-19 Biennium**

**Governor's Budget  
Cross Reference Number: 45900-500-00-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	380	380.00	93,871,154	-	-	93,871,154	-	-	-
2015-17 Emergency Boards	-	-	12,607,587	-	-	12,607,587	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>380</b>	<b>380.00</b>	<b>106,478,741</b>	<b>-</b>	<b>-</b>	<b>106,478,741</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2017-19 Base Budget Adjustments</b>									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	(6)	(6.00)	2,883,405	-	-	2,883,405	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	<b>374</b>	<b>374.00</b>	<b>109,362,146</b>	<b>-</b>	<b>-</b>	<b>109,362,146</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Essential Packages</b>									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	641,817	-	-	641,817	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	243,922	-	-	243,922	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>885,739</b>	<b>-</b>	<b>-</b>	<b>885,739</b>	<b>-</b>	<b>-</b>	<b>-</b>
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	3	3.00	804,304	-	-	804,304	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	(8,322,234)	-	-	(8,322,234)	-	-	-
<b>Subtotal</b>	<b>3</b>	<b>3.00</b>	<b>(7,517,930)</b>	<b>-</b>	<b>-</b>	<b>(7,517,930)</b>	<b>-</b>	<b>-</b>	<b>-</b>
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	899,929	-	-	899,929	-	-	-
State Gov't & Services Charges Increase/(Decrease)	-	-	(6,251,033)	-	-	(6,251,033)	-	-	-

# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Limited - Operations  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-500-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal	-	-	(5,351,104)	-	-	(5,351,104)	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	17,732	-	-	17,732	-	-	-
<b>Subtotal; 2017-19 Current Service Level</b>	<b>377</b>	<b>377.00</b>	<b>97,396,583</b>	<b>-</b>	<b>-</b>	<b>97,396,583</b>	<b>-</b>	<b>-</b>	<b>-</b>

# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon  
Limited - Operations  
2017-19 Biennium**

**Governor's Budget  
Cross Reference Number: 45900-500-00-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal: 2017-19 Current Service Level</b>	377	377.00	97,396,583	-	-	97,396,583	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	377	377.00	97,396,583	-	-	97,396,583	-	-	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	(2)	(2.00)	(495,921)	-	-	(495,921)	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	(234,824)	-	-	(234,824)	-	-	-
092 - Statewide AG Adjustment	-	-	(80,047)	-	-	(80,047)	-	-	-
101 - Cybersecurity Program	-	-	2,252,966	-	-	2,252,966	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	3	3.00	2,757,595	-	-	2,757,595	-	-	-
103 - Business Modernization	-	-	6,401,007	-	-	6,401,007	-	-	-
200 - Data Center Migration	-	-	1,147,634	-	-	1,147,634	-	-	-
<b>Subtotal Policy Packages</b>	1	1.00	11,747,410	-	-	11,747,410	-	-	-
<b>Total 2017-19 Governor's Budget</b>	378	378.00	109,143,993	-	-	109,143,993	-	-	-
Percentage Change From 2015-17 Leg Approved Budget	-0.53%	-0.53%	2.50%	-	-	2.50%	-	-	-
Percentage Change From 2017-19 Current Service Level	0.27%	0.27%	12.06%	-	-	12.06%	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Central Administration  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-500-01-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	10	10.00	3,639,324	-	-	3,639,324	-	-	-
2015-17 Emergency Boards	-	-	190,414	-	-	190,414	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>10</b>	<b>10.00</b>	<b>3,829,738</b>	<b>-</b>	<b>-</b>	<b>3,829,738</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2017-19 Base Budget Adjustments</b>									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	115,749	-	-	115,749	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	<b>10</b>	<b>10.00</b>	<b>3,945,487</b>	<b>-</b>	<b>-</b>	<b>3,945,487</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Essential Packages</b>									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	25,474	-	-	25,474	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	5,168	-	-	5,168	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>30,642</b>	<b>-</b>	<b>-</b>	<b>30,642</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	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	5,772	-	-	5,772	-	-	-
State Gov't & Services Charges Increase/(Decrease)	-	-	(4,000)	-	-	(4,000)	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Central Administration  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-500-01-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal	-	-	1,772	-	-	1,772	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
<b>Subtotal; 2017-19 Current Service Level</b>	<b>10</b>	<b>10.00</b>	<b>3,977,901</b>	<b>-</b>	<b>-</b>	<b>3,977,901</b>	<b>-</b>	<b>-</b>	<b>-</b>

# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Central Administration  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-500-01-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal: 2017-19 Current Service Level</b>	<b>10</b>	<b>10.00</b>	<b>3,977,901</b>	-	-	<b>3,977,901</b>	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	<b>10</b>	<b>10.00</b>	<b>3,977,901</b>	-	-	<b>3,977,901</b>	-	-	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	(41,175)	-	-	(41,175)	-	-	-
092 - Statewide AG Adjustment	-	-	(435)	-	-	(435)	-	-	-
101 - Cybersecurity Program	-	-	-	-	-	-	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	-	-	-	-	-	-	-	-	-
103 - Business Modernization	-	-	-	-	-	-	-	-	-
200 - Data Center Migration	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	<b>-</b>	<b>-</b>	<b>(41,610)</b>	<b>-</b>	<b>-</b>	<b>(41,610)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total 2017-19 Governor's Budget</b>	<b>10</b>	<b>10.00</b>	<b>3,936,291</b>	<b>-</b>	<b>-</b>	<b>3,936,291</b>	<b>-</b>	<b>-</b>	<b>-</b>
Percentage Change From 2015-17 Leg Approved Budget	-	-	2.78%	-	-	2.78%	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-1.05%	-	-	-1.05%	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon**  
**Benefit Payments Division**  
**2017-19 Biennium**

**Governor's Budget**  
**Cross Reference Number: 45900-500-02-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	80	80.00	14,161,869	-	-	14,161,869	-	-	-
2015-17 Emergency Boards	-	-	585,680	-	-	585,680	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>80</b>	<b>80.00</b>	<b>14,767,549</b>	<b>-</b>	<b>-</b>	<b>14,767,549</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2017-19 Base Budget Adjustments</b>									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	901,345	-	-	901,345	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	<b>80</b>	<b>80.00</b>	<b>15,668,894</b>	<b>-</b>	<b>-</b>	<b>15,668,894</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Essential Packages</b>									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	122,469	-	-	122,469	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	68,188	-	-	68,188	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>190,657</b>	<b>-</b>	<b>-</b>	<b>190,657</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	-	-	(701,820)	-	-	(701,820)	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>(701,820)</b>	<b>-</b>	<b>-</b>	<b>(701,820)</b>	<b>-</b>	<b>-</b>	<b>-</b>
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	29,723	-	-	29,723	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>29,723</b>	<b>-</b>	<b>-</b>	<b>29,723</b>	<b>-</b>	<b>-</b>	<b>-</b>

# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
Benefit Payments Division  
2017-19 Biennium

Governor's Budget  
Cross Reference Number: 45900-500-02-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
<b>Subtotal: 2017-19 Current Service Level</b>	<b>80</b>	<b>80.00</b>	<b>15,187,454</b>	<b>-</b>	<b>-</b>	<b>15,187,454</b>	<b>-</b>	<b>-</b>	<b>-</b>

# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon  
Benefit Payments Division  
2017-19 Biennium**

**Governor's Budget  
Cross Reference Number: 45900-500-02-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal: 2017-19 Current Service Level</b>	<b>80</b>	<b>80.00</b>	<b>15,187,454</b>	-	-	<b>15,187,454</b>	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	<b>80</b>	<b>80.00</b>	<b>15,187,454</b>	-	-	<b>15,187,454</b>	-	-	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	(1,570)	-	-	(1,570)	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Cybersecurity Program	-	-	-	-	-	-	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	-	-	-	-	-	-	-	-	-
103 - Business Modernization	-	-	-	-	-	-	-	-	-
200 - Data Center Migration	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	<b>-</b>	<b>-</b>	<b>(1,570)</b>	<b>-</b>	<b>-</b>	<b>(1,570)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total 2017-19 Governor's Budget</b>	<b>80</b>	<b>80.00</b>	<b>15,185,884</b>	<b>-</b>	<b>-</b>	<b>15,185,884</b>	<b>-</b>	<b>-</b>	<b>-</b>
Percentage Change From 2015-17 Leg Approved Budget	-	-	2.83%	-	-	2.83%	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-0.01%	-	-	-0.01%	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Financial & Admin Services Division (FASD)  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-500-03-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	62	62.00	21,615,858	-	-	21,615,858	-	-	-
2015-17 Emergency Boards	-	-	7,108,828	-	-	7,108,828	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>62</b>	<b>62.00</b>	<b>28,724,486</b>	<b>-</b>	<b>-</b>	<b>28,724,486</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2017-19 Base Budget Adjustments</b>									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	(3)	(3.00)	113,795	-	-	113,795	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	<b>59</b>	<b>59.00</b>	<b>28,838,281</b>	<b>-</b>	<b>-</b>	<b>28,838,281</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Essential Packages</b>									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	108,314	-	-	108,314	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	17,295	-	-	17,295	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>125,609</b>	<b>-</b>	<b>-</b>	<b>125,609</b>	<b>-</b>	<b>-</b>	<b>-</b>
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	3	3.00	804,304	-	-	804,304	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	(384,391)	-	-	(384,391)	-	-	-
<b>Subtotal</b>	<b>3</b>	<b>3.00</b>	<b>419,913</b>	<b>-</b>	<b>-</b>	<b>419,913</b>	<b>-</b>	<b>-</b>	<b>-</b>
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	274,393	-	-	274,393	-	-	-
State Gov't & Services Charges Increase/(Decrease)	-	-	(6,247,033)	-	-	(6,247,033)	-	-	-

# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Financial & Admin Services Division (FASD)  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-500-03-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal	-	-	(5,972,640)	-	-	(5,972,640)	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	49,613	-	-	49,613	-	-	-
<b>Subtotal; 2017-19 Current Service Level</b>	<b>62</b>	<b>62.00</b>	<b>23,460,776</b>	<b>-</b>	<b>-</b>	<b>23,460,776</b>	<b>-</b>	<b>-</b>	<b>-</b>

# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Financial & Admin Services Division (FASD)  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-500-03-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal: 2017-19 Current Service Level</b>	62	62.00	23,460,776	-	-	23,460,776	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	62	62.00	23,460,776	-	-	23,460,776	-	-	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	(171,552)	-	-	(171,552)	-	-	-
092 - Statewide AG Adjustment	-	-	(8,165)	-	-	(8,165)	-	-	-
101 - Cybersecurity Program	-	-	-	-	-	-	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	-	-	-	-	-	-	-	-	-
103 - Business Modernization	-	-	-	-	-	-	-	-	-
200 - Data Center Migration	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	-	-	(179,717)	-	-	(179,717)	-	-	-
<b>Total 2017-19 Governor's Budget</b>	62	62.00	23,281,059	-	-	23,281,059	-	-	-
Percentage Change From 2015-17 Leg Approved Budget	-	-	-18.95%	-	-	-18.95%	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-0.77%	-	-	-0.77%	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Information Services Division  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-500-04-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	75	75.00	26,639,436	-	-	26,639,436	-	-	-
2015-17 Emergency Boards	-	-	3,433,766	-	-	3,433,766	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>75</b>	<b>75.00</b>	<b>30,273,202</b>	<b>-</b>	<b>-</b>	<b>30,273,202</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2017-19 Base Budget Adjustments</b>									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	(3)	(3.00)	314,685	-	-	314,685	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	<b>72</b>	<b>72.00</b>	<b>30,587,887</b>	<b>-</b>	<b>-</b>	<b>30,587,887</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Essential Packages</b>									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	140,587	-	-	140,587	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	39,783	-	-	39,783	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>180,370</b>	<b>-</b>	<b>-</b>	<b>180,370</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	-	-	(7,170,563)	-	-	(7,170,563)	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>(7,170,563)</b>	<b>-</b>	<b>-</b>	<b>(7,170,563)</b>	<b>-</b>	<b>-</b>	<b>-</b>
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	298,402	-	-	298,402	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>298,402</b>	<b>-</b>	<b>-</b>	<b>298,402</b>	<b>-</b>	<b>-</b>	<b>-</b>

# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Information Services Division  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-500-04-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
040 - Mandated Caseload									
040 - Mandated Caseload									
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts									
060 - Technical Adjustments									
060 - Technical Adjustments			(31,881)			(31,881)			
<b>Subtotal: 2017-19 Current Service Level</b>	<b>72</b>	<b>72.00</b>	<b>23,864,215</b>			<b>23,864,215</b>			

# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Information Services Division  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-500-04-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal: 2017-19 Current Service Level</b>	<b>72</b>	<b>72.00</b>	<b>23,864,215</b>	-	-	<b>23,864,215</b>	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	<b>72</b>	<b>72.00</b>	<b>23,864,215</b>	-	-	<b>23,864,215</b>	-	-	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	(2)	(2.00)	(495,921)	-	-	(495,921)	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	(15,130)	-	-	(15,130)	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Cybersecurity Program	-	-	2,252,966	-	-	2,252,966	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	3	3.00	2,757,595	-	-	2,757,595	-	-	-
103 - Business Modernization	-	-	6,401,007	-	-	6,401,007	-	-	-
200 - Data Center Migration	-	-	1,147,634	-	-	1,147,634	-	-	-
<b>Subtotal Policy Packages</b>	<b>1</b>	<b>1.00</b>	<b>12,047,151</b>	<b>-</b>	<b>-</b>	<b>12,047,151</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total 2017-19 Governor's Budget</b>	<b>73</b>	<b>73.00</b>	<b>35,911,366</b>	<b>-</b>	<b>-</b>	<b>35,911,366</b>	<b>-</b>	<b>-</b>	<b>-</b>
Percentage Change From 2015-17 Leg Approved Budget	-2.67%	-2.67%	18.62%	-	-	18.62%	-	-	-
Percentage Change From 2017-19 Current Service Level	1.39%	1.39%	50.48%	-	-	50.48%	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Customer Services Division  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-500-05-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	127	127.00	20,877,552	-	-	20,877,552	-	-	-
2015-17 Emergency Boards	-	-	1,058,741	-	-	1,058,741	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>127</b>	<b>127.00</b>	<b>21,936,293</b>	<b>-</b>	<b>-</b>	<b>21,936,293</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2017-19 Base Budget Adjustments</b>									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	1,197,157	-	-	1,197,157	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	<b>127</b>	<b>127.00</b>	<b>23,133,450</b>	<b>-</b>	<b>-</b>	<b>23,133,450</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Essential Packages</b>									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	196,086	-	-	196,086	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	98,604	-	-	98,604	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>294,690</b>	<b>-</b>	<b>-</b>	<b>294,690</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	-	-	(65,460)	-	-	(65,460)	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>(65,460)</b>	<b>-</b>	<b>-</b>	<b>(65,460)</b>	<b>-</b>	<b>-</b>	<b>-</b>
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	28,467	-	-	28,467	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>28,467</b>	<b>-</b>	<b>-</b>	<b>28,467</b>	<b>-</b>	<b>-</b>	<b>-</b>

# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Customer Services Division  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-500-05-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
040 - Mandated Caseload									
040 - Mandated Caseload									
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts									
060 - Technical Adjustments									
060 - Technical Adjustments									
<b>Subtotal: 2017-19 Current Service Level</b>	<b>127</b>	<b>127.00</b>	<b>23,391,147</b>	<b>-</b>	<b>-</b>	<b>23,391,147</b>	<b>-</b>	<b>-</b>	<b>-</b>

# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Customer Services Division  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-500-05-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal: 2017-19 Current Service Level</b>	127	127.00	23,391,147	-	-	23,391,147	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	127	127.00	23,391,147	-	-	23,391,147	-	-	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	(1,562)	-	-	(1,562)	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Cybersecurity Program	-	-	-	-	-	-	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	-	-	-	-	-	-	-	-	-
103 - Business Modernization	-	-	-	-	-	-	-	-	-
200 - Data Center Migration	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	-	-	(1,562)	-	-	(1,562)	-	-	-
<b>Total 2017-19 Governor's Budget</b>	127	127.00	23,389,585	-	-	23,389,585	-	-	-
Percentage Change From 2015-17 Leg Approved Budget	-	-	6.63%	-	-	6.63%	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-0.01%	-	-	-0.01%	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Policy, Planning & Communications Division  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-500-07-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	26	26.00	6,717,315	-	-	6,717,315	-	-	-
2015-17 Emergency Boards	-	-	230,158	-	-	230,158	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>26</b>	<b>26.00</b>	<b>6,947,473</b>	<b>-</b>	<b>-</b>	<b>6,947,473</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2017-19 Base Budget Adjustments</b>									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	240,674	-	-	240,674	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	<b>26</b>	<b>26.00</b>	<b>7,188,147</b>	<b>-</b>	<b>-</b>	<b>7,188,147</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Essential Packages</b>									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	46,887	-	-	46,887	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	14,884	-	-	14,884	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>63,771</b>	<b>-</b>	<b>-</b>	<b>63,771</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	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	263,172	-	-	263,172	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>263,172</b>	<b>-</b>	<b>-</b>	<b>263,172</b>	<b>-</b>	<b>-</b>	<b>-</b>

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BDV104 - Biennial Budget Summary  
BDV104

# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Policy, Planning & Communications Division  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-500-07-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
040 - Mandated Caseload									
040 - Mandated Caseload									
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts									
060 - Technical Adjustments									
060 - Technical Adjustments									
<b>Subtotal: 2017-19 Current Service Level</b>	<b>26</b>	<b>26.00</b>	<b>7,515,090</b>	<b>-</b>	<b>-</b>	<b>7,515,090</b>	<b>-</b>	<b>-</b>	<b>-</b>

# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Policy, Planning & Communications Division  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-500-07-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal: 2017-19 Current Service Level</b>	26	26.00	7,515,090	-	-	7,515,090	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	26	26.00	7,515,090	-	-	7,515,090	-	-	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	(3,835)	-	-	(3,835)	-	-	-
092 - Statewide AG Adjustment	-	-	(71,447)	-	-	(71,447)	-	-	-
101 - Cybersecurity Program	-	-	-	-	-	-	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	-	-	-	-	-	-	-	-	-
103 - Business Modernization	-	-	-	-	-	-	-	-	-
200 - Data Center Migration	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	-	-	(75,282)	-	-	(75,282)	-	-	-
<b>Total 2017-19 Governor's Budget</b>	26	26.00	7,439,808	-	-	7,439,808	-	-	-
Percentage Change From 2015-17 Leg Approved Budget	-	-	7.09%	-	-	7.09%	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-1.00%	-	-	-1.00%	-	-	-

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# BUDGET NARRATIVE

## Program Prioritization for 2017-19

Public Employees Retirement System																				Agency Number: 48000	
2017-2019 Biennium																					
Retirement, Death & Disability Program																					
Program/Division Priorities for 2017-2019 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	DF	LF	DF	NL-DF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Revised Employee Program (Y/N)	Included in Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FG, 0)	Legal Citation	Explain What is Mandatory (for C, FM, and FG Only)	Comments on Proposed Changes to CBL Included in Agency Request	
Agcy	Prgr/Act																				
1	1	PERS	CH-DB	Top One and Top Two Programs	KPM #1, 2, 3, 4, 5, 7 & 8	4			3,000,000,000			\$ 8,051,500,000					4	C	Article 1	See below	No Changes to CBL
1	1	PERS	CONP-DB	Individual Account Program	KPM #1, 2, 3, 4, 5, 7 & 8	4			1,052,000,000			\$ 1,052,000,000					4	C	Article 1	See below	No Changes to CBL
1	1	PERS	CONP-DB	Pension Program	KPM #1, 2, 3, 4, 5, 7 & 8	4			38,000,000			\$ 38,000,000					4	C	Article 1	See below	No Changes to CBL
			CONP-DB	Thrift Plan Administration	KPM #1, 2, 3, 4, 5, 7 & 8	4			4,900,000			\$ 4,900,000					4	C	ORS 248.04		No Changes to CBL
			Admin	Central Administration	KPM #1, 2, 3, 4, 5, 7 & 8	9			2,817,901			\$ 2,817,901	9	0.00			4	B	ORS 247.236 & 238A		No Changes to CBL
			PRC	Benefit Payments Division	KPM #1, 2, 3, 4, 5, 7 & 8	4			15,187,454			\$ 15,187,454	80	80			4	B	ORS 247.236 & 238A		No Changes to CBL
			FSD	Fiscal Services Division	KPM #1, 2, 3, 4, 5, 7 & 8	4			16,971,025			\$ 16,971,025	44	44.00			4	B	ORS 247.236 & 238A		No Changes to CBL
			SD	Information Services Division	KPM #1, 2, 3, 4, 5, 7 & 8	9			23,864,215			\$ 23,864,215	72	72			4	B	ORS 247.236 & 238A		HRD Policy Pkg. 101, 102 & 103
			OSD	Customer Services Division	KPM #1, 2, 3, 4, 5, 7 & 8	4			22,091,147			\$ 22,091,147	127	127			4	B	ORS 247.236 & 238A		No Changes to CBL
			PRC	Policy, Budget, Commissions Division	KPM #1, 2, 3, 4, 5, 7 & 8	9			7,815,090			\$ 7,815,090	38	38			4	B	ORS 247.236 & 238A		No Changes to CBL
									80,566,632	10,175,600,000		\$ 10,271,468,632	382	382.00							

### 7. Primary Purpose Program/Activity Exists

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

### 19. Legal Requirement Code

- C - Constitutional
- D - Direct Service
- FM - Federal Mandate
- FG - Federal - Optional (check you choose to determine certain requirements exist)
- 0 - Statutory

Within each Program/Division area, priorities with Budget Program Unit (Activities) by date budget need to OMB's

#### Document sources 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 division (detailed costs referenced) of the agency. Oregon courts have established that members have a contract right to these benefit programs and, as such, those rights cannot be imposed by law, in accordance with the Oregon Constitution's Article 5. The Retirement, Disability and Death Program is the agency's top priority.

This program gives 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 238.050(j)(g) directs the PERS Board, "Must 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 imposed 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

Public Employees Retirement System																			Agency Number: 43900			
2017-2019 Biennium																						
Retirement, Death & Disability Program																						
Program/Division Priorities for 2017-2019 Biennium																						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
Priority (lowest with highest priority first)	Agency Subunit	Program or Activity Subunit	Program Unit/Activity Description	Priority Key Performance Measure(s)	Primary Purpose Program Activity Code	GF	LF	DF	NL-DF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Expanded Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, etc)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL Included in Agency Request		
Agny	Prgrm Div																					
1	PERB	CH 258	Tier One and Tier Two Programs	ORM #1, 2, 3, 4, 5, 7 & 9	4							\$ 3,083,000,000						74	C	Article 1	See below	No Changes to CSL -
1	PERB	OPNRB-OP	Individual Account Program	ORM #1, 2, 3, 4, 5, 7 & 9	4							\$ 3,083,000,000						74	C	Article 1	See below	No Changes to CSL -
1	PERB	OPNRB-OB	Pension Program	ORM #1, 2, 3, 4, 5, 7 & 9	4							\$ 30,000,000						74	C	Article 1	See below	No Changes to CSL -
		OPNRB-OP	Trust Fund Administration	ORM #1, 2, 3, 4, 5, 7 & 9	4							\$ 4,600,000						74	C	ORS 258.9		No Changes to CSL -
		ADSH	Career Administration	ORM #1, 2, 3, 4, 5, 7 & 9	4			3,017,901				\$ 3,017,901	9	9.00				74	C	ORS 237.238 & 238A		No Changes to CSL -
		RPFD	Benefits Payments Division	ORM #1, 2, 3, 4, 5, 7 & 9	4			15,187,454				\$ 15,187,454	60	60				74	C	ORS 237.238 & 238A		No Changes to CSL -
		RPD	Payroll Services Division	ORM #1, 2, 3, 4, 5, 7 & 9	4			16,971,025				\$ 16,971,025	46	46.00				74	C	ORS 237.238 & 238A		No Changes to CSL -
		RS	Information Services Division	ORM #1, 2, 3, 4, 5, 7 & 9	4			23,884,215				\$ 23,884,215	72	72				74	C	ORS 237.238 & 238A		40B Policy Prg. 101, 102 & 103
		CSDE	Customer Service Division	ORM #1, 2, 3, 4, 5, 7 & 9	4			22,337,147				\$ 22,337,147	127	127				74	C	ORS 237.238 & 238A		No Changes to CSL -
		RPDCD	Policy, Planning, Communications Division	ORM #1, 2, 3, 4, 5, 7 & 9	4			1,315,096				\$ 1,315,096	28	28				74	C	ORS 237.238 & 238A		No Changes to CSL -
								32,547,632				\$ 32,547,632	100	100.00								

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

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

**19. Legal Requirement Code**

- C Constitutional
- D Direct Service
- FM Federal - Mandatory
- FO Federal - Optional (must pay across its jurisdiction, unless designated item)
- S Statutory

When using Program/Division codes, prioritize each Budget Program/Unit (Activity) by death benefit level in ORS 258.

**Document criteria used to prioritize activities:**

PERB 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 Programs 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, these 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 2017-2019

Public Employees Retirement System																			Agency Number: 45900		
2017-2019 Biennium																					
PERS Retiree Health Insurance Program																					
Program/Division Priorities for 2017-2019 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 Initiative	Program or Activity Initiative	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 Reflection Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal/Statute	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request	
Agcy	Prgrml Div																				
2	2	PERS	RHIA	Retirement Health Insurance Account	KPM # 2, 3, 6 & 8				66,600,000			\$ 66,600,000				N	S	ORS 238.420		No Changes to CSL	
2	2	PERS	RHIPA	Retirement Health Insurance Premium Account	KPM # 2, 3, 6 & 8				12,500,000			\$ 12,500,000				N	S	ORS 238.415		No Changes to CSL	
2	2	PERS	SRHIA	Standard Retiree Health Insurance Account	KPM # 2, 3, 6 & 8				645,000,000			\$ 645,000,000				N	S	ORS 238.410		No Changes to CSL	
			Admin	Third Party Administration	KPM # 2, 3, 6 & 8				88,171,000			\$ 88,171,000				N	S	ORS 237.238 & 238A		No Changes to CSL	
			FSD	Fiscal Services Division	KPM # 2, 3, 6 & 8				1,830,722			\$ 1,830,722	5	0.00		Y	S	ORS 237.238 & 238A		No Changes to CSL	
												\$ -									
												\$ -									
									1,830,722			\$ 1,830,722	5	0.00							
									615,271,000			\$ 617,101,722	5	5.00							

### 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

### 18. 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 OREITS.

#### 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, 425, 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."

2017-19

Program 2

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

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107BF07





# BUDGET NARRATIVE

## PROGRAM PRIORITIZATION FOR 2017-2019

Public Employees Retirement System																			Agency Number: 45900					
2017-2019 Biennium																								
Agency-Wide Priorities for 2017-2019 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				
Acgy	Prgrm Div																							
1	1	PERS		Retirement, Death & Disability Program	KPM #1, 2, 3, 4, 5, 7 & 8	4			92,546,832	10,178,900,000			\$ 10,271,446,832	362	362.00		Y	C	Article 1		Policy Pkg.101,102,103			
2	2	PERS		PERS Reserve Health Insurance Program	KPM # 2, 3, 5 & 8	4			1,830,722	818,271,000			\$ 817,101,720	5	5.00		Y	S	ORS 238.410 - 415, & 420		No Changes to CSL			
3	3	PERS	OSGP	Deferred Compensation Program	KPM # 2, 3, 5, 5 & 8	4			3,547,677				\$ 3,547,677	8	8.00		Y	S	ORS 243.401 - 243.507		No Changes to CSL			
4	4	PERS		Social Security Coverage Program	KPM # 2, 3, 5 & 8	4			453,670				\$ 453,670	2	2.00		Y	FM	Fed Reg Title 20, 404, 1204		No Changes to CSL			
													\$ -											
													\$ -											
													\$ -											
													\$ -											
									97,376,851	10,994,171,000			\$ 11,091,549,851	377	377.00									

**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

Prioritize each program activity for the Agency as a whole

Document criteria used to prioritize activities:

See criteria discussion at the Program/Activity priorities level.

2017-19

Agency-Wide

107BF23

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

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## BUDGET NARRATIVE

### 10% REDUCTIONS OPTIONS (ORS 291.216)

#### 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)	\$30,000 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 - 95% of customers rating service as "good" or "excellent."
2. Eliminate printed newsletter for active members	Eliminates publication and mailing of Agency newsletter to active PERS members	\$36,295 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 active members 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.	\$467,183 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.

2017-19

208BF17

\_\_\_ Agency Request

X Governor's

\_\_\_ 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
4. Reduce AG fees	Limits legal sufficiency review to contracts over \$150,000 (per OAR 137-045-0030 requirements), and decreases litigation support.	\$170,884 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%.	\$1,304,474 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 Admin. 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.	\$563,711 Other Funds	Increases risk of failed network and desktop equipment, and service delays, hindering the Agency's ability to achieve KPM #6 - Customer Service.

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### 10% REDUCTIONS OPTIONS (ORS 291.216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
7. Reduce Information Technology training plan	Eliminates training not related to support and maintenance of jClarety.	\$67,924 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.
8. Reduce office supplies (S&S)	Reduces office supplies support to all divisions and sections.	\$103,109 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 IME contract budget for disability claim review / determination.	\$105,000 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 centrally coordinated mail services and supply ordering/delivery	Eliminates position supporting mail services, supply ordering and delivery. (1 position - 1.00 FTE)	\$132,957 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.

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## BUDGET NARRATIVE

### 10% REDUCTIONS OPTIONS (ORS 291.216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
11. Reduce Agency training support	Eliminates 1 position responsible for coordination and delivery of training plans and materials. (1 position - 1.00 FTE)	\$187,902 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.
12. Reduce disability program support	Eliminates 2 positions handling technical support for the Operations Division (2 position – 2.00 FTE)	\$444,239 Other Funds	Increases risk of application support and development. Hinders the Agency’s ability to achieve KPM #1 - Timely Retirement Payments, KPM #6 - Customer Service, and KPM #7 - Timely Benefit Estimates.
13. Reduce technical support for data query	Eliminates 1 position processing and developing queries. (1 position – 1.00 FTE)	\$227,944 Other Funds	Increases time needed for data 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.
14. Eliminate Health Insurance Program administrative support	Eliminates 1 position providing administrative support to Health Insurance Program Manager. (1 position – 1.00 FTE)	\$132,862 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.

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## BUDGET NARRATIVE

### 10% REDUCTIONS OPTIONS (ORS 291.216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
15. Eliminate Customer Services Division administrative support	Eliminates 1 position providing administrative support for Customer Services Division. (1 position – 1.00 FTE)	\$125,144 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.
16. 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)	\$141,453 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 Deputy Director executive support	Eliminates 1 position providing executive support to Deputy Director. (1 position – 1.00 FTE)	\$217,052 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. Reduce Legislative coordinator support and activities	Eliminates 1 position responsible for Legislative coordination regarding Program updates, changes in regulations, and new rules. (1 position – 1.00 FTE)	\$287,987 Other Funds	Eliminates FTE used to support agency wide legislative coordination and communication. Position functions would be spread among Agency staff or directed to another Agency, increasing benefit administration costs counter to KPM #2 - Total Benefit Admin. Costs, and hindering the Agency’s ability to achieve KPM #6 - Customer Service.

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## BUDGET NARRATIVE

### 10% REDUCTIONS OPTIONS (ORS 291.216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
19. Reduce IT quality assurance and metrics engineering program support	Eliminates 1 QA Project Manager position, and 1 IT metrics engineering position. (2 positions – 2.00 FTE)	\$450,205 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.
20. 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)	\$507,316 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 38%, as well as hindering progress on KPM #6 - Customer Service.
21. Reduce IT systems development support	Eliminates 1 developer position supporting Agency projects. (1 positions – 1.00 FTE)	\$176,706 Other Funds	Decreases Agency timeliness and efficiency in implementing IT modifications, such as response to legislative changes or process improvements, increasing Total Benefit Admin. Costs (KPM #2), hindering achievement of KPM #8 - Board Best Practices.

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### 10% REDUCTIONS OPTIONS (ORS 291.216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
22. 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)	\$162,332 Other Funds	Increases time needed to complete work, response time to customers, and file audit risks, hindering progress on KPM #8 - Board Best Practices.
23. Reduce tax accounting program support	Eliminates 1 accountant position supporting financial reporting, and federal and state tax compliance. (1 positions – 1.00 FTE)	\$227,944 Other Funds	Increases time needed to complete work, and risks of untimely tax compliance, reporting, and remittance, contrary to KPM #8 - Board Best Practices.
24. Eliminate Project Management for technical releases	Eliminates 1 project manager within the operations technical support. (1 position – 1.00 FTE)	\$195,124 Other Funds	Increase time needed to complete work, and risks associated with decreased level of expertise processing technical releases, hindering the Agency's ability to achieve KPM #6 – Customer Service.
25. Reduce Contracts and Procurement program support	Eliminates 1 procurement assistant support position. (1 position – 1.00 FTE)	\$168,594 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.

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### 10% REDUCTIONS OPTIONS (ORS 291.216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
26. Reduce withdrawal program support	Eliminates 1 position supporting withdrawal applications (1 position – 1.00 FTE)	\$146,373 Other Funds	Reducing this position lengthens the average processing time for withdrawals. Currently 90-120 days to 120-150 days. It would also increase escalations for call center staff and managers. KPM #2.
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)	\$447,035 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.
28. Reduce program management and desktop publishing systems technical support	Eliminates 2 positions supporting Customer Services program management, productivity enhancements problem resolution / troubleshooting. (2 positions – 2.00 FTE)	\$337,712 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 benefit estimate and administrative program support	Eliminates 1 positions supporting benefit estimates, and 1 position supporting data validation. (2 positions – 2.00 FTE)	\$346,564 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 business rules coordination program support	Eliminates 1 position providing Agency-wide coordination of business rules. (1 position – 1.00 FTE)	\$234,844 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.

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## BUDGET NARRATIVE

### 10% REDUCTIONS OPTIONS (ORS 291.216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
31. Reduce Tech Team Support for Operations program	Eliminates 2 positions coordinating technical support. (2 positions – 2.00 FTE)	\$368,224 Other Funds	Eliminates resources used to improve agency quality and accountability prevents efforts to reduce agency costs in support of KPM #2 - Total Benefit Admin. Costs, and conform to KPM #8 - Board Best Practices.
32. Reduce Actuarial service program support	Eliminates 1 position providing support to the actuarial services. (1 position – 1.00 FTE)	\$208,684 Other Funds	Increases time needed to complete work, response time to customers, and file audit risks, hindering progress on KPM #8 - Board Best Practices.
33. Reduce technical support and application development for the operations and information services divisions	Eliminates 4 positions providing technical support and application development (4 positions – 4.00 FTE)	\$818,987 Other Funds	Increases time needed towards application development, hindering the Agency's ability to achieve KPM #6 - Customer Service.
34. Reduce employer audit and communications	Eliminates 1 position in employer outreach (1 position – 1.00 FTE)	\$195,124 Other Funds	Increases employer audit and communications waiting time and decrease agency communications to employers. Agency's ability to achieve KPM #6 - Customer Service.
<b>Totals</b>	<b>37 Positions (37.00 FTE)</b>	<b>\$9,737, 885 Other Funds</b>	

9.81% of 377 CSL Positions	10.00% of \$97,378,851 CSL
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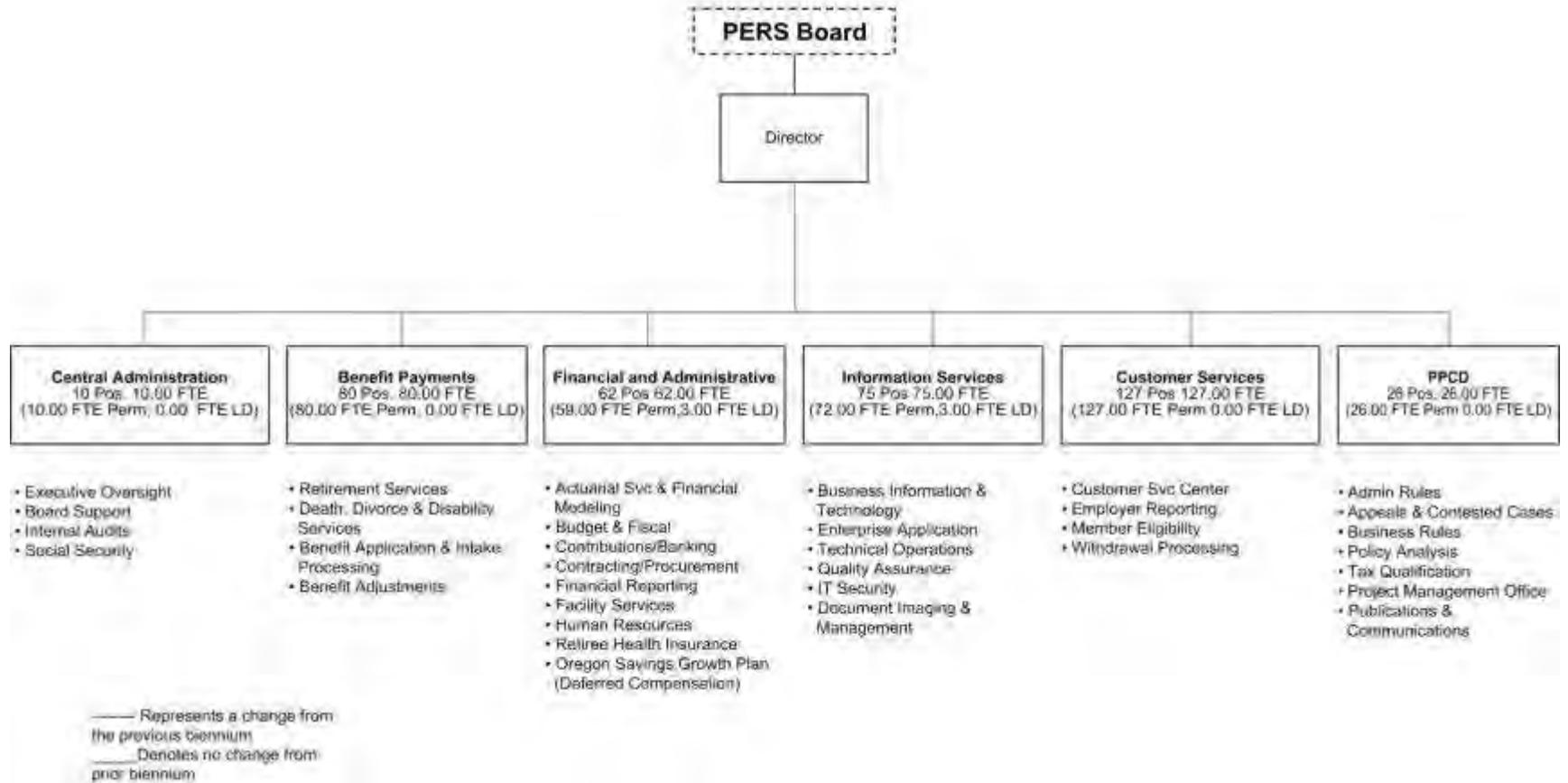
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# BUDGET NARRATIVE

## 2015-2017 Organization Chart

Public Employees Retirement System  
 2015-17 Legislatively Adopted Budget  
 380 Positions  
 380.00 FTE



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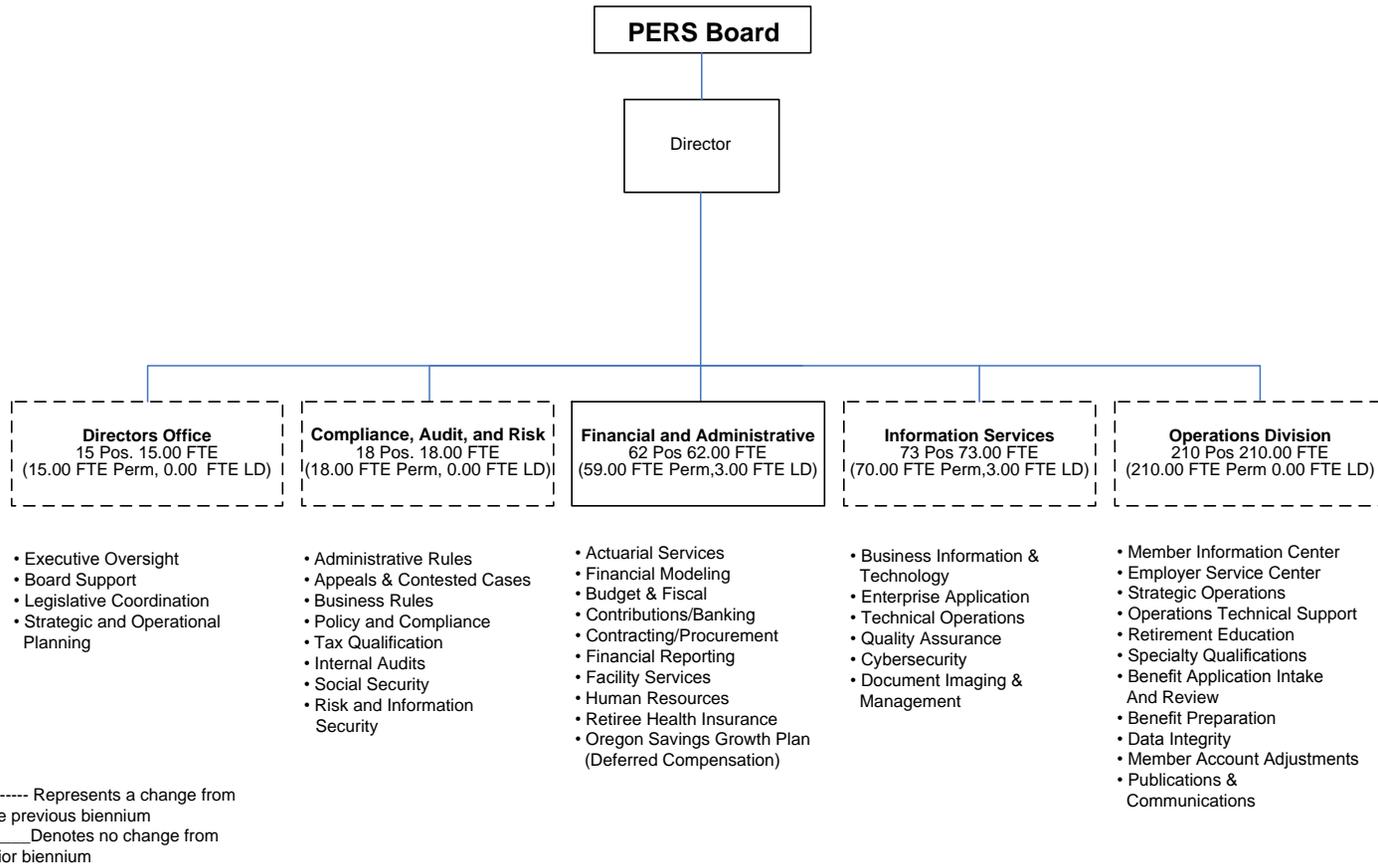
# BUDGET NARRATIVE

## 2017-2019 Organization Chart

### Public Employees Retirement System 2017-19 Governor's Budget Proposed Organization

378 Positions

378.00 FTE



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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Agencywide Program Unit Summary  
2017-19 Biennium**

**Version: Y - 01 - Governor's Budget**

Summary Cross Reference Number	Cross Reference Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
010-01-00-00000	<b>Tier One and Tier Two Pension Programs</b>						
	Other Funds	-	8,262,947,862	8,262,947,862	9,083,000,000	9,083,000,000	-
010-02-00-00000	<b>Retirement Health Insurance Programs</b>						
	Other Funds	-	558,094,445	558,094,445	815,271,000	815,092,792	-
010-03-00-00000	<b>Oregon Public Service Retirement Pension Pgm</b>						
	Other Funds	-	28,926,864	28,926,864	39,000,000	39,000,000	-
010-04-00-00000	<b>Individual Account Program (IAP)</b>						
	Other Funds	-	873,488,891	873,488,891	1,056,900,000	1,056,890,207	-
100-00-00-00000	<b>Tier One and Tier Two Plan</b>						
	Other Funds	8,348,101,340	-	-	-	-	-
200-00-00-00000	<b>Oregon Public Service Retirement Plan</b>						
	Other Funds	679,852,425	-	-	-	-	-
300-00-00-00000	<b>Operations</b>						
	Other Funds	80,628,314	-	-	-	-	-
400-00-00-00000	<b>Debt Service</b>						
	Other Funds	1,302,850	1,290,750	1,290,750	-	-	-
500-01-00-00000	<b>Central Administration</b>						
	Other Funds	-	3,639,324	3,829,738	3,977,901	3,936,291	-

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Agencywide Program Unit Summary - BPR010

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Agencywide Program Unit Summary  
2017-19 Biennium**

Version: Y - 01 - Governor's Budget

Summary Cross Reference Number	Cross Reference Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
500-02-00-00000	<b>Benefit Payments Division</b>						
	Other Funds	-	14,181,869	14,767,549	15,187,454	15,185,884	-
500-03-00-00000	<b>Financial &amp; Admin Services Division (FASD)</b>						
	Other Funds	-	21,615,658	28,724,486	23,443,044	23,281,059	-
500-04-00-00000	<b>Information Services Division</b>						
	Other Funds	-	26,839,436	30,273,202	35,275,783	35,911,366	-
500-05-00-00000	<b>Customer Services Division</b>						
	Other Funds	-	20,877,552	21,936,293	23,391,147	23,389,585	-
500-07-00-00000	<b>Policy, Planning &amp; Communications Division</b>						
	Other Funds	-	6,717,315	6,947,473	7,515,090	7,439,808	-
<b>TOTAL AGENCY</b>							
	Other Funds	9,109,884,929	9,818,619,966	9,831,227,553	11,102,961,419	11,103,126,992	-

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Agencywide Program Unit Summary - BPR010

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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 238), Oregon Public Service Retirement Plan (OPSRP) (ORS 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 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 2017-19 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 insurance premiums 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 contribution accounts of those 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 with amounts determined by the PERS Board based on advice from the PERS' actuary. Both earnings and losses are distributed to members' accounts that have variable annuity

## BUDGET NARRATIVE

accounts (ORS 238.260) and/or Tier Two members' regular accounts for those who became members, and their alternate payees, on or after January 1, 1996. 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 employee (or member) contributions, except for contributions by judge members, were prospectively placed in the OPSRP Individual Account Program (IAP). Employee contributions prior to January 1, 2004 were credited to members' accounts as directed by ORS 238.250 and 238.260. The employee contribution rate for PERS is six percent of PERS-covered salary (Judge Members rate is seven 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 Chapter 238 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 2015 are based on the December 31, 2013 actuarial valuation. Employer contribution rates effective July 2017 are based on the December 31, 2015 actuarial valuation and were adopted at the Board's meeting on September 30, 2016.

Employer rates, as a percent of PERS-covered salary, effective July 1, 2015 and 2017 are:

<b>PERS Chapter 238 Program</b>	<b>July 2015*</b>	<b>July 2017*</b>
State Agencies	13.20%	17.40%
State and Local Government Rate Pool	18.76%	22.38%
School Pool	21.72%	25.93%
Political Subdivisions (non-pooled)	18.04%	20.64%
Judiciary	15.03%	18.05%
<b>OPSRP Chapter 238A Program</b>		
General Service Pool (all employers)	7.94%	9.29%
Police and Fire Pool (all employers)	12.05%	14.06%

\*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 and are lower than the rates shown above. Rates shown for the State and Local Government Rate Pool and non-pooled Political Subdivisions are the average rate for those groups;

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individual employer rates within those groups will vary. State Agency 2015 and 2017 rates reflect the offset from the UAL payment made in 2003.

### **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 \$125 per month per participant (retirees receiving benefits in excess of IRS limits) and a one-time initial setup fee of \$750 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). ORS 238.410 established SRHIA as a public entity risk pool. SRHIA is both a risk sharing and insurance purchasing pool. The Board contracts for health insurance on behalf of retired members. Members and their dependents are eligible for PERS healthcare coverage if the member is receiving a retirement allowance or benefit under the System and meets all other eligibility criteria. A surviving spouse or dependent of a PERS retiree is eligible to participate if he or she was covered under the health plan at the time of the retiree's death.

The PERS' Retiree Health Insurance Program contracts with a variety of medical health insurance carriers and two dental plan carriers for both Medicare and non-Medicare plans. Rates vary depending on the plan option selected by the participants. PERS has contracted with various carriers on an insurance purchasing basis and remits premiums collected from participating members to the carriers. PERS contracts with Moda Health on a Minimum Premium Funding arrangement (risk sharing plan). Stop loss and other administrative fees are included in the total premium remitted to Moda.

### **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 .07 percent (.0007) of participant assets held in the trust. At this time, PERS does not anticipate a fee increase in the 2017-19 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.

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### **Basis for 2017-19 Revenue Estimates**

Projected investment income is based on taking into consideration several factors- capital markets modeling, prolonged period of slow economic growth, and the actuarial assumed future earnings rate of 7.50 percent annually. 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 system-wide rate average. PERS separated the 6 percent employee contribution into the OPSRP 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 also based on using trend analysis.

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<b>Public Employees Retirement System Revenues by Source (in millions)</b>				
Fiscal Year	Member Contributions & Insurance Premiums	Employer Contributions *	Net Investment Income or (Loss) and Other Income	Total
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
2011	699.3	447.7	11,715.6	12,862.6
2012	719.4	879.9	455.3	2,054.6
2013	723.0	884.9	7,621.2	9,229.2
2014	741.0	969.6	10,921.1	12,631.7
2015	769.2	1,183.8	2,657.3	4,610.3
2016	749.3	1,032.9	494.9	2,277.1

\* 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, 2015 and June 30, 2016.

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### 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 \$398,000 Other Funds Limited is projected for the 2017-19 biennium.

Employers are invoiced a fee consisting of a \$750 initial set-up charge and a \$125 monthly ongoing administrative fee per participant to fund the administrative costs of the Benefit Equalization Fund (BEF). A total of \$318,000 Other Funds Limited is projected for the 2017-19 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 that are necessary by a court-ordered divorce judgment, order, or agreement. PERS estimates a total of \$155,000 Other Funds Limited and \$71,500 Other Funds Non-Limited in the 2017-19 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 that 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 the two allowed at no cost. PERS estimates a total of \$1,000 Other Funds Limited in benefit estimate service charges in the 2017-19 biennium.

PERS collects fees for various other services provided. PERS estimates a total of \$3,500 Other Funds Limited in the 2017-19 biennium based on historical trend analysis.

Projected revenue for the Deferred Compensation Program in the 2015-17 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 \$3,300,000 in the 2017-19 biennium.

During fiscal year 2011, PERS became aware that the Standard Retiree Health Insurance Account had not been reported in accordance with generally accepted accounting principles in prior fiscal years. Prior to fiscal year 2011, the activity of this account was reported using an Employee Benefit Plan fiduciary fund. PERS determined that activity should be reported in an enterprise fund, thus the financial statements were restated to correct this change in the *Comprehensive Annual Financial Report Oregon Public Employees*

## BUDGET NARRATIVE

*Retirement System, An Agency of the State of Oregon, for the fiscal year ended June 30, 2011.* The revenue activity that was previously reported as member contributions is now reported as insurance premium revenue which is classified as Other Charges for Services at the budget account level. PERS estimates a total of \$756,000,000 Other Funds Non-Limited in insurance premium revenue during the 2017-19 biennium.

### Other Revenue

ORS 238.705 allows PERS to charge employers that are delinquent in remitting contributions one 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 has temporarily shut off the penalty charges when PERS discovered an error in jClarety program.

Other revenue also consists of prior period reductions of expense, surplus sales, MICR errors, total of checks that have been outstanding for over 2 years and are no longer negotiable, prior period adjustments and other revenue. PERS projects revenue from these sources of \$50,000 Other Funds Limited in the 2017-19 biennium.

# BUDGET NARRATIVE

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

Public Employees Retirement System, Oregon  
2017-19 Biennium

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

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
<b>Other Funds</b>						
Charges for Services	3,074,964	3,794,821	3,794,821	4,175,500	4,175,500	-
Interest Income	25,032	30,291	30,291	29,150	29,150	-
Other Revenues	183,224	74,000	74,000	50,000	50,000	-
Transfer In - Intrafund	75,753,111	92,163,302	104,770,889	104,683,048	105,318,631	-
Transfer Out - Intrafund	-	(159,141)	(159,141)	(235,932)	(235,932)	-
<b>Total Other Funds</b>	<b>\$79,036,331</b>	<b>\$95,903,273</b>	<b>\$108,510,860</b>	<b>\$108,701,766</b>	<b>\$109,337,349</b>	-
<b>Nonlimited Other Funds</b>						
Charges for Services	71,310	488,193,674	488,193,674	756,071,500	756,071,500	-
Interest Income	11,949,444,555	14,298,922,810	14,298,922,810	14,316,670,000	14,316,670,000	-
Retirement System Contribution	3,312,348,727	3,532,290,966	3,532,290,966	4,785,800,000	4,785,800,000	-
Insurance Premiums	409,003,005	-	-	-	-	-
Other Revenues	49,394,357	493,001	493,001	-	-	-
Transfer Out - Intrafund	(75,753,111)	(92,004,161)	(104,611,748)	(104,447,116)	(105,082,699)	-
<b>Total Nonlimited Other Funds</b>	<b>\$15,644,508,843</b>	<b>\$18,227,896,290</b>	<b>\$18,215,288,703</b>	<b>\$19,754,094,384</b>	<b>\$19,753,458,801</b>	-

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Detail of LF, OF, and FF Revenues - BPR012

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## BUDGET NARRATIVE

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

Source	Fund	ORBITS Revenue Acct	2013-15 Actual	2015-17 Legislatively Adopted	2015-17 Estimated	2017-19		
						Agency Request	Governor's Recommended	Legislatively Adopted
<b>Limited Other Funds:</b>								
Charges for Services	Limited Other	Charges for Services	3,074,964	3,794,821	3,866,500	4,175,500	4,175,500	
Interest and Investment Earnings	Limited Other	Interest Income	25,032	30,291	26,500	29,150	29,150	
Other	Limited Other	Other Revenues	183,224	74,000	50,000	50,000	50,000	
<b>Non-limited Other Funds:</b>								
Charges for Services	Non-limited Other	Charges for Services	409,074,315	488,193,674	571,462,988	756,071,500	756,071,500	
Interest and Investment Earnings	Non-limited Other	Interest Income	11,949,444,555	14,298,922,810	12,902,508,154	14,316,670,000	14,316,670,000	0
Donations and Contributions	Non-limited Other	Retirement System Contribution	3,312,348,727	3,532,290,966	3,988,446,925	4,785,800,000	4,785,800,000	
Other	Non-limited Other	Other Revenues	49,394,357	493,001	0	0	0	

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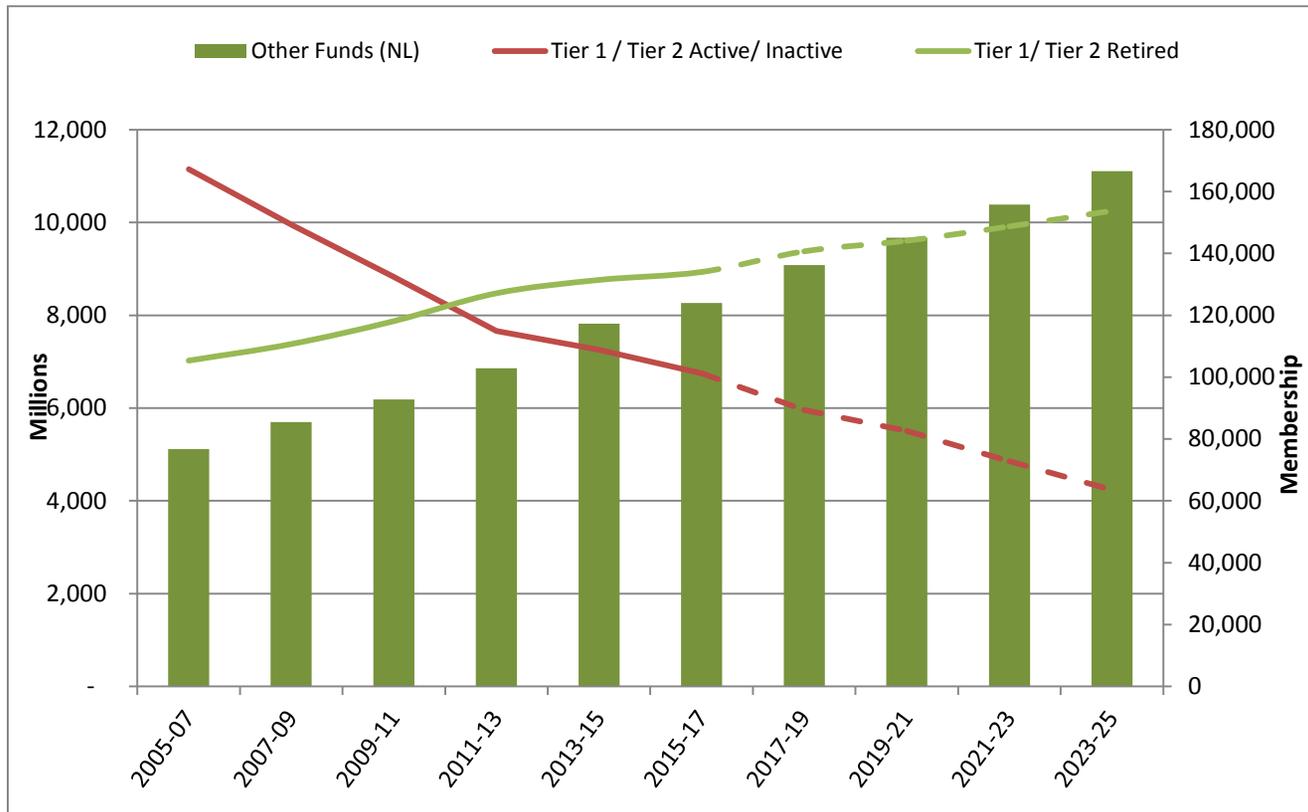
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# BUDGET NARRATIVE

## Program Units

### Tier One and Tier Two Program Executive Summary

Primary Outcome Area: Improving Government  
 Secondary Outcome Area: (None)  
 Program Contact: Steve Rodeman, 503.603.7695



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# BUDGET NARRATIVE

## Executive Summary

The Tier One and Tier Two Program represents administration of active and inactive member accounts and benefit payments to retired members of these legacy plans, defined in ORS Chapter 238, that are now closed to new members. Benefit payments include retirement allowances, account withdrawals, death and disability benefits, and health insurance premium pass-through and subsidy account disbursements. Administration of the programs includes receiving contributions on behalf of active Tier One and Tier Two members, providing information and services to members, and processing retirements of Tier One and Tier Two members. All such funds are held in trust for the exclusive benefit of the plans' members. These plans were closed to new members as of December 31, 1995, for Tier One and August 28, 2003, for Tier Two.

## Program Funding Request

PERS requests \$9,083,000,000 Non-Limited Other Funds expenditure authority in 2017-19 for the anticipated Tier One and Tier Two Program benefit payments. Estimated Non-Limited Other Funds needed for anticipated benefit payments through 2025 are:

2017-19	\$9,083,000,000
2019-21	\$9,669,842,364
2021-23	\$10,385,541,561
2023-25	\$11,107,593,112

**Performance Achievement:** Requested Non-Limited Other Funds support the agency mission to administer public employee benefit trusts to pay the right person the right benefit at the right time. Performance achievement is measured through legislatively mandated Key Performance Measures, quarterly reporting of internal core operating and supporting business process measures, and monthly reporting of member transaction volumes and processing timeliness.

## Program Description

The Tier One and Tier Two Program administers public employee benefit trusts for approximately 97,000 active and inactive (non-retired) members and approximately 135,000 retired members. Tier One membership was closed to new public employees hired on or after January 1, 1996 and Tier Two was closed to new public employees hired on or after August 28, 2003. New public employees now join the Oregon Public Service Retirement Plan (OPSRP), a separate program. Benefits paid through the Tier One and Tier Two

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## BUDGET NARRATIVE

trusts include account withdrawal, retirement benefits, death, and disability benefits to members, their beneficiaries, or alternate payees.

Even though membership in Tier One and Tier Two is closed to new employees, administration of and workload associated with benefit payments will increase over the next decade as these members age into retirement. As of December 31, 2016, more than 47,000 Tier One and Tier Two members are eligible to retire based on age or years of service.

Since OPSRP was created in August 2003, membership in the program has grown to over 50% of the total active and inactive population of PERS. From a cost perspective, however, that shift only affects the “normal cost” of benefits: the incremental cost each year of new benefits accrued by active members. PERS costs are rising not because of this “normal cost” factor but rather because of the Unfunded Actuarial Liability (UAL) that emerged when the PERS Fund lost 27% of its value during the 2008 recession (and subsequent investment performance that was slightly below projections). The impact of that loss, as reflected in the System Valuation as of December 31, 2015, is a UAL of \$20.4 billion (excluding pre-paid employer contributions deposited in side accounts).

The cost shift to OPSRP will not be fully realized until membership and associated liabilities with of the Tier One and Tier Two Program is reduced more significantly and membership and associated liabilities of the OPSRP program becomes predominant. That tipping point is decades away. PERS was created in March 1945, and Tier One members joined the program until 1996. Tier Two members joined the program from 1996 to 2003. The life cycle of closed programs like Tier One and Tier Two extend another 50 years after its closure, as late entrants complete their full career and receive their retirement benefit for years after retirement. Consequently, Tier One member benefit payments (funded through this program) are not expected to peak until closer to the 2027-29 biennium. Even after that peak, the decline will be gradual.

This program is funded through public employee benefit trusts that are subject to federal and state laws and rules governing tax-qualified government retirement plans. One fundamental provision of those trusts is that the contributions (both from employers and members) and their associated investment earnings can only be used for the exclusive benefit of those members to fund their benefit payments. Consequently, the funds expended through this program can only be used to support the services and benefits provided within the program.

## BUDGET NARRATIVE

### Program Justification and Link to 10-Year Outcome

The Tier One and Tier Two Program aligns to the goals and strategies of the Improving Government area of 10-Year Outcome planning. This program is still a major defined benefit component of the public employee retirement plan, which covers all state agencies, schools, and over 90% of eligible local government employees.

Benefits from the program are delivered through the lowest-cost administrative structure. The fundamental advantages of a multi-employer defined benefit plan are institutional investment of the fund, which enhances returns to members and reduces investment expenses; risk sharing pools, which spread the impact of actuarial experience over a broad base; benefit portability, which allows members to transfer among participating employers without impacting benefit accruals; and unified administration, which enhances professionalism and improves economies of scale. Those advantages allow member and employer contributions into the system to provide the maximum positive economic impact to local economies when retiree benefits are spent in local communities.

An August 2016 Economic Impact Study of PERS shows that in 2015, the \$3.5 billion in annual benefit payments to Oregonians multiplied to \$3.9 billion in economic value when the financial impact of dollars spent in local communities is considered. The benefit payments sustain an estimated 36,427 Oregon jobs, and add approximately \$1.17 billion in wages. Additionally, Oregon collected an estimated \$183.7 million in income taxes on PERS retiree benefits in 2015.

### Program Performance

<b>Fiscal Year</b>	<b>Total Active/Inactive Members</b>	<b>Total Retired Members</b>	<b>Tier One/Tier Two Program Expenditures (Non-Limited)</b>	<b>Annual Admin. Cost per Member</b>
2009	149,331	110,694	2,852,825,977	140
2010	142,071	113,349	2,962,604,243	121
2011	132,453	118,105	3,252,686,903	115
2012	125,502	121,455	3,350,039,210	124
2013	114,901	127,114	3,596,111,863	127
2014	108,800	131,417	3,880,707,568	130
2015	101,209	134,004	3,962,463,219	128
2016	96,988	135,775	4,204,638,115	150

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## BUDGET NARRATIVE

The table above shows the distribution of PERS Tier One and Tier Two membership as “Active/Inactive Members” (those members either currently in PERS covered employment or who have left public employment but are still entitled to a benefit) and “Retired Members” (those having elected to receive their benefit). As more members of the population move into receiving benefits, the “Program Expenditures” shows the growth in the number and amount of Tier One/Tier Two benefit payments distributed. Even with this growth, the agency’s overall administrative “Costs per Member” have been historically lower in the past seven years as operational efficiencies, including the development and deployment of new technology systems, have enabled PERS to increase distributions (and the related member services) while decreasing the incremental administrative costs. The increase in 2016 administrative cost is due to a one-time assessment from the State Chief Information Office for funding of the state data center.

### **Enabling Legislation/Program Authorization**

The program is governed by the following Oregon Revised Statutes and Administrative Rules:

- The Tier One and Tier Two Plans are authorized by Oregon Revised Statutes (ORS) 237.600 to 237.980, 238.005 to 238.492, and 238.600 to 238.750.
- Oregon Administrative Rules Chapter 459

The benefits provided under the program are protected by provisions in the U.S. and Oregon Constitutions regarding contracts. Courts have construed these benefits as public contracts with the members, which can only be altered under very limited circumstances.

### **Funding Streams**

This program is funded entirely from member and employer contributions and the return on investment of those contributions, which are held in the Public Employee Retirement Fund (PERF). In accordance with ORS 238.660(2), funds in the PERF can only be used for the exclusive benefit of the members. ORS 238.661 further provides that moneys in the PERF are continuously appropriated to the Public Employees Retirement Board for the purpose of implementing plan requirements. Expenditures under this program are categorized for state budget purposes as Other Funds – Non-limited.

### **Significant Proposed Program Changes from 2015-17**

Requested Non-Limited Other Funds represent an increase of \$820,052,138 above the 2015-17 budget of \$8,262,947,862 and reflect the Agency’s 2017-19 anticipated benefit payment requirements for Tier One and Tier Two benefit recipients.

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## BUDGET NARRATIVE

### Tier One and Tier Two Programs

#### Budget Overview

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 entirely made up of Other Funds, Non-limited.

#### Base Budget Adjustments

Changes have been made to both revenues and expenditures to reflect updated projections. The non-limited adjustment reflects an anticipated increase in the number of retirements when compared to the 2015-17 biennium.

Tier One & Tier Two Non-limited Other Funds	2013-15 Actual Expenditures	2015-17 Legislatively Approved Budget	2015-17 Estimates	2017-19 Governor's Budget
Professional Services – Attorney Fees				
Agency Program Related S and S – Write off of Uncollectable Receivables	994,504			
Other Services & Supplies One-time Bond Costs	0			
Distribution to Individuals	7,820,632,323	8,262,947,862	8,168,389,609	9,083,000,000
<b>Total Expenditures</b>	<b>7,821,626,827</b>	<b>8,262,947,862</b>	<b>8,168,389,609</b>	<b>9,083,000,000</b>

## BUDGET NARRATIVE

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

Source	Fund	ORBITS Revenue Acct	2013-15 Actuals	2015-17 Legislatively Adopted	2015-17 Estimated Revenue	2017-19		
						Agency Request	Governor's Recommended	Legislatively Adopted
<b>Non-limited Other Funds:</b> Charges for Services	Non-limited Other	Charges for Services	10,342	23,485	13,934	12,500	12,500	
Refunding Bonds	Non-limited Other	Refunding Bonds	0					
Interest and Investment Earnings	Non-limited Other	Interest Income	10,416,843,792	11,977,047,107	11,263,418,298	12,500,000,000	12,500,000,000	
Donations and Contributions	Non-limited Other	Retirement System Contribution	1,592,389,510	1,723,725,616	1,848,636,406	2,300,000,000	2,300,000,000	
Other	Non-limited Other	Other Revenues	48,527,398	0	2,253,199	0	0	

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# BUDGET NARRATIVE

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

Public Employees Retirement System, Oregon  
2017-19 Biennium

Agency Number: 45900  
Cross Reference Number: 45900-010-01-00-00000

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
<b>Nonlimited Other Funds</b>						
Charges for Services	-	23,485	23,485	12,500	12,500	-
Interest Income	-	11,977,047,107	11,977,047,107	12,500,000,000	12,500,000,000	-
Retirement System Contribution	-	1,723,725,616	1,723,725,616	2,300,000,000	2,300,000,000	-
Transfer Out - Intrafund	-	(65,560,497)	(73,609,086)	(73,984,636)	(74,620,219)	-
<b>Total Nonlimited Other Funds</b>	-	<b>\$13,635,235,711</b>	<b>\$13,627,187,122</b>	<b>\$14,726,027,864</b>	<b>\$14,725,392,281</b>	-

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Detail of LF, OF, and FF Revenues - BPR012

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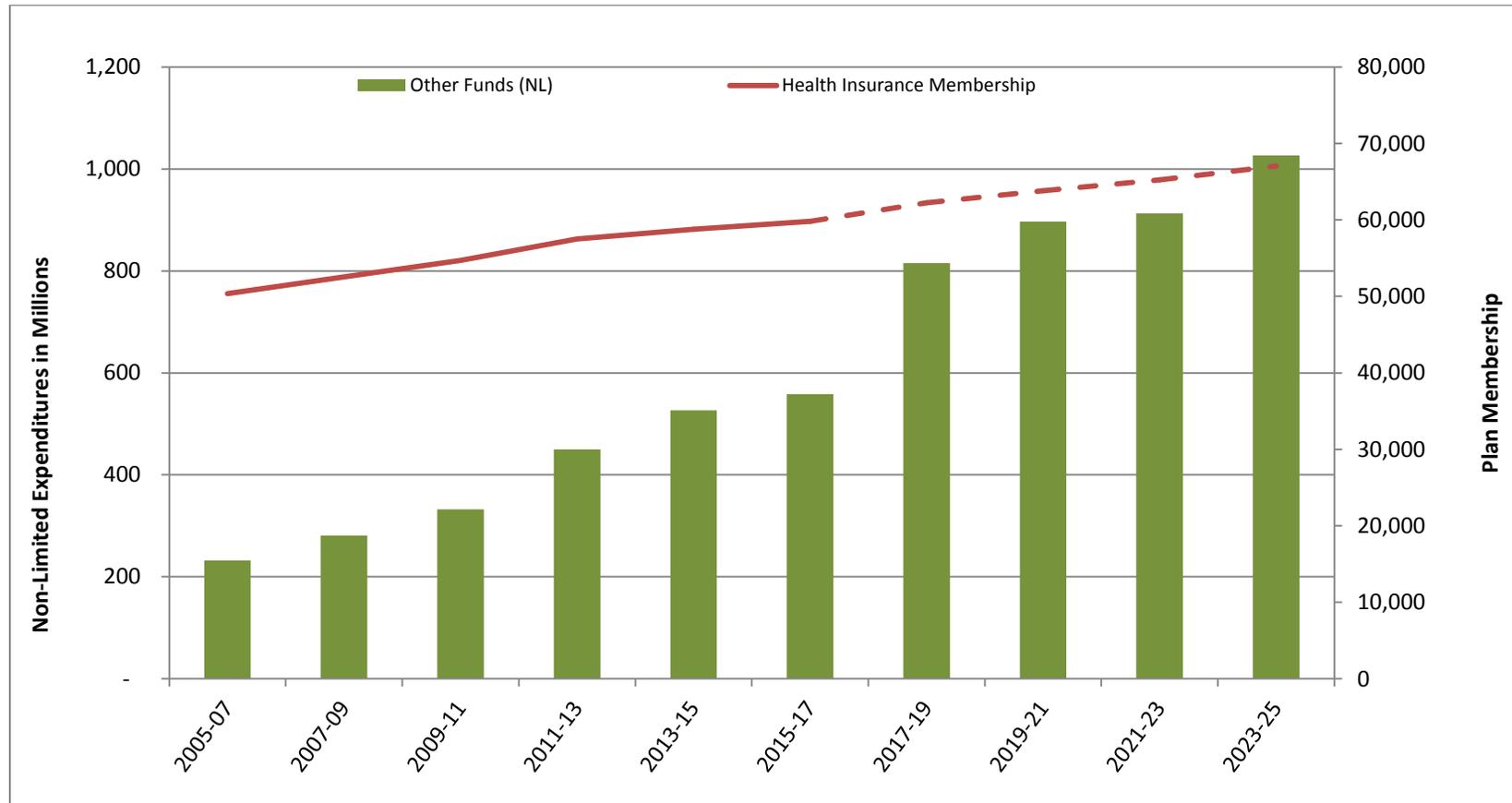
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# BUDGET NARRATIVE

## Retirement Health Insurance Programs Executive Summary

Primary Outcome Area: Improving Government  
 Secondary Outcome Area: (None)  
 Program Contact: Steve Rodeman, 503.603.7695



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# BUDGET NARRATIVE

## Executive Summary

The PERS Health Insurance Program (PHIP) offers health insurance coverage for all eligible Oregon PERS retirees and their eligible spouses and dependents. The program covers about 60,000 health plan members. PHIP provides PERS retirees with benefits that provide high quality, comprehensive coverage at the most cost-effective rates possible that will also meet retirees' benefit needs. Core values of the program include maintaining the stability of premiums, coverage, and carriers.

## Program Funding Request

PERS requests \$815,092,792 Non-Limited Other Funds expenditure authority in 2017-19 for the anticipated Health Insurance Program expenditures. Estimated Non-Limited Other Funds needed for anticipated benefit payments through 2025 are:

2017-19	\$815,092,792
2019-21	\$896,602,071
2021-23	\$912,808,108
2023-25	\$1,026,350,202

**Performance Achievement:** Requested Non-Limited Other Funds support the program mission and purpose to provide comprehensive medical and dental insurance plan options and long-term care insurance to PERS retirees who qualify for the program at the most cost-effective rates possible that will also meet retirees' benefit needs. Performance achievement is measured through the stability of carriers for the benefit of the program and the stability of health care benefits for the benefit of the program.

## Program Description

PERS has been a plan sponsor of retiree health plans since the late 1950s. At the time, PERS offered a simple hospital indemnity plan which paid a hospitalized patient about \$15 per day. During the next 20 years, the benefits were improved and a basic plan was added to cover out-of-hospital expenses. Cost of the plans was fully paid by participants when health plans were added. In the early 1970s, PERS added a Medicare supplement plan.

From its inception until July 1988, PERS plans were fully paid by participants, there was no contribution from PERS. At that time, legislation was implemented to provide a subsidy payment from PERS toward a Medicare supplement for PERS Tier One and Tier

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## BUDGET NARRATIVE

Two retirees who retired with eight or more years of service and enrolled in a PERS-sponsored plan. This subsidy is called the Retirement Health Insurance Account (RHIA) and is funded by all PERS employers. In 1991, the legislature approved a subsidy for Tier One and Tier Two state retirees under age 65. That subsidy, implemented in 1993, is the Retiree Health Insurance Premium Account (RHIPA) and is funded by the state of Oregon only.

The RHIA subsidy is a \$60 contribution that is available to Medicare entitled (enrolled in Medicare Parts A and B) retirees that are receiving either a PERS service or disability retirement allowance and have had either eight or more years of qualifying service time or are receiving a PERS disability retirement allowance computed as if they had eight or more years of service.

The RHIPA subsidy is a contribution available to non-Medicare retirees who retire from a state agency, that are receiving either a PERS service or disability retirement allowance and have had either eight or more years of qualifying service time or is receiving a PERS disability retirement allowance computed as if they had eight or more years of service. A retiree who is eligible for Medicare is no longer eligible for RHIPA and must move to a Medicare plan.

### **Program Justification and Link to 10-Year Outcome**

In spite of inflationary trends and the pressures associated with lower Centers for Medicare and Medicaid Services (CMS) medical reimbursements and higher healthcare reform taxes and fees, for the 2017 plan renewal, PHIP was able to provide PERS retirees with participating carriers and plans that provide balance between costs and benefits. This was achieved through a thoughtful approach, scrutinized and analyzed to provide the least impact possible to members while maintaining program stability and accountability.

### **Program Performance**

<b>Fiscal Year</b>	<b>SRHIA Members</b>	<b>RHIA Members</b>	<b>RHIPA Members</b>	<b>Annual Expenditures Total</b>
2009	52,565	39,528	802	145,969,852
2010	53,256	39,917	911	158,425,042
2011	54,710	40,851	1,126	173,378,577
2012	56,113	42,018	1,149	216,601,828
2013	57,489	43,061	1,251	232,638,530
2014	58,760	44,087	1,264	240,446,560
2015	59,803	44,880	1,274	286,009,877
2016	59,983	45,060	1,238	254,516,317

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  Legislatively Adopted

## BUDGET NARRATIVE

PHIP is a voluntary insurance plan where an eligible member pays their own premiums (less the small subsidies from RHIA and RHIPA if eligible) for the plan of their choice. In addition to health plan premiums, PERS retirees also cover the cost of program administration; the premium rates that members pay are inclusive of these costs. We are fortunate to partner with insurers that have been able to maximize funding available from the CMS as well as meeting key targets in quality ratings. As has historically been the case, the PHIP insurers also continue to manage the highest need participants to maximize benefits and care delivered while minimizing expenditures.

Stability has been possible as a result of the PERS Board's approach, maintaining dependable health plan vendors and the long-term relationships that have benefited PHIP enrollees. This is achieved through a thoughtful approach facilitating a balance between cost and benefit.

### Enabling Legislation/Program Authorization

The program is governed by the following Oregon Revised Statutes and Administrative Rules:

- PHIP is authorized by ORS 238.410 to 238.420.
  - SRHIA – Standard Retiree Health Insurance Account authorized under ORS 238.410
  - RHIPA – Retiree Health Insurance Premium Account authorized under ORS 238.415
  - RHIA – Retirement Health Insurance Account authorized under ORS 238.420
- Oregon Administrative Rules Chapter 459

The statutorily provided financial benefits provided under the program are protected by provisions in the U.S. and Oregon Constitutions regarding contracts. Courts have construed these financial benefits as public contracts with the members, which can only be altered under very limited circumstances.

ORS 238.410(7) further provides: pursuant to section 401(h) of the Internal Revenue Code, the Standard Retiree Health Insurance Account is established within the Public Employees Retirement Fund, separate and distinct from the General Fund. All payments made by eligible persons for health insurance coverage provided under this section shall be held in the account. Interest earned by the account shall be credited to the account. All moneys in the account are continuously appropriated to the Public Employee Retirement Board and may be used by the Board only to pay the cost of health insurance coverage under this section and to pay the administrative cost incurred by the board under this section. Expenditures under this program are categorized for state budget purposes as Other Funds Non-limited.

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# BUDGET NARRATIVE

## Funding Streams

The majority of the revenue for the SRHIA program, over \$450 million per year, comes from member paid insurance premiums with additional revenues provided from federal sources like the Centers for Medicare and Medicaid Services (CMS) and resulting investment returns.

The RHIA and RHIPA programs are funded from employer contributions and the return on investment of those contributions, which are held in the Public Employee Retirement Fund (PERF).

## Significant Proposed Program Changes from 2015-17

Requested Non-Limited Other Funds represent an increase of \$256,998,347 over the 2015-17 budget of \$558,094,445 and reflects the Agency's 2017-19 anticipated premium payment requirements for eligible Tier One, Tier Two and OPSRP benefit recipients.

## BUDGET NARRATIVE

### Retirement Health Insurance Programs

#### Budget Overview

The PERS Health Insurance Program (PHIP) offers health insurance coverage for all eligible Oregon PERS retirees, their eligible spouses and dependents. The program covers about 60,000 health plan members. The Retiree Health Insurance Account (RHIA) provides for a \$60 health insurance subsidy for eligible retired members who are Medicare eligible and the Retiree Health Insurance Premium Account (RHIPA) provides for an insurance premium subsidy for eligible non-Medicare retirees who retire from a state agency. Oregon Public Service Retirement Plan (OPSRP) members are not eligible for receiving subsidies.

Employer contributions and investment earnings fund the subsidies above. PHIP is a voluntary insurance plan where an eligible Tier One & Tier Two member pays most if not all of their own premiums for the plan of their choice. OPSRP members pay all of their own premiums. In addition to health plan premiums, PERS retirees also cover the cost of program administration; the premium rates that members pay are inclusive of these costs.

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

#### Base Budget Adjustments and Package 091 Analyst 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. The estimates column was calculated using unaudited fiscal year ended 2016 actuals and doubling that number. Package 091 Analyst recommended adjustments reduced services and supplies expenditures by \$178,208.

Retirement Health Insurance Programs Non-limited Other Funds	2013-15 Actual Expenditures	2015-17 Legislatively Approved Budget	2015-17 Estimates	2017-19 Governor's Budget
Professional Services – Health Insurance Administration	62,064,569	95,101,418	75,319,327	88,992,792
Distribution to Non-Gov Units Premium Payments	464,408,128	462,993,027	540,724,063	726,100,000
<b>Total Expenditures</b>	<b>526,472,697</b>	<b>558,094,445</b>	<b>616,043,391</b>	<b>815,092,792</b>

## BUDGET NARRATIVE

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

Source	Fund	ORBITS Revenue Acct	2013-15 Actuals	2015-17 Legislatively Adopted	2015-17 Estimated Revenue**	2017-19		
						Agency Request	Governor's Recommended	Legislatively Adopted
<b>Non-limited Other Funds:</b> Charges for Services	Non-limited Other	Charges for Services	409,003,005	488,083,261	571,391,589	756,000,000	756,000,000	
Interest and Investment Earnings	Non-limited Other	Interest Income	66,318,796	66,496,968	54,920,960	71,670,000	71,670,000	
Donations and Contributions	Non-limited Other	Retirement System Contribution	109,372,242	116,039,616	128,755,875	141,800,000	141,800,000	
Other	Non-limited Other	Other Revenues	(72,797)					

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\*\* All 2015-17 estimated revenue amounts were calculated using unaudited 2016 fiscal year end transactions and then doubling the amount to arrive at the estimate for the biennium.

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2017-19

**107BF07**

# BUDGET NARRATIVE

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

Public Employees Retirement System, Oregon  
2017-19 Biennium

Agency Number: 45900  
Cross Reference Number: 45900-010-02-00-00000

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
<b>Nonlimited Other Funds</b>						
Charges for Services	-	488,083,261	488,083,261	756,000,000	756,000,000	-
Interest Income	-	66,496,968	66,496,968	71,670,000	71,670,000	-
Retirement System Contribution	-	116,039,616	116,039,616	141,800,000	141,800,000	-
Transfer Out - Intrafund	-	(1,706,014)	(1,919,132)	(1,965,288)	(1,965,288)	-
<b>Total Nonlimited Other Funds</b>	-	<b>\$668,913,831</b>	<b>\$668,700,713</b>	<b>\$967,504,712</b>	<b>\$967,504,712</b>	-

2017-19 Biennium

Detail of LF, OF, and FF Revenues - BPR012

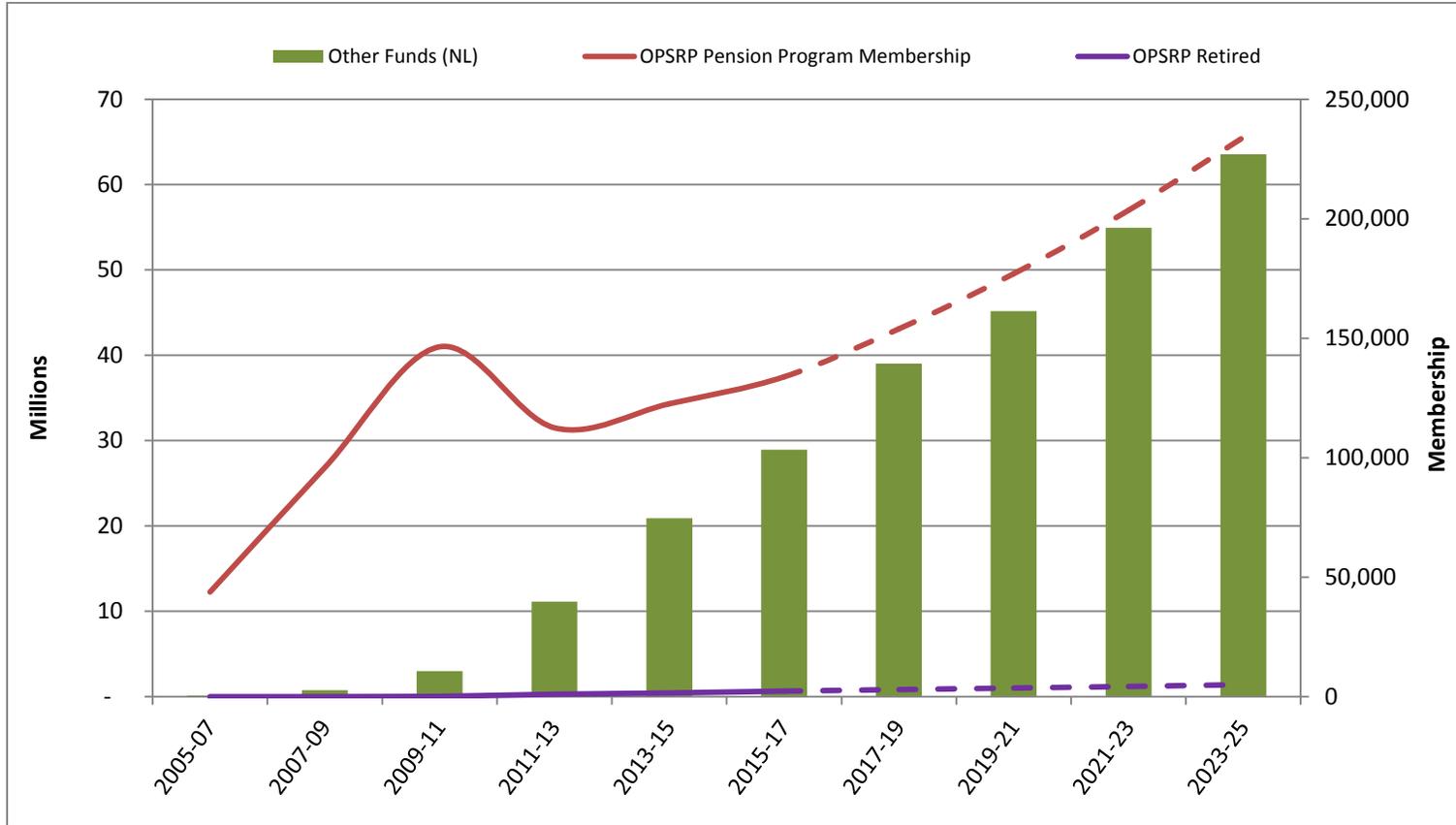
Agency Request     
  Governor's     
  Legislatively Adopted

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# BUDGET NARRATIVE

## Oregon Public Service Retirement Pension Program Executive Summary

Primary Outcome Area: Improving Government  
 Secondary Outcome Area: (None)  
 Program Contact: Steve Rodeman, 503.603.7695



\*\*The decline in membership totals in the 2011-13 biennium was due to a correction in reporting. Loss of Membership accounts had not been taken into consideration until 2009 with a system enhancement. These accounts were removed and the membership count adjusted.

Agency Request    
  Governor's    
  Legislatively Adopted

# BUDGET NARRATIVE

## Executive Summary

The Oregon Public Service Retirement Plan (OPSRP) program serves public employees who began public employment after August 28, 2003. OPSRP is a hybrid retirement plan, designed to provide a reduced benefit compared to the Tier One and Tier Two retirement plans. The hybrid plan has two components: the OPSRP Pension Program, funded by employer contributions, and the Individual Account Program (IAP), funded by member contributions.

## Program Funding Request

PERS requests \$39,000,000 Non-Limited Other Funds expenditure authority in 2017-19 for anticipated OPSRP benefit payments. Estimated Non-Limited Other Funds needed for anticipated benefit payments through 2025 are:

2017-19	\$39,000,000
2019-21	\$45,173,554
2021-23	\$54,947,684
2023-25	\$63,540,099

**Performance Achievement:** Requested Non-Limited Other Funds support the agency mission to administer the public employee benefit trusts to pay the right person the right benefit at the right time. Performance achievement is measured through legislatively mandated Key Performance Measures, quarterly reporting of internal core operating and supporting business process measures, and monthly reporting of member transaction volumes and processing timeliness.

## Program Description

The two components of OPSRP were established as part of the 2003 PERS reform package to reduce the retirement benefit costs for public employees who began public service after creation of the program. All PERS-participating employers were required to enroll any new qualifying employees in the OPSRP Pension and Individual Account Program after that date. PERS administers the benefit trusts associated with these programs on behalf of those participating employers.

The OPSRP Pension program is a defined benefit program that provides a retirement benefit based on a formula: (years of service) x (final average salary) x (statutory multiplier.) OPSRP provides a lower benefit than Tier One and Tier Two by reducing the statutory

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## BUDGET NARRATIVE

multiplier (1.5% for General Service employment, 1.8% for police officers and firefighters) and increasing the normal retirement age (age 65 for General Service employees, age 60 for police officers and firefighters).

The types of benefits paid through the OPSRP Pension program include withdrawal, retirement, death, and disability benefits. This program now has over 148,000 active and inactive members, more than the Tier One and Tier Two plans combined. Costs for the OPSRP Pension program are paid solely through employer contributions and their related investment earnings. All PERS employers participate in a single OPSRP employer pool, so costs are distributed across all employers based on their proportional share of subject salary that they pay the members in the program. Because this program provides a lower level of benefits, its “normal” cost is less than that for Tier One and Tier Two Programs, whose formula-based benefits are calculated with higher statutory multipliers.

OPSRP is funded through public employee benefit trusts that are subject to federal and state laws and rules governing tax-qualified government retirement plans. One fundamental provision of those trusts is that the contributions (both from employers and members) and their associated investment earnings can only be used for the exclusive benefit of those members to fund their benefit payments. Consequently, the funds expended through this program can only be used to support the services and benefits provided within the program.

### **Program Justification and Link to 10-Year Plan Outcome**

The OPSRP Pension program aligns to the goals and strategies in the Improving Government area of the 10-Year Plan Outcome planning. This program is a major component of the public employee retirement plan, which covers all state agencies, schools and over 90% of eligible local government employees. PERS administers this program for eligible public employees and their employers. This combined administration allows investment in operational efficiencies (such as web-based reporting, customer service and benefit processing) that would not be feasible if individual agencies provided their own benefit plans.

Benefits from the program are delivered through the lowest-cost administrative structure. The fundamental advantages of a multi-employer defined benefit plan are institutional investment of the fund, which enhances returns to members and reduces investment expenses; risk sharing pools, which spread the impact of actuarial experience over a broad base; benefit portability, which allows members to transfer among participating employers without impacting benefit accruals; and unified administration, which enhances professionalism and improves economies of scale. Those advantages allow member and employer contributions into the system to provide the maximum positive economic impact to local economies when retiree benefits are spent in local communities.

## BUDGET NARRATIVE

### Program Performance

<b>Fiscal Year</b>	<b>Total OPSRP Pension Members</b>	<b>Total Retired OPSRP Pension Members</b>	<b>Total OPSRP Program Expenditures</b>	<b>Total OPSRP Retirements Processed</b>
2009	95,873	4	552,125	108
2010	152,503	30	944,082	192
2011	146,263	115	2,026,084	430
2012	142,954	582	5,111,713	641
2013	111,484	1,003	6,029,497	720
2014	121,006	1,533	9,333,980	778
2015	131,515	2,294	11,572,097	852
2016	148,775	2,874	17,611,036	933

The table shows how quickly the change in the workforce has populated this lower-cost pension program in a relatively short time. A significant percentage of Oregon’s active public employee workforce has been employed under this new retirement plan with lower, more predictable costs. Additionally, the table shows the exponential growth in expenditures and retirements processed related to the OPSRP Pension as part of 2003 PERS reform.

### Enabling Legislation/Program Authorization

The program is governed by the following Oregon Revised Statutes and Administrative Rules:

- OPSRP is authorized by ORS 238A.005 thru 238A.250, and 238A.450 thru 238A.475.
- Oregon Administrative Rules Chapter 459

The benefits provided under the program are protected by provisions in the U.S. and Oregon Constitutions regarding contracts. Courts have construed these benefits as public contracts with the members. Unlike the Tier One and Tier Two programs, the legislature expressly reserved the right to alter the provisions of the OPSRP program for services performed after the effective date of any such change (ORS 238A.470).

## BUDGET NARRATIVE

### Funding Streams

This program is funded entirely from employer contributions and the return on investment of those contributions, which are held in the Public Employee Retirement Fund (PERF). In accordance with ORS 238.660(2), incorporated into the OPSRP Program by ORS 238A.050(2), funds in the PERF can only be expended for the exclusive benefit of the members. ORS 238.661 (also incorporated by ORS 238A.050(2)) further provides that moneys in the PERF are continuously appropriated to the Public Employees Retirement Board for the purpose of implementing plan requirements. Expenditures under this program are categorized for state budget purposes as Other Funds – Non-limited.

### Significant Proposed Program Changes from 2015-17

Requested Non-Limited Other Funds represent an increase of \$10,073,136 over the 2015-17 budget of \$28,926,864 and reflect the Agency's 2017-19 anticipated benefit payment requirements for OPSRP benefit recipients.

## BUDGET NARRATIVE

### Oregon Public Service Retirement Pension Program

#### Budget 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).

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, 2016, there were approximately 148,000 members in the OPSRP Pension Program.

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 based on trend analysis and using moving four-year averages. The 2015-17 expenditure estimates column was calculated using unaudited fiscal year end 2016 actuals and doubling that number.

Oregon Public Service Retirement Pension Non-limited Other Funds	2013-15 Actual Expenditures	2015-17 Legislatively Approved Budget	2015-17 Estimated Expenditures	2017-19 Governor’s Budget
Agency Program Related S and S – Write off of Uncollectable Receivables	557			
Distribution to Individuals	20,905,520	28,926,864	29,324,496	39,000,000
Total Expenditures	20,906,077	28,926,864	29,324,496	39,000,000

## BUDGET NARRATIVE

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

Source	Fund	ORBITS Revenue Acct	2013-2015 Actual	2015-17 Legislatively Adopted	2015-17 Estimated Revenue**	2017-19		
						Agency Request	Governor's Recommended	Legislatively Adopted
<b>Non-limited Other Funds:</b>								
Charges for Services – Alt Payee Admin Fee	Non-limited Other	Charges for Services						
Interest and Investment Earnings	Non-limited Other	Interest Income	344,802,649	479,456,512	425,423,088	604,000,000	604,000,000	
Donations and Contributions	Non-limited Other	Retirement System Contribution	538,113,788	654,812,138	910,621,763	1,205,000,000	1,205,000,000	
Other	Non-limited Other	Other Revenues	(991,880)	493,001	0	0		

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\*\* All 2015-17 estimated revenue amounts were calculated using unaudited 2016 fiscal year end transactions and then doubling the amount to arrive at the estimate for the biennium.

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# BUDGET NARRATIVE

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

Public Employees Retirement System, Oregon  
2017-19 Biennium

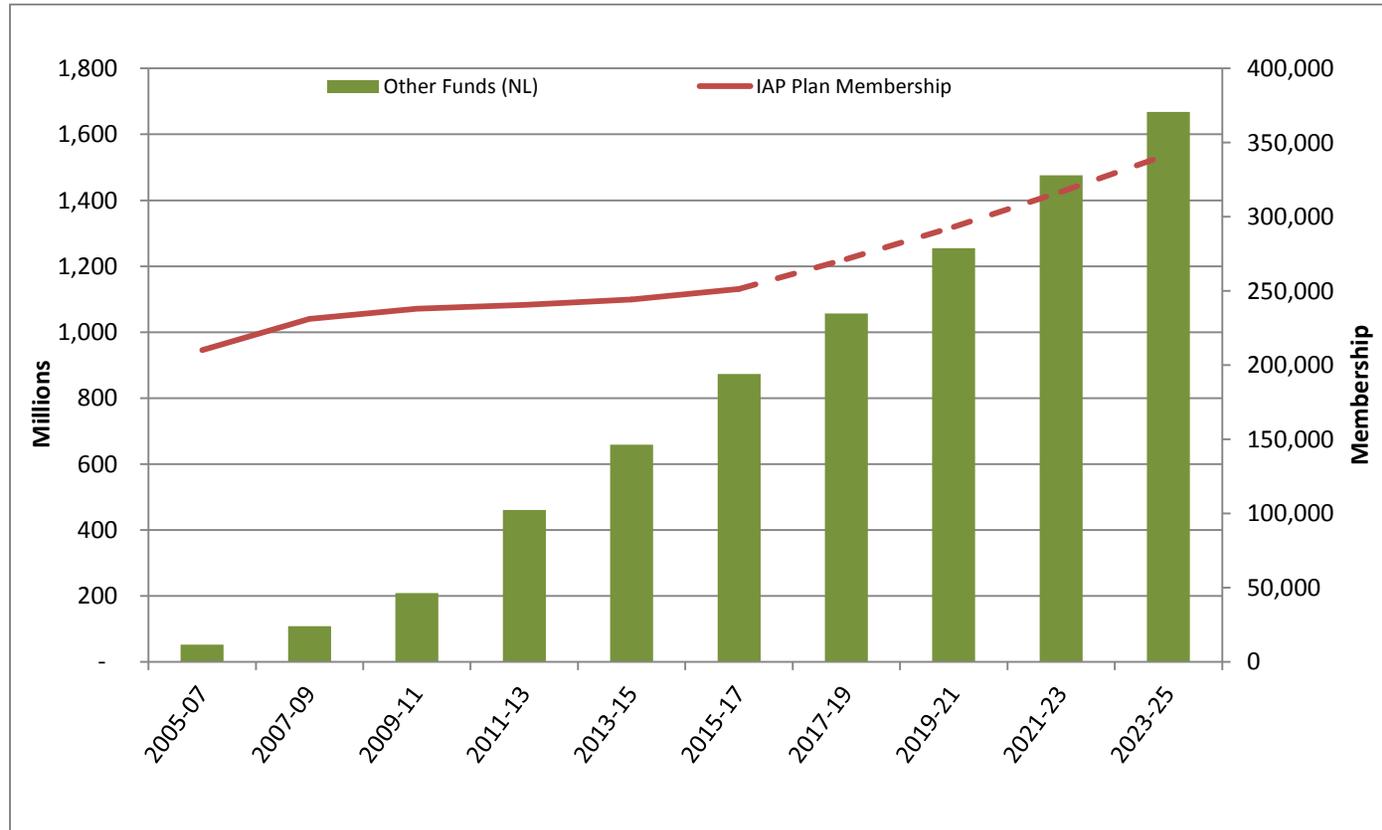
Agency Number: 45900  
Cross Reference Number: 45900-010-03-00-00000

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
<b>Nonlimited Other Funds</b>						
Interest Income	-	479,456,512	479,456,512	604,000,000	604,000,000	-
Retirement System Contribution	-	654,812,138	654,812,138	1,205,000,000	1,205,000,000	-
Other Revenues	-	493,001	493,001	-	-	-
Transfer Out - Intrafund	-	(10,996,699)	(12,370,430)	(12,667,939)	(12,667,939)	-
<b>Total Nonlimited Other Funds</b>	<b>-</b>	<b>\$1,123,764,952</b>	<b>\$1,122,391,221</b>	<b>\$1,796,332,061</b>	<b>\$1,796,332,061</b>	<b>-</b>

# BUDGET NARRATIVE

## Individual Account Program Executive Summary

Primary Outcome Area: Improving Government  
 Secondary Outcome Area: (None)  
 Program Contact: Steve Rodeman, 503.603.7695



Agency Request    
  Governor's    
  Legislatively Adopted

# BUDGET NARRATIVE

## Executive Summary

The Individual Account Program (IAP) consists of two components: members in the Oregon Public Service Retirement Plan (OPSRP) program, which serves employees who began their public service after August 28, 2003, and members in Tier One and Tier Two programs. Tier One and Tier Two member contributions made on or after January 1, 2004, have also been deposited in the IAP.

## Program Funding Request

PERS requests \$1,056,890,207 Non-Limited Other Funds expenditure authority in 2017-19 for anticipated IAP benefit payments. Estimated Non-Limited Other Funds needed for anticipated benefit payments through 2025 are:

2017-19	\$1,056,890,207
2019-21	\$1,254,664,648
2021-23	\$1,475,404,909
2023-25	\$1,667,626,182

**Performance Achievement:** Requested Non-Limited Other Funds support the agency mission to administer the public employee benefit trusts to pay the right person the right benefit at the right time. Performance achievement is measured through legislatively mandated Key Performance Measures, quarterly reporting of internal core operating and supporting business process measures, and monthly reporting of member transaction volumes and processing timeliness.

## Program Description

The IAP program was established as part of the 2003 PERS reform package to reduce the retirement benefit costs for public employees who began public service after creation of the program. All PERS-participating employers were required to enroll any new qualifying employees in the OPSRP Pension and Individual Account Program after that date. PERS administers the benefit trusts associated with these programs on behalf of those participating employers. As of January 1, 2004, all Tier One and Tier Two member contributions have also been directed to the IAP.

The IAP is funded by members contributing six percent of their salary (either through a pre-tax payroll deduction or through an employer “pick-up”). These contributions are invested on members’ behalf as part of the overall PERS Fund, and investment earnings or losses are credited to their accounts. Unlike Tier One member regular accounts, IAP accounts do not have a guaranteed minimum earnings rate.

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## BUDGET NARRATIVE

The IAP is an account-based benefit that is paid in a lump sum upon withdrawal, or in several optional forms of payments at retirement, including a single lump sum or periodic installments at different frequency over various durations. In the 2003 PERS reform legislation, all active Tier One and Tier Two members had their contributions diverted to new IAP accounts, instead of their regular or variable accounts, to restrict the growth in their benefit amounts. Consequently, the IAP now has the largest number of members of all PERS retirement programs. IAP costs are paid wholly out of earnings on member contributions. When earnings are insufficient to pay those costs, member account balances are reduced to recover those costs.

This program is funded through public employee benefit trusts that are subject to federal and state laws and rules governing tax-qualified government retirement plans. One fundamental provision of those trusts is that the contributions (both from employers and members) and their associated investment earnings can only be used for the exclusive benefit of those members. Consequently, the funds expended through this program can only be used to support the services and benefits provided within the program.

### **Program Justification and Link to 10-Year Plan Outcome**

The IAP aligns to the goals and strategies in the Improving Government area of the 10-Year Plan Outcome planning. This program is a major component of the public employee retirement plan, which covers all state agencies, schools and over 90% of eligible local government employees. PERS administers this program for eligible public employees and their employers. This combined administration allows investment in operational efficiencies (such as web-based reporting, customer service and benefit processing) that would not be feasible if individual agencies provided their own benefit plans.

Benefits from the program are delivered through the lowest-cost administrative structure. The fundamental advantages of a multi-employer defined benefit plan are institutional investment of the fund, which enhances returns to members and reduces investment expenses; risk sharing pools, which spread the impact of actuarial experience over a broad base; benefit portability, which allows members to transfer among participating employers without impacting benefit accruals; and unified administration, which enhances professionalism and improves economies of scale. Those advantages allow member and employer contributions into the system to provide the maximum positive economic impact to local economies when retiree benefits are spent in local communities.

## BUDGET NARRATIVE

### Program Performance

Fiscal Year	Total IAP Membership	Total Retired IAP Members	Total IAP Expenditures	Total IAP Retirements Processed
2009	231,256	N/A	50,507,139	2,488
2010	236,265	N/A	73,784,249	4,205
2011	238,062	N/A	135,119,718	8,545
2012	240,637	2,641	210,242,769	6,878
2013	240,697	3,308	250,850,415	9,249
2014	244,256	4,269	332,872,941	9,021
2015	251,417	5,018	326,073,407	7,375
2016	260,164	5,810	366,473,327	7,163

The table shows how combining the legacy Tier One and Tier Two members into the IAP program created a large base to support that program's associated administrative costs. Total IAP Membership reflects how this element of member benefits, where the member bears the entire risk of investment losses, is an increasingly significant aspect of the total retirement benefit package. IAP Retirements Processed shows how adding two new benefit programs (OPSRP Pension and IAP) as part of 2003 PERS reform has generated a significant number of additional retirement transactions in a short period of time as all members now are retiring with both a pension benefit and an IAP benefit. The same holds true for withdrawals of members who have worked after the January 1, 2004 effective date of the IAP.

Policy Package 102 will complete the transfer to PERS of all aspects of the Individual Account Program (IAP) administration by December 15, 2018, and eliminates over \$2.2 million in annual costs for an outside third-party administrator (TPA).

### Enabling Legislation/Program Authorization

The program is governed by the following Oregon Revised Statutes and Administrative Rules:

- IAP is authorized by ORS 238A.300 thru 238A.435
- Oregon Administrative Rules Chapter 459

## BUDGET NARRATIVE

The benefits provided under the program are protected by provisions in the U.S. and Oregon Constitutions regarding contracts. Courts have construed these benefits as public contracts with the members. Unlike the Tier One and Tier Two Program, the legislature expressly reserved the right to alter the provisions of the OPSRP program, including the IAP, for services performed after the effective date of any such change (ORS 238A.470).

### Funding Streams

This program is funded entirely from member contributions and the return on investment of those contributions, which are held in the Public Employee Retirement Fund (PERF). In accordance with ORS 238.660(2), incorporated into the OPSRP Program by ORS 238A.050(2), funds in the PERF can only be expended for the exclusive benefit of the members. ORS 238.661 (also incorporated by ORS 238A.050(2)) further provides that moneys in the PERF are continuously appropriated to the Public Employees Retirement Board for the purpose of implementing plan requirements. Expenditures under this program are categorized for state budget purposes as Other Funds – Non-limited.

### Significant Proposed Program Changes from 2015-17

Requested Non-Limited Other Funds represent an increase of \$183,401,316 above the 2015-17 budget of \$873,488,891 and reflects the Agency's 2017-19 anticipated benefit payments or withdrawals for IAP benefit recipients.

### **Individual Account Program**

#### **Budget 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. The IAP has no guaranteed payment or return. Members make contributions; employers may or may not make additional 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 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 installments over a specified period of their choice.

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 after that date are deposited in the member's IAP, not into the member's Tier One or Tier Two accounts.

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## BUDGET NARRATIVE

This program includes OPSRP and Tier One & Tier Two member contributions into the IAP, account withdrawals and distributions to Tier One, Tier Two, and OPSRP members. The program 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 and Package 091 Analyst Adjustments

Changes have been made to both revenues and expenditures to reflect updated projections based on trend analysis and using moving four-year averages. The 2015-17 expenditure estimates column below was calculated using unaudited fiscal year end 2016 actuals and doubling that number. Contracted services for third party administration of the IAP Program have been updated based on the projected number of participants and inflation. Package 091 Analyst recommended adjustments reduced services and supplies expenditures by \$9,793.

Individual Account Program Non-limited Other Funds	2013-15 Actual Expenditures	2015-17 Legislatively Approved Budget	2015-17 Estimated Expenditures	2017-19 Governor's Budget
Agency Program Related S and S – Write Off of Uncollectable Receivables				
Agency Program Related S and S – 3 <sup>rd</sup> Party Administration	4,522,027	4,580,434	4,724,647	4,890,207
Distribution to Individuals	654,424,321	868,908,457	864,896,635	1,052,000,000
<b>Total Expenditures</b>	<b>658,946,348</b>	<b>873,488,891</b>	<b>869,621,282</b>	<b>1,056,890,207</b>

## BUDGET NARRATIVE

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

Source	Fund	ORBITS Revenue Acct	2013-15 Actual	2015-17 Legislatively Adopted	2015-17 Estimated Revenue*	2017-19		
						Agency Request	Governor's Recommended	Legislatively Adopted
<b>Non-limited Other Funds:</b>								
Charges for Services	Non-limited Other	Charges for Services	60,499	86,928	57,200	59,000	59,000	
Interest and Investment Earnings	Non-limited Other	Interest Income	1,121,479,318	1,775,922,223	1,158,745,808	1,141,000,000	1,141,000,000	
Donations and Contributions	Non-limited Other	Retirement System Contribution	1,072,473,187	1,037,713,596	1,100,432,881	1,139,000,000	1,139,000,000	
Other	Non-limited Other	Other Revenues	1,931,636	0	0	0	0	

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\* All 2015-17 estimated revenue amounts were calculated using unaudited 2016 fiscal year end transactions and then doubling the amount to arrive at the estimate for the biennium.

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# BUDGET NARRATIVE

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

Public Employees Retirement System, Oregon  
2017-19 Biennium

Agency Number: 45900  
Cross Reference Number: 45900-010-04-00-00000

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
<b>Nonlimited Other Funds</b>						
Charges for Services	-	86,928	86,928	59,000	59,000	-
Interest Income	-	1,775,922,223	1,775,922,223	1,141,000,000	1,141,000,000	-
Retirement System Contribution	-	1,037,713,596	1,037,713,596	1,139,000,000	1,139,000,000	-
Transfer Out - Intrafund	-	(13,740,951)	(16,713,100)	(15,829,253)	(15,829,253)	-
<b>Total Nonlimited Other Funds</b>	<b>-</b>	<b>\$2,799,981,796</b>	<b>\$2,797,009,647</b>	<b>\$2,264,229,747</b>	<b>\$2,264,229,747</b>	<b>-</b>

2017-19 Biennium

Detail of LF, OF, and FF Revenues - BPR012

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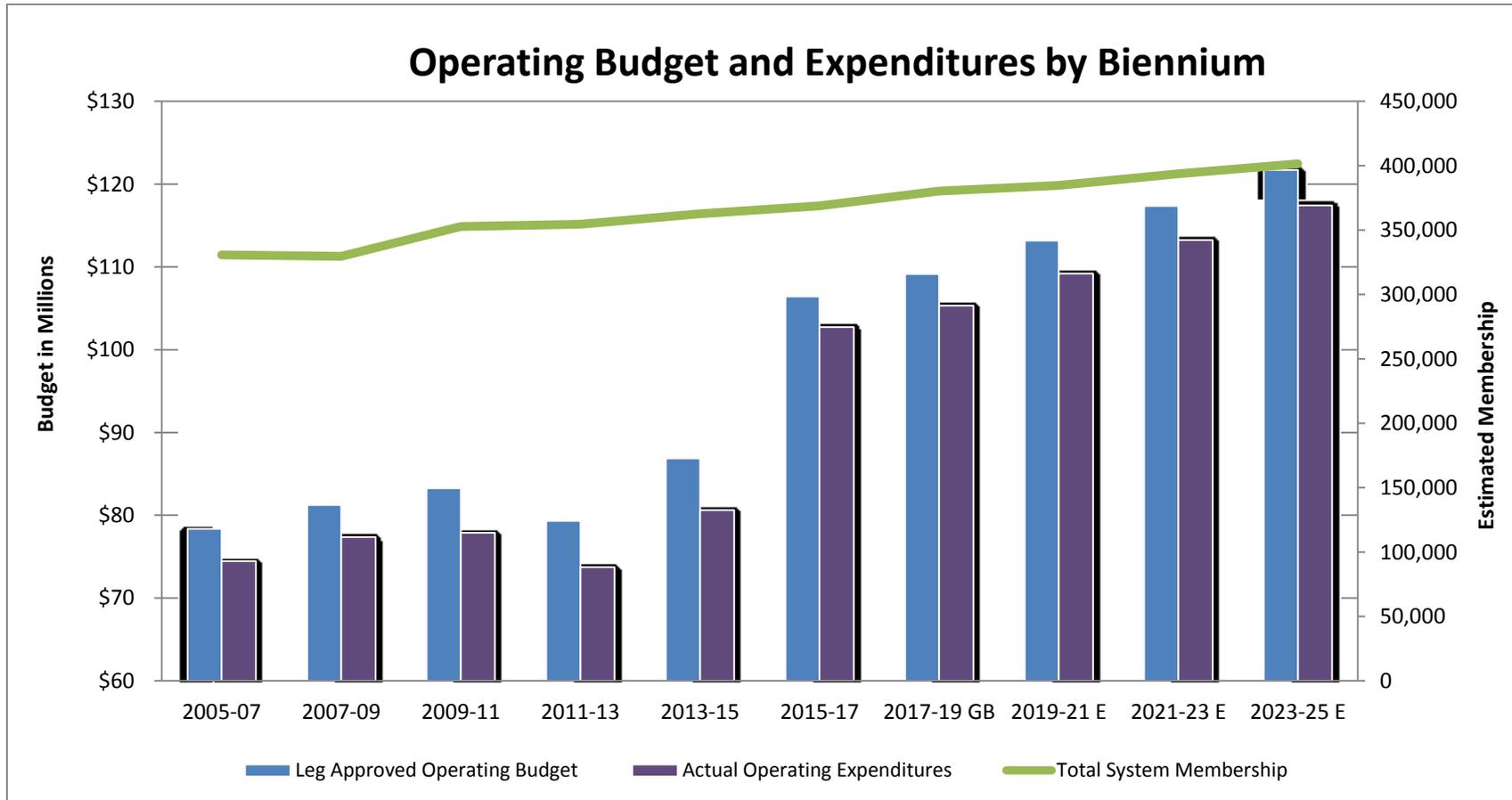
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**107BF07**

# BUDGET NARRATIVE

## Operations Executive Summary

Primary Outcome Area: Improving Government  
 Secondary Outcome Area: (None)  
 Program Contact: Steve Rodeman, 503.603.7695



# BUDGET NARRATIVE

## Executive Summary

The Operations Program reflects the costs of the Public Employees Retirement System's (PERS) administration of public employee benefit trusts that provide benefit services to employees of over 900 public employers throughout Oregon. Those services include retirement, disability, and death benefits, as well as a deferred compensation program and a retiree health insurance program. PERS also administers the state's obligations under the federal Social Security program. Centralizing these benefit administration services through PERS produces economies of scale that reduce costs, enhance customer service, and support process efficiencies. The Operations Program does not include Debt Service.

## Program Funding Request

PERS requests \$109,143,993 Limited Other Funds in 2017-19 for the Agency's operating budget.

Based on DAS / BAM-issued assumptions, the estimated Limited Other Funds needed for PERS' operating budget through 2025 are:

2017-19	\$109,143,993
2019-21	\$113,182,321
2021-23	\$117,370,067
2023-25	\$121,712,759

**Performance Achievement:** Requested Non-Limited Other Funds support the Agency's mission to administer public employee benefit trusts that pay the right person the right benefit at the right time. Performance achievement is measured through legislatively mandated Key Performance Measures and quarterly reporting of internal core operating and supporting business process measures.

## Program Description

The Operations Program budget provides the Other Fund financial resources for PERS to administer public employee benefit trusts that provide services for over 900 public employers in Oregon, serving over 350,000 members (Tier One, Tier Two, OPSRP, and IAP) and their beneficiaries or alternate payees. The budget also supports administration of a tax-qualified deferred compensation plan (the Oregon Savings Growth Plan) and several retiree health insurance premium trusts. PERS also fulfills the state's role in administering the federal Social Security program with local government employers.

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## BUDGET NARRATIVE

The budget in the Operations Program reflects only a fraction of the agency's total expenditures. In fact, PERS services the largest "payroll" in the state, processing in excess of \$3.6 billion in benefit payments every year (the equivalent of some one-third of the total public employment payroll in Oregon). Using those benefit payments as a measure of the impact PERS has on Oregon's citizens and economy, this agency clearly constitutes one of the major components of the government sector in all of Oregon.

The drive toward efficiency and service improvement has resulted in the budget limitation for this program area remaining stable from \$85 million and 401 FTE in 2005-07 to \$106.9 million with 380 FTE in 2015-17. The improvements in agency operations were achieved through restructuring processes and leveraging new technologies, such as the agency's Oregon Retirement Information On-line Network (ORION). These improvements have allowed PERS to administer the significant programs added in the 2003 PERS reforms (OPSRP Pension and IAP) and make several structural changes to the agency's programs as directed by the legislature while overall staffing has decreased. Just as importantly, service metrics as measured by the agency's Key Performance Measures have generally improved over this same time even as the agency has integrated new programs over a declining staff.

Demands for the agency's services will continue to grow for the next several biennia as an ever-greater percentage of the public work force passes into retirement age. The agency's approved 2015-17 budget is predicated on processing about 7,500-8,000 retirements per year. That average will increase markedly over the next several biennia. There are already some 71,000 PERS members currently eligible to retire, with more members becoming eligible every year. PERS' strategic imperative is to enhance efficiencies and improve processes to handle this rapidly increasing benefit administration workload, rather than increase head-count to maintain service levels.

Supporting the focus on process improvements and service enhancements, however, requires a new paradigm in the agency's structure and management systems. The 2017-19 Governor's Budget is predicated on a fundamental framework that defines the agency's core operating and supporting processes. Through those processes, PERS delivers member services with a highly efficient, automated payment system. That level of process efficiency and technology leveraging often obscures the agency's operational scope. The metrics show that PERS is responsible for timely, accurate, and proficient distribution of 70% of the Other Funds expenditures in Oregon. Easily one in three Oregonians has some connection to a PERS member, reflecting the agency's widespread impact within this state. But the agency's position classifications are still viewed through a prism of the number of FTE in the agency, not by the statewide impact or total value of the services our Operations budget provides. This perception constrains the level of professional skills we are able to attract and retain to further develop our operations and manage our staff as financial services professionals.

## BUDGET NARRATIVE

### Program Justification and Link to 10-Year Plan Outcomes

The PERS Operations Program strongly aligns to the goals and strategies in the Improving Government area of the 10-Year Plan Outcome areas. Given the vital role that PERS plays in public employee recruitment and retention; the often critical nature of PERS death and disability and retiree health insurance benefits; the valued retirement security that PERS provides to long-term public servants; and the substantial economic impact of PERS benefit payments to communities throughout the state, it could be argued that PERS is indirectly linked to all of the 10-Year Plan Outcome areas.

This program combines the administration of defined benefit retirement plans and other benefit trusts for all state agencies and schools, as well as over 90% of local government employees. PERS administers these programs to provide assistance and service to all these public employers and employees. This combined administration allows investment in operational efficiencies (such as web-based employer reporting, customer service, and benefit processing) that would not be economically feasible for individual agencies.

As a combined benefit plan administrator, these public employers' benefit plans are provided within the lowest-cost framework. The fundamental advantages of a multi-employer defined benefit plan are institutional fund investment, which enhances return and reduces investment expenses; risk sharing pools, which spread actuarial experience costs over a broader base; benefit portability, which allows members to transfer among participating employers without impacting benefit accruals; and unified administration, which allows for enhanced professionalism and economies of scale. Those advantages allow member and employer contributions to provide the maximum positive economic impact to state and local economies when the benefits are spent by recipients in their community.

### Program Performance

<b>Fiscal Year</b>	<b>Total Members Served</b>	<b>Annual Admin. Cost per Member</b>	<b>% Initial Service Retirements Paid in 45 Days</b>	<b>Member Satisfaction Rating - Overall</b>
2009	329,611	140	56%	93%
2010	334,468	121	21%	91%
2011	352,826	115	40%	94%
2012	353,998	125	47%	83%
2013	354,502	127	55%	88%
2014	362,756	130	61%	92%
2015	369,022	128	74%	92%
2016	384,412	150	60%	92%

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# BUDGET NARRATIVE

## **Enabling Legislation/Program Authorization**

Enabling legislation for PERS Operations (administrative costs) are:

- Oregon Revised Statute (ORS) 237.500; 238.490, & 610; and 243.470.
- Oregon Administrative Rules Chapter 459

Notably, the governing authority for the PERS system is vested in a five-member board appointed by the Governor and confirmed by the Senate under ORS 238.630. The PERS Board is charged with employing a director and creating such other positions as it deems necessary for sound and economical administration of the system.

## **Funding Streams**

ORS 238.610 directs that the administrative operations expenses for PERS are paid from earnings on the Public Employees Retirement Fund or, in years when such earnings are insufficient, through a direct charge to participating public employers. PERS annual operations expenses, when measured as a percent of the \$70 billion PERS Fund, represent less than 8 basis points (0.08%). Any earnings not used to support agency operations must be otherwise expended solely for the exclusive benefit of PERS members.

## **Significant Proposed Program Changes from 2015-17**

Requested Limited Other Funds reflect an increase of \$2,194,544 over the 2015-17 operating budget of \$106,949,449 and will enable the Agency to maintain current service delivery levels while enhancing performance measurement in the areas of process improvement and technology.

# BUDGET NARRATIVE

## Operations

### Budget Overview

As previously stated, PERS administers a number of retirement related programs for more than 900 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 employ 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, Policy, Planning and Communications Division, Benefit Payments Division (BPD), Fiscal and Administrative Services Division (FASD), Information Services Division (ISD), and Customer Services Division (CSD).

### 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, Internal Audits and Social Security Program.

### Policy, Planning, and Communications Division

The Policy, Planning, and Communications Division provides services related to legislative policy, rulemaking, legal counsel coordination, legal services, agency determination review and contested case activities including compliance with state and federal statutes, rules, and court decisions. This division also includes all strategic operational planning for both short and long range goals, enterprise- wide project management, and process improvement initiatives. Communication of all events and activities are provided to internal staff, PERS members and the local media through a variety of sources.

### 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 as well as calculating and establishing service retirement, disability, and death benefits. Responsibilities also include determining eligibility for disability retirements, administering divorce decrees, and validating beneficiaries.

## BUDGET NARRATIVE

### Financial and Administrative Services Division

The Financial and Administrative Services Division (FASD) 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. FASD is responsible for agency fiscal operations duties, including the receipt, posting, and deposit of over \$1.70 billion annually in member and employer contributions and the disbursement of approximately \$4.2 billion annually in member and beneficiary benefits. 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. FASD also contains the Facilities Services Section that manages office supplies, general building maintenance, shipping and receiving, and other various ancillary tasks. Human Resources, Retiree Health Insurance and Deferred Compensation (OSGP) programs and are also located within FASD.

### Information Services Division

The Information Services Division (ISD) provides technical support to all divisions of the agency. ISD ensure 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 from the Online Member Services (OMS) internet tool, an in house phone team, and in person where it conducts group and individual counseling through various retirement planning sessions. CSD is also responsible for producing benefit estimates and member account statements. Additionally, CSD 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 including the annual reconciliation process.

\*Note that a new agency organizational structure was reviewed and approved by DAS CFO and LFO in the summer of 2016. PERS is working to change its budget structure to this new organizational structure through the 2017-19 budget cycle.

## BUDGET NARRATIVE

### Base Budget Adjustments

The 2017-19 Other Funds Limitation base budget was increased by \$2,412,697 Other funds due to administrative E-Board actions. The base budget was not adjusted for estimated costs of merit increases or cost of living adjustments.

Division	Base Budget	Essential Packages	Current Service Level	Policy Packages	Governor's Budget
Central Administration	3,945,487	32,414	3,977,901	(41,610)	3,936,291
Benefit Payments	15,668,894	(481,440)	15,187,454	(1,570)	15,185,884
Financial and Administrative Services	28,838,281	(5,377,505)	23,460,776	(179,717)	23,281,059
Information Services	30,587,887	(6,723,672)	23,864,215	12,047,151	35,911,366
Customer Services	23,133,450	257,697	23,391,147	(1,562)	23,389,585
Policy Planning and Communication	7,188,147	326,943	7,515,090	(75,282)	7,439,808
Totals	\$109,362,146	(\$11,965,563)	\$97,396,583	\$11,747,410	\$109,143,993

## BUDGET NARRATIVE

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

Source	Fund	ORBITS Revenue Acct	2013-15 Actual	2015-17 Legislatively Adopted	2015-17 Estimated Revenue*	2017-19		
						Agency Request	Governor's Recommended	Legislatively Adopted
<b>Operations Other Funds:</b>								
Charges for Services – Admin Fees	Limited Other Funds	Charges for Services	3,074,964	3,794,821	3,866,500	4,175,500	4,175,500	
Interest Earnings	Limited Other Funds	Interest Income	25,032	30,291	26,500	29,150	29,150	
Other	Limited Other Funds	Other Revenues	183,224	74,000	50,000	50,000	50,000	

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\* All 2015-17 estimated revenue amounts were calculated using unaudited 2016 fiscal year end transactions and then doubling the amount to arrive at the estimate for the biennium.

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# BUDGET NARRATIVE

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

Public Employees Retirement System, Oregon  
2017-19 Biennium

Agency Number: 45900  
Cross Reference Number: 45900-500-00-00-00000

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
<b>Other Funds</b>						
Charges for Services	-	3,794,821	3,794,821	4,175,500	4,175,500	-
Interest Income	-	30,291	30,291	29,150	29,150	-
Other Revenues	-	74,000	74,000	50,000	50,000	-
Transfer In - Intrafund	-	90,872,552	103,480,139	104,683,048	105,318,631	-
Transfer Out - Intrafund	-	(159,141)	(159,141)	(235,932)	(235,932)	-
<b>Total Other Funds</b>	-	<b>\$94,612,523</b>	<b>\$107,220,110</b>	<b>\$108,701,766</b>	<b>\$109,337,349</b>	-

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Detail of LF, OF, and FF Revenues - BPR012

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# BUDGET NARRATIVE

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

Public Employees Retirement System, Oregon  
2017-19 Biennium

Agency Number: 45900  
Cross Reference Number: 45900-500-01-00-00000

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
<b>Other Funds</b>						
Charges for Services	-	398,000	398,000	398,000	398,000	-
Interest Income	-	3,000	3,000	3,300	3,300	-
Transfer In - Intrafund	-	3,439,304	3,629,718	3,758,261	3,758,261	-
Transfer Out - Intrafund	-	(159,141)	(159,141)	(235,932)	(235,932)	-
<b>Total Other Funds</b>	-	<b>\$3,681,163</b>	<b>\$3,871,577</b>	<b>\$3,923,629</b>	<b>\$3,923,629</b>	-

# BUDGET NARRATIVE

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

Public Employees Retirement System, Oregon  
2017-19 Biennium

Agency Number: 45900  
Cross Reference Number: 45900-500-02-00-00000

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
<b>Other Funds</b>						
Charges for Services	-	615,609	615,609	473,000	473,000	-
Transfer In - Intrafund	-	13,569,570	14,155,250	14,665,601	14,665,601	-
<b>Total Other Funds</b>	-	<b>\$14,185,179</b>	<b>\$14,770,859</b>	<b>\$15,138,601</b>	<b>\$15,138,601</b>	-

2017-19 Biennium

Detail of LF, OF, and FF Revenues - BPR012

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# BUDGET NARRATIVE

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

Public Employees Retirement System, Oregon  
2017-19 Biennium

Agency Number: 45900  
Cross Reference Number: 45900-500-03-00-00000

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
<b>Other Funds</b>						
Charges for Services	-	2,776,712	2,776,712	3,300,000	3,300,000	-
Interest Income	-	27,291	27,291	25,850	25,850	-
Other Revenues	-	74,000	74,000	50,000	50,000	-
Transfer In - Intrafund	-	19,433,875	26,542,703	20,081,666	20,081,666	-
<b>Total Other Funds</b>	-	<b>\$22,311,878</b>	<b>\$29,420,706</b>	<b>\$23,457,516</b>	<b>\$23,457,516</b>	-

2017-19 Biennium

Detail of LF, OF, and FF Revenues - BPR012

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# BUDGET NARRATIVE

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

Public Employees Retirement System, Oregon  
2017-19 Biennium

Agency Number: 45900  
Cross Reference Number: 45900-500-04-00-00000

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
<b>Other Funds</b>						
Charges for Services	-	3,500	3,500	3,500	3,500	-
Transfer In - Intrafund	-	26,835,936	30,269,702	35,272,283	35,907,866	-
<b>Total Other Funds</b>	-	<b>\$26,839,436</b>	<b>\$30,273,202</b>	<b>\$35,275,783</b>	<b>\$35,911,366</b>	-

# BUDGET NARRATIVE

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

Public Employees Retirement System, Oregon  
2017-19 Biennium

Agency Number: 45900  
Cross Reference Number: 45900-500-05-00-00000

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
<b>Other Funds</b>						
Charges for Services	-	1,000	1,000	1,000	1,000	-
Transfer In - Intrafund	-	20,876,552	21,935,293	23,390,147	23,390,147	-
<b>Total Other Funds</b>	-	<b>\$20,877,552</b>	<b>\$21,936,293</b>	<b>\$23,391,147</b>	<b>\$23,391,147</b>	-

# BUDGET NARRATIVE

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

Public Employees Retirement System, Oregon  
2017-19 Biennium

Agency Number: 45900  
Cross Reference Number: 45900-500-07-00-00000

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
<b>Other Funds</b>						
Transfer In - Intrafund	-	6,717,315	6,947,473	7,515,090	7,515,090	-
<b>Total Other Funds</b>	-	<b>\$6,717,315</b>	<b>\$6,947,473</b>	<b>\$7,515,090</b>	<b>\$7,515,090</b>	-

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Detail of LF, OF, and FF Revenues - BPR012

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## BUDGET NARRATIVE

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

#### Package Description

This package contains a total increase of \$885,739 Other Funds. The increase is due primarily to the net increase of \$233,435 for the PERS portion of the pension obligation bond. This package includes standard inflation of 3.7 percent on non-PICS personal service expenses such as temporary employees, overtime, shift and other differentials, and unemployment compensation; this accounts for \$46,713 including other payroll expenses. There is a decrease of (\$36,226) for mass transit taxes applying the 2017-19 rate of .006%. Vacancy savings increased by \$641,817 when compared to the 2015-17 biennium. The following table shows the increases in limitation by division.

SCR	Division Title	Amount
500-01	Central Administration	30,642
500-02	Benefit Payments Division	190,657
500-03	Financial and Administrative Services	125,609
500-04	Information Services Division	180,370
500-05	Customer Services Division	294,690
500-07	Policy, Planning, and Communications Division	63,771
	<b>Total</b>	<b>\$885,739</b>

# 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: Limited - Operations  
 Cross Reference Number: 45900-500-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Personal Services</b>							
Temporary Appointments	-	-	6,291	-	-	-	6,291
Overtime Payments	-	-	21,554	-	-	-	21,554
Shift Differential	-	-	82	-	-	-	82
All Other Differential	-	-	8,658	-	-	-	8,658
Public Employees' Retire Cont	-	-	5,783	-	-	-	5,783
Pension Obligation Bond	-	-	233,435	-	-	-	233,435
Social Security Taxes	-	-	2,799	-	-	-	2,799
Unemployment Assessments	-	-	1,546	-	-	-	1,546
Mass Transit Tax	-	-	(36,226)	-	-	-	(36,226)
Vacancy Savings	-	-	641,817	-	-	-	641,817
<b>Total Personal Services</b>	-	-	<b>\$885,739</b>	-	-	-	<b>\$885,739</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	885,739	-	-	-	885,739
<b>Total Expenditures</b>	-	-	<b>\$885,739</b>	-	-	-	<b>\$885,739</b>
<b>Ending Balance</b>							
Ending Balance	-	-	(885,739)	-	-	-	(885,739)
<b>Total Ending Balance</b>	-	-	<b>(\$885,739)</b>	-	-	-	<b>(\$885,739)</b>

## BUDGET NARRATIVE

### Package 021 Phase-in Programs

#### Package Description

To continue recovering overpaid benefits from a large population of benefit recipients and in conformance with the Oregon Supreme Court (in two decisions from 2005, the *Strunk* and *City of Eugene* cases), an amount of \$804,304 Other Funds in the Financial and Administrative Services Division, is being phased in to cover the efforts of collecting Strunk and City of Eugene receivable dollars and the continuation of three full-time limited duration positions (3.00 FTE).

Of the \$804,304 Other Funds phased in, PERS estimates that \$360,000 is needed to pay collection fees for accounts turned over to the Department of Revenue and private collection agencies. The remaining \$444,304 is needed to cover Personal Services, training, and office expenses associated with the three limited duration positions.

SCR	Division Title	Amount
500-03	Financial and Administrative Division	804,304
	<b>Total</b>	<b>\$804,304</b>

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
Pkg: 021 - Phase - In

Cross Reference Name: Limited - Operations  
Cross Reference Number: 45900-500-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	-	-	268,440	-	-	-	268,440
Empl. Rel. Bd. Assessments	-	-	171	-	-	-	171
Public Employees' Retire Cont	-	-	35,138	-	-	-	35,138
Social Security Taxes	-	-	20,535	-	-	-	20,535
Worker's Comp. Assess. (WCD)	-	-	207	-	-	-	207
Mass Transit Tax	-	-	1,610	-	-	-	1,610
Flexible Benefits	-	-	100,008	-	-	-	100,008
<b>Total Personal Services</b>	-	-	<b>\$426,109</b>	-	-	-	<b>\$426,109</b>
<b>Services &amp; Supplies</b>							
Employee Training	-	-	3,195	-	-	-	3,195
Office Expenses	-	-	15,000	-	-	-	15,000
Professional Services	-	-	-	-	-	-	-
Other Services and Supplies	-	-	360,000	-	-	-	360,000
Expendable Prop 250 - 5000	-	-	-	-	-	-	-
IT Expendable Property	-	-	-	-	-	-	-
<b>Total Services &amp; Supplies</b>	-	-	<b>\$378,195</b>	-	-	-	<b>\$378,195</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	804,304	-	-	-	804,304
<b>Total Expenditures</b>	-	-	<b>\$804,304</b>	-	-	-	<b>\$804,304</b>

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Essential and Policy Package Fiscal Impact Summary - BPR013

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 021 - Phase - In

Cross Reference Name: Limited - Operations  
 Cross Reference Number: 45900-500-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Ending Balance</b>							
Ending Balance	-	-	(804,304)	-	-	-	(804,304)
<b>Total Ending Balance</b>	-	-	<b>(\$804,304)</b>	-	-	-	<b>(\$804,304)</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

01/22/17 REPORT NO.: PPDPFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY: 45900 PUB EMPLOYEES RETIREMENT SYSTEM  
 SUMMARY XREF: 500-01-00 Financial & Admin Services Div

DEPT: OF ADMIN. SVCS. -- PPDE PICS SYSTEM

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PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 021 - Phase - In

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPF	OF SAL/OPF	FF SAL/OPF	LF SAL/OPF	AF SAL/OPF
1902101	DAS C0212 AP	ACCOUNTING TECHNICIAN 1	1	1.00	24.00	05	3,669.00		88,056 51,724			88,056 51,724
1902102	DAS C0212 AP	ACCOUNTING TECHNICIAN 1	1	1.00	24.00	05	3,669.00		88,056 51,724			88,056 51,724
1902103	DAS C0212 AP	ACCOUNTING TECHNICIAN 3	1	1.00	24.00	06	3,847.00		92,328 52,611			92,328 52,611
TOTAL PICS SALARY									268,440			268,440
TOTAL PICS OPE									156,059			156,059
TOTAL PICS PERSONAL SERVICES =									424,499			424,499

## BUDGET NARRATIVE

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

#### Package Description

Total reductions of (\$8,322,234) 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:

Package by SCR	Total Phase-Out	Central Admin 500-01	Benefit Payments 500-02	Financial and Admin Services 500-03	Information Services 500-04	Customer Services 500-05	Policy, Planning & Communication 500-07
Pkg. 021 Strunk and Eugene Collections	(379,391)			(379,391)			
Pkg. 101 Current Service Metrics	(10,000)		(5,000)	(5,000)			
Pkg. 102 IAP Phase 3	(1,370,778)				(1,370,778)		
Pkg. 103 Enhanced Data Verification	(35,000)					(35,000)	
Pkg. 104 Technology Maintenance and Enhancements	(250,000)				(250,000)		
Pkg. 105 Disaster Recovery	(1,248,000)				(1,248,000)		
Pkg. 803 MORO	(1,603,528)		(696,820)		(906,708)		
Pkg. 840 SB 370 Alternate Payee Benefits	(225,000)				(225,000)		
Pkg. 840 HB 3495 OPSRP Contributions	(284,960)				(254,500)	(30,460)	
Pkg. 4002 SB 5507 IAP and Technology Debt	(2,915,577)				(2,915,577)		
<b>Total one-time costs and phase-outs</b>	<b>(8,322,234)</b>	0	(701,820)	(384,391)	(7,170,563)	(65,460)	0

# 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: Limited - Operations  
 Cross Reference Number: 45900-500-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Personal Services</b>							
Temporary Appointments	-	-	-	-	-	-	-
Overtime Payments	-	-	-	-	-	-	-
Public Employees' Retire Cont	-	-	-	-	-	-	-
Social Security Taxes	-	-	-	-	-	-	-
Mass Transit Tax	-	-	(3,771)	-	-	-	(3,771)
<b>Total Personal Services</b>	-	-	<b>(\$3,771)</b>	-	-	-	<b>(\$3,771)</b>
<b>Services &amp; Supplies</b>							
Employee Training	-	-	(30,150)	-	-	-	(30,150)
Office Expenses	-	-	(30,000)	-	-	-	(30,000)
Professional Services	-	-	(727,280)	-	-	-	(727,280)
IT Professional Services	-	-	(5,585,033)	-	-	-	(5,585,033)
Other Services and Supplies	-	-	(360,000)	-	-	-	(360,000)
Expendable Prop 250 - 5000	-	-	(12,000)	-	-	-	(12,000)
IT Expendable Property	-	-	(48,000)	-	-	-	(48,000)
<b>Total Services &amp; Supplies</b>	-	-	<b>(\$6,792,463)</b>	-	-	-	<b>(\$6,792,463)</b>
<b>Capital Outlay</b>							
Data Processing Software	-	-	(453,500)	-	-	-	(453,500)
Data Processing Hardware	-	-	(1,072,500)	-	-	-	(1,072,500)
<b>Total Capital Outlay</b>	-	-	<b>(\$1,526,000)</b>	-	-	-	<b>(\$1,526,000)</b>

2017-19 Biennium

Essential and Policy Package Fiscal Impact Summary - BPR013

\_\_\_ Agency Request

X  Governor's

\_\_\_ Legislatively Adopted

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# 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: Limited - Operations  
 Cross Reference Number: 45900-500-00-00-00000

<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	-	-	(8,322,234)	-	-	-	(8,322,234)
<b>Total Expenditures</b>	-	-	<b>(\$8,322,234)</b>	-	-	-	<b>(\$8,322,234)</b>
<b>Ending Balance</b>							
Ending Balance	-	-	8,322,234	-	-	-	8,322,234
<b>Total Ending Balance</b>	-	-	<b>\$8,322,234</b>	-	-	-	<b>\$8,322,234</b>

## BUDGET NARRATIVE

### Package 031 Standard Inflation

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

The total cost of goods and services decreases by (\$5,461,626) Other Funds. The Department of Administrative Services (DAS) Price List of Goods and Services and the biennial standard inflation factor of 3.7 percent are the basis for calculating cost increases in services, supplies, and capital outlay. State Government Service Charges were reduced by (\$6,449,668), which off- set the increased standard inflation amount of \$789,407 in all other items. The SGSC reduction includes (\$198,635) from Package 091.

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. Treasury charges are based on a user fee price list and are part of State Government Service Charges. Selected DAS estimated charges were transferred back to State Government Service Charges, increasing by \$81,494 and reduced from the base budget in Services & Supplies categories.

This decrease in DAS Price List of Goods and Services is attributable to one major factor:

- DAS Enterprise Technology Services introduced the Statewide Fixed Investment Costs Assessment for the State Data Center in the 2015-17 biennium that resulted in an assessment of \$7.1M during that period. A new pricing methodology was introduced for the 17-19 biennium, which has decreased the assessment to \$789,429 for the Chief Information Office; a reduction of (\$6,507,874).
- The annual audit of PERS' Comprehensive Annual Financial Report (CAFR) is performed by an outside firm with oversight by the Secretary of State Audits Division. The total cost in the current biennium was split between the oversight cost budgeted in State Government Service Charges and the annual audit of the CAFR budgeted in Professional Services. The Secretary of State Audits Division estimated a total cost of \$946,000 for both services and this amount is budgeted in State Government Service Charges in 2017-19. The additional cost of auditing PERS' compliance with the two new Pension Accounting and Financial Reporting in accordance with generally accepted accounting principles (GAAP) is included in this amount.

## BUDGET NARRATIVE

The following is a summary showing the total increase (decrease) by division:

<b>SCR</b>	<b>Division Title</b>	<b>Amount</b>
500-01	Central Administration	1,772
500-02	Benefit Payments Division	29,723
500-03	Financial and Administrative Services	(5,972,640)
500-04	Information Services Division	298,402
500-05	Customer Services Division	28,467
500-07	Policy, Planning, and Communications Division	152,650
	<b>Total</b>	<b>(\$5,461,626)</b>

## BUDGET NARRATIVE

### State Government Service Charges

DAS Estimated Charges transferred from Services & Supplies to SGSC total \$81,494. The total decrease of (\$6,449,668) in State Government Service Charges, as reflected in Package 031 are detailed below with updates as modified in the Governor's Budget.

<b><u>DAS Service Charges:</u></b>	<b>2015-17 LAB</b>	<b>Transfer to SGSC</b>	<b>2017-19 Adjusted Base</b>	<b>2017-19 GB</b>	<b>Difference</b>
Chief Operating Office (COO)	\$70,640		\$70,640	\$66,825	(\$3,815)
Chief Financial Office (CFO)	1,451,109		1,451,109	1,171,023	(280,086)
Chief Information Office (CIO)	142,140		142,140	789,429	647,289
Chief Human Resource Office (CHRO)	111,992		111,992	335,933	223,941
Enterprise Technology Services (ETS)	7,155,163	37,543	7,192,706	0	(7,192,706)
Enterprise Asset Management (EAM)	158,411		158,411	91,515	(66,896)
Enterprise Goods & Services (EGS)	372,152		372,152	324,569	(47,583)
Enterprise Human Resource Services (EHRS)	0	43,951	43,951	0	(43,951)
<b>Total DAS State Government Service Charges</b>	<b>\$9,461,607</b>	<b>81,494</b>	<b>\$9,543,101</b>	<b>\$2,779,294</b>	<b>(\$6,763,807)</b>
 <b>Oregon Secretary of State Charges:</b>					
Audits Division	950,000		950,000	946,000	(4,000)
Archives Security	9,572		9,572	7,708	(1,864)
Administrative Rules	8,229		8,229	9,119	890
Archives Compact Shelving	4,692		4,692	4,745	53
Archives Records Management	38,977		38,977	60,228	21,251
<b>Total Secretary of State Govt. Service Charges</b>	<b>\$1,011,470</b>	<b>\$0</b>	<b>\$1,011,470</b>	<b>\$1,027,800</b>	<b>\$16,330</b>

Agency Request     
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## BUDGET NARRATIVE

**Oregon State Treasury Charges:**

State Treasury Charges (based on user fees)	105,575		105,575	343,514	237,939
Debt Mgmt.-Certificates of Participation Charges	749		749	472	(277)
<b>Total State Treasury Govt. Service Charges</b>	<b>\$106,324</b>	<b>\$0</b>	<b>\$106,324</b>	<b>\$343,986</b>	<b>\$237,662</b>

<b>Central Government Service Charges</b>	<b>351,607</b>		<b>351,607</b>	<b>390,283</b>	<b>38,676</b>
<b>Oregon Government Ethics</b>	<b>5,083</b>		<b>5,083</b>	<b>7,643</b>	<b>2,560</b>
<b>Oregon State Library Assessment</b>	<b>48,419</b>		<b>48,419</b>	<b>63,412</b>	<b>14,993</b>
<b>State of Oregon Law Library</b>	<b>22,732</b>		<b>22,732</b>	<b>24,270</b>	<b>1,538</b>
<b>Oregon State Police – Capital Mall Security</b>	<b>11,211</b>		<b>11,211</b>	<b>11,389</b>	<b>178</b>
<b>Certification Office Inclusion/Diversity COBID</b>	<b>16,825</b>		<b>16,825</b>	<b>19,027</b>	<b>2,202</b>
<b>Governor’s Office Ombudsman</b>	<b>70,000</b>		<b>70,000</b>	<b>70,000</b>	<b>0</b>

<b>Total State Government Service Charges</b>	<b>\$11,105,278</b>	<b>\$81,494</b>	<b>\$11,186,772</b>	<b>\$4,737,104</b>	<b>(\$6,449,668)</b>
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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: Limited - Operations  
Cross Reference Number: 45900-500-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Beginning Balance</b>							
Beginning Balance	-	-	-	-	-	-	-
<b>Total Beginning Balance</b>	-	-	-	-	-	-	-
<b>Services &amp; Supplies</b>							
Instate Travel	-	-	8,364	-	-	-	8,364
Out of State Travel	-	-	300	-	-	-	300
Employee Training	-	-	21,501	-	-	-	21,501
Office Expenses	-	-	60,527	-	-	-	60,527
Telecommunications	-	-	21,550	-	-	-	21,550
State Gov. Service Charges	-	-	(6,251,033)	-	-	-	(6,251,033)
Data Processing	-	-	109,955	-	-	-	109,955
Publicity and Publications	-	-	8,677	-	-	-	8,677
Professional Services	-	-	113,378	-	-	-	113,378
IT Professional Services	-	-	79,829	-	-	-	79,829
Attorney General	-	-	141,500	-	-	-	141,500
Dispute Resolution Services	-	-	6,678	-	-	-	6,678
Employee Recruitment and Develop	-	-	2,040	-	-	-	2,040
Dues and Subscriptions	-	-	38,380	-	-	-	38,380
Facilities Rental and Taxes	-	-	56,888	-	-	-	56,888
Fuels and Utilities	-	-	10,638	-	-	-	10,638
Facilities Maintenance	-	-	46,109	-	-	-	46,109
Other COI Costs	-	-	99	-	-	-	99
Other Services and Supplies	-	-	15,507	-	-	-	15,507
Expendable Prop 250 - 5000	-	-	3,272	-	-	-	3,272

2017-19 Biennium

Essential and Policy Package Fiscal Impact Summary - BPR013

\_\_\_ Agency Request      X Governor's      \_\_\_ 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: Limited - Operations  
Cross Reference Number: 45900-500-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Services &amp; Supplies</b>							
IT Expendable Property	-	-	22,170	-	-	-	22,170
<b>Total Services &amp; Supplies</b>	-	-	<b>(\$5,483,671)</b>	-	-	-	<b>(\$5,483,671)</b>
<b>Capital Outlay</b>							
Office Furniture and Fixtures	-	-	1,277	-	-	-	1,277
Telecommunications Equipment	-	-	2,595	-	-	-	2,595
Data Processing Software	-	-	3,182	-	-	-	3,182
Data Processing Hardware	-	-	14,991	-	-	-	14,991
<b>Total Capital Outlay</b>	-	-	<b>\$22,045</b>	-	-	-	<b>\$22,045</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	(5,461,626)	-	-	-	(5,461,626)
<b>Total Expenditures</b>	-	-	<b>(\$5,461,626)</b>	-	-	-	<b>(\$5,461,626)</b>
<b>Ending Balance</b>							
Ending Balance	-	-	5,461,626	-	-	-	5,461,626
<b>Total Ending Balance</b>	-	-	<b>\$5,461,626</b>	-	-	-	<b>\$5,461,626</b>

## BUDGET NARRATIVE

### Package 032 Above Standard Inflation

#### Package Description

The total cost of goods and services above standard inflation increases by \$110,522 Other Funds. Per the DAS 17-19 pricelist for goods and services, the estimated charges for dispute resolution services were set at \$297,700. Applying the standard inflation amount of 3.7% to our base budget of \$180,500 resulted in a shortage of \$110,522 for these services.

The following table shows the increase in Other Funds limitation for each division.

SCR	Division Title	Amount
500-07	Policy, Planning, and Communications Division	110,522
	<b>Total</b>	<b>\$110,522</b>

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

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

Cross Reference Name: Limited - Operations  
Cross Reference Number: 45900-500-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Services &amp; Supplies</b>							
Dispute Resolution Services	-	-	110,522	-	-	-	110,522
<b>Total Services &amp; Supplies</b>	-	-	<b>\$110,522</b>	-	-	-	<b>\$110,522</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	110,522	-	-	-	110,522
<b>Total Expenditures</b>	-	-	<b>\$110,522</b>	-	-	-	<b>\$110,522</b>
<b>Ending Balance</b>							
Ending Balance	-	-	(110,522)	-	-	-	(110,522)
<b>Total Ending Balance</b>	-	-	<b>(\$110,522)</b>	-	-	-	<b>(\$110,522)</b>

## BUDGET NARRATIVE

### Package 060 Technical Adjustments

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

A one-time technical adjustment moves \$81,494 Other Funds in Operations from Services and Supplies categories to State Government Service Charges. The following services and amounts were transferred: Application services \$5,662; PPDB \$27,666 (Other Services and Supplies); iLearn \$10,423 (Employee Training); e-Recruit \$5,862 (Employee Recruiting); Total of 49,613 moved within SCR 500-03. Desktop Services (\$31,881) (Data Processing) moved from SCR 500-04 to SCR 500-03. These services are now included in State Government Service Charges.

The following table shows the adjustments by division.

SCR	Division Title	Amount
500-03	Financial and Administrative Services	49,613
500-04	Information Services Division	(31,881)
	<b>Total</b>	<b>\$17,732</b>

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 060 - Technical Adjustments

Cross Reference Name: Limited - Operations  
 Cross Reference Number: 45900-500-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Services &amp; Supplies</b>							
State Gov. Service Charges	-	-	17,732	-	-	-	17,732
<b>Total Services &amp; Supplies</b>	-	-	<b>\$17,732</b>	-	-	-	<b>\$17,732</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	17,732	-	-	-	17,732
<b>Total Expenditures</b>	-	-	<b>\$17,732</b>	-	-	-	<b>\$17,732</b>
<b>Ending Balance</b>							
Ending Balance	-	-	(17,732)	-	-	-	(17,732)
<b>Total Ending Balance</b>	-	-	<b>(\$17,732)</b>	-	-	-	<b>(\$17,732)</b>

## BUDGET NARRATIVE

### Package 090 Analyst Adjustments

Package Description as Modified in the Governor's Budget

#### Package Description:

#### Purpose:

Due to Executive Order 16-13, Unifying Cyber Security in Oregon, this package removes two positions from the Information Services Division SCR 500-04. An additional change was made within this package; due to the creation of Package 200 in the Information Services Division SCR 500-04, there is not enough revenue to cover all packages within the ISD program area. A transfer in the amount of \$635,583 from SCR 010-01 Tier One/ Tier Two Pension Programs was made to cover all package expenditures.

**Purpose and How Achieved:** With the removal of these positions there is a reduction in Other Funds limitation of \$475,791 in Personal Services and \$21,130 in Services and Supplies for a total reduction of \$496,921 in Other funds limited.

SCR	Division Title	Package 090 Reductions
010-01	Tier One/ Tier Two Pension Programs	(635,583)
500-04	Information Services Division	635,583
500-04	Information Services Division	(496,921)
	<b>Total</b>	<b>(\$496,921)</b>

## BUDGET NARRATIVE

### Staffing Impact:

- Remove one permanent full time Information Systems Specialist 4 (1.00 FTE), position number 9900200
- Remove one permanent full time Information Systems Specialist 6 (1.00 FTE), position number 0137000

### 2019-21 Fiscal Impact:

The anticipated impact to 2019-21 is estimated to be approximately the same amount for 2017-19, as this package is for permanent reductions.

### Quantifying Results:

- KPM #2, Total Benefit Administration Costs per Member:
  - Reduce administrative costs per member while maintaining high levels of service to members and employers.

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

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
Pkg: 090 - Analyst Adjustments

Cross Reference Name: Limited - Operations  
Cross Reference Number: 45900-500-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	635,583	-	-	-	635,583
<b>Total Revenues</b>	-	-	<b>\$635,583</b>	-	-	-	<b>\$635,583</b>
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	-	-	(331,752)	-	-	-	(331,752)
Empl. Rel. Bd. Assessments	-	-	(114)	-	-	-	(114)
Public Employees' Retire Cont	-	-	(43,427)	-	-	-	(43,427)
Social Security Taxes	-	-	(25,379)	-	-	-	(25,379)
Worker's Comp. Assess. (WCD)	-	-	(138)	-	-	-	(138)
Mass Transit Tax	-	-	(1,991)	-	-	-	(1,991)
Flexible Benefits	-	-	(66,672)	-	-	-	(66,672)
Reconciliation Adjustment	-	-	(6,318)	-	-	-	(6,318)
<b>Total Personal Services</b>	-	-	<b>(\$475,791)</b>	-	-	-	<b>(\$475,791)</b>
<b>Services &amp; Supplies</b>							
Employee Training	-	-	(2,110)	-	-	-	(2,110)
Office Expenses	-	-	(10,000)	-	-	-	(10,000)
Expendable Prop 250 - 5000	-	-	(1,020)	-	-	-	(1,020)
IT Expendable Property	-	-	(8,000)	-	-	-	(8,000)
<b>Total Services &amp; Supplies</b>	-	-	<b>(\$21,130)</b>	-	-	-	<b>(\$21,130)</b>

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
Pkg: 090 - Analyst Adjustments

Cross Reference Name: Limited - Operations  
Cross Reference Number: 45900-500-00-00-00000

<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	-	-	(496,921)	-	-	-	(496,921)
<b>Total Expenditures</b>	-	-	<b>(\$496,921)</b>	-	-	-	<b>(\$496,921)</b>
<b>Ending Balance</b>							
Ending Balance	-	-	1,132,504	-	-	-	1,132,504
<b>Total Ending Balance</b>	-	-	<b>\$1,132,504</b>	-	-	-	<b>\$1,132,504</b>
<b>Total Positions</b>							
Total Positions							(2)
<b>Total Positions</b>	-	-	-	-	-	-	<b>(2)</b>
<b>Total FTE</b>							
Total FTE							(2.00)
<b>Total FTE</b>	-	-	-	-	-	-	<b>(2.00)</b>

# BUDGET NARRATIVE

01/12/17 REPORT NO.: PPDPPISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY:45900 PUB EMPLOYEES RETIREMENT SYSTEM  
 SUMMARY XREF:500-04-00 Information Services Division

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

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 PROD FILE

2017-19

PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 090 - Analyst Adjustments

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOB	STEP	RATE	GF SAL/OPE	DF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
0117000	CAS E1467	IP INFO SYSTEMS SPECIALIST 7	1-	1.00-	24.00-	09	8,027.00		192,648-			192,648-
									73,418-			73,418-
9900200	CAS E1484	IP INFO SYSTEMS SPECIALIST 4	1-	1.00-	24.00-	08	5,796.00		119,104-			119,104-
									62,312-			62,312-
TOTAL PICS SALARY									331,752-			331,752-
TOTAL PICS OPE									135,730-			135,730-
TOTAL PICS PERSONAL SERVICES =												
			2-	2.00-	48.00-				467,482-			467,482-

\_\_\_ Agency Request

X Governor's

\_\_\_ Legislatively Adopted

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## BUDGET NARRATIVE

### Package 091 Reduction of State Government Service Charges

Package Description as Modified in the Governor's Budget

#### Package Description:

#### Purpose:

The Governor's budget requires increased efficiency in the operation of state government, calls for additional savings in administrative expenditures, and allows for the reinvestment of some of the savings realized through efficiencies into agency programs or to other initiatives that will further improve the administrative operations of state government.

**Purpose and How Achieved:** This package represents reductions to State Government Service Charges and DAS price list charges for services for the Governor's Budget. PERS had reductions in Other funds limited in the amount of \$234,824 and \$188,001 in Other funds non-limited for a total operating reduction of \$422,825.

SCR	Division Title	Package 091 Reductions
010-02	Health Insurance Programs	(178,208)
010-04	Individual Account Program	(9,793)
500-01	Central Administration	(41,175)
500-02	Benefit Payments Division	(1,570)
500-03	Financial and Administrative Division	(171,552)
500-04	Information Services Division	(15,130)
500-05	Customer Services Division	(1,562)
500-07	Policy Planning and Communications Division	(3,835)
	<b>Total</b>	<b>(\$422,825)</b>

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 091 - Statewide Adjustment DAS Chgs

Cross Reference Name: Non-Limited Programs  
 Cross Reference Number: 45900-010-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Services &amp; Supplies</b>							
State Gov. Service Charges	-	-	-	-	-	-	-
Professional Services	-	-	-	-	(178,208)	-	(178,208)
Agency Program Related S and S	-	-	-	-	(9,793)	-	(9,793)
<b>Total Services &amp; Supplies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$188,001)</b>	<b>-</b>	<b>(\$188,001)</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	-	-	(188,001)	-	(188,001)
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$188,001)</b>	<b>-</b>	<b>(\$188,001)</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	188,001	-	188,001
<b>Total Ending Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$188,001</b>	<b>-</b>	<b>\$188,001</b>

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 091 - Statewide Adjustment DAS Chgs

Cross Reference Name: Limited - Operations  
 Cross Reference Number: 45900-500-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Services &amp; Supplies</b>							
Office Expenses	-	-	(7,254)	-	-	-	(7,254)
State Gov. Service Charges	-	-	(198,635)	-	-	-	(198,635)
Data Processing	-	-	(15,130)	-	-	-	(15,130)
Other Services and Supplies	-	-	(13,805)	-	-	-	(13,805)
<b>Total Services &amp; Supplies</b>	<b>-</b>	<b>-</b>	<b>(\$234,824)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$234,824)</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	(234,824)	-	-	-	(234,824)
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>(\$234,824)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$234,824)</b>
<b>Ending Balance</b>							
Ending Balance	-	-	234,824	-	-	-	234,824
<b>Total Ending Balance</b>	<b>-</b>	<b>-</b>	<b>\$234,824</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$234,824</b>

## BUDGET NARRATIVE

### Package 092 Reduction of Statewide Attorney General Fees

Package Description as Modified in the Governor's Budget

#### Package Description:

#### Purpose:

This package represents changes to State Government Attorney General Fees for services as recommended for the Governor's Budget.

**Purpose and How Achieved:** Attorney General (AG) rates were adjusted from the published pricelist of \$198 per hour to \$185 per hour. The PERS AG fees were reduced by \$80,047.

SCR	Division Title	Package 092 Reductions
500-01	Central Administration	(435)
500-03	Financial and Administrative Services Division	(8,165)
500-07	Policy Planning and Communications Division	(71,447)
	<b>Total</b>	<b>(\$80,047)</b>

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 092 - Statewide AG Adjustment

Cross Reference Name: Limited - Operations  
 Cross Reference Number: 45900-500-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Services &amp; Supplies</b>							
Attorney General	-	-	(80,047)	-	-	-	(80,047)
<b>Total Services &amp; Supplies</b>	-	-	<b>(\$80,047)</b>	-	-	-	<b>(\$80,047)</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	(80,047)	-	-	-	(80,047)
<b>Total Expenditures</b>	-	-	<b>(\$80,047)</b>	-	-	-	<b>(\$80,047)</b>
<b>Ending Balance</b>							
Ending Balance	-	-	80,047	-	-	-	80,047
<b>Total Ending Balance</b>	-	-	<b>\$80,047</b>	-	-	-	<b>\$80,047</b>

## BUDGET NARRATIVE

### Package 101 Cybersecurity Program

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

**Purpose:** PERS requests \$2,252,966 Other Funds limitation in the Information Services Division to develop, implement and manage the PERS Cybersecurity Program. While PERS maintains a cybersecurity program, it is fragmented, there is not enough focus on end-user awareness training, it lacks operational accountability, and is often viewed as an afterthought when developing or implementing new technologies. Cybersecurity, therefore, is comprised of implementing suitable controls, including policies, procedures, organization structures, and software and hardware functions. These controls need to be established, implemented, monitored and improved, where necessary, to ensure that the specific security and business objectives of the agency are met. The Cybersecurity Program enhances PERS Information Security Management System, which establishes an information risk assessment and treatment process, and the development of a formal Cybersecurity Organizational Structure.

As Modified in the Governor's Budget and in compliance with Executive Order 16-13, "Unifying Cybersecurity in Oregon", the functions of this package will be provided by OSCIO and funds will be transferred to Department of Administrative Services.

This request includes the following increase in Other Funds Limitation:

- Special Payments to DAS     \$2,252,966

#### Purpose and How Achieved:

PERS revised its Information Security Plan in 2013, which reiterated its commitment to ensuring that the data PERS maintains on the behalf of its members, employers, and external stakeholders is protected from unauthorized access and disclosure. A core component of the Information Security Plan is the creation and support of a Cybersecurity Program. The purpose of this package is to garner the approval and appropriate funding necessary to create and support developing, implementing, and managing a PERS Cybersecurity Program.

While cybersecurity has always been part of the PERS Core mission, the Information Technology staff has performed this function as an additional activity and responsibility; therefore, it has not had the focus an otherwise dedicated team could provide. The result is a fragmented program where security controls/solutions are technology-driven as opposed to business- or risk-driven, and end-user awareness among agency staff takes a back seat to keeping the production systems and infrastructure running. As indicated above, PERS has developed an Information Security Plan, which sets out guidelines for operation of the Cybersecurity Program.

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

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## BUDGET NARRATIVE

The Technical Operations Section has been charged with deploying and managing technical controls to protect member data. The 2015-2020 PERS Strategic Plan looks to a five-year horizon and answers the questions: If we are exceptionally good at delivering on our mission, where will we be as an agency, what services will we provide to better support our members, and how will we get there? In answering these questions, PERS developed four strategic priorities, one of which is information governance, security, and technology.

The comprehensive review and vetting of data, documenting organizational challenges and strengths, thoughtful consideration of stakeholder needs and perspectives, and the provocative and insightful conversations which ensued throughout the planning process laid a solid foundation for both clarity and commitment to the vision distilled in the PERS strategic goals and objectives, as well as the initiatives to achieve that vision.

PERS has purchased and deployed a variety of technical systems and controls as part of its information technology infrastructure, like anti-virus, anti-malware, firewalls, intrusion detection, and prevention. PERS has not, however, defined specific accountability by dedicating personnel to manage all aspects of our cybersecurity. Consequently, this effort has been fragmented and lacks operational accountability, which contributes to a lack of robust consideration of information security issues when implementing or changing technology; many solutions are technology-driven rather than business- or risk-driven; and end-user awareness training is a lower priority than production support efforts.

Appropriate staff and funding dedicated to a cybersecurity team would ensure that PERS' information security functions are adequately resourced and executed to meet our stakeholders' requirements and expectations. Potential information loss from internal or external threats will always exist, but to identify, protect, or remediate these potential threats will require policies, procedures, end-user cybersecurity training, and technical controls. A dedicated Cybersecurity Program with accountability for all aspects of that effort presents the highest probability of preventing such a release. If approved for the 2017-19 biennium, the following cybersecurity access tools will be purchased and deployed:

- Privileged Account Management (PAM) with multi-factor authentication – monitors and controls privileged accounts (e.g., system administrators, system accounts, etc.)
- Enhanced physical monitoring – including building video monitoring, enhanced door access controls, and building alarm, if required
- Identity and access management (e.g., enables the right individuals to access the right resources at the right times, for the right reasons)
- Application security analysis tools (e.g., detect and resolve security vulnerabilities in software applications or modifications we make before they are released into production)

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## BUDGET NARRATIVE

- Next Generation Firewall replacement/upgrade (e.g., replaces the existing Firewall/IPS/IDS which is nearing its end-of-life and does not support threat analysis features)

### Staffing Impact:

- None

### 2019-21 Fiscal Impact:

The anticipated impact to 2019-21 is estimated to be approximately \$2,252,966 in special payments for ongoing security software and maintenance.

### Quantifying Results:

- PERS Cybersecurity team will have the capability to meet Key Performance Measure (KPM) of security & data integrity
- Increased confidentiality, accessibility, and integrity of member data
- Increase cybersecurity awareness of agency staff
  
- KPM #1 Timely Retirement Payments
  - 80% of retirement benefits paid within 45 days
- KPM #2 Total Benefit Administration Costs per Member
- KPM #6 Customer Service
  - Maintain or exceed 80% of customers rating their satisfaction with the agency's customer service as good or excellent

### Revenue Source:

Revenues to fund administrative expenditures are obtained from the various PERS programs and activities in accordance with Oregon Revised Statute and applicable administrative rules.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
Pkg: 101 - Cybersecurity Program

Cross Reference Name: Limited - Operations  
Cross Reference Number: 45900-500-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Personal Services</b>							
Mass Transit Tax	-	-	-	-	-	-	-
<b>Total Personal Services</b>	-	-	-	-	-	-	-
<b>Services &amp; Supplies</b>							
Employee Training	-	-	-	-	-	-	-
Office Expenses	-	-	-	-	-	-	-
Data Processing	-	-	-	-	-	-	-
IT Professional Services	-	-	-	-	-	-	-
Expendable Prop 250 - 5000	-	-	-	-	-	-	-
IT Expendable Property	-	-	-	-	-	-	-
<b>Total Services &amp; Supplies</b>	-	-	-	-	-	-	-
<b>Capital Outlay</b>							
Data Processing Software	-	-	-	-	-	-	-
Data Processing Hardware	-	-	-	-	-	-	-
<b>Total Capital Outlay</b>	-	-	-	-	-	-	-
<b>Special Payments</b>							
Spc Pmt to Administrative Svcs	-	-	2,252,966	-	-	-	2,252,966
<b>Total Special Payments</b>	-	-	<b>\$2,252,966</b>	-	-	-	<b>\$2,252,966</b>

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
Pkg: 101 - Cybersecurity Program

Cross Reference Name: Limited - Operations  
Cross Reference Number: 45900-500-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Total Expenditures</b>							
Total Expenditures	-	-	2,252,966	-	-	-	2,252,966
<b>Total Expenditures</b>	-	-	<b>\$2,252,966</b>	-	-	-	<b>\$2,252,966</b>
<b>Ending Balance</b>							
Ending Balance	-	-	(2,252,966)	-	-	-	(2,252,966)
<b>Total Ending Balance</b>	-	-	<b>(\$2,252,966)</b>	-	-	-	<b>(\$2,252,966)</b>
<b>Total Positions</b>							
Total Positions	-	-	-	-	-	-	-
<b>Total Positions</b>	-	-	-	-	-	-	-
<b>Total FTE</b>							
Total FTE	-	-	-	-	-	-	-
<b>Total FTE</b>	-	-	-	-	-	-	-

# BUDGET NARRATIVE

## Package 102 Fully Integrating IAP Administration into the PERS ORION System (Phase III)

### Package Description

**Purpose:** PERS requests \$2,757,595 Other Funds limitation and the continuation of three limited duration positions (3.00 FTE) in the Information Services Division. This proposal completes the transfer to PERS of all aspects of the Individual Account Program (IAP) administration by December 15, 2018, and eliminates over \$2.2 million in annual costs for an outside third-party administrator (TPA). The split administration between PERS and the TPA creates fundamental, structural problems (handoffs between PERS and the TPA, redundant staff work, and constant reconciliation of records between the two systems) which lead to lengthy processing time and occasional errors. PERS currently administers major components of the IAP, and this proposal leverages on the agency's current recordkeeping and payment processing systems to eliminate these inherent problems from splitting administration. Eliminating the TPA will enhance PERS' ability to better execute its mission to pay the right person the right benefit at the right time.

This request includes the following increase in Other Funds Limitation:

- Personal Services \$ 559,400
- Services & Supplies \$ 2,198,195
- Package Total \$ 2,757,595

### Purpose and How Achieved:

The IAP was created in August 2003 by the Oregon Legislature (House Bill 2020). Members contribute 6% of their salary to the IAP and are allocated market earnings or losses without any guaranteed minimum return. The program includes both Oregon Public Service Retirement Plan (OPSRP) Pension members and Tier One and Tier Two members.

Continuing to use a TPA to administer the IAP is a challenge since the TPA relies on their customized systems and manual processes to implement the program. As a result, member transactions take very long to process and error rates, at times, are higher than tolerable. In addition, the TPA is unable to process direct rollovers to a retired member's financial institution. PERS already administers major components of the IAP (e.g., collecting contributions, earnings crediting) and PERS and TPA records must be constantly reconciled.

Under this proposal, PERS staff supporting IAP handoffs and processes for the TPA will instead shift their focus to directly administering recordkeeping and payment processing, gaining efficiencies and reducing the need for duplicate processing of the same member account. As a result, allowing staff to work directly on IAP administration instead of in support of a TPA will allow us to

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## BUDGET NARRATIVE

improve member service while eliminating the TPA's fees. The three staff in this proposal are project staff to augment our existing system development team. Once administration is fully transitioned to PERS, the ongoing operation of this program will be handled by PERS IT staff that have the expertise and capacity to perform analysis, future development, and testing of the IAP functionality.

### **Alternatives Considered:**

#### **Evaluate and Select an Alternative TPA to Administer the IAP**

PERS has periodically had discussions with other private vendors who might be able to provide these elements of IAP administration, but the IAP does not fit any standard industry models so any administration platform, whether provided by a TPA or PERS, is necessarily a customized solution. If the agency were to try selecting a new TPA, there is no way to know whether that new TPA would be cost neutral relative to current vendor; more likely, their costs would be higher as they would need to amortize the costs of constructing the customized solution.

#### **Renegotiate the Contract with the Current TPA to Provide Missing Functionality**

PERS has been unable to negotiate a significant increase in functionality and services with the current TPA without an associated cost increase. The TPA is understandably reluctant to provide additional functionality to PERS without recovering those costs.

#### **Continue with the current TPA (Voya Financial) using PERS staff workarounds**

This alternative is to continue with the current state of using the existing TPA. The TPA costs are determined by the number of IAP accounts, which are increasing approximately 2.06% annually. In addition, the TPA has not been able to adequately meet a significant number of high priority solution requirements without negotiating additional costs.

\*Note that either of these alternative approaches would result in abandoning the investments made in Phases I and II.

## BUDGET NARRATIVE

### Staffing Impact:

- Three limited duration Information Systems Specialists 6 positions (3.00 FTE), position numbers 1910201, 1910202, 1910203

### 2019-2021 Fiscal Impact:

- None

### Quantifying Results:

#### Elimination of Ongoing and Increasing TPA Charges:

- Transitioning fully to in-house administration of the IAP will eliminate TPA charges for record keeping and payment distribution, which are estimated to increase from \$2.2 million in 2015 to \$2.4 million in 2017 as membership in the IAP continues to grow (the TPA's fee is \$9.36 for each individual account with a balance above \$30; there were 255,896 qualifying accounts reported in 2015, and IAP membership continues to grow with new public employee hires).

#### Increased Rate of Return on Member Accounts:

- IAP administrative expenses reduce the investment earnings or losses credited to member accounts. Reducing those expenses by transitioning administration to PERS will increase members' earnings on their IAP accounts.

#### Increased Integrity and Security of Member Data:

- Once PERS administers all aspects of the IAP, there will be greater control over the integrity and security of member data. Daily transfers between the agency and TPA are secure, but retaining data within the agency is more secure.

#### Achieving Improved Data Quality and Integrity:

- Differences between PERS and TPA records in processing contributions, adjustments, payments, and earnings require constant reconciliation. This project would result in a single definitive, reliable, and auditable IAP data source.

## BUDGET NARRATIVE

### Streamlining Use of Technology and Processes:

Due to system constraints with the TPA, PERS cannot fully leverage existing technology to improve administrative efficiency and member services. The current structure requires PERS to access three independent systems when answering member questions concerning their IAP accounts. The process is complex with multiple handoffs between PERS and the TPA.

### More Timely Member Payments:

Finally, when PERS fully administers the IAP within ORION, there will be more control over processes and the timeliness of member payments. This transition will enhance PERS' ability to improve on our performance measure to initiate at least 80% of benefit payments within 45 days of the member's effective date.

### Completing Phase III of this project will yield the following targeted improvements:

- Save approximately \$2.2 million per year in TPA costs based on current charges.
- Streamline the IAP account earnings crediting process. PERS' annual crediting model is outside of normal methodologies so custom reports and manual processes are required, leading to errors and delays in crediting earnings.
- Coordinate benefit payment determinations and processing. Eligibility determinations and benefit calculations have to be reconciled between PERS and the TPA, necessitating hand-offs and delays in processing applications
- Provide PERS members a "one stop shop" so only one source of information will have to be accessed to address member inquiries, requests, and benefit applications.
- Establish and distribute IAP benefits in an efficient manner. This would be consistent with the timely and accurate administration of member benefits. Currently, only 27% of initial IAP benefits are paid within 45 days of retirement due to the processing time required by the TPA. Eliminating the administration by the TPA will allow PERS to improve customer service by paying more of those retirees within 45 days.
- Utilize monthly Production Performance reports, quarterly Board reports, and annual Key Performance Measures to compare past and present performance
- KPM #1, Timely Benefit Payments, milestones:  
80% of benefit payments paid to member within 45 days by July 2017; 55% for the IAP program initially
- KPM #2, Total Benefit Administration Costs  
Reduce administrative costs while maintaining high levels of service to members and employers.
- KPM #4, Accurate Benefit Calculations;  
Pay the right person the right benefit at the right time. Calculate service retirement benefits within \$5 per month
- KPM #6, Customer Service, milestone:

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

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## BUDGET NARRATIVE

Maintain 80% or higher good or excellent responses for annual customer satisfaction survey throughout 2017-19 biennium

### Revenue Source:

Revenues to fund administrative expenditures are obtained from the various PERS programs and activities in accordance with Oregon Revised Statute and applicable administrative rules.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon

Cross Reference Name: Limited - Operations

Pkg: 102 - Fully Integrating IAP Administration into the PERS ORION System Phae III

Cross Reference Number: 45900-500-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	-	-	378,288	-	-	-	378,288
Empl. Rel. Bd. Assessments	-	-	171	-	-	-	171
Public Employees' Retire Cont	-	-	49,518	-	-	-	49,518
Social Security Taxes	-	-	28,938	-	-	-	28,938
Worker's Comp. Assess. (WCD)	-	-	207	-	-	-	207
Mass Transit Tax	-	-	2,270	-	-	-	2,270
Flexible Benefits	-	-	100,008	-	-	-	100,008
<b>Total Personal Services</b>	-	-	<b>\$559,400</b>	-	-	-	<b>\$559,400</b>
<b>Services &amp; Supplies</b>							
Employee Training	-	-	3,195	-	-	-	3,195
Office Expenses	-	-	15,000	-	-	-	15,000
IT Professional Services	-	-	2,180,000	-	-	-	2,180,000
<b>Total Services &amp; Supplies</b>	-	-	<b>\$2,198,195</b>	-	-	-	<b>\$2,198,195</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	2,757,595	-	-	-	2,757,595
<b>Total Expenditures</b>	-	-	<b>\$2,757,595</b>	-	-	-	<b>\$2,757,595</b>
<b>Ending Balance</b>							
Ending Balance	-	-	(2,757,595)	-	-	-	(2,757,595)
<b>Total Ending Balance</b>	-	-	<b>(\$2,757,595)</b>	-	-	-	<b>(\$2,757,595)</b>

2017-19 Biennium

Essential and Policy Package Fiscal Impact Summary - BPR013

\_\_\_ Agency Request

X  Governor's

\_\_\_ Legislatively Adopted

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon

Cross Reference Name: Limited - Operations

Pkg: 102 - Fully Integrating IAP Administration into the PERS ORION System Phae III

Cross Reference Number: 45900-500-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<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

01/12/17 REPORT NO.: PPDPPISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:500-04-00 Information Services Division

DEPT: OF ADMIN, SVCS. -- PPDB PICS SYSTEM  
 PACKAGE: 102 - Fully Integrating IAP Administ

PAGE 1  
 PROD FILE  
 2017-19  
 PICS SYSTEM: BUDGET PREPARATION

POSITION NUMBER	CLASS	COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OP SAL/OPE	FP SAL/OPE	LP SAL/OPE	AF SAL/OPE
1910201	OAS	C1486	IP INFO SYSTEMS SPECIALIST 5	1	1.00	24.00	02	5,354.00		126,096			126,096
										59,614			59,614
1910202	OAS	C1486	IP INFO SYSTEMS SPECIALIST 6	1	1.00	24.00	02	5,354.00		126,096			126,096
										59,614			59,614
1910203	OAS	C1486	IP INFO SYSTEMS SPECIALIST 6	1	1.00	24.00	03	5,354.00		126,096			126,096
										59,614			59,614
TOTAL PICS SALARY										378,288			378,288
TOTAL PICS OPE										178,842			178,842
TOTAL PICS PERSONAL SERVICES =				1	1.00	72.00				557,130			557,130

\_\_\_ Agency Request

X Governor's

\_\_\_ Legislatively Adopted

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## BUDGET NARRATIVE

### Package 103 Business Modernization

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

**Purpose:** PERS requests \$6,401,007 Other Funds limitation in the Information Services Division (ISD) to fund and support PERS Technology Modernization and a Pension Case Management Solution. The PERS 2015-2020 Strategic Plan has a goal to provide an Agile Technology System that improves IT efficiency and responsiveness to business operational changes. The objective is to resolve functionality and technical debt deficiencies that affect system administration, performance, maintainability, and sustainability. The Oregon Retirement Information Online Network (ORION) is the agency's enterprise IT system that supports operations. This package requests an increase to the ISD current service level budget to allow adequate IT skilled resources to enhance member services, modernize the technology platform, and address functional inefficiencies in ORION, while preserving years of investment in this complex business solution. As modified in the Governor's Budget, this package is approved to go forward as one time funding however, the positions originally requested for this package were not approved.

This request includes the following increase in Other Funds Limitation:

- Personal Services \$ 607,451
- Services and Supplies \$ 5,570,406
- Capital Outlay \$ 223,150
- Package Total \$ 6,401,007

#### Purpose and How Achieved:

Oregon has one of the highest complexity scores among 72 leading global pension systems as reported by CEM Benchmarking, a comprehensive research firm on pension administration. As a consequence of this complexity, maintaining PERS' Information Technology similarly requires customized solutions to mirror the system's administration. Storing, organizing, and flexibly relating the massive data elements that PERS receives results in constantly evolving technology needs. Technology solutions for this complex network are expensive, but promote efficiencies and internal controls that are essential for an enterprise that must process financial transactions for hundreds of thousands of members, beneficiaries, and employers. To meet stakeholder demands for an agile, accessible, and accurate IT solution, PERS must continually evolve its technology platform.

The Agile Technology System is an initiative in the PERS 2015-2020 Strategic Plan to modernize the ORION system to a Service Oriented Architecture (SOA). This approach will allow PERS to continue to use working legacy code and applications in concert with newly created or updated functionality as services, instead of replacing all the legacy code and hardware for an entirely new system.

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

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## BUDGET NARRATIVE

By using a modular strategy, the ORION core functionality is preserved, while changes to business functionality have minimal regression impact to the overall system.

Service Oriented Architecture (SOA) is a modern computer software architectural design, in which application components provide services to other components via a communications protocol, typically over a network. The principles of service-orientation are independent of any vendor, product, or technology – no one company owns the solution, but the agency is able to add on solution components from multiple vendors as technology needs change. For example, early computer software architecture required a “rip and replace” solution to system changes. Software was so tightly coupled to hardware that the entire system had to be replaced when any functional element had to be changed. Compare that model to today’s smart phones – applications are practically agnostic as to platform, and can be swapped out at will as innovations or evolutions come on the market without affecting the phone’s other functional components.

A service is a self-contained unit of functionality, such as calculating benefits or creating reports. SOA allows an organization to wrap legacy applications with Web Services and present them along with new application services to a common user interface. The value it provides is a modernization approach to evolve PERS’ IT system versus a costly, disruptive, IT system replacement. The SOA approach allows IT to align with ever-shifting business strategies that can be done as quickly or as slowly as an organization requires: strategies and road maps can span multiple years to align with the organization’s business priorities and budget constraints.

Plan changes, rapidly evolving technologies, constant information security threats, an ever-growing database, and information management requirements has increased the need for IT services and solutions. Over the past six biennia, reductions in the ISD budget and staffing has introduced risk to the agency’s IT services, and solutions cannot be developed swiftly or completely enough to support mission critical business processes. PERS has significant investments in current technology systems that should be highly leveraged going forward, which this modernization approach facilitates by using modern environments and replacing or updating components as needed. Laser-focused implementations designed to address very specific business goals result in less disruption and improved results. PERS can set consistent technology budgets rather than seeing spending spikes with total system replacement, reusing previous technology investments where appropriate and only buying and replacing what is truly needed.

Alternatives Considered:

### 1. Status Quo/Current State

This alternative poses risk to the agency, currently ORION is an overly complex architecture, is difficult to maintain and sensitive to change. The costs to resolve system issues could go up significantly.

Agency Request

Governor’s

Legislatively Adopted

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## BUDGET NARRATIVE

### Assumptions

ISD continues to receive the IT professional services budget to keep existing contracting staff with PERS experience.  
ORION is able to keep current with technology upgrades.  
No new complex pension reforms are passed that will impact ORION.

### Cost

Current level operating budget is maintained (no increase).

### Benefit

Lowest cost alternative in the short term.

### Risk

Reduction in member services

Business may need to increase staff levels to manually process benefits due to insufficient automated IT solutions.  
Members' personal information is compromised due to inadequate Information Governance controls.  
ORION technical issues become unmanageable and require an expensive IT system overhaul.

Status Quo does not meet the agencies strategic goal for an Agile Technology System that improves member services. Consequently, member services would continue to lag behind standards and future enhancements would be stymied. Increasingly, technology solutions would not be adequate to support business needs, so manual work-arounds would have to be instituted in more and more areas, decreasing efficiencies and service levels while increasing costs and the risks for failure of internal controls.

### Contract out an ORION replacement system.

This alternative is difficult to control costs in both dollars and the dependency on limited PERS business knowledgeable resources to be successful. A new system would require a full system analysis of the current operations of ORION, before a newer design could provide a more effective approach. PERS business rules are very complex and there is no off-the-shelf product that can be purchased as a replacement. It would be necessary to highly customize a product created from a similar retirement plan or create a complete ground up approach to a new system. This alternative is not recommended by ISD management. This approach would be difficult to manage, control costs, and provide PERS knowledge support with limited availability of key business and IT resources during implementation.

## BUDGET NARRATIVE

### Assumptions

- PERS has the budget dollars to pay the high costs of this approach.
- PERS has the knowledgeable business resources available to support a large project such as this.
- A majority of PERS ISD resources would be required to sustain the current system.

### Cost

Based on prior system replacement costs associated with ORION and similar programs by peer pension system IT projects, an estimated replacement project cost is in excess of \$50-100 Million.

### Benefit

- New system based on modern architecture and current technologies.
- Eventual improvement in timely delivery of member services.
- Implementation risks are transferred to the systems integrator.
- Systems integrators generally have high levels of technical expertise and have completed similar work.

### Risk

- Changes outside of current scope would be extremely costly.
- Internal IT staff would not have the skillset to maintain and enhance the system initially.
- Systems integrator may not have knowledge about jClarety and related retirement information systems.
- Systems integrators are not knowledgeable of PERS rules, regulations and processes.
- RFP and contract negotiations would require additional time for the project, impacting ROI and payback period.
- PERS contract staff may need to be augmented to handle additional contracting workload.
- Potential legislative changes affecting project staffing, budget and timeline.
- Potential legal challenges if disagreements on contract.
- Potential costs for ongoing production support from systems integrator.
- Code quality harder to verify.
- Higher maintenance and operational costs due to knowledge transfer.
- Knowledge transfer is higher risk if technologies are different then currently being used.

### Staffing Impact: Not approved in Governor's Budget

- None

## BUDGET NARRATIVE

### 2019-21 Fiscal Impact:

The anticipated impact to 2019-21 is estimated to be approximately \$0 as this approval is for one time funding.

### Quantifying Results:

- Resolve processing errors and potential data corruption of poorly programmed batch jobs. Improve batch error handling and reporting.
- Resolve timeout errors and redesign steps for handling complex member data benefit processing.
- Redesign software architecture flaws.
- Update jClarety reporting to use standard, cost-effective technologies.
- Refine the jClarety database design; remove obsolete tables, and the storage of duplicate data.
- Remove jClarety obsolete code and add proper error handling and reporting to improve the ability to diagnosis and maintain the application.
- All of the solution requirements are met.
- Sufficient knowledge base, skillsets, and technology upgrades are achieved and retained.
- Agency strategic plan is fulfilled.
- Delivery of member services is improved.
- Operational risk is reduced.
- KPM #1 Timely Retirement Payments
  - 80% of retirement benefits paid within 45 days
- KPM #2 Total Benefit Administration Costs per Member
- KPM #4 Accurate Benefit Calculations
  - Calculate service retirements within \$5 per month
- KPM #6 Customer Service
  - Maintain or exceed 80% of customers rating their satisfaction with the agency's customer service as good or excellent

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

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
Pkg: 103 - Business Modernization

Cross Reference Name: Limited - Operations  
Cross Reference Number: 45900-500-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	-	-	-	-	-	-	-
Empl. Rel. Bd. Assessments	-	-	-	-	-	-	-
Public Employees' Retire Cont	-	-	-	-	-	-	-
Social Security Taxes	-	-	-	-	-	-	-
Worker's Comp. Assess. (WCD)	-	-	-	-	-	-	-
Mass Transit Tax	-	-	-	-	-	-	-
Flexible Benefits	-	-	-	-	-	-	-
Reconciliation Adjustment	-	-	607,451	-	-	-	607,451
<b>Total Personal Services</b>	-	-	<b>\$607,451</b>	-	-	-	<b>\$607,451</b>
<b>Services &amp; Supplies</b>							
Employee Training	-	-	3,195	-	-	-	3,195
Office Expenses	-	-	15,000	-	-	-	15,000
Data Processing	-	-	44,630	-	-	-	44,630
IT Professional Services	-	-	5,492,581	-	-	-	5,492,581
Expendable Prop 250 - 5000	-	-	3,000	-	-	-	3,000
IT Expendable Property	-	-	12,000	-	-	-	12,000
<b>Total Services &amp; Supplies</b>	-	-	<b>\$5,570,406</b>	-	-	-	<b>\$5,570,406</b>
<b>Capital Outlay</b>							
Data Processing Software	-	-	223,150	-	-	-	223,150
<b>Total Capital Outlay</b>	-	-	<b>\$223,150</b>	-	-	-	<b>\$223,150</b>

2017-19 Biennium

Essential and Policy Package Fiscal Impact Summary - BPR013

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

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
Pkg: 103 - Business Modernization

Cross Reference Name: Limited - Operations  
Cross Reference Number: 45900-500-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Total Expenditures</b>							
Total Expenditures	-	-	6,401,007	-	-	-	6,401,007
<b>Total Expenditures</b>	-	-	<b>\$6,401,007</b>	-	-	-	<b>\$6,401,007</b>
<b>Ending Balance</b>							
Ending Balance	-	-	(6,401,007)	-	-	-	(6,401,007)
<b>Total Ending Balance</b>	-	-	<b>(\$6,401,007)</b>	-	-	-	<b>(\$6,401,007)</b>
<b>Total Positions</b>							
Total Positions	-	-	-	-	-	-	-
<b>Total Positions</b>	-	-	-	-	-	-	-
<b>Total FTE</b>							
Total FTE	-	-	-	-	-	-	-
<b>Total FTE</b>	-	-	-	-	-	-	-

## BUDGET NARRATIVE

### Package 200 Data Center Migration

Package Description as Modified in the Governor's Budget

#### Package Description:

#### Purpose:

This package develops a warm site in the State Data Center for PERS. In the event of a localized disaster, maintaining continuity of PERS is critical to the successful processing and payment of pension benefits for PERS members. These funds will be transferred to the Department of Administrative Services (DAS) Chief Information Office (CIO) for labor, build out and licensing costs.

**Purpose and How Achieved:** This package has been added by the Department of Administrative Services (DAS) Chief Financial Office (CFO) and adds \$1,147,634 in Other Funds limitation to Services and Supplies in SCR 500-04 Information Services Division. PERS has worked with the State Data Center to develop initial cost estimates necessary to design, plan, test and deploy a warm-site in the State Data Center for its pension system.

SCR	Division Title	Package 200
500-04	Information Services Division	1,147,634
	<b>Total</b>	<b>\$1,147,634</b>

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 200 - Data Center Migration

Cross Reference Name: Limited - Operations  
 Cross Reference Number: 45900-500-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Services &amp; Supplies</b>							
Data Processing	-	-	609,650	-	-	-	609,650
IT Professional Services	-	-	537,984	-	-	-	537,984
<b>Total Services &amp; Supplies</b>	-	-	<b>\$1,147,634</b>	-	-	-	<b>\$1,147,634</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	1,147,634	-	-	-	1,147,634
<b>Total Expenditures</b>	-	-	<b>\$1,147,634</b>	-	-	-	<b>\$1,147,634</b>
<b>Ending Balance</b>							
Ending Balance	-	-	(1,147,634)	-	-	-	(1,147,634)
<b>Total Ending Balance</b>	-	-	<b>(\$1,147,634)</b>	-	-	-	<b>(\$1,147,634)</b>

## 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 to building systems. There is no deferred maintenance due to the age of the building. There are sufficient dollars in the facilities maintenance account in PERS Essential Budget to cover the routine annual maintenance and occasional repairs to the building systems.

# 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> (as reported to Risk Management)		<u>6/30/15 Replacement Value</u> (Risk Management)	<u>Personal Services</u>	<u>Services &amp; Supplies</u>	<u>Total</u>	
\$ 8,320,324		\$ 13,048,156	\$ 39,777	\$ 1,590,550	<b>\$ 1,793,804</b>	
<b>Total sq. ft. of Bldgs: 60,220 sq. ft.</b>		<b>2017-19 Maintenance Budget (no janitorial or utility)</b>		<b>Utilities Budget: \$ 559,157</b>		
		<b>÷ square feet of building: \$ 17.13 sq. ft.</b>				
Total Outstanding Deferred Maintenance			Deferred Maintenance Budget 2017-19			
	Categories 1-2	Categories 3-5	Total	Personal Services	Services & Supplies	Capital Outlay
<b>As of 6/30/15</b>	\$ 0	\$ 0				
<b>Projected 6/30/16</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, and 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%) is set by DAS through estimates for the interagency facilities maintenance agreement that is 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)**

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## BUDGET NARRATIVE

### Special Reports

#### Information Technology-Related Projects

Agency:	PERS										
Project Name	Project Description	Estimated Start Date	Estimated End Date	Project cost to date	Estimated 17-19 Costs	All biennia total project cost	Base or POP	Project Phase: I=Initiation, P=Planning, E=Execution, C=Close-out	If continuing project - Has it been rebaselined for either cost, scope or schedule? Y/N - If Y, how many times?	Purpose: L=Lifecycle Replacement; U=Upgrade existing system; N= New system	What Program or line of business does the project support?
Cybersecurity Program	This proposal is to further develop the agency's cybersecurity team, which will be responsible for developing, implementing and managing the PERS Cybersecurity Program.	7/1/2017	6/30/2019	0	\$ 2,252,966	\$ 2,252,966	POP	I	N/A	U	The Cybersecurity Program enhances PERS Information Security Management System, which establishes an information risk assessment and treatment process, and the development of a formal Cybersecurity Organizational Structure
Fully Integrating IAP Administration into the PERS ORION System Phase III	This proposal completes the transfer to PERS of all aspects of the Individual Account Program (IAP) administration by December 15, 2018, and eliminates over \$2.2 million in annual costs for an outside third-party administrator (TPA). Phase III is construction and transition phases of the project.	7/1/2017	12/15/2018	\$ 1,508,705 As of 05/2016	\$ 2,757,595.00	\$ 6,108,750	POP	E (as of 7/1/16)	Y 1	N	Bringing IAP in-house means PERS provides administration over all retirement plans
Business Modernization	This proposal will fund and support PERS Technology Modernization and a Pension Case Management Solution. The objective is to resolve functionality and technical debt deficiencies that affect system administration, performance, maintainability, and sustainability.	7/1/2017	6/30/2019	0	\$ 6,401,007	\$ 6,401,007	POP	I	N/A	L	Support/Maintenance of an agency critical application (jClarety)

# BUDGET NARRATIVE

## Cybersecurity

As highlighted in PERS' five-year strategic plan, information governance, security, and technology are core to delivering upon its mission to pay the right person the right benefit at the right time. When we dive deeper and speak about information security or cybersecurity in today's vernacular, we are focused on the protection of information from a wide range of threats in order to ensure business continuity, protect personal information on our members, minimize business risk, and maximize return on investments and business opportunities.

Cybersecurity, therefore, is comprised of implementing suitable controls, including policies, procedures, organization structures and software and hardware functions. These controls need to be established, implemented, monitored and improved, where necessary, to ensure that the specific security and business objectives of the agency are met.

While PERS maintains a cybersecurity program, it is fragmented, there is not enough focus on end-user awareness training, it lacks operational accountability, and is often viewed as an afterthought when developing or implementing new technologies. Therefore, PERS is seeking to create a cybersecurity team, which will be responsible for developing, implementing and managing PERS Cybersecurity Program.

Finally, PERS Cybersecurity Program is in alignment with PERS 2015-2020 Strategic Plan - Information Governance, Security, and Technology initiative. The Cybersecurity program enhances PERS Information Security Management System, which establishes an information risk assessment and treatment process, and the development of a formal Cybersecurity Organizational Structure.

The proposed cost to properly establish and operate the PERS information security program is approximately \$2,252,966 for the 2017/2019 biennium and \$1,400,360 for the 2019/2021 biennium. (see costs below).

Estimated total cost of ownership (TCO) for this increase:

	<b>2017-2019</b>	<b>2019-2021</b>
Personal Services	\$ 636,781	\$ 635,675
Services & Supplies	\$ 939,685	\$ 414,685
Capital Outlay	<u>\$ 676,500</u>	<u>\$ 350,000</u>
Total Cost	<u>\$2,252,966</u>	<u>\$1,400,360</u>

Total number of permanent positions 3.0 FTE

# BUDGET NARRATIVE

## **Purpose and Background**

PERS revised its Information Security Plan in 2013 which reiterated its commitment to ensuring the data PERS maintains on the behalf of its members, employers and external stakeholders is protected from unauthorized access and disclosure. A core component of the Information Security Plan is the creation and support of a Cybersecurity Program. The purpose of this business case is to garner the approval, and appropriate funding necessary to create and support PERS Cybersecurity team, which will be responsible for developing, implementing and managing PERS Cybersecurity program.

## **Background**

While Cybersecurity has always been part of PERS Core mission, the Information Technology staff, as an additional activity and responsibility, performs this function; therefore, it does not have the focus an otherwise dedicated team could provide. The result is a fragmented Information Security program where security controls/solutions are technology-driven opposed to business or risk driven, and end-user awareness takes a back seat to keeping the production systems and infrastructure running.

## **Current state of PERS Cybersecurity program**

As indicated above, PERS has developed an Information Security Plan, which set out guidelines for the operation of the Cybersecurity program. The Technical Operations Section has been charged with deploying and managing technical controls to protect member data. To that point, we have implemented the following technical controls.

- End-Point protection for all desktops and laptops
- Anti-Spam and Anti-Malware
- Server or Host security
- Boarder Security
- Intrusion prevention and detection monitoring

Desktop standard security configurations include the following controls:

- Host Based firewall
- Local Admin accounts disabled
- Anti-Virus/anti-malware protection
- Data Loss Protection (DLP) – PII protection
- Next generation security with endpoint detection and response
- Internet content filtering (blacklisting/whitelisting)

Laptop standard security configurations include the following controls:

- Local hard disk drive encryption

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## BUDGET NARRATIVE

- Host Based firewall
- Local Admin accounts disabled
- Anti-Virus/anti-malware protection
- Data Loss Protection (DLP) – PII protection
- Next generation security with endpoint detection and response
- Internet content filtering (blacklisting/whitelisting)
- Secured VPN or remote access

Microsoft Windows 7 is the agency standard and includes the following security controls:

- Windows 7 was configured and deployed per the Center for Internet Security, Microsoft Windows 7 Benchmark

Microsoft Windows Server 2012 R2 is the new standard and includes the following security configurations:

- Newly deployed Microsoft Windows 2012 R2 servers are configured and deployed per the Center for Internet Security, Microsoft Windows Server 2012 R2 Benchmark

Microsoft SQL Server 2014 is the standard and includes the following security configurations:

- Newly deployed Microsoft Windows servers are configured and deployed per the Center for Internet Security, Microsoft SQL Server 2014 Benchmark

Microsoft Exchange Server 2013 is the standard and includes the following security controls:

- Anti-Malware scanning for Exchange

VMware ESXi security configurations:

- VMware ESXi hosts are configured and deployed per the Center for Internet Security, VMware ESXi. Benchmark
- Deep Packet inspection is configured on all VMware hosts

Server patching (application, SQL, infrastructure, etc.)

- PERS performs monthly operating system and application server patching based on the following schedule
  - o Development, BFT, and QA servers – First Saturday evening of the month after Patch Tuesday
  - o Infrastructure servers – Second Saturday evening of the month after Patch Tuesday
  - o Production servers – First Saturday evening of the month

Desktop/laptop patching

## BUDGET NARRATIVE

- PERS performs weekly Windows operating system and application patching (java, flash, etc.) each Sunday evenings, which ensures a high degree of successfully patch delivery.
- PERS has provisions to apply critical patches for out of cycle patching.

### Network Vulnerability scanning

- PERS is utilizing the Enterprise Security Offices deployment of Nessus vulnerability scanner, which performs server and desktop vulnerability analysis and prioritizes remediation based upon the severity of the vulnerability. The severities are based upon MS-ISAC ratings.

Firewall with IPS/IDS services are deployed and configured based on the Center for Internet Security benchmarks

SEIM services – we have deployed and utilize Splunk for our log aggregation and analytics tool.

### Problem or Opportunity Definition

PERS' strategic plan looks to a five-year horizon and answers the questions: If we are exceptionally good at delivering on our mission, where will we be as an agency, what services will we provide to better support our members, and how will we get there? In answering these questions, PERS developed four strategic priorities, which constitute PERS' 2020 vision:

- Organizational management and development;
- Member services and communications,
- Data reliability, and;
- Information governance, security and technology.

The comprehensive review and vetting of data, documenting organizational challenges and strengths, thoughtful consideration of stakeholder needs and perspectives, and the provocative and insightful conversations, which ensued throughout the planning process, laid a solid foundation for both clarity and commitment to the vision distilled in PERS' plan's goals and objectives, as well as the strategies to achieve that vision.

In alignment with PERS strategic plan, we are seeking to create an Cybersecurity team, which under the guidance of the CISO and Information Security Board, will be responsible for developing, implementing and managing PERS Information Security program.

As noted previously, PERS has purchased and deployed a variety of technical controls as part of the standard information technology infrastructure, like anti-virus, anti-malware, firewalls, intrusion detection, and prevention, etc., however, PERS lacks the dedicated personnel to deploy, and manage all aspects of our Cybersecurity program. By not having dedicated staff, this program has been mostly fragmented and lacks operational accountability, which contributes to information security not being included in any vetting process when implementing or

## BUDGET NARRATIVE

changing technology; many solutions are technology driven rather than business or risk driven; and end-user awareness training takes a backseat to production support efforts.

Conversely, with the appropriate staffing and funding for an Cybersecurity team, PERS can ensure that information security functions are adequately resourced and executed to meet PERS' business and regulatory requirements. Specifically, the Cybersecurity program will provide:

- Management of the Cybersecurity program and the associated strategic planning activities;
- Security policy development and implementation;
- Security architecture review and deployment for both internally developed and externally procured applications and solutions;
- Timely and frequent security awareness and education training for all PERS personnel;
- Management of projects to implement new security infrastructure;
- Provide security guidance for non-security related projects and initiatives;
- Ongoing security testing and assurance; and
- Operational accountability for Cybersecurity activities.

### Cost Projections:

In order to meet the requirements of the Information Security Plan, it will be necessary to hire and train staff, focused on Cybersecurity for the agency. This includes working with the business to identify and inventory information assets, identifying threat sources, implementing controls to reduce or mitigate potential threats, performing end-user security awareness training, managing incidents, and measuring/reporting on the overall success of the Cybersecurity program.

The cost to form and staff an Information Security program is approximately **\$635,675** per biennium and consists of the following:

PEME – Cybersecurity Manager (Information Security Officer / CISO) is an executive level Security professional, which will be responsible for leading the Information Security efforts of the agency, to ensure the correct information security controls, processes, policies, and people, are developed to address the agencies Cybersecurity risk.

Responsibilities include:

- Ensure the cybersecurity policy and objectives are established and are compatible with the strategic direction of the organization;
- Ensure the integration of the cybersecurity requirements into the organization's processes;
- Ensure that the resources needed for the cybersecurity program are available;
- Communicate the importance of effective cybersecurity and conforming to the cybersecurity programs requirements;
- Ensure that the cybersecurity program achieves its intended outcome(s);
- Direct and support management and staff persons to contribute to the effectiveness of the information security program;

## BUDGET NARRATIVE

- Promote continual improvement; and
- Support other relevant management roles to demonstrate their leadership as it applies to their areas of responsibility.

ISS7 – Senior System Security Analyst II - is a high level Cybersecurity professional that will be responsible for ensuring that the cybersecurity controls are developed, implemented, and managed.

Responsibilities include:

- Work with the Business to identify information assets and risk factors;
- Work with management to identify technical and procedural controls to reduce / mitigate risk factors;
- Perform threat and vulnerability mitigation;
- Product security related management reporting;
- Perform penetration testing and risk assessments;
- Develop and implement security testing for all code development (through the SDLC process);
- Provide input on enterprise security policies and develop security operations procedures;
- Develop, maintain, monitor, and implement the technical security architecture; and
- Plan and participate in addressing information security incidents.

ISS6 – Security System Analyst I - is a mid-level Cybersecurity professional that will be responsible for system monitoring, initial threat triage, end-user awareness training, etc.

Responsibilities include:

- Deploy patches for security products;
- Provide input on the deployment of patches for non-security products, and make recommendations as to when out-of-cycle patches are required;
- Utilize and monitor security tools daily to identify and remediate potential penetration threats in a timely manner;
- .;
- Monitor the environment for threats and vulnerabilities;
- Work with staff to ensure compliance with Information Security policies and procedures;
- Provision digital identities and access rights; and
- Conduct end-user information security awareness training.

The expected outcome for the requested positions, would position PERS to prevent, detect, contain and mitigate cybersecurity events in a timely manner, thereby reducing the potential damage or loss of member data.

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Estimated services and supplies in support of the cybersecurity team will be approximately **\$ 939,685** for the 2017/2019 biennium, which includes the onetime cost of \$500,000 for the Cybersecurity program enhancement project, \$45,000 for annual Risk Assessment/Penetration Testing and \$120,000 per biennium for a Security Operations Center – which provides the initial or low level (i.e., Tier I ) security monitoring and alerting service.

Estimated security operations budget for Cybersecurity tool acquisition is **\$676,500** for the 2017/2019 biennium, which includes \$276,500 for replacement of the agency’s Firewall/IPS/IDS appliance.

While policies, procedures and end-user cybersecurity training will help to prevent staff from unintentionally releasing, or causing to release, member information, the potential loss from intentional internal or external threats still exist. To identify, protect, or remediate these potential threats, it will be necessary to implement and monitor technical controls.

For the 17-19 biennium, the following cybersecurity access tools will be purchased and deployed:

- Privileged Account Management (PAM) w/multi-factor authentication – monitors, and controls privileged accounts (e.g., system administrators, system accounts, etc.) - \$100,000 est.;
- Enhance physical monitoring – including building video monitoring, enhanced door access controls, building alarm, if required, etc. - \$100,000 est.;
- Identity and access management (e.g., enables the right individuals to access the right resources at the right times, for the right reasons) - \$100,000 est.;
- Application security analysis tools (e.g., detect and resolve security vulnerabilities in jClarety before they get released into production) - \$100,000 est.; and
- Next Generation Firewall replacement/upgrade (e.g., replaces the existing Firewall/IPS/IDS which is nearing its end-of-life and does not support threat analysis features) \$276,500 ext.

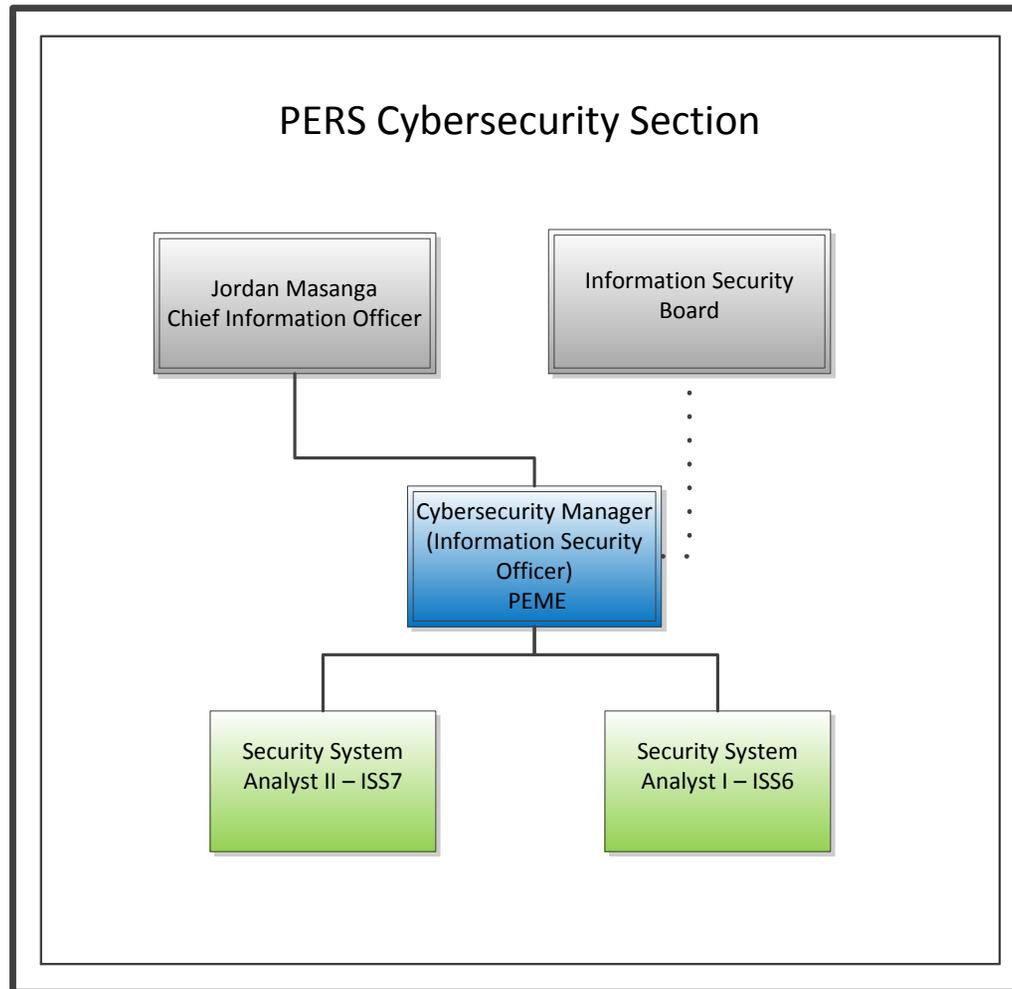
For the 19-21 biennium – additional cybersecurity tools and infrastructure may be required to meet business and member needs, including:

- Secure member access and mobility (e.g., infrastructure to enable the secure delivery of member information, to the members mobile devices) - \$100,000 est.;
- Enhanced security analytics tools (to rapidly detect threats and take immediate action) - \$125,000; and
- Database audit and protection tools (e.g., provide comprehensive security for relational database management systems (RDBMSs) - \$125,000 est.

The tools identified above, will be used by the Cybersecurity team to help prevent, detect, contain and mitigate cybersecurity threats and the potential loss of member data, in a more timely and efficient manner.

# BUDGET NARRATIVE

## Information Security Organizational structure:



## BUDGET NARRATIVE

### Alternatives Analysis

Alternative	Description	High-Level Pros	High-Level Cons
1	Current State	No dedicated personnel or infrastructure to support the agencies cybersecurity needs.	High risk; cybersecurity will be ad hoc; potential loss of member data; potential impact to member services; financial loss and impact to PERS reputation.
2	Approve the creation of an cybersecurity team and program	Cybersecurity will be a focus, not an afterthought, potential loss of member data will be significantly reduced; cybersecurity awareness will be elevated; meet agency 5-year strategic plan; improve timely delivery of member services; reduce operational risk.	Increase cost to staff and fund the Cybersecurity program.

Key foundational assumptions for the project include:

- PERS receives the budget dollars needed to complete the project
- PERS is able to staff, and or train cybersecurity personnel

Risks that need to be carefully monitored and watched for the project include:

- Potential legislative or administrative changes affecting project staffing, budget, and timeline

Success factors that must be managed to ensure success:

- PERS Cybersecurity team will have the capability to meet Key Performance Measure (KPM) of security & data integrity
- Increased confidentiality, accessibility and integrity of member data
- Increase cybersecurity awareness of agency staff

PERS seeks to move forward with alternative #2 as it provides the attention and focus the agency requires when combating the increase in cyber threats to its member and employer data. Alternative #2 is the most cost effective alternative because even slightest loss of member data due to cyber threats, could cost our members a loss in personal privacy and potential identity theft, and the agency would lose huge amounts of political capital and unneeded publicity. Alternative #2 also best aligns with PERS’s Core Values and Core Operating Principles.

The recommendation of alternative #2 is supported by PERS’ Core Values of Integrity, Innovation, and Simplicity as well as PERS’ Core Operating Principals of Member Service, Data Integrity, and Information Security.

## BUDGET NARRATIVE

### Conclusions and Recommendations

As noted previously, information security (cybersecurity) has always been a part of PERS core operating principles and through the adoption of the agency's 5-year strategic plan; information security is a core business requirement. Therefore, PERS is requesting the approval and funding to create a Cybersecurity team, which will be focused on ensuring a high degree of confidentiality, integrity and availability of member data, in order to meet its core mission of paying the right person, the right benefit at the right time.

Risks or deficiencies that need to be mitigated:

- Cybersecurity program is fragmented and performed as additional activities or tasks of the agency's technical staff;
- Cybersecurity solutions are technology driven opposed to business or risk driven;
- End-user cybersecurity awareness takes a backseat to production support activities;
- Cybersecurity monitoring and predictive analysis is minimal;
- Cybersecurity accountability is undefined; and
- Cybersecurity is an afterthought in technical and business solutions or decisions.

Benefits of funding and staffing an Cybersecurity team include:

- End-user cybersecurity awareness will be performed and monitored on a consistent basis thereby reducing the threat surface of malware and phishing campaigns;
- Cybersecurity will be a core element in the agency's software development process thereby reducing the risk of introducing software vulnerabilities in our core members application (i.e., OMS and EDX);
- Cybersecurity policies and procedures will be enforced thereby reducing the risk of inadvertent data loss due to in-attention;
- Agency level accountability for cybersecurity will be clearly defined;
- Continual attention and analysis of the evolving threat landscape will be monitored, and the associated cybersecurity controls will evolve as needed; and
- Cyber criminals work around the clock, in an effort to penetrate the agencies defenses therefore, the cybersecurity staff will be supplemented via an external security operations center, which will monitor PERS Security systems, 24x7, to ensure PERS members, employers and external stakeholders data is protected from potential loss or theft.

### Consequences of Failure to Act

PERS could continue to treat information security as an afterthought, however the consequences of continuing in this direction, could expose the agency and the state unnecessary financial, reputational and negative publicity risks.

# BUDGET NARRATIVE

## Fully Integrating IAP Administration

PERS seeks \$2,757,595 to complete phase III of the IAP Admin project that will improve member services and reduce the costs of the Individual Account Program (IAP). The IAP is a part of each member's benefit so improving access and service to account information is directly aligned with PERS' mission to "serve the people of Oregon by administering public employee benefit trusts to pay the right person the right benefit at the right time."

This is an updated Business Case to provide more details as requested in the May 28, 2015 memorandum of LFO recommendations for Policy Package 102 of House Bill 5034.

The Individual Account Program was created in August 2003 by the Oregon Legislature as a benefit cost allocation measure with the mandate that the program be operational four months later in January 2004. At that time, PERS was not internally able to meet this mandate and contracted with a Third Party Administrator (TPA) to administer the program. In 2006 the PERS Board adopted a remediation plan for the IAP to align with PERS' existing annual contribution reconciliation and earnings crediting processes. The TPA was unable to provide complete functionality to administer IAP post-remediation. Manual processes and workarounds for IAP annual earnings crediting were adopted to fill the functionality gap and still exist today.

Problems exist with the current IAP process in partnership with the TPA:

- Ineffective streamlining of technology and processes due to TPA system constraints
- Constant reconciliation between PERS and the TPA records due to processing differences for contributions, adjustments, payments and earnings
- TPA's inability to allow multiple types of accounts for a single member (as a member, a beneficiary or alternate payee)
- TPA's inability to process direct rollover payments to a financial institution
- TPA's inability to handle earnings on USERRA contributions requiring manual adjustments to be made by PERS

PERS considered four alternatives to improve the administration of the IAP and member services. These alternatives are discussed in detail. PERS recommends the second proposed alternative since it is the most cost effective (capital outlay and maintainability). The table below summarizes four alternatives considered.

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Alternative	Description	High-Level Pros	High-Level Cons
1	Current State	Low risk, continue business as-is.	Reduced member service & increasing costs.
2 (recommended)	In-house Development	Lower capital outlay and operations costs. Solution requirements met.	More risk borne by PERS initially for development.
3	Alternate TPA	TPA develops / customizes and operates own system.	Reliance on TPA and increasing costs. Manual processes still needed.
4	Outsourced Development	Transfer development risks to vendor. Solution requirements met.	Costly and likely reliance on proprietary systems. Maintenance difficult and costly.

The recommendation of alternative #2 is supported by PERS' Core Values of Service Focus, Accountability, and Integrity, as well as PERS' Core Operating Principles of Professionalism, Accuracy, Judicious and Information Security.

Key foundational assumptions for the project include:

- PERS receives the budget dollars needed to complete the project
- PERS staff who currently work with IAP accounts have the skill sets and subject matter expertise needed to assume duties currently administered by the TPA
- PERS member services and payment processing will improve when all IAP processes are automated and aligned with jClarety member information
- TPA charges to administer the IAP will be eliminated after deployment
- PERS IT staff has the expertise and bandwidth to perform analysis, development, testing and deployment of the IAP functionality
- IAP functionality would be built outside of jClarety, but within the Oregon Retirement Information Online Network (ORION), minimizing technical debt

Risks that need to be carefully monitored and watched for the project are:

- All schedule, design and development risks
- Migration of data from TPA to PERS
- Potential legislative changes affecting project staffing, budget and timeline
- Delay in schedule could require further expenditures with TPA and additional project costs

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- Higher potential for scope creep for in-house development
- The loss of critical resources could adversely affect the project

Success factors that must be managed to ensure success:

- All of the Solution Requirements noted in the Alternatives Analysis are met
- PERS is in control of the IAP processes and not dependent on the TPA
- PERS IAP distributions will have the capability to meet same Key Performance Measure (KPM) of paying 80% of pension payments within 45 days
- Integration of the IAP account data into the PERS Online Member Services (OMS) website is successfully completed allowing members to access all retirement data from one site
- PERS has total control of the General Ledger transactions and account reconciliation which addresses the findings of the MGO Financial Services audit
- Increased integrity and security of member data
- Reduced reliance on proprietary products for maintainability

This IT investment aligns with and supports the Governor’s Budget and Key Investments noted in the Governor’s 2015-2017 budget. PERS is the only state agency that administers retirement benefits for over 900 public employers and more than 300,000 active, inactive, and retired members. The uniqueness of the agency’s mission does not relate to other statewide IT plans or initiatives.

PERS seeks to move forward with alternative #2, in-house development, with a revised project completion of December 2018 given some delay in Stage Gate planning activities. As the attached *Financials for IT Cash Flows and Graphs* appendix demonstrates on the *Graphs* page, the investment period for alternative #2 from 2014 through 2020 indicates a reduction in cash expenditures over this seven-year span. It is expected this trend would continue into the future. Alternative #2 is the most cost effective alternative by far (shortest payback period, highest net present value, and lowest ongoing maintenance costs). It is estimated that within 6 months of the system being in production, the return on investment is 15%. After five years, the return on investment would be 120%.<sup>1</sup> Alternative #2’s payback period is approximately three years after deployment (2022). Alternative #2 also best aligns with PERS’s Core Values and Core Operating Principles.

### Purpose

The IAP is a portion of each public employees’ retirement benefit. The program must be administered now and long into the future, therefore the efficiencies in service and administration of the benefit fit PERS mission to “serve the people of Oregon by administering public

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employee benefit trusts to pay the right person the right benefit at the right time.” This business case seeks to show the business value of providing complete Individual Account Program (IAP) functionality for our members and reducing costs by administering contributions, earnings, payments, associated recordkeeping, online account access, and related services by PERS. This would be accomplished by integrating this functionality into the agency’s ORION system creating a secure and integrated environment comprehensive of all member data.

### Background

#### Inception and the Evolution of the IAP

The IAP was created in August 2003 by the Oregon Legislature (House Bill 2020) as a PERS benefit cost allocation measure. Members contribute to the IAP and in return are allocated market earnings or losses without any guaranteed minimum return. Consequently, the member bears the risk for the ultimate amount of the benefit at retirement. Although the IAP was created alongside other 2003 PERS Reforms, the program includes both Oregon Public Service Retirement Plan (OPSRP) Pension members (the new pension program that was created simultaneously) and Tier One and Tier Two members, whose member contribution was diverted from their member accounts into the IAP.

In 2003, PERS contracted with a Third Party Administrator (TPA) to provide recordkeeping and participant services for the IAP for several different reasons including: the mandate that IAP be operational by January 2004; the uncertainty of court challenges to the legislation; and the RIMS Conversion Project (RCP) that was in development at that time.

From inception, the unique characteristics of the IAP proved a challenge for PERS and our partner employers due to the defined contribution plan model. For example, PERS had always credited member accounts with earnings or losses on an annual basis. The complex nature of the PERS Fund investments makes daily or monthly valuation impractical and imprecise. Also, the irregular timing of contributions (e.g., some PERS employers pay employees weekly; others monthly) resulted in uneven earnings results for individual members that were difficult to reconcile and confusing to explain.

As of January 1, 2006, the PERS Board adopted a remediation plan for the IAP that included a re-design to allow the IAP to align with the agency’s existing annual contribution reconciliation and earnings crediting model. This change created system challenges for the TPA, as the IAP’s operations, compared to deferred compensation accounts like a 401(K) plan, were not consistent. The TPA was able to make some customized changes to their system but PERS and the TPA had to create and adopt manual processes to accommodate the gaps from the now unique nature of the IAP annual earnings crediting.

#### Current State of IAP Administration

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Currently, administration of the IAP is segmented across multiple systems (see Figure 1). Contribution and demographic data, reported by our employers, is contained within the jClarety system. The jClarety system is part of ORION and is the system of record for contribution and demographic data.

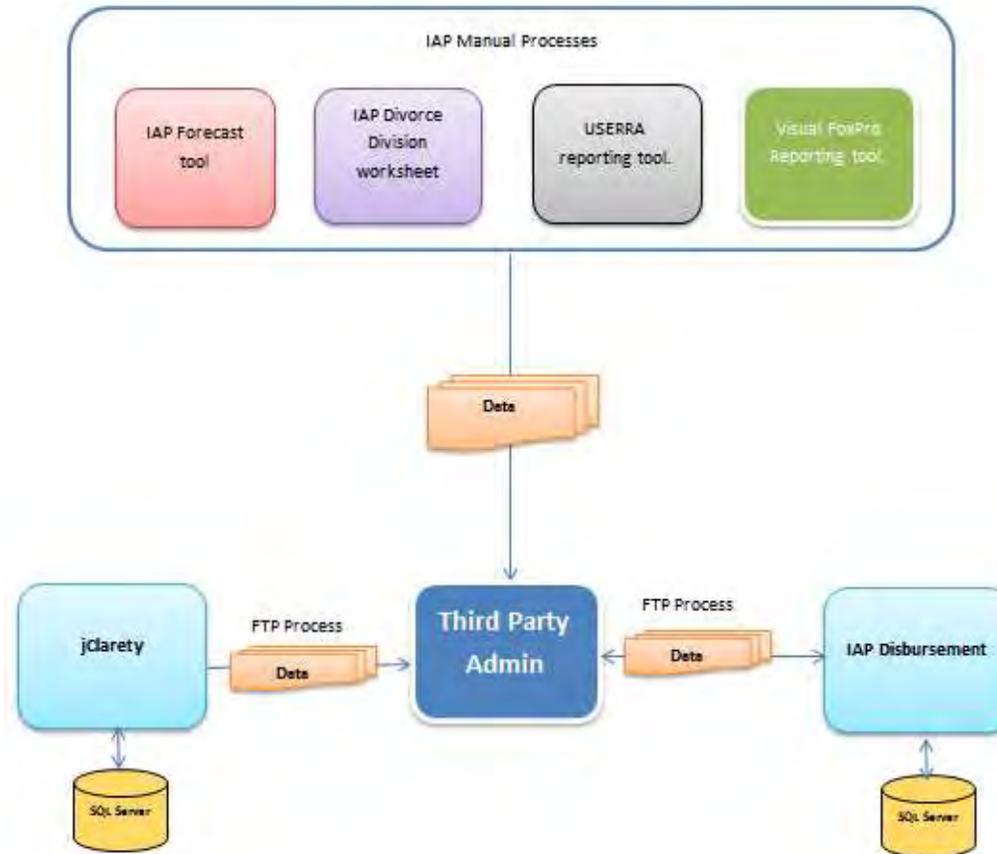
Documentation received by PERS is scanned into the FileNet system, the agency's system of record for all member documents. FileNet is also used for electronic workflow and is part of the ORION. IAP currently uses FileNet for document retrieval, storage and electronic workflows.

The TPA is only responsible for payment distribution, record keeping, and tax reporting. The remaining duties of recording retirement and withdrawal application information, recording distribution instructions to the TPA, and displaying redeemed distribution data needed to be administered by PERS. A Distribution Database was created in-house to fill these needs. This database is a PERS application customized for IAP that requires manual input of data and is therefore prone to data input errors. This application is considered part of the ORION system, but does not communicate in any way with jClarety or the TPA.

The calculation and adjustment applications used by staff to instruct the TPA regarding the distribution or adjustment amounts are also offline tools PERS developed in-house. These tools are loosely integrated into the ORION system by pulling contribution data from jClarety, avoiding manual data entry, and creating a secure FTP file to the TPA containing the details of PERS requests.

In addition, the TPA has its own system, OMNI. The jClarety system has limited ability, via overnight batch jobs, to share contribution and demographic data with OMNI. OMNI has no ability to share information with jClarety or any other PERS system. OMNI is not a part of the ORION network and PERS has little influence over the system, its functionality, or security.

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**Figure 1 - Current State Systems**

Member services are affected by the disparate systems. Most visible to our membership is online access to account information. The IAP data is not available on the PERS OMS website. To view the IAP account, a user must access the TPA's website and use a different login and password. The data available on the TPA's website is very limited and in a different format when compared to OMS. This leads to confusion and frustration on the part of our members.

Because of the segmented information systems and processes, staff spends a large amount of time sending specific instructions to the TPA for earnings crediting, distributions, and adjustments. This includes calculating the earnings amounts as well as providing the rates. In addition, staff spends time reconciling the data in the OMNI system with the data from jClarety, the IAP Disbursement Database, and manual requests. The amount of authorized distributions and withholdings sent to the TPA must be manually reconciled to verify the correct earnings are

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applied, the requested withholdings are withheld, and the amount of the distribution was according to our instructions. Other types of reconciliation happen when employers then try to report additional contributions from a previous position or contributions from a new position. Once the accounts are distributed and closed, they do not recognize additional contributions reported. PERS then must identify and manually correct the discrepancies that if not fixed in a timely manner could result in an invoice, additional payment, or incorrect annual statement. An overview of this current process is provided in Figure 2.



**Figure 2 - Current Process**

The PERS Member Information Center currently answers all member questions related to the IAP account. In order to do so in the current structure with the TPA requires PERS to access three independent systems. Processes are complex with multiple handoffs between PERS and the TPA, leaving PERS with little more than Service Level Agreements as a measure of control over TPA processes. This hinders us from taking immediate action to resolve a member's account.

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### Purpose

Disparate systems, separate entities and lack of TPA functionality leads to an over complicated process that creates unnecessary delays and errors. The enhancement to the ORION system to administer the IAP will increase IAP operating effectiveness through simplification of the IAP recordkeeping and participant services function, eliminate duplication of data and agency resources, and provide improved member service through increased responsiveness to member inquires, better controls over processes, and more timely benefit payments. This is visually demonstrated by the diagrams in the *Figure 2 – Current Process* or *Figure 3 – New Process* showing the current workflow compared to the future workflow for the three main processes the TPA is involved in.

There are multiple stakeholders to this project including PERS staff, retired, active, or inactive IAP participants, Legislative Fiscal Office (LFO), and the Office of the State CIO (OSCIO).

The staff at PERS is excited and supportive of a solution to integrate IAP into the ORION system. When surveyed, staff asked for a more integrated solution to the tools they have available to do their jobs. Many also expressed interest in more control over processes that the TPA is currently involved in. Even though this will result in simplification of staff work by elimination of duplicative processes and verifications that currently prolong IAP processing creating manual workarounds and re-work, this project is FTE neutral. The staff members currently engaged in tasks that are eliminated will be shifted to areas where we can take advantage of the opportunity to make faster distributions and the ability to respond in a more effective and timely manner to any issues or problems that members may face.

Members of the IAP, both active, inactive, and retired, when surveyed were supportive of a more integrated solution to viewing and distributing the IAP funds. In survey comments, they repeatedly asked for IAP data to be available on OMS with the same login used to view their other PERS and OPSRP accounts. They also expressed interest in the direct rollover capabilities that the TPA does not provide, but PERS does.

The areas of the agency that will be most affected are the Operations Division, Financial and Administrative Services Division, and the Information Services Division. The Operations Division at PERS is responsible for the Member Call Center, Data Services, Application Processing, Retirement and Withdrawal Calculations and Adjustments, and Beneficiary and Divorce processing. The Financial and Administrative Services Division at PERS is responsible for the IAP General Ledger transactions, account earnings crediting process, and fund reconciliation with the TPA. The Information Services Division at PERS is responsible for supporting the current IAP Distribution Database and development and support of the new IAP Admin system.

PERS employers are not impacted by this proposal. All processes the employers currently use to report and correct contribution information and receive and pay PERS invoices will remain unchanged and are out of scope for this project. No other agencies outside of PERS will be affected by this change.

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PERS is a member of the CEM Benchmarking Peer Network. This organization serves as a network for public pensions allowing members to compare processes and methods. It also ranks public pensions in terms of complexity. Currently of the 74 global pension systems in the CEM Network, PERS ranks #4 in terms of complexity. When compared to just our similarly sized peer group of 15 systems, PERS is the second most complex. We reached out to other members via an online CEM sponsored Q&A Board and asked if any other pension funds had transitioned away from using a third-party administrator and if so, what worked well and what could have been changed. The responses received were from Washington DRS, Ohio PERS, Florida Retirement System, and STRS Ohio. While they all contract with a TPA, none of them have moved away from, or have plans to move away from, TPA services. However, it is important to note that the lower complexity of these plans may make the services of a TPA a better fit.

Public retirement systems are highly political and sensitive. Faced with the realities of a recent recession and a slow economic market, PERS has been in the spotlight of reform for the past few years. Most recently, reforms to Cost of Living and Tax Remedy enacted in 2013 by the Legislature were in the most part overruled by the Oregon Supreme Court in the Moro Decision. This puts pressure on the agency to be as efficient as possible and look for ways to simplify processes while increasing service levels.

### **Problem or Opportunity Definition**

The current state of both the process of the IAP administration and the interaction of the systems were described earlier. The following are some of the problems PERS faces while utilizing a TPA for administering the IAP and relate to the current state.

#### ***Problems***

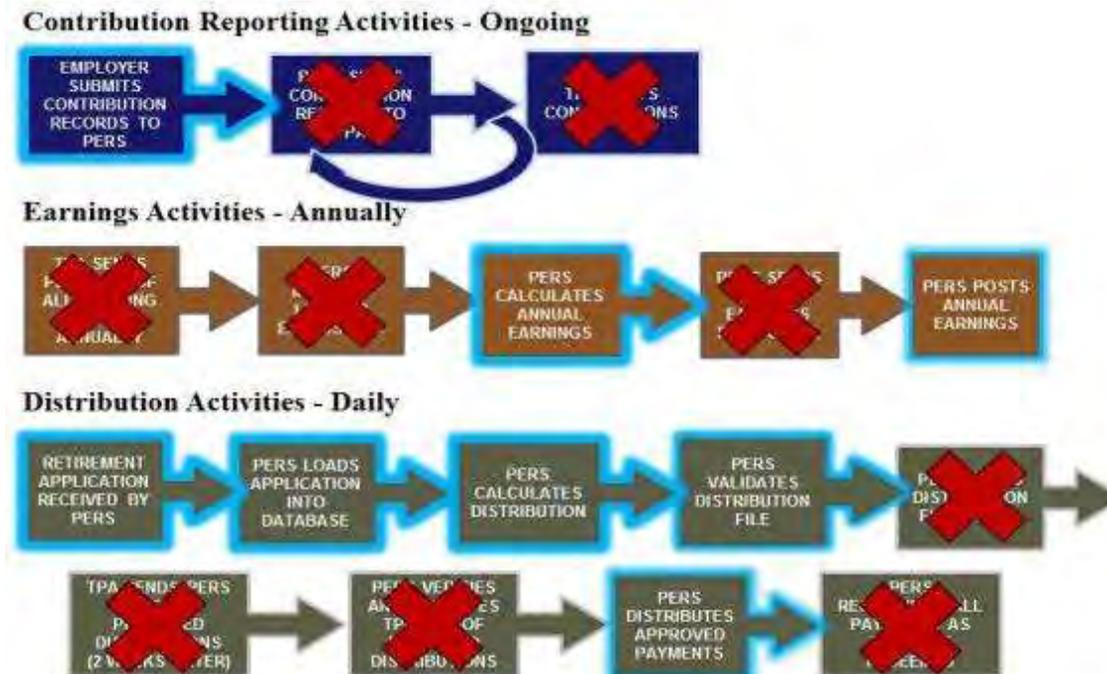
- Use of a TPA prevents the effective streamlining of technology and processes. Due to system constraints with the TPA, PERS cannot fully leverage existing technology to improve administrative efficiency and member services. The current structure requires PERS to access three independent systems when answering member questions concerning their IAP account. Processes including earnings crediting, distribution requests, tax reporting and adjustments are currently overly complex with multiple handoffs between PERS and the TPA. This supports the PERS Core Value of Simplicity through streamlined processes as outlined in the PERS 2015-2020 Strategic Plan.
- Differences between PERS and TPA records in processing contributions, adjustments, payments and earnings require constant reconciliation. The fund has been continuously unable to reconcile all differences in the TPA and PERS records. This project would result in a single definitive, reliable, and auditable IAP system of record.
- Continuing to use a TPA to administer the IAP is a challenge since the TPA is relying on a system not designed for annual earnings crediting and manual processes and work-arounds to implement the program. As a result, member transactions take up to two additional weeks to process once PERS has calculated and requested the distribution or correction and error rates, at times, are higher than tolerable.
- The TPA is unable to process direct rollovers to a retired member's financial institution due to limitations in the OMNI system not allowing enough room in the mailing instructions for the account number and member's name in addition to the financial institution name and address to appear.

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- The TPA is unable to assign multiple accounts per member social security number for beneficiaries of deceased members or alternate payees due to divorce. If a member is also a beneficiary and/or alternate payee, a fake social security number is assigned and mapped to the internal PERS id for later identification. This makes account lookup and reconciliation more difficult since several different numbers must be used to see all IAP account information for one member.
- The TPA does not have the system capability to handle the earnings on contributions reported under the Uniformed Services Employment and Reemployment Rights Act (USERRA) resulting in overstated account balances and the potential to cause overpayment of benefits. Manual adjustments by PERS are required prior to distribution of any account with USERRA transactions.
- The TPA uses a TPA for check and tax processing. This causes a conflict when PERS instructs the TPA to withhold taxes in a certain manner and then their TPA overrides those instructions.

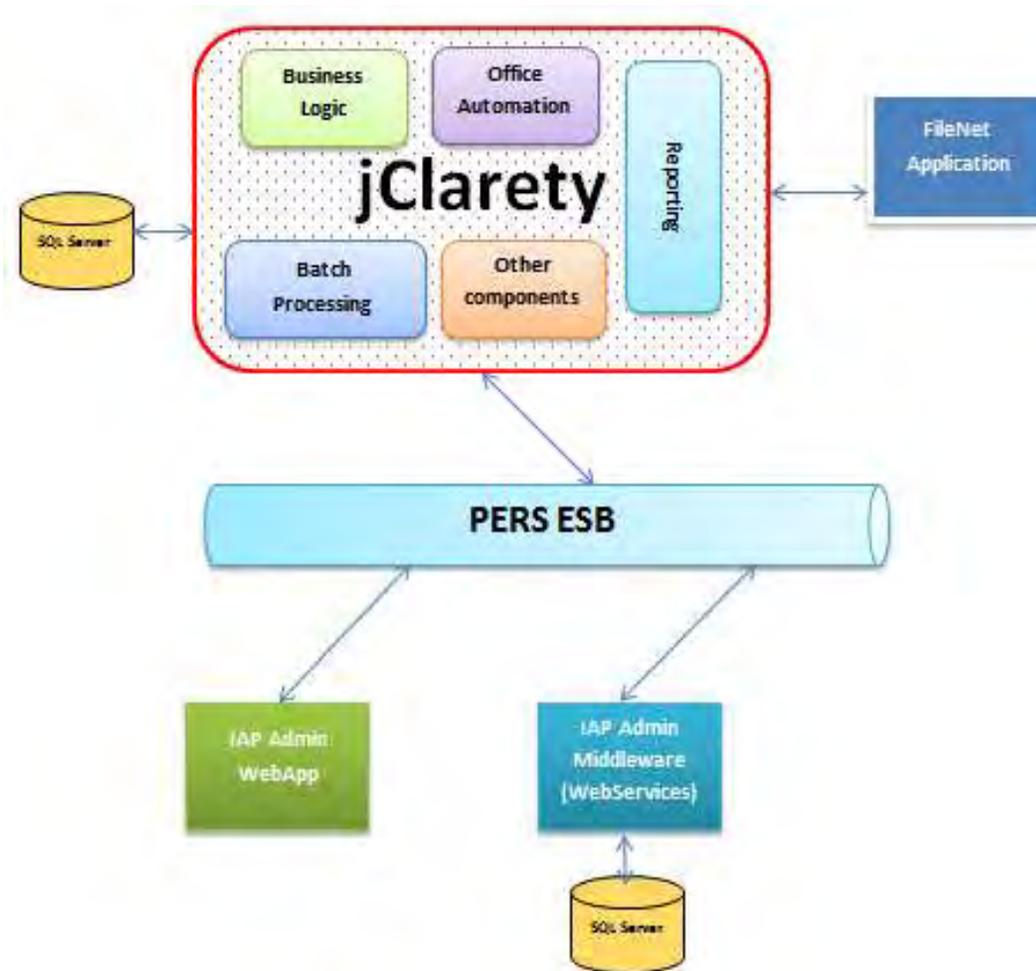
The following are some of the opportunities PERS can take advantage of by not utilizing a TPA for administering the IAP and relates to the future state. In Figures 3 and 4, it is clear that the process for administering the IAP and the system interactions for the IAP would be greatly simplified. The benefits from those simplifications are discussed below.

### Opportunities:



**Figure 3 – New Process**

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**Figure 4 – Improved System Architecture**

- More timely Member Payments. With the implementation of this project, the agency has an opportunity to accomplish paying IAP benefits at the same KPM as the other pension payments. While currently no such statutory requirement to pay 80% of IAP payments within 45 days exists, the membership expects that both the pension and IAP payments will be held at the same

## BUDGET NARRATIVE

standard. Elimination of the TPA and integration of the distribution functionality within the ORION system will allow the IAP payments to meet this standard.

- Increased integrity and security of member data. We have no control over the TPA's ability to maintain our records in a secure environment. Once PERS administers all aspects of the IAP, there will be the opportunity for greater control over the integrity and security of member data. Daily transfers between the agency and TPA are secure, but retaining the data within the agency is seen as more secure.
- Transitioning administration of the IAP fully in-house provides an opportunity for the agency to eliminate ongoing and increasing TPA charges. This will save the agency approximately \$2.4M per year in TPA costs based on current charges. IAP membership continues to grow with new public employee hires, and the TPA fee is based on \$9.36 for each account with a minimum balance, so that the ultimate long-term savings could be estimated to be substantially more. Since administrative fees are deducted from earnings this could have a direct impact on the IAP earnings rate over time for all members.
- Integrating IAP account data into the existing OMS website provides an opportunity to give members a one-stop-shop for all of their PERS retirement accounts. This supports the PERS 2015-2020 Strategic Plan in the focus area of Quality Delivery Methods. The goal and objective of improving members' on-line access to secure content and enhancing OMS for all member transactions would be better achieved if IAP were included.
- The project provides an opportunity to streamline the IAP account earnings crediting process. PERS' annual crediting model is outside of normal methodologies for the TPA. This had led to manual processes and custom reports leading to errors and delays in crediting earnings. This project could prevent errors in member accounts that currently can require invoices or additional payments.
- Having the distribution functionality in-house will alleviate the problem currently faced when an IAP distribution is made, the account is closed by the TPA and the employer attempts to report corrections. Any adjustments made by the employer after distribution fail to post to the closed account resulting in manual correction by PERS.

### Alternatives Analysis

#### Alternative Identification #1 – Status Quo/Current State

Continue with the current TPA (Voya Financial) using PERS staff workarounds.

This alternative is to continue with the current state of using the existing TPA. The TPA costs are determined by the number of IAP accounts, which are increasing approximately 2.06% annually. In addition, the TPA has not been able to adequately meet a significant number of high priority solution requirements without negotiating additional costs. This first alternative is not the most favorable as the TPA costs will continue to increase and the functionality needs will continue to be unmet. The IAP Business Case Financials for IT Cash Flows and Graphs show this increase in costs through fiscal year 2020.

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## Assumptions

- The IAP membership will continue to grow causing TPA costs to steadily increase
- PERS has the budget dollars to pay the increasing TPA costs
- The IAP is an on-going, long-term retirement benefit program
- No additional technology or technology support services will be needed
- PERS staff would continue all manual processes currently in place including account reconciliation with the TPA
- PERS would have to increase staffing levels to meet IAP membership demands in the future
- Members would continue to obtain IAP information outside of OMS
- The current TPA continues to contract with PERS for IAP services
- The current TPA is willing to continue to renew with PERS at the same contract rate
- Any new legislation passed will not impact the TPA system functionality required to administer the IAP

## Selection Criteria and Alternatives Ranking

Status Quo is not an adequate alternative as it does not fulfill many of the critical solution requirements outlined below.

### Solution Requirements and Analysis

Solution Requirement #	Description	Alternatives Analysis		
		Met	Not Met	How Met or Not Met
SR1	Account creation for Members, Alternate payees and Beneficiaries	√		PERS handles member account creation via overnight batch to TPA. Alternate Payee and Beneficiary accounts are manually created by TPA upon PERS request.
SR2	Earnings will be credited based upon Earnings type and Benefit type	√		The TPA manually credits earnings based upon PERS requests.
SR3	YTD Account balance will display and also allow for previous account balance	√		The TPA provides this information
SR4	An Annual Statement extract will be generated	√		
SR5	Member self-service will allow for YTD account balance and previous account balance	√		The TPA provides online access to this information although it is cumbersome to members requiring a separate website and password.
SR6	Benefit calculations/ adjustments will be		√	PERS manually calculates all distributions and adjustments

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Solution Requirement #	Description	Alternatives Analysis		
		Met	Not Met	How Met or Not Met
	created for Death, Divorce, Retirement and Withdrawals			before sending specific payment instructions to TPA and then has to confirm that the instructions were followed in order to reconcile the TPA records with PERS records.
<b>SR7</b>	Divorce functionality will include creation of a separate account for the Alternate Payee in the case of a split account and the reversal of any existing divorce		√	PERS manually calculates divorce splits before sending specific instructions to the TPA. The split instructions cannot be processed in jClarety leading to multiple discrepancies between jClarety and the TPA.
<b>SR8</b>	Beneficiary functionality will include creation of separate beneficiary accounts		√	PERS manually calculates beneficiary accounts before sending specific instructions to the TPA. The beneficiary account cannot be created in jClarety leading to multiple discrepancies between jClarety and the TPA.
<b>SR9</b>	Required Deductions (including rollovers) will be allowed for all payment types		√	The TPA does not allow for direct rollover processing or percentage deductions on installment distributions. Instead, a paper check is mailed to the member for them to handle the rollover.
<b>SR10</b>	Payment processing will occur for all validated payments via pension and/or daily payments and the appropriate reports will generate		√	The TPA processes all payments based upon a schedule pre-approved by both parties. The TPA cannot provide daily payment processing, only weekly. Reports are only provided upon PERS request.
<b>SR11</b>	Check Detail will display for all payments for Members, Alternate Payees and Beneficiaries including, gross payment, deductions, member cost and net payment	√		The TPA provides check detail information. This information is manually uploaded into the PERS Distribution Database for reference. The manual nature of this data input makes the process prone to errors and missing data.
<b>SR12</b>	Allocation, Item Creation, Status Transition and Cash Receipt General Ledger (GL) functionality will be created		√	PERS manually creates and processes General Ledger transactions.
<b>SR13</b>	Appropriate Tax forms (1099s, 1042s) will be produced	√		The TPA contracts with their external service provider to produce the tax forms for IAP.
<b>SR14</b>	The system will allow subsequent accounts for members who withdrew or retired and returned to qualifying employment		√	The TPA closes distributed accounts preventing new contributions from posting during batch process without a manual request from PERS to re-open the account.
<b>SR15</b>	Appropriate scheduled and Adhoc Reports	√		The TPA only produces reports at the request of PERS on an

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Solution Requirement #	Description	Alternatives Analysis		
		Met	Not Met	How Met or Not Met
	will be created			Adhoc basis.
<b>SR16</b>	Workflows will need to be modified and/or added	N/A	N/A	This does not apply to this alternative because FileNet workflows are already in place and working appropriately.
<b>SR17</b>	The system will capture, validate and view IAP Earnings rates including Annual, Pre annual, Monthly and Distribution		√	PERS internally communicates the rates, but they are not available in any system.
<b>SR18</b>	Appropriate Letters and Forms will be generated		√	PERS manually generates appropriate letters and forms.
<b>SR19</b>	Data migration will occur for all payments in the current IAP Distribution Database	N/A	N/A	This does not apply to this alternative.
<b>SR20</b>	The system will allow the Annual Earning rate job to process for IAP	√		PERS manually calculates Annual Earnings and submits to TPA for posting. Then PERS reconciles the posted earnings amounts with what was requested.
<b>SR21</b>	A new fiduciary account for the IAP Disbursement will be created	N/A	N/A	This does not apply to this alternative.
<b>SR22</b>	The system must have the ability to comply with all Federal and State mandates regarding system security requirements	√		PERS must rely on the TPA to comply with system security requirements.
<b>SR23</b>	The system must have the ability to maintain confidentiality, the ability to keep data secure, and have reliable and available access for users.	√		PERS must rely on the TPA to maintain confidentiality, secure data, and provide reliable and available access.
<b>SR24</b>	The system must have the ability to provide for acceptable response time and network bandwidth	√		PERS must rely on the TPA to provide acceptable response time and network bandwidth
<b>SR25</b>	The system must have backup capabilities, have fully documented functionality, and follow the PERS disaster recovery plan to minimize the impact of service interruptions	√		PERS must rely on the TPA to have backup capabilities, fully documented functionality and to follow a disaster recovery plan acceptable to PERS.

**Cost**

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- VOYA cost per PERS account with over \$30 is \$9.36 (see contract); in 2014 there were 241,593 accounts with balances over \$30 for a total TPA fee in 2014 of \$2,258,892.78
- IAP TPA costs are anticipated to increase 2% year over year

### Benefit

- Additional programming would not be required
- Migration of member data would not be required
- Communication of changes would not be required

### Risk

- The current TPA could opt not to renew their contract, which would leave the agency at risk for service interruption
- Critical functionality needs are not met with the current TPA
- TPA rates may increase, adding further expense to administration of IAP
- Continued manual processes for an increasing customer base increases chances of errors
- Lack of automation between PERS and the TPA
- Lack of control over TPA processes
- Lack of visibility to TPA data
- Potential of increased staffing needs to support manual processes
- Lack of agility to quickly change functionality if further legislation occurs

### **Alternative Identification #2 – Move the IAP functionality into the OPERS ORION system using in-house resources**

Using a phased approach, build the IAP functionality into the existing OPERS ORION system that will support full administration of the IAP within OPERS operations using in-house resources.

This alternative is to move the IAP functionality into the OPERS ORION system using in-house resources. PERS would be able to meet all of the solution requirements. The manual tasks that PERS staff must currently complete while working with the TPA for IAP would no longer be needed and this staff would move to IAP processing to supplement tasks previously done by the TPA. No additional permanent staff would be required as a result of this project. The IAP Business Case Financials for IT Cash Flows and Graphs show that administrative costs will decrease over time.

# BUDGET NARRATIVE

## Assumptions

- PERS receives the budget dollars needed to complete the project
- The ORION system at PERS has been tested and remains fully stable facilitating the addition of the IAP program
- PERS staff who currently work with IAP accounts have the skill sets and subject matter expertise needed to assume duties currently administered by the TPA
- The IAP is an on-going, long-term retirement benefit program
- PERS member services and payment processing will improve when all IAP processes are automated and aligned with jClarety member information
- TPA charges to administer the IAP will be eliminated after deployment
- Bringing IAP in-house will facilitate staff in obtaining payment data directly from jClarety
- The IAP project timeline will take approximately three years
- PERS IT staff has the expertise and bandwidth to perform analysis, development, testing and deployment of the IAP functionality
- Existing jClarety functionality can be utilized for letter, forms, reports, pension processing, daily payment processing, demographics, check browser, and tax reporting
- IAP functionality would be built outside of jClarety, but within ORION, minimizing technical debt

## Selection Criteria and Alternatives Ranking

Alternative #2 is the most favorable as it does fulfill all of the solution requirements outlined below and is most cost effective.

## Solution Requirements

Solution Requirement #	Description	Alternatives Analysis		
		Met	Not Met	How Met or Not Met
SR1	Account creation for Members, Alternate payees and Beneficiaries	√		The new IAP Admin system can be developed to meet this requirement
SR2	Earnings will be credited based upon Earnings type and Benefit type	√		The new IAP Admin system can be developed to meet this requirement
SR3	YTD Account balance will display and also allow for previous account balance	√		The new IAP Admin system can be developed to meet this requirement
SR4	An Annual Statement extract will be generated	√		The new IAP Admin system can be developed to meet this requirement

## BUDGET NARRATIVE

Solution Requirement #	Description	Alternatives Analysis		
		Met	Not Met	How Met or Not Met
SR5	Member self-service will allow for YTD account balance and previous account balance	√		The new IAP Admin system can be developed to meet this requirement
SR6	Benefit calculations/ adjustments will be created for Death, Divorce, Retirement and Withdrawals	√		The new IAP Admin system can be developed to meet this requirement
SR7	Divorce functionality will include creation of a separate account for the Alternate Payee in the case of a split account and the reversal of any existing divorce	√		The new IAP Admin system can be developed to meet this requirement
SR8	Beneficiary functionality will include creation of separate beneficiary accounts	√		The new IAP Admin system can be developed to meet this requirement
SR9	Required Deductions (including rollovers) will be allowed for all payment types	√		The new IAP Admin system can be developed to meet this requirement
SR10	Payment processing will occur for all validated payments via pension and/or daily payments and the appropriate reports will generate	√		The new IAP Admin system can be developed to meet this requirement
SR11	Check Detail will display for all payments for Members, Alternate Payees and Beneficiaries including, gross payment, deductions, member cost and net payment	√		The new IAP Admin system can be developed to meet this requirement
SR12	Allocation, Item Creation, Status Transition and Cash Receipt General Ledger (GL) functionality will be created	√		The new IAP Admin system can be developed to meet this requirement
SR13	Appropriate Tax forms (1099s, 1042s) will be produced	√		The new IAP Admin system can be developed to meet this requirement
SR14	The system will allow subsequent account for members who withdrew or retired and returned to qualifying employment	√		The new IAP Admin system can be developed to meet this requirement
SR15	Appropriate scheduled and 'Adhoc' Reports will be created	√		The new IAP Admin system can be developed to meet this requirement
SR16	Workflows will need to be modified and/or	√		The new IAP Admin system can be developed to meet this

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## BUDGET NARRATIVE

Solution Requirement #	Description	Alternatives Analysis		
		Met	Not Met	How Met or Not Met
	added			requirement
SR17	The system will capture, validate and view IAP Earnings rates including Annual, Pre annual, Monthly and Distribution	√		The new IAP Admin system can be developed to meet this requirement
SR18	Appropriate Letters and Forms will be generated	√		The new IAP Admin system can be developed to meet this requirement
SR19	Data migration will occur for all payments in the current IAP Distribution Database	√		The new IAP Admin system can be developed to meet this requirement
SR20	The system will allow the Annual Earning rate job to process for IAP	√		The new IAP Admin system can be developed to meet this requirement
SR21	A new fiduciary account for the IAP Disbursement will be created	√		The new IAP Admin system can be developed to meet this requirement
SR22	The system must have the ability to comply with all Federal and State mandates regarding system security requirements	√		The new IAP Admin system can be developed to meet this requirement
SR23	The system must have the ability to maintain confidentiality, the ability to keep data secure, and have reliable and available access for users.	√		The new IAP Admin system can be developed to meet this requirement
SR24	The system must have the ability to provide for acceptable response time and network bandwidth	√		The new IAP Admin system can be developed to meet this requirement
SR25	The system must have backup capabilities, have fully documented functionality, and follow the PERS disaster recovery plan to minimize the impact of service interruptions	√		The new IAP Admin system can be developed to meet this requirement

## BUDGET NARRATIVE

### Cost

The budget for alternative #2 is detailed below. Costs for this project are presented in various categories.

#### Phase 1:

Proof of Concept\*:           \$ 300,000.00

#### Phase 2:

Professional Services\*:     \$ 493,750.00

Capital Outlay\*:           \$ 225,000.00

\$ 718,750.00

#### Phase 3:

Personnel Services:         \$ 657,000.00

Services & Supplies:       \$3,500,000.00

Capital Outlay:             \$ 500,000.00

Software Licensing:        \$ 33,000.00

External QA:                \$ 400,000.00

\$5,090,000.00

Total IAP Budget:           **\$6,108,750.00**

Phase 1 and 2 costs have already been budgeted and spent. \$1,914,399.00 was originally budgeted for phase 3. An additional \$1,255,601 was received during the February 2016 legislative session (see below). Total received to date is \$3,170,000.

### Benefit

- Technology and processes fully leveraged and effectively streamlined to improve administrative efficiency and member services
- Staff could access all IAP information in the OPERS ORION system
- Differences between PERS records and a TPA would no longer have to be reconciled resulting in increased quality of IAP data
- The same direct rollover capabilities available as for pension distributions
- Display multiple account types for beneficiaries and/or alternate payees due to divorce that are tied to the same Social Security Number or PERS id
- Increase timeliness of payments to bring IAP payments to the same agency KPM for distributing 80% of payments within 45 days.
- Increased security and integrity of member data
- Elimination of increasing TPA costs
- Elimination of manual process and work arounds

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## BUDGET NARRATIVE

- IAP data integrated into the PERS OMS website
- Calculation of distributions and adjustments completed within an integrated system
- IT staff would have the capabilities and knowledge to maintain and enhance the system
- Approach would minimize technical debt through the use of a modularized services oriented architecture
- Legislative changes would be easier to implement by not having to coordinate with a TPA
- Leverages and extends the life of the current jClarety system while implementing new technology
- Cost savings due to in-house development and design
- Technical experts in their field are directly allocated for this project

### Risk

- All schedule, design and development risk borne by PERS
- Migration of data always presents potential risks
- Potential legislative changes affecting project staffing, budget and timeline
- Utilization of RUP iterative approach could present challenges with oversight that requires more upfront planning and detail
- Delay in schedule could require further expenditures with TPA and additional project costs
- Higher potential for scope creep for in-house development
- The loss of critical resources could adversely affect the project

Phase 3 will implement and deploy IAP administration into ORION, which will require additional technical support beyond current resources. Three full-time, Limited Duration positions at the ISS 6 classification level will augment our technology staff to support development of the IAP administration module within ORION.

To support the increased needs, PERS is now asking for these three IAP ISS6 positions be maintained throughout the biennium to support the IAP Admin project once IAP phase III is completed. These positions will continue to be required full time up to IAP project completion, and then continue as full-time to support the long-term strategy for IAP Admin.

Permanent staff will provide the ongoing skills-sets and knowledge to support:

- An increase in application development workload;
- Code automation;
- A series of new technologies and infrastructure, including Software-Oriented Architecture (SOA) and Single Sign-On (SSO);
- Deployment and management tools such as Puppet, Jenkins, and GIT.
- Business system analysis

## BUDGET NARRATIVE

PERS has amended the IAP approved budget as follows:

- The total cost of the three limited duration staff positions is now \$559,401.

### Requested funds for 17-19 to complete phase III

As outlined in the revised business plan, submitted prior to the February 2016 legislative session, PERS is requesting \$2,757,596 in 17-19 to complete phase III:

Total remaining funds need to complete phase III:	\$4,013,197
Less funds received from the February 2016 legislative session:	<u>(\$1,255,601)</u>
Remaining needs:	<b>\$2,757,596</b>

	Approved 15-17	Anticipated 15-17	Shortfall 15-17	Anticipated 17-19	Shortfall 17-19
Personnel Services	\$ 513,076.00	\$ 257,000.00	\$ 256,076.00	\$ 559,401.00	\$ (559,401.00)
Services and Supplies	\$ 694,325.00	\$ 2,180,000.00	\$ (1,485,675.00)	\$ 1,998,195.00	\$ (1,998,195.00)
Capital Outlay	\$ 500,000.00	\$ 500,000.00	\$ -	\$ -	\$ -
Software Licensing	\$ 33,000.00	\$ 33,000.00	\$ -	\$ -	\$ -
External QA	\$ 173,998.00	\$ 200,000.00	\$ (26,002.00)	\$ 200,000.00	\$ (200,000.00)
Subtotals	\$ 1,914,399.00	\$ 3,170,000.00	\$ (1,255,601.00)	\$ 2,757,596.00	\$ (2,757,596.00)
Total Anticipated Phase 3 Cost		\$ 5,927,596.00			
Total Shortfall		\$ (4,013,197.00)			

IAP Admin Project Phase 3 is aligned with PERS 2015-2020 Strategic Initiative **Member Services and Communications** in the focus area of Quality Delivery Methods by enhancing Online Member Services (single portal for IAP) and modernizing PERS website to be compatible with common interfaces. In addition, IAP Admin Project will increase the **Data Reliability** of the Agency Central Data Management by consolidating IAP data and providing query process more efficient and less complex. Lastly, IAP Admin Project will address the **Information Governance, Security, and Technology** strategic initiative in the focus area of Information Governance as a basis for PERS Enterprise Architecture; and the focus area of Agile Technology System allowing IAP Admin to leverage new technology to improve IT efficiency and responsiveness to business operational changes.

## BUDGET NARRATIVE

### **Alternative Identification #3 – Evaluate and Select an Alternative TPA to Administer the IAP.**

This alternative is to evaluate and select an alternative TPA to administer the IAP. This alternative would most likely be very similar to the functionality PERS has with the current TPA. The IAP does not fit standard industry models for 401k or defined contribution plans, and would require system customization in addition to the costs and time of starting over with a new TPA and the risk of migrating data. The anticipated cost of this alternative based on PERS' past experience with the use of the current TPA, and the fact that cost savings was a factor in this decision resulted in PERS not pursuing an RFP.

PERS issued a Request for Information (RFI #PERS-1032-10) in 2010 to research possible systems integrators for IAP. Only ACS (Xerox Company) responded as a solutions provider and a systems integrator. The agency has also periodically had discussions with other private vendors, who might be able to provide these elements of IAP administration, but the IAP does not fit any standard industry models for 401k or defined contribution plans, so any administration platform, whether provided by a TPA or PERS, must be a customized solution. If the agency were to try selecting a new TPA, there is no way to know whether that new TPA would be cost neutral relative to current vendor; more likely, their costs would be higher as they would need to amortize the costs of constructing a customized solution.

#### **Assumptions**

- The IAP is an on-going, long-term retirement benefit program
- The IAP does not fit standard industry models for 401k or defined contribution plans
- Members would continue to obtain IAP information outside of OMS
- The new TPA is willing to contract with PERS for IAP services
- The new TPA is willing to continue to contract with PERS for IAP services at the same or higher contract rate
- Any new legislation passed will not impact the TPA system functionality required to administer the IAP

#### **Selection Criteria and Alternatives Ranking**

Alternative #3 is not the most favorable as it does not fulfill many of the solution requirements outlined below. Even if additional functionality were gained from a new TPA, the startup costs would be substantially more than developing the solution in-house with our resources.

## BUDGET NARRATIVE

### Solution Requirements

Solution Requirement #	Description	Alternatives Analysis		
		Met	Not Met	How Met or Not Met
SR1	Account creation for Members, Alternate payees and Beneficiaries	√		PERS would continue to handle member account creation via overnight batch to TPA. Alternate Payee and Beneficiary accounts would be manually created by TPA upon PERS request.
SR2	Earnings will be credited based upon Earnings type and Benefit type	√		The TPA would manually credit earnings based upon PERS requests.
SR3	YTD Account balance will display and also allow for previous account balance	√		The TPA would provide this information
SR4	An Annual Statement extract will be generated	√		The TPA would provide this information
SR5	Member self-service will allow for YTD account balance and previous account balance		√	The TPA would provide online access to this information although it would still be cumbersome to members requiring a separate website and password.
SR6	Benefit calculations/ adjustments will be created for Death, Divorce, Retirement and Withdrawals		√	PERS would manually calculate all distributions and adjustments before sending specific payment instructions to TPA
SR7	Divorce functionality will include creation of a separate account for the Alternate Payee in the case of a split account and the reversal of any existing divorce		√	PERS would manually calculate divorce splits before sending specific instructions to the TPA. The split instructions would still not be processed in jClarety leading to multiple discrepancies between jClarety and the TPA.
SR8	Beneficiary functionality will include creation of separate beneficiary accounts		√	PERS would manually calculate beneficiary accounts before sending specific instructions to the TPA. The beneficiary account would still not be created in jClarety leading to multiple discrepancies between jClarety and the TPA.
SR9	Required Deductions (including rollovers) will be allowed for all payment types		√	Unknown if another TPA would allow for direct rollover processing or percentage deductions on installment distributions.
SR10	Payment processing will occur for all validated payments via pension and/or daily payments and the appropriate reports will generate		√	The TPA would process all payments based upon a schedule pre-approved by both parties. Unknown if another TPA could provide daily payment processing.

## BUDGET NARRATIVE

Solution Requirement #	Description	Alternatives Analysis		
		Met	Not Met	How Met or Not Met
SR11	Check Detail will display for all payments for Members, Alternate Payees and Beneficiaries including, gross payment, deductions, member cost and net payment	√		The TPA would provide check detail information. This information would still require manual upload into the PERS Distribution Database for reference.
SR12	Allocation, Item Creation, Status Transition and Cash Receipt General Ledger (GL) functionality will be created		√	PERS would continue manually creating and processing General Ledger transactions.
SR13	Appropriate Tax forms (1099s, 1042s) will be produced	√		The TPA would be required to produce the tax forms for IAP.
SR14	The system will allow subsequent account for members who withdrew or retired and returned to qualifying employment		√	Unknown if another TPA would have similar issues posting new contributions to closed and distributed accounts.
SR15	Appropriate scheduled and 'Adhoc' Reports will be created	√		The TPA would produce reports at the request of PERS on an Adhoc basis.
SR16	Workflows will need to be modified and/or added	N/A	N/A	This does not apply to this alternative because FileNet workflows are already in place and working appropriately to support working with a TPA.
SR17	The system will capture, validate and view IAP Earnings rates including Annual, Pre annual, Monthly and Distribution		√	PERS would continue internally communicating the rates, but they would not be available in any system.
SR18	Appropriate Letters and Forms will be generated		√	PERS would continue to manually generate appropriate letters and forms.
SR19	Data migration will occur for all payments in the current IAP Distribution Database	N/A	N/A	This does not apply to this alternative.
SR20	The system will allow the Annual Earning rate job to process for IAP	√		PERS would continue to manually calculate Annual Earnings and submit to TPA for posting.
SR21	A new fiduciary account for the IAP Disbursement will be created	N/A	N/A	This does not apply to this alternative.
SR22	The system must have the ability to comply with all Federal and State mandates regarding system security requirements	√		PERS must rely on the TPA to comply with system security requirements.

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## BUDGET NARRATIVE

Solution Requirement #	Description	Alternatives Analysis		
		Met	Not Met	How Met or Not Met
SR23	The system must have the ability to maintain confidentiality, the ability to keep data secure, and have reliable and available access for users.	√		PERS must rely on the TPA to maintain confidentiality, secure data, and provide reliable and available access.
SR24	The system must have the ability to provide for acceptable response time and network bandwidth	√		PERS must rely on the TPA to provide acceptable response time and network bandwidth
SR25	The system must have backup capabilities, have fully documented functionality, and follow the PERS disaster recovery plan to minimize the impact of service interruptions	√		PERS must rely on the TPA to have backup capabilities, fully documented functionality and to follow a disaster recovery plan acceptable to PERS.

### Cost

- The agency determined, based on our past experience, that the cost of selecting another TPA to administer the IAP would likely be more than what is currently paid to our existing TPA. Since cost savings was a factor in making our decision, an RFP was not pursued.

### Benefit

- A different TPA vendor may be able to provide additional functionality

### Risk

- Due to the unique nature of IAP, a replacement TPA vendor would have to develop a customized application. This would cause the agency to incur additional administrative expense and possibly payment and other service delays.
- A different TPA vendor would still require IAP data to be held outside of the ORION system leading to multiple sources of data that would need to be reconciled

### **Alternative Identification #4 – Move the IAP functionality into the OPERS ORION system using an systems integrator**

Using an outside vendor, contract to have IAP functionality built into the existing OPERS ORION system to support full administration of the IAP within OPERS operations.

This alternative is to move the IAP functionality into the OPERS ORION system using a systems integrator. This alternative would be costly and take considerable time to implement although it would fulfill all of the solution requirements. To maintain and enhance the functionality PERS would require on-going Production support from the system integrator, adding on-going costs. The cost of this alternative, based on a Request for Information (RFI) was determined to be cost prohibitive and an RFP was not pursued.

## BUDGET NARRATIVE

PERS issued a Request for Information (RFI #PERS-1032-10) in 2010 to research possible systems integration solution providers. The responses received indicated that a customized solution would have to be built and maintained using the providers proprietary solution. Since a customized proprietary solution would be cost prohibitive a Request for Proposal (RFP) was not pursued.

### Assumptions

- PERS receives the budget dollars needed to fund the project
- The ORION system at PERS has been tested and remains fully stable facilitating the addition of the IAP program
- PERS staff who currently work with IAP accounts have the skill sets and subject matter expertise needed to assume duties currently administered by the TPA
- The IAP is an on-going, long-term retirement benefit program
- PERS member services and payment processing will improve when all IAP processes are automated and aligned with jClarety member information
- TPA charges to administer the IAP will be eliminated
- Bringing IAP in-house will facilitate staff in obtaining payment data directly from jClarety
- PERS can find a qualified vendor to build IAP functionality into the existing OPERS ORION system
- Vendor staff has the expertise and bandwidth to perform analysis, development, testing and deployment of the IAP functionality
- Existing jClarety functionality can be utilized for letter, forms, reports, pension processing, daily payment processing, demographics, check browser, and tax reporting
- IAP functionality would be built outside of jClarety, but within ORION, to minimize technical debt

### Selection Criteria and Alternatives Ranking

Alternative #4 is not the most favorable. While it does fulfill all of the solution requirements outlined below, it would be cost and time prohibitive to implement. In addition, the system would be difficult and costly to maintain and enhance without ongoing production support by the systems integrator.

## BUDGET NARRATIVE

### Solution Requirements

Solution Requirement #	Description	Met	Not Met	Comments
SR1	Account creation for Members, Alternate payees and Beneficiaries	√		The new IAP Admin system can be developed to meet this requirement
SR2	Earnings will be credited based upon Earnings type and Benefit type	√		The new IAP Admin system can be developed to meet this requirement
SR3	YTD Account balance will display and also allow for previous account balance	√		The new IAP Admin system can be developed to meet this requirement
SR4	An Annual Statement extract will be generated	√		The new IAP Admin system can be developed to meet this requirement
SR5	Member self-service will allow for YTD account balance and previous account balance	√		The new IAP Admin system can be developed to meet this requirement
SR6	Benefit calculations/ adjustments will be created for Death, Divorce, Retirement and Withdrawals	√		The new IAP Admin system can be developed to meet this requirement
SR7	Divorce functionality will include creation of a separate account for the Alternate Payee in the case of a split account and the reversal of any existing divorce	√		The new IAP Admin system can be developed to meet this requirement
SR8	Beneficiary functionality will include creation of separate beneficiary accounts	√		The new IAP Admin system can be developed to meet this requirement
SR9	Required Deductions (including rollovers) will be allowed for all payment types	√		The new IAP Admin system can be developed to meet this requirement
SR10	Payment processing will occur for all validated payments via pension and/or daily payments and the appropriate reports will generate	√		The new IAP Admin system can be developed to meet this requirement
SR11	Check Detail will display for all payments for Members, Alternate Payees and Beneficiaries including, gross payment, deductions, member cost and net payment	√		The new IAP Admin system can be developed to meet this requirement

## BUDGET NARRATIVE

Solution Requirement #	Description	Met	Not Met	Comments
SR12	Allocation, Item Creation, Status Transition and Cash Receipt General Ledger (GL) functionality will be created	√		The new IAP Admin system can be developed to meet this requirement
SR13	Appropriate Tax forms (1099s, 1042s) will be produced	√		The new IAP Admin system can be developed to meet this requirement
SR14	The system will allow subsequent account for members who withdrew or retired and returned to qualifying employment	√		The new IAP Admin system can be developed to meet this requirement
SR15	Appropriate scheduled and 'Adhoc' Reports will be created	√		The new IAP Admin system can be developed to meet this requirement
SR16	Workflows will need to be modified and/or added	√		The new IAP Admin system can be developed to meet this requirement
SR17	The system will capture, validate and view IAP Earnings rates including Annual, Pre annual, Monthly and Distribution	√		The new IAP Admin system can be developed to meet this requirement
SR18	Appropriate Letters and Forms will be generated	√		The new IAP Admin system can be developed to meet this requirement
SR19	Data migration will occur for all payments in the current IAP Distribution Database	√		The new IAP Admin system can be developed to meet this requirement
SR20	The system will allow the Annual Earning rate job to process for IAP	√		The new IAP Admin system can be developed to meet this requirement
SR21	A new fiduciary account for the IAP Disbursement will be created	√		The new IAP Admin system can be developed to meet this requirement
SR22	The system must have the ability to comply with all Federal and State mandates regarding system security requirements	√		The new IAP Admin system can be developed to meet this requirement
SR23	The system must have the ability to maintain confidentiality, the ability to keep data secure, and have reliable and available access for users.	√		The new IAP Admin system can be developed to meet this requirement
SR24	The system must have the ability to provide for acceptable response time and network	√		The new IAP Admin system can be developed to meet this requirement

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Solution Requirement #	Description	Met	Not Met	Comments
	bandwidth			
<b>SR25</b>	The system must have backup capabilities, have fully documented functionality, and follow the PERS disaster recovery plan to minimize the impact of service interruptions	√		The new IAP Admin system can be developed to meet this requirement

### Cost

- The agency determined, based on our past experience with the RIMS conversion project, that the cost of using an outside vendor to have IAP functionality built into the existing OPERS ORION system to administer the IAP would likely be substantially more expensive than what it would cost to build this functionality with in-house resources. Since the assumed cost of the new system and the maintenance and enhancements of the system would be cost prohibitive, an RFP was not pursued.

### Benefit

- Implementation risks are transferred to the systems integrator
- Internal PERS staff would be available to work on other high priority initiatives
- Systems integrators generally have high levels of technical expertise and have completed similar work
- Cost and schedule risk allowances are pre-negotiated in the vendor contract
- Technology and processes fully leveraged and effectively streamlined to improve administrative efficiency and member services
- Staff could access all IAP information in the OPERS ORION system
- Differences between PERS records and a TPA would no longer have to be reconciled
- The same direct rollover capabilities available for pension distributions
- Display multiple account types for beneficiaries or alternate payees due to divorce that are tied to the same Social Security Number or PERS id
- Increase timeliness of member payments to meet agency KPM of 80% within 45 days
- Increased security and integrity of member data
- Elimination of increasing TPA costs
- Elimination of manual process and work arounds
- IAP data integrated into the PERS OMS website
- Calculation of distributions and adjustments completed within an integrated system
- Approach would minimize technical debt through the use of a modularized services oriented architecture
- Business rule changes would be relatively easy to implement
- Leverages and extends the life of the current jClarety system while implementing new technology

## BUDGET NARRATIVE

### Risk

- Changes outside of current scope would be extremely costly
- Internal IT staff would not have the skillset to maintain and enhance the system initially
- Systems integrator may not have knowledge about jClarety and related retirement information systems
- Systems integrator are not knowledgeable of PERS rules, regulations and processes
- RFP and contract negotiations would require additional time for the project, impacting ROI and payback period
- PERS contract staff may need to be augmented to handle additional contracting workload
- Migration of data always presents potential risks
- Potential legislative changes affecting project staffing, budget and timeline
- Potential legal challenges if disagreements on contract
- Potential costs for ongoing production support from systems integrator
- Potential increased reliance on proprietary product
- Code quality harder to verify
- Higher maintenance and operational costs due to knowledge transfer
- Success of knowledge transfer is higher risk than in-house development
- Less control over software architectural components and planning for the future of ORION

### Conclusions and Recommendations

Risks to mitigate accept or transfer for alternative #2:

- All schedule, design and development risk borne by PERS
- Migration of data from TPA to PERS
- Potential legislative changes affecting project staffing, budget and timeline
- Utilization of RUP iterative approach could present challenges with oversight that requires more upfront planning and detail
- Delay in schedule could require further expenditures with TPA and additional project costs
- Higher potential for scope creep for in-house development
- The loss of critical resources could adversely affect the project

Benefits of alternative #2:

- All of the Solution Requirements noted in the Alternatives Analysis are met
- PERS is in control of the IAP processes and not dependent on a TPA
- PERS IAP distributions will have the same capability to meet the KPM of paying 80% of pension payments within 45 days

## BUDGET NARRATIVE

- Integration of the IAP account data into the PERS OMS website is successfully completed allowing members to access all retirement data from one site
- PERS has total control of the General Ledger transactions and account reconciliation which addresses the findings of the MGO financial audit
- Increased integrity and security of member data

As stated above, alternative #2 seeks to integrate the Individual Account Program administration within the PERS ORION system using in-house resources. Contracting with a TPA to provide recordkeeping and distribution services for IAP has presented PERS with many problems and prevented the agency from recognizing several opportunities. A few of the major issues include:

- Ineffective streamlining of technology and processes due to TPA system constraints
- Constant reconciliation between PERS and the TPA records due to processing differences for contributions, adjustments, payments and earnings
- TPA's inability to allow multiple types of accounts for a single member (as a member, a beneficiary or alternate payee)
- TPA's inability to process direct rollover payments to a financial institution
- TPA's inability to handle earnings on USERRA contributions requiring manual adjustments to be made by PERS

In addition to the many issues with utilizing a TPA for IAP administration are unrealized opportunities to be more efficient and accurate. These opportunities include:

- Removing the additional layer of TPA administration allowing IAP payments to rise to the standard of paying 80 percent within 45 days
- Keeping all member data within the ORION system increasing our data integrity and security.
- Offering members a one-stop-shop within the existing OMS for all retirement accounts including IAP
- Streamlining of processes for annual earnings crediting, rollover processing, post-distribution adjustments of data, and
- Elimination of the ongoing and increasing fee paid to the TPA

While the other alternatives are potentially viable, they come with significant costs. Alternative #2 is the only alternative that meets all of the solution requirements, solves the major issues with using a TPA, and allows PERS to realize the opportunities of an efficient and accurate integrated system.

# BUDGET NARRATIVE

## Consequences of Failure to Act

PERS would continue to use a contracted TPA for IAP administration. The consequences of continuing in this direction are:

- The TPA could opt not to renew their contract, which would leave the agency at risk for service interruption
- Critical functionality would continue to not be met
- TPA fees will increase due to increased membership
- Continued manual processes for an increasing customer base
- Lack of automation between PERS and the TPA
- Lack of control over TPA processes
- Lack of visibility to TPA data
- Potential of increased staffing needs to support manual processes
- Lack of agility to quickly change functionality if new legislation occurs

## Appendixes and References – Required for IT proposed solutions > \$1 million

- IAP Business Case Financials for IT Cash Flows and Graphs
- RFI # PERS-1032-10- Information Technology System Integration Solutions
- Oregon Public Employees Retirement System 2015-2020 Strategic Plan

# BUDGET NARRATIVE

## Cash Flow Projections

Proposed Alternative Cash Flow Projections

Estimated cash inflows and outflows for the analysis period are as follows:

### Baseline Data for Current State Table

#### CURRENT STATE (BASELINE) CASH FLOW

\$ in 1000s

Discount rate 1.7%

\$ in 1000s	Year ending											TOTAL	
	Jun 30 2014	Jun 30 2015	Jun 30 2016	Jun 30 2017	Jun 30 2018	Jun 30 2019	Jun 30 2020	Jun 30 2021	Jun 30 2022	Jun 30 2023	Jun 30 2024		
<b>BENEFITS / GAINS</b>													
Benefit item 1.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Benefit item 2.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Benefit item 3.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Benefit item 4.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Benefits/Gains</b>	<b>0.0</b>	<b>0.0</b>											
<b>COST ITEMS inflows (outflows)</b>													
<b>Personal Services Costs (Salaries &amp; Benefits)</b>													
State Perm Staff.....	(3300.0)	(3356.1)*	(3413.2)*	(3471.2)*	(3530.2)*	(3590.2)*	(3651.2)*	(3713.3)*	(3776.4)*	(3840.6)*	(3905.9)*	(39548.3)	
State Temp Staff.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
State LD Staff.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Services &amp; Supplies/Capital Outlay Costs</b>													
<b>State Data Center Costs</b>													
TPA Administration Costs.....	(2238.0)	(2284.0)*	(2331.1)*	(2379.1)*	(2428.1)*	(2478.1)*	(2529.1)*	(2581.2)*	(2634.4)*	(2688.7)*	(2744.1)	(27315.9)	
Hosting.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Storage.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Network.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Software Costs</b>													
SW Purchase/Upgrade.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
SW License Maintenance.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Hardware Costs</b>													
Hardware Purchase/Upgrade.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Hardware Ongoing Maint.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>IT Professional Services</b>													
Project Dev/Implementation.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Operational Staff.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Operational Augmentation.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Total Costs</b>	<b>(5538.0)</b>	<b>(5640.1)</b>	<b>(5744.2)</b>	<b>(5850.2)</b>	<b>(5958.3)</b>	<b>(6068.3)</b>	<b>(6180.4)</b>	<b>(6294.6)</b>	<b>(6410.9)</b>	<b>(6529.3)</b>	<b>(6650.0)</b>	<b>(66864.2)</b>	
<b>CASH FLOW SUMMARY inflows (outflows)</b>													
Cash inflows (outflows)													
Benefits and Gains.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Costs.....	(5538.0)	(5640.1)	(5744.2)	(5850.2)	(5958.3)	(6068.3)	(6180.4)	(6294.6)	(6410.9)	(6529.3)	(6650.0)	(66864.2)	
<b>NET CASH FLOW</b>	<b>(5538.0)</b>	<b>(5640.1)</b>	<b>(5744.2)</b>	<b>(5850.2)</b>	<b>(5958.3)</b>	<b>(6068.3)</b>	<b>(6180.4)</b>	<b>(6294.6)</b>	<b>(6410.9)</b>	<b>(6529.3)</b>	<b>(6650.0)</b>	<b>(66864.2)</b>	
Cumulative Net CF.....	(5538.0)	(11178.1)	(16922.3)	(22772.6)	(28730.8)	(34799.1)	(40979.5)	(47093.7)	(53121.0)	(59088.8)	(64958.8)	(70784.2)	
Discounted Cash Flow													
At 1.7%.....	(5538.0)	(5640.1)	(5648.2)	(5656.3)	(5664.4)	(5672.6)	(5680.8)	(5689.0)	(5697.3)	(5705.6)	(5713.9)	<b>NPV</b> <b>(62306.3)</b>	

# BUDGET NARRATIVE

## Proposed Alternative Incremental Cash Flow Table

### INCREMENTAL CASH FLOW 2

All figures represent (Proposal Value) - (Current State Value)

\$ in 1000s

\$ in 1000s	Year ending...											TOTAL
	Discount rate											
	Jun 30 2014	Jun 30 2015	Jun 30 2016	Jun 30 2017	Jun 30 2018	Jun 30 2019	Jun 30 2020	Jun 30 2021	Jun 30 2022	Jun 30 2023	Jun 30 2024	
	1.7%											
<b>BENEFITS / GAINS</b>												
Benefit item 1.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Benefit item 2.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Benefit item 3.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Benefit item 4.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Benefits/Gains</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>COST ITEMS inflows (outflows)</b>												
<b>Personal Services Costs (Salaries &amp; Benefits)</b>												
State Perm Staff.....	0.0	0.0	0.0	0.0	(266.0)	(270.5)	(275.1)	(279.8)	(284.6)	(289.4)	(294.3)	(1959.7)
State Temp Staff.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State LD Staff.....	0.0	0.0	0.0	(256.6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(256.6)
<b>Services &amp; Supplies/Capital Outlay Costs</b>												
<b>State Data Center Costs</b>												
TPA Administration Costs.....	0.0	0.0	0.0	0.0	0.0	1239.0	2529.1	2581.2	2634.4	2688.7	2744.1	14416.6
Hosting.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Storage.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Network.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Software Costs</b>												
SW Purchase/Upgrade.....	0.0	0.0	(187.5)	(187.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(375.0)
SW License Maintenance.....	0.0	0.0	(16.5)	(16.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(33.0)
<b>Hardware Costs</b>												
Hardware Purchase/Upgrade..	0.0	0.0	(62.5)	(62.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(125.0)
Hardware Ongoing Maint.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>IT Professional Services</b>												
Project Dev/Implementation....	(300.0)	(718.8)	(860.0)	(1320.0)	(1320.0)	0.0	0.0	0.0	0.0	0.0	0.0	(4518.8)
Operational Staff.....	0.0	0.0	(100.0)	(100.0)	(100.0)	(100.0)	0.0	0.0	0.0	0.0	0.0	(400.0)
Operational Augmentation.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Costs</b>	<b>(300.0)</b>	<b>(718.8)</b>	<b>(1226.5)</b>	<b>(1943.1)</b>	<b>(1686.0)</b>	<b>868.5</b>	<b>2254.0</b>	<b>2301.4</b>	<b>2349.9</b>	<b>2399.3</b>	<b>2449.8</b>	<b>6748.6</b>
<b>CASH FLOW SUMMARY inflows (outflows)</b>												
<b>Cash inflows (outflows)</b>												
Benefits and Gains.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Costs.....	(300.0)	(718.8)	(1226.5)	(1943.1)	(1686.0)	868.5	2254.0	2301.4	2349.9	2399.3	2449.8	6748.6
<b>NET CASH FLOW</b>	<b>(300.0)</b>	<b>(718.8)</b>	<b>(1226.5)</b>	<b>(1943.1)</b>	<b>(1686.0)</b>	<b>868.5</b>	<b>2254.0</b>	<b>2301.4</b>	<b>2349.9</b>	<b>2399.3</b>	<b>2449.8</b>	<b>6748.6</b>
Cumulative Net CF.....	(300.0)	(1018.8)	(2245.3)	(4188.4)	(5874.4)	(5005.8)	(2751.8)	(450.3)	1899.5	4298.8	6748.6	6748.6
Discounted Cash Flow												<b>NPV</b>

## BUDGET NARRATIVE

### Financial Metrics Summary Table

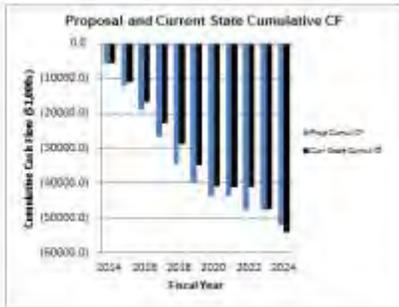
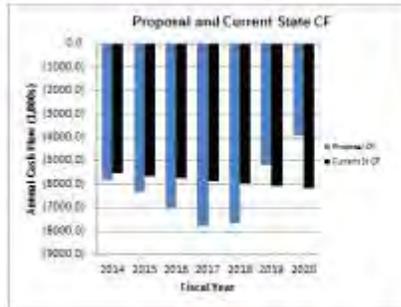
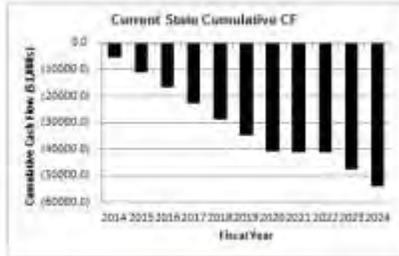
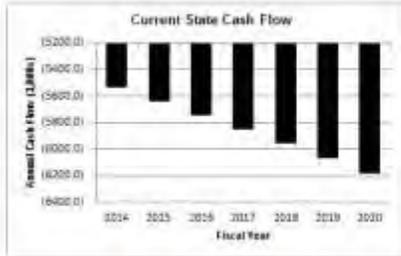
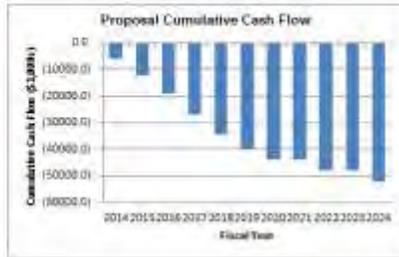
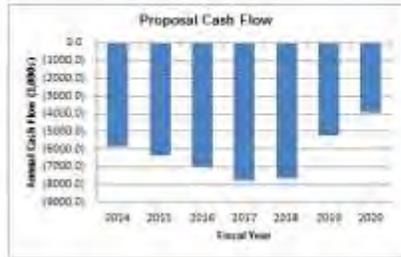
	Proposal	Current State	Incr Proposal
<b>Net Cash Flow</b>	(\$60,115.6)	(\$66,864.2)	\$6,748.6
<b>NPV at 1.7%</b>	(\$56,758.9)	(\$62,306.3)	\$6,748.6
<b>Total Benefits</b>	\$0.0	\$0.0	\$0.0
<b>Total Costs</b>	(\$60,115.6)	(\$66,864.2)	\$6,748.6

\$ in \$1,000s

Numbers in parenthesis are negative numbers

# BUDGET NARRATIVE

## Cash Flow Graphs – Net Cash Flow



**DATA FOR GRAPHING**

**Proposal Scenario**

Fiscal Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Proposal CF	(5,338.0)	(6,358.9)	(6,970.7)	(7,793.3)	(7,644.3)	(5,199.8)	(3,926.4)	(3,993.1)	(4,091.0)	(4,130.0)	(4,200.2)
Prop Cumul CF	(5,338.0)	(12,196.9)	(19,167.6)	(26,960.9)	(34,605.2)	(39,405.4)	(43,331.8)	(47,324.9)	(51,415.9)	(55,545.9)	(59,746.1)

**Current State Scenario**

Fiscal Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Annual Cash Flow	(5,338.0)	(6,540.1)	(7,544.2)	(8,560.2)	(9,598.3)	(6,668.3)	(6,180.4)	(6,294.6)	(6,410.9)	(6,528.3)	(6,650.0)
Current State Cumul CF	(5,338.0)	(11,178.1)	(18,922.3)	(27,772.6)	(37,360.9)	(44,029.2)	(50,209.6)	(56,504.2)	(62,915.1)	(69,443.4)	(76,093.4)

**Proposal and Current State Cash Flow**

Fiscal Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Proposal CF	(5,338.0)	(6,358.9)	(6,970.7)	(7,793.3)	(7,644.3)	(5,199.8)	(3,926.4)	(3,993.1)	(4,091.0)	(4,130.0)	(4,200.2)
Current State CF	(5,338.0)	(6,540.1)	(7,544.2)	(8,560.2)	(9,598.3)	(6,668.3)	(6,180.4)	(6,294.6)	(6,410.9)	(6,528.3)	(6,650.0)
Prop Cumul CF	(5,338.0)	(12,196.9)	(19,167.6)	(26,960.9)	(34,605.2)	(39,405.4)	(43,331.8)	(47,324.9)	(51,415.9)	(55,545.9)	(59,746.1)
Current State Cumul CF	(5,338.0)	(11,178.1)	(18,922.3)	(27,772.6)	(37,360.9)	(44,029.2)	(50,209.6)	(56,504.2)	(62,915.1)	(69,443.4)	(76,093.4)

# BUDGET NARRATIVE

## Cost Model Analysis (Total Cost of Ownership)

### Comprehensive Cost Model for All Scenarios:

		Project and Implementation	Operations, Maintenance, Ongoing Support
Personal Services	Salaries & Benefits		<ul style="list-style-type: none"> <li>• State Perm Staff</li> <li>• State Temp Staff</li> <li>• State LD Staff</li> </ul>
Services & Supplies & Capital Outlay	State Data Center		<ul style="list-style-type: none"> <li>• Consulting Services</li> <li>• Hosting</li> <li>• Storage</li> <li>• Network</li> </ul>
	Software	• Software purchase / Upgra	• Software license maintena
	Hardware	• Hardware purchase / Upgra	• Hardware ongoing maint
	IT Professional Services	• Project Devel/Implementati	• Project Devel/Implementati

**PROPOSAL SCENARIO COSTS**  
Totals include FY 2009 through FY 2012  
\$ in 1,000s

Positive numbers are savings  
Negative numbers in ( ) are net costs

		Project and Implementation	Operations, Maintenance, Ongoing Support	Total	%
Personal Services	Salaries & Benefits		(\$41,764.6)	(\$41,764.6)	69.5%
Services & Supplies & Capital Outlay	State Data Center		(\$12,899.2)	(\$12,899.2)	21.5%
	Software	(\$375.0)	(\$33.0)	(\$408.0)	0.7%
	Hardware	(\$125.0)	\$0.0	(\$125.0)	0.2%
	IT Professional Services	(\$4,518.8)	(\$400.0)	(\$4,918.8)	8.2%
<b>Total</b>		(\$5,018.8)	(\$55,096.9)	(\$60,115.6)	
<b>%</b>		8.3%	91.7%		100.0%

## BUDGET NARRATIVE

### ALTERNATE PROPOSAL SCENARIO COSTS

Totals include FY 2009 through FY 2012  
\$ in 1,000s

Positive numbers are **savings**  
Negative numbers in ( ) are **net costs**

		Project and Implementation	Operations, Maintenance, Ongoing Support	Total	%
Personal Services	Salaries & Benefits		(\$25,286.1)	(\$25,286.1)	100.0%
Services & Supplies & Capital Outlay	State Data Center		\$0.0	\$0.0	0.0%
	Software	\$0.0	\$0.0	\$0.0	0.0%
	Hardware	\$0.0	\$0.0	\$0.0	0.0%
	IT Professional Services	\$0.0	\$0.0	\$0.0	0.0%
<b>Total</b>		\$0.0	(\$25,286.1)	(\$25,286.1)	
<b>%</b>		0.0%	100.0%		100.0%

### CURRENT STATE (BASELINE) SCENARIO COSTS

Totals include FY 2009 through FY 2012  
\$ in 1,000s

Positive numbers are **savings**  
Negative numbers in ( ) are **net costs**

		Project and Implementation	Operations, Maintenance, Ongoing Support	Total	%
Personal Services	Salaries & Benefits		(\$39,548.3)	(\$39,548.3)	1.0
Services & Supplies & Capital Outlay	State Data Center		\$0.0	\$0.0	0.0
	Software	\$0.0	\$0.0	\$0.0	0.0
	Hardware	(\$125.0)	\$0.0	(\$125.0)	0.0
	IT Professional Services	\$0.0	\$0.0	\$0.0	0.0
<b>Total</b>		(\$125.0)	(\$39,548.3)	(\$39,673.3)	
<b>%</b>		0.0	1.0		100.0%

## BUDGET NARRATIVE

**INCREMENTAL PROPOSAL COSTS**  
Totals include FY 2009 through FY 2012  
\$ in 1,000s

Positive numbers are **savings**  
Negative numbers in ( ) are **net costs**

		Project and Implementation	Operations, Maintenance, Ongoing Support	Total
Personal Services	Salaries & Benefits		(\$2,216.3)	(\$2,216.3)
Services & Supplies & Capital Outlay	State Data Center		\$14,416.6	\$14,416.6
	Software	(\$375.0)	(\$33.0)	(\$408.0)
	Hardware	(\$125.0)	\$0.0	(\$125.0)
	IT Professional Services	(\$4,518.8)	(\$400.0)	(\$4,918.8)
<b>Total</b>		(\$5,018.8)	\$11,767.3	\$6,748.6

**INCREMENTAL ALTERNATE PROPOSAL COSTS**  
Totals include FY 2009 through FY 2012  
\$ in 1,000s

Positive numbers are savings  
Negative numbers ( ) are net costs

		Project and Implementation	Operations, Maintenance, Ongoing Support	Total
Personal Services	Salaries & Benefits		(\$974.1)	(\$974.1)
Services & Supplies & Capital Outlay	State Data Center		\$16,667.4	\$16,667.4
	Software	\$0.0	\$0.0	\$0.0
	Hardware	\$0.0	\$0.0	\$0.0
	IT Professional Services	\$0.0	\$0.0	\$0.0
<b>Total</b>		\$0.0	\$15,693.4	\$15,693.4

# BUDGET NARRATIVE

## Business Modernization

### Executive Summary

The Public Employee Retirement System (PERS) administers public employee benefit trusts that provide members with retirement benefits and services. PERS' strategic priorities align the services needed by our more than 925 employers and 345,000 members, to ensure we "pay the right person, the right benefit, at the right time." Our shifting demographics mean we now have more OPSRP members than Tier One and Tier Two members. We need to modernize, enhance, and sustain our communication and technological foundation to better align with the needs of these younger members as we strive to engage them in their career-long retirement planning. To implement industry standards in line with member expectations, we need to establish a technology platform that is flexible, secure, and aligned with today's service-driven technology standards. This phase of that modernization will improve information technology efficiency, responsiveness to business operational changes, and resolve functionality and technical debt deficiencies that affect system administration, performance, maintainability, and sustainability.

### System deficiencies affect customers

Since 2005, we have administered our benefit programs on the Oregon Information Online Network (ORION), which includes a customized benefit administration platform (jClarety) that is integrated with other compatible components, a system architecture that was designed over 20 years ago. Data volume and transactions have increased, while member and employer business needs have evolved, so that ORION's limitations, flaws, and inefficiencies have emerged. These limitations have had a direct impact to our members and stakeholders, including:

- Missing pension functionality for some aspects of the OPSRP Pension Program;
- Reduced system availability as batch processes and other maintenance require taking the system off-line;
- Restricted communication options as modern channels are not supported;
- Inflexible system update and enhancement tools; and
- Difficulty in maintaining and enhancing outdated system architecture and technologies.

These deficiencies result in time and labor spent on work arounds, instead of member support, and limit our engagement and communication capabilities, preventing implementation of new and enhanced services for our members. Our five-year strategic plan defines our technology commitment, services, and plans. To implement industry standards in line with member expectations, we need to establish a technology platform that is flexible, secure, and aligned with today's service-driven technology standards. This modernization effort would prepare our technology foundation to adequately support the following strategic plan goals:

## BUDGET NARRATIVE

- Engage members throughout their public careers so they are better prepared for retirement
  - Communication and engagement tools need to be updated to current platforms and devices if we expect members to engage with us throughout their career
- Brand PERS as a retirement education and planning resource
  - Supporting members by providing easy-to-use navigational tools will provide them with flexibility and convenience currently not available
- Improve members' online access to secure content
  - Expanding relevant content to include transaction status tracking and online processing will provide members with needed functionality that currently does not exist.
- Establish members as the primary quality checkpoint on the data of record
  - Education tools must remain content-rich and easily accessible if members are to understand the consequences of their work history as that relates to their PERS benefits
- Ensure data remains static after it is used in a transaction or payment
  - Data storage and reliability must be bolstered so PERS retains relevant information through the course of a member's public employment and retirement
- Improve IT efficiency and responsiveness to business operational changes
  - Members and employers want open access and timely processing, or their interaction with us will lead to frustrating outcomes that discourage engagement

To accomplish these strategic goals, the following business objectives can only be met with the more robust Information Technology (IT) capabilities that will be built through this modernization effort:

1. Develop tools and profiles relevant to members;
2. Enhance the member online experience through a variety of platforms and devices;
3. Implement enterprise-wide information governance and management;
4. Provide staff access to consistent, prompt, and reliable data and reports;
5. Modernize ORION to improve performance, maintainability, sustainability and extensibility; and
6. Improve data reliability and security

## BUDGET NARRATIVE

### Why Now?

For the last decade, PERS' member education and outreach has focused primarily on those who are within two years of their effective retirement date. This just-in-time resource set does not provide members who are earlier in their career with the tools and motivation necessary to adequately prepare for retirement, which is an emerging dynamic as the benefit reductions from the 2003 PERS Reforms gradually reduce benefit levels from those received by the prior generation. We recognize the need for and the value of providing members with useful tools, resources, and education throughout their careers so they can make informed decisions that guide their path to eventually having a secure and successful retirement. Providing members with all of these resources through a secure and robust portal will enhance their experience and satisfaction through better interactions with PERS.

Before those outreach and education efforts can begin, however, the technology platform on which they will be built needs to be capable of supporting them. The proven solutions to meet members' and employers' needs and expectations are known. The next step in the journey is providing the IT capabilities necessary to support the identified solutions.

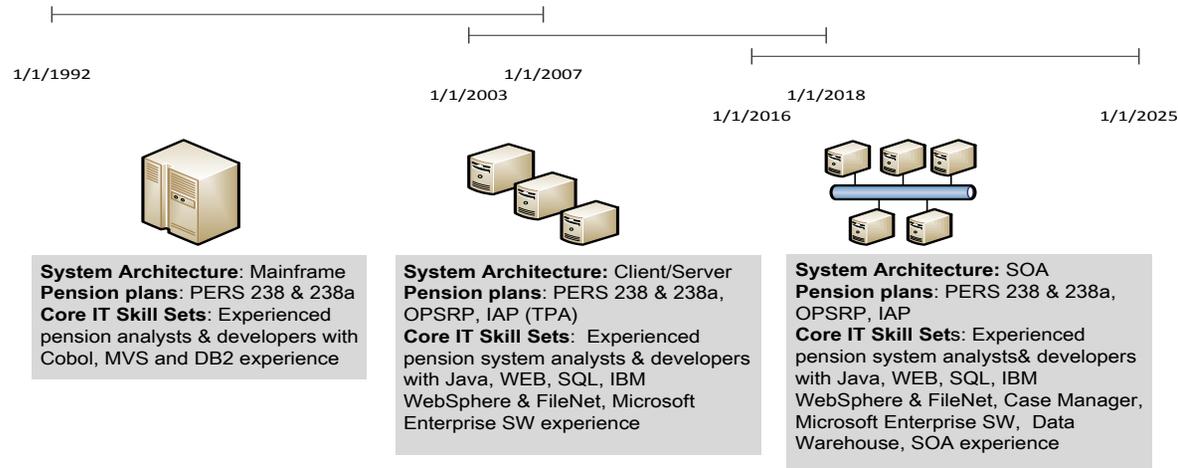
### Information Services Division (ISD) – Budget Considerations

As part of our 2017-19 Agency Request Budget, we propose to increase ISD's service level budget to support the addition of IT skilled resources, modernize the technology platform, address functional inefficiencies, and provide the ability to sustain the Oregon Information Online Network (ORION) for the next decade. These next steps will provide the IT support needed to meet member and employer service needs. In addition, ISD is requesting a one-time purchase of a Pension Case Management Solution to provide sound management practices in controlling information throughout the enterprise lifecycle. This supports the increase in information governance rules and regulations.

Providing the IT capabilities needed for these solutions means not only acquiring the required infrastructure, but ensuring availability of the technical skills critically necessary to support that infrastructure.

# BUDGET NARRATIVE

IT complexities and required skill sets have increased, and will continue to increase for the foreseeable future:



The variety of skill sets that must be mastered to support today’s system architecture are not most effectively procured and sustained through a career employment model. Rather, PERS needs to use IT positions to acquire and train retirement system administration experts who are well versed in the unique elements of IT administration for retirement plans. The “generic” skill sets for other Core IT skills are more effectively and efficiently acquired through vendor management in bringing the industry experts into the solution set once the business needs and architecture have been defined. This business case provides resources in both areas: three FTE in ISD to [Jordan, describe] and an increase in IT Professional Services to allow outside contractors who have already developed the tools and skill sets necessary to execute our business services vision to bring that solution to life for PERS.

## BUDGET NARRATIVE

### Summary of Requested Funds for the 2017-19 Biennium

Request to increase the ISD current service level budget	
Personal Services (3.00 permanent FTE)	\$607,451
Services & Supplies (Increase to ISD current service level budget)	\$5,200,000
Other Services & Supplies (Pension Case Management maintenance licenses & Training)	\$77,825
<b>Total</b>	<b>\$5,885,276</b>

Request for a Pension Case Management Solution	
Services & Supplies (Pension Case Management Professional Services)	\$292,581
Capital Outlay (Pension Case Management Tool)	\$223,150
<b>Total</b>	<b>\$515,731</b>

<b>TOTAL ORION Business Modernization Request for 2017-2019</b>	<b><u>\$6,401,007</u></b>
-----------------------------------------------------------------	---------------------------

### Initiative Goals

This initiative has several major goals to improve our member and key stakeholder experiences through a series of technological advances. When considering these advances, opportunities exist to address and close gaps that are identified as problem areas:

- Increase overall satisfaction, accuracy, transparency, and timeliness of member services;
- Improve our ability to resolve automated exceptions and omissions;
- Provide retirement tools and profiles relevant to members at different life and career stages;
- Enhance Online Member Services (OMS) with electronic forms (E-forms) for all member transactions, as well as views into workflow progress;
- Modernize PERS' website to be compatible with mobile devices and integrate with social media;
- Provide near 24-hour access to member online content;
- Increase accuracy and timeliness of benefit processing, calculations, and payments, particularly for OPSRP, as well as automating OPSRP functionality that was omitted from the original project;

## BUDGET NARRATIVE

- Improve letter template creation and maintenance, leading to improved quality of communications with members
- Decrease the need for manual checks; and
- Improve overall satisfaction of PERS staff due to enhanced ability to perform work correctly and efficiently.

### Technology Goals

As noted, the needs of employers and members are not static, but continue to evolve. IT complexities and required skill sets have also increased, and will continue to increase into the foreseeable future, so the need for PERS to be technologically agile and flexible on an ongoing basis is critical. For this reason, PERS must initiate not a *project* (with a fixed result and timeframe), but rather a continuing *program*.

**Responsiveness:** Enable ISD to meet changing business needs quickly.

**Agility:** Create flexible business systems that can respond to changing stakeholder and agency needs.

**Efficiency:** Leverage IT investments to achieve an optimum service level.

### Technology Investments Projected to Yield Positive Results for our Key Stakeholders

- Resolve key technical debt issues that are affecting ORION's administration, performance, maintainability, and sustainability.
- Restructure jClarety code to improve extensibility and maintainability of the application, preserving years of investment in complex business process automation.
- Implement Service-Oriented Architecture (SOA) that integrates legacy applications with modern applications to provide a seamless system to our members and staff.
- Establish Information Governance Standards and Best Practices that support management of information assets at the enterprise level.
- Automate of current paper driven processes.
- Reduce legal risk due to improved audit capability, accuracy, timeliness, and increased ability to respond to changes in legal requirements.
- Resolve batch job failures, minimizing the backlog or disruption of employer report processing.
- Increase ORION availability with improved efficiencies in batch processing.
- Improve efficiencies in technology updates and change management of ORION.
- Increase development resource availability and responsiveness to business change requirements.

# BUDGET NARRATIVE

## Roles and Responsibilities Matrix

Cross-functional organization responsibilities and accountability are essential to the success of any enterprise Information Technology initiative. PERS IT projects involve cross-functional teams with different functional expertise working toward common IT business automated solutions. The following RACI (Responsible, Accountable, Consulted, and Informed) chart illustrates how IT projects are governed at PERS.

The following is an excerpt from the PERS RACI chart for IT governance.

# BUDGET NARRATIVE

## PERS IT Governance and IT Management

Information Technology Governance and Management Roles and Responsibilities		IT Governance/Management Stakeholders							
		External (CFO, OSCIO, LFO, SPO, DOJ)	PERS Board	Executive Leadership Team (ELT)	Division Administrators	CIO/SD Mgmt/TPM	Steering Committees (PSC & OSC)	Internal Audit	Info Security Board (ISB)
<b>R</b> <u>Responsible</u> for performing some or all of the work <b>A</b> <u>Accountable</u> for the activity & work (only one per task) <b>C</b> <u>Consulted</u> during the work, before final (interactive) <b>I</b> <u>Informed</u> of the results (one-way communication) <b>A+R</b> <u>Accountable and Responsible</u>									
Roles and Responsibilities in IT Governance									
1	Approve "Major IT" projects and expenditures (defined by DAS: >= \$1million)	C	A	R	R	R	C		
2	Set high level business and IT priorities	I	C	A	R	R	R		C
3	Establish and modify IT governance guiding principles			A	C	R	C	C	R
4	Establish information security related policies and processes		I	A	C	R	I		R
5	Address resource allocation/availability issues for enterprise IT projects			A	R	R	R		
6	Provide updates to IT strategies and priorities			A	R	R	R		C
7	Establish state-wide IT strategies and initiatives	A		C	C	R	I		I
8	Establish IT governance for division tech team activities			C	A	R	R		C
9	Establish IT maintenance and enhancement priorities for divisional tech teams			I	A	C	R		
10	Establish agency IT standards and guidelines			I	C	A+R	C		I
11	Establish agency IT system development policies and processes			I	C	A+R	C		C

## BUDGET NARRATIVE

### Risks

For any retirement system, the retirement line-of-business application is mission critical. It provides essential functions enabling the agency to provide pension and benefit administration to its members, employers, and other stakeholders.

Risk	Effect	Mitigation	Risk Probability/ Impact	
Stakeholders often prioritizes IT resources on immediate business needs and often overlook the needs to prioritize and provide adequate resources to maintain and evolve their mission critical IT systems.	ORION eventually becomes too difficult to maintain and enhance resulting in an obsolete IT system that requires a very costly and business disruptive ORION replacement project.	Increase in ISD funding to secure the necessary IT resources and skill sets. Make code refactoring and technology modernization a top priority as a part of ORION maintenance and enhancements.	Med	High
ORION retirement applications are running on an aging technology stack that is over a decade old.	Delay in updating technology results in an increasingly difficult system to maintain or enhance to meet new requirements.	ISD to work with stakeholders to educate and gain required increase in funding to update, evolve, and sustain ORION as a modern IT platform.	High	High
ORION requires increased funding to manage growing code debt from a constant stream of changes to the system.	As an evolving program is continually changed, its complexity, reflecting deteriorating structure, increases unless work is done to maintain or reduce it.	Increase in ISD funding to secure the necessary IT resources and skill sets. Make code refactoring a top priority as a part of ORION maintenance and enhancements.	High	High
Security gaps in outdated coding methods expose the agency to increased risk.	Compromised ORION can results in the disruption in services to our members and/or exposure to identity	Increase in ISD funding to secure the necessary IT resources and skill sets to properly maintain and	Med	Med

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## BUDGET NARRATIVE

	theft.	evolve ORION core applications.		
Despite limited funding to address modernization efforts, key stakeholders would like (and end users demand) better experiences and more services which require newer technologies.	The complexity and limitations of a legacy retirement application makes it very difficult to move to the new style of business with mobile, cloud or analytical technologies to improve services or gain new insights.	Increase in funding to secure the necessary IT resources and skill sets to properly maintain and evolve ORION core applications and technologies.	Med	Med

### Approval Requested

ORION’s mission-critical IT solutions are essential to fulfill PERS’ mission and the associated vision and core values and operating principles. Ongoing retirement system legislative changes, evolving member and employer service requirements, and the resulting rapid escalation of technology demands augur for a strong technology platform that is modernized to stand up to these challenges. To continually evolve as these elements change over time, PERS must initiate not a *project* (with a fixed result and timeframe), but rather a continuing *program* of ORION Business Modernization.

Based on the listed risks and benefits outlined in this business case, PERS is seeking approval for funding to:

- Provide a Pension Case Management Solution (\$515,731)
- Increase the ISD current service level budget by \$5,885,276 per biennium, a sustainable level that will adequately support maintaining member and employer service levels to reasonable standards, while meeting growing needs and staying well below a targeted cost per member to administer benefits.

# BUDGET NARRATIVE

## APPENDIX A – Business Case Details

### ISD Services Provided

ISD provides the following services at PERS:

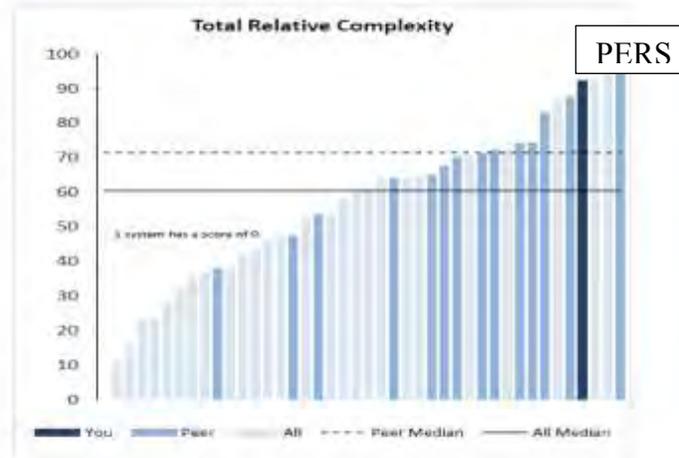
- IT Project Management;
- Enterprise Architecture;
- System Analysis and Design;
- Business Analysis;
- Software Development;
- Development Operations;
- Document Imaging and Automated Work Flow Services;
- IT Quality Assurance; Enterprise Data Center Operations;
- Database Administration; Central Data Warehouse;
- Application Administration;
- IT Security;
- Infrastructure Administration (Servers, Network, Voice, Web);
- Desktop and Helpdesk support.

### Solving Business Complexity through Technology

Because of the historic pace of change to the PERS pension plans, Oregon's system has one of the highest complexity scores among 72 leading global pension systems as reported by CEM Benchmarking, a comprehensive research firm on pension administration.

## BUDGET NARRATIVE

Back-office costs and productivity are impacted by system complexity. Your total relative complexity score of 92 was above the peer median of 71, and is among one of the highest in CEM's database.



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As a consequence of this complexity, maintaining PERS' IT similarly requires customized solutions to mirror the system's administration. Storing, organizing, and flexibly relating the massive data elements that PERS receives results in constantly evolving technology needs. Technology solutions to this complexity are expensive, but promote essential efficiencies and internal controls for an enterprise that must process hundreds of thousands financial transactions for members, beneficiaries, and employers. To meet these stakeholders' needs for an agile, accessible, and accurate IT solution, PERS must continually evolve its technology platform.

This evolution is best supported through two tracks:

- 1) Experienced IT staff with pension system knowledge, skills and abilities within the core functions of the agency, and
- 2) Leveraging vendor relationships to fill skill gaps and provide new technologies that can integrate and inter-relate with an evolving agile IT system platform.

This Policy Package sets the agency's current service level budget to sustain both tracks to keep pace with the priorities of the agency going forward.

Agency Request

Governor's

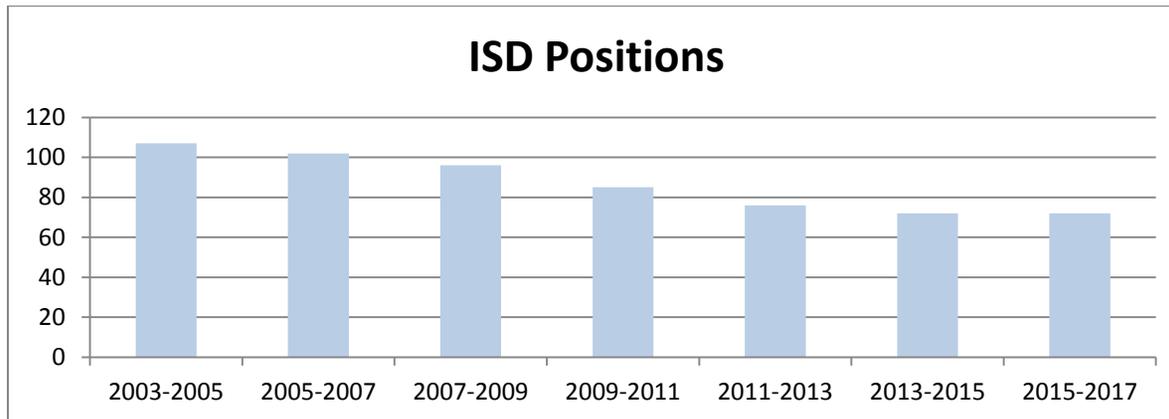
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## BUDGET NARRATIVE

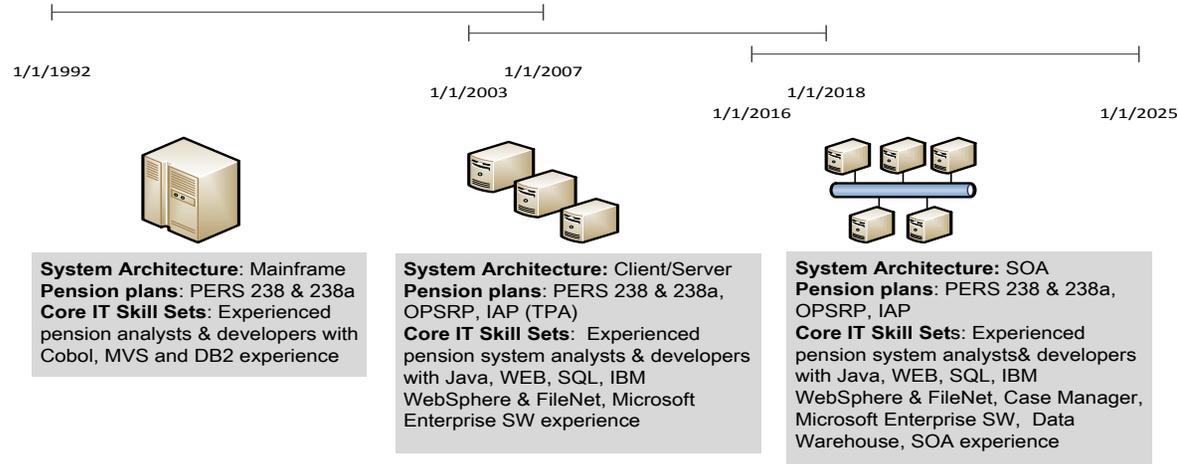
Plan changes, rapidly evolving technologies, constant information security threats, and an ever-growing database and information management requirements has increased the need for IT services and solutions. Over the past six biennia, ISD budget and staff reductions have introduced risk to the agency resulting in IT services and solutions that are inadequate to support mission critical business processes. The optimum path forward is an adequate IT budget to gradually evolve and enhance the agency current IT systems versus an obsolescent “rip and replace” strategy of the past. PERS has significant investments in our current systems that should be leveraged going forward, utilizing modern environments and replacing/updating components as needed. Laser-focused implementations designed to address very specific business goals, result in less disruption and improved time to results. PERS could set consistent innovation budgets rather than see the spending spikes with total system replacement, reusing previous technology investments where appropriate and only buying and replacing what we truly need. Refer to Appendix B: Hewlett-Packard Enterprise business white paper “Evolution of a Retirement System” for further information.

ISD staff levels have decreased from a high of 107 to 72 currently:



# BUDGET NARRATIVE

During the same time, IT skill sets required have increased:



# BUDGET NARRATIVE

## Purpose and Background

### ***Purpose***

A goal of PERS' 2015-2020 strategic plan is to provide an Agile Technology System that improves IT efficiency and responsiveness to business operational changes. The objective is to resolve functionality and technical debt deficiencies that affect system administration, performance, maintainability, and sustainability. ORION is comprised of the agency's enterprise IT systems and applications that support the agency's operations. This business case illustrates the value of normalizing ISD's current service level budget to allow adequate IT skilled resources to enhance member services, modernize the technology platform and address functional inefficiencies in ORION.

### **Background**

#### Evolution of a Retirement System

For any retirement system, the retirement line-of-business application is mission critical. It provides essential functions that enable the agency to provide pension and benefit administration and service to its members, employers, and other stakeholders.

Given the speed of change within the technology industry, applications upgraded 5-7 years ago are now considered "legacy" when compared to the functionality available with today's new systems. All of this creates concerns about application availability, scalability, security, and continuity of the business should the agency experience a partial or total system failure. In addition, new and evolving business and user requirements may be difficult or impossible to meet due to legacy system constraints.

Many legacy retirement applications also consume a disproportionate amount of the IT budget.

- The ongoing support costs associated with maintaining these applications are increasing as resources with the skill set or experience to maintain the application properly become more and more scarce.
- Third party software components reaching their end of life cycle need extended support from the respective vendors, which are also expensive.
- Modern technologies require frequent updates, or can create major system issues if ignored.
- Security gaps in outdated applications and hardware expose the retirement agency to increased risk and require additional mitigation and manual processes.

Requesting funding to modernize or replace a legacy application is met with concern, a lack of understanding of the risks and benefits or questions about why an agency is trying to replace something that is still working and relatively "new". These just further delays mitigating the risk a legacy application may pose.

## BUDGET NARRATIVE

Despite limited funding to address modernization efforts, key stakeholders would like (and end users demand) better customer experiences and more services that require newer technologies. The complexity and limitations of a legacy retirement application makes it very difficult to move to the new style of business with mobile, cloud or analytical technologies to improve services or gain new insights. Refer to Appendix B: Hewlett-Packard Enterprise business white paper “Evolution of a Retirement System” for further information.

### Modernization via Service-Oriented Architecture (SOA)

SOA is a modern computer software architectural design in which application components provides services to other components via a communications protocol, typically over a network. The principles of service-orientation are independent of any vendor, product, or technology – no one company owns the solution, but the agency is able to add on solution components from multiple vendors, as technology needs change. For example, early computer software architecture required a “rip and replace” solution to system changes. Software was so tightly coupled to hardware that the entire system had to be replaced when any functional element had to be changed. Compare that model to today’s smart phones – applications are practically agnostic as to platform, and can be swapped out at will as innovations or evolutions come on the market without affecting the phones other functional components.

A service is a self-contained unit of functionality, such as calculating benefits or creating reports. SOA allows an organization to wrap legacy applications with Web Services and present them along with new application services to a common user interface. The value it provides is a technology modernization approach to evolve an organization’s IT system versus a costly, disruptive, “scorched earth” IT system replacement. The SOA approach allows IT to align with ever-shifting business strategies that can be done as quickly or as slowly as an organization requires: strategies and road maps can span multiple years to align with the organization’s business priorities and budget constraints.

A current example of the benefit of SOA is the PERS IAP Admin project. When the Individual Account Program (IAP) was created, plan administration was contracted to a third-party administrator (TPA). Now that the plan’s administration has been normalized, the high degree of that plan’s customization (annual crediting tied to changes in the PERS Fund’s value; contribution start date and eligibility coordinated across multiple employers; coordinated retirement or withdrawal requirements) makes the TPA’s administration inefficient as the IAP’s business requirements are not consistent with standard business models, so custom processes and applications need to be maintained. Providing the remaining plan administration elements (recordkeeping, payment processing, tax reporting) in-house by PERS would be more efficient than any TPA.

Integrating these elements of IAP administration into the ORION pension system administration application, jClarety, was problematic due to the high cost of proposal and the added risk of layering additional complexity into a complex system that is already difficult to maintain, given its highly customized nature.

## BUDGET NARRATIVE

Instead, PERS decided to invest in SOA as a way to loosely integrate IAP administration with existing jClarety functionality. The IAP Admin module will be a separate application with minimal integration to jClarety – one system will “call” to the other’s existing functionality and member data. The IAP Admin project is currently in Stage 3 of the Stage Gate Oversight process, with an expected completion in the 2017-19 biennium.

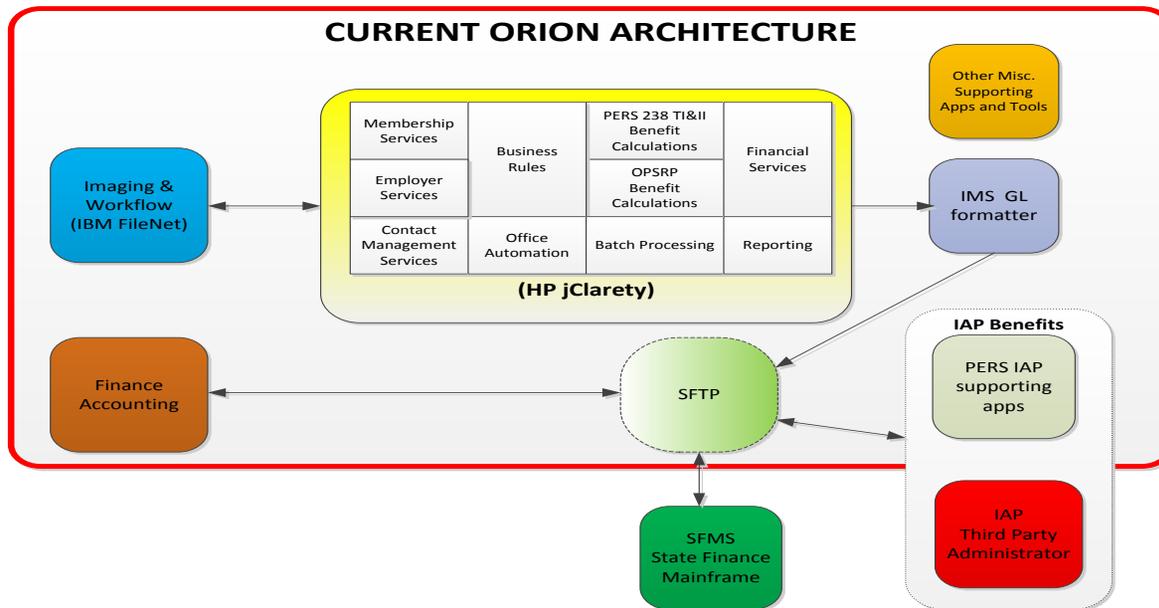
# BUDGET NARRATIVE

## Opportunity Definition

### **ORION Business Modernization – An Agile Technology System**

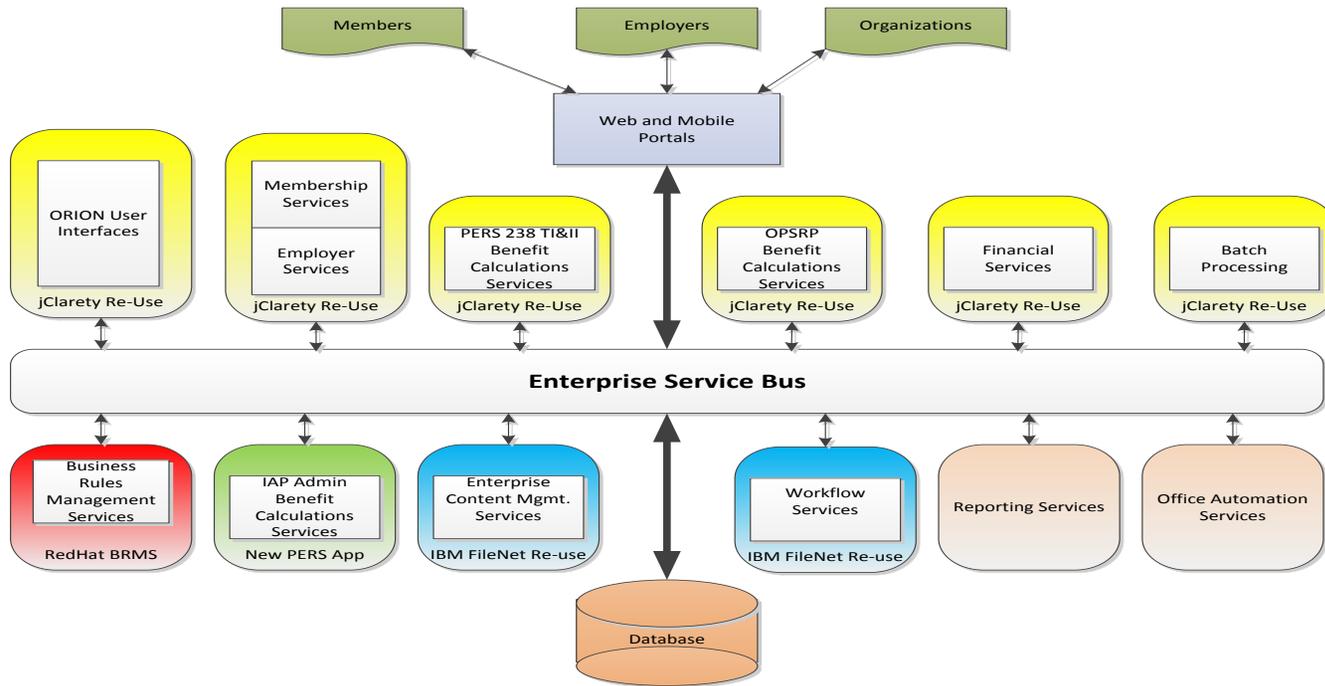
The Agile Technology System is an initiative in the PERS 2015-2020 strategic plan to modernize the ORION system to a SOA. SOA manages business functionality as modular services to a common user interface. This approach allows the re-use of working legacy code or applications along with newly created or updated functionality as services, instead of “ripping out” all the legacy code and hardware to be “replaced” by entirely new systems. By using a modular strategy, the ORION core functionality is preserved, while changes to business functions have minimal regression impact to the overall system.

### Current AS-IS ORION Architecture



# BUDGET NARRATIVE

## TO-BE ORION Architecture

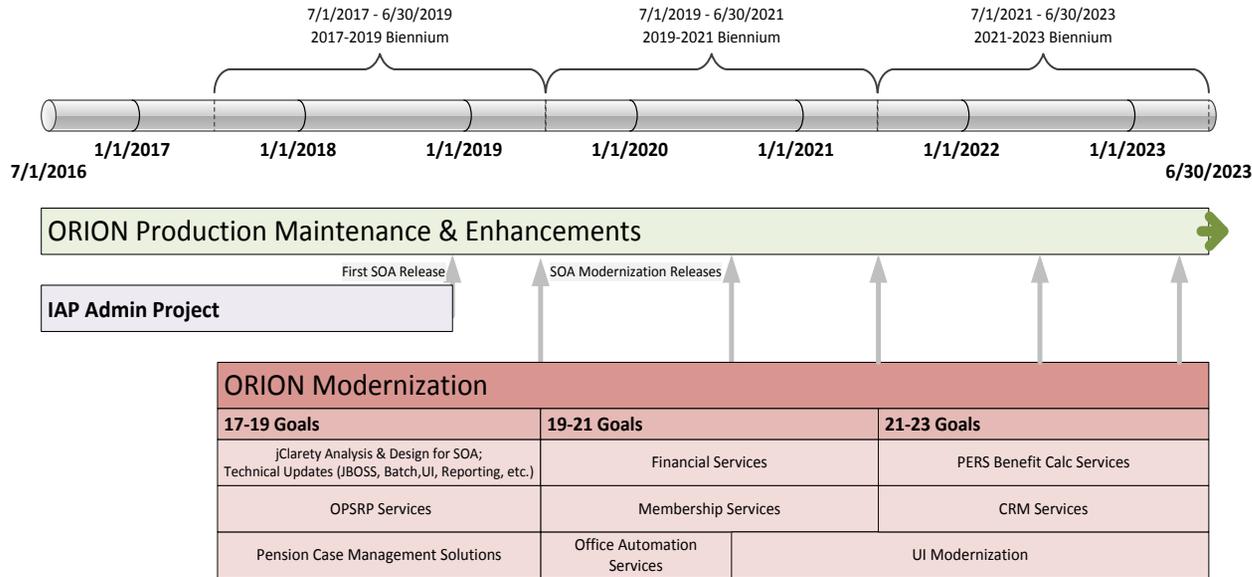


### Agile Technology Systems - ORION Business Modernization Initiative

The current Enterprise Application Section (EAS) staffing level, including contractors, manages high priority ORION Maintenance & Enhancement changes and the IAP Administration project. To meet business demands for additional enhancements and ORION modernization it will require experienced resources above current staffing levels and planned workload.

# BUDGET NARRATIVE

## High-Level Plan for ORION Business Modernization



Based on previous experience, PERS staff must be an integral part of any modernization effort to provide successful and maintainable IT solutions. ISD leadership recommends that PERS add a Staff Software Engineer (ISS8) with DevOps and Quality Assurance experience and a Senior Software Engineer (ISS7) to begin work with experienced pension system contractors. As the ORION Business Modernization program ramps up and the IAP Administration project ramps down in early 2018, additional PERS staff will become available to contribute to the ORION Business Modernization effort.

To implement ORION Business Modernization program, ISD/EAS is requesting additional permanent FTE staff and an increase in professional services budget as follows:

### 2017-19 EAS permanent staffing additions:

ISS7 – Senior Software Engineer (Salary & OPE: \$8,455.00 monthly x 24 months = \$202,920)

ISS8 – Staff DevOps/QA Engineer (Salary & OPE: \$9,086.00 monthly x 24 months = \$218,064)

\_\_\_\_ Agency Request

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\_\_\_\_ Legislatively Adopted

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## BUDGET NARRATIVE

**2017-19 Contractor costs:** (10 contractors x \$125/hour x hours x 104 weeks/biennia: \$ 5,200,000)

(1) Senior System Analyst/Project Manager

(1) jClarety System/Database Architect

(2) jClarety Business Analyst

(6) jClarety Senior Software Engineers

**TOTAL ISD/EAS REQUESTED FUNDS for 2017-19 BIENIUM - \$5,620,984**

## BUDGET NARRATIVE

### Information Governance

Information Governance provides sound management practices to control information throughout an enterprise's lifecycle. Our enterprise content management system (ECMS) supports structured information management but only applies to our core business activities involving member and employer information. The remaining work of support functions are managed in environments that lack structure, have limited or no controls, information has a high level of duplication and presents a risk to the agency in the unauthorized access to or release of sensitive materials. Managing this unstructured information within ECMS modernizes the management of information by providing a structured collaborative workplace, reduces duplication, and restricts access to sensitive information, thus supporting sound Information Governance practices throughout the organization.

Increasing development staff with appropriate skills is necessary to support the advancement in information technologies. The advanced technologies include digital information capture, advanced enterprise search, collaborative work spaces, web services, advanced user web interfaces, knowledge management systems, authoring tools, and electronic information repositories. We anticipate the need for one additional developer at the ISS6 level.

It also includes reclassification of two existing positions within the group to support project management and a higher-level business analyst.

**2017-19 ECM permanent staffing additions:** ISS6 – Developer (Salary & OPE: \$7,769.46 monthly x 24 months = \$186,467)

The additional ECMS Developer (ISS6) is needed to support the increasing workload of expanding and supporting our enterprise content management system. The expansion moves PERS to a more stable information governance solution by including a new case management component, content navigator desktop and expanding the use of the content management system to all enterprise activities and not just that of core business activities used only for membership and employers. The position will support the development of workflow systems, case management, object store development for core and non-core business activities, and customized content navigator workspaces for business activities. The position requires specialized skill in the area of electronic content management systems, case management, and workflow.

**2017-19 Contractor costs:** Professional Services for Pension Case Management (\$292,581)

Case Manager is a complex system that automated the management of information for business users. With the implementation of Pension Case Management solution, there are two components of professional services required. First, the installation and configuration of the product to include the integration with the electronic content management system. The second cover services to move the more complex workflows from the business process model into case management, thus creating a template for movement of

## BUDGET NARRATIVE

other workflow activities that are more suited to case management. Professional services for installation are estimated at \$150,000 with migration of workflows and customized integration with other application is estimated at \$142,581.

**2017-19 Hardware/Software costs:** Pension Case Management (\$223,150)

**2017-19 Subscription/Support costs:** Pension Case Management (\$44,630)

**TOTAL ECM REQUESTED FUNDS for 2017-19 BIENIUM - \$746,828**

**TOTAL ISD TRAINING COSTS for 2017-19 BIENIUM - \$33,195**

### Alternatives Analysis

#### **Alternative Identification #1 – Status Quo/Current State**

This alternative poses risk to the agency, currently ORION is an overly complex architecture, is difficult to maintain and sensitive to change. The costs to resolve system issues could go up significantly.

#### **Assumptions**

- ISD continues to receive the IT professional services budget to keep existing contracting staff with PERS experience.
- ORION is able to keep current with technology upgrades.
- No new complex pension reforms are passed that will impact ORION

#### **Selection Criteria and Alternatives Ranking**

Status Quo does not meet the agencies strategic goal for an Agile Technology System that improves member services. Consequently, member services would continue to lag behind standards and future enhancements would be stymied. Increasingly, technology solutions would not be adequate to support business needs, so manual work-arounds would have to be instituted in more and more areas, decreasing efficiencies and service levels while increasing costs and the risks for failure of internal controls.

#### **Solution Requirements**

Solutions Requirements and Analysis

## BUDGET NARRATIVE

Solution Requirement #	Description	Alternatives Analysis		
		Met	Not Met	How Met or Not Met
SR1	Minimize operational risk to the agency by ensuring that technology advancements are considered and implemented where needed		√	No resources available (monetary or personnel)
SR2	Improve timely delivery of member services by implementing agency strategic initiatives		√	No resources available (monetary or personnel)
SR3	Build the knowledge base, skillsets, and technology upgrades that help evolve the ORION system		√	No resources available (monetary or personnel)

**Cost**

- Current level operating budget is maintained (no increase)

**Benefit**

- Lowest cost alternative in the short term.

**Risk**

- Reduced member services
- Business may need to increase staff headcount to manually process benefits due to insufficient automated IT solutions.
- Member’s personal information is compromised due to lack of Information Governance controls.
- ORION technical issues become unmanageable and require an expensive IT system overhaul.

**Alternative Identification #2 – Approve increase to normal operating budget**

This alternative focuses on increasing the ISD budget to contract services and hire additional permanent staff. The additional resources will staff projects that evolve ORION into modernized system architecture. It would help the agency meet its 5-year strategic plan, improve timely delivery of member services, and reduce operational risk.

## BUDGET NARRATIVE

### Solution Requirements and Analysis

#### Assumptions

- ISD maintains current IT professional services budget in addition to the \$5.2M requested increase.
- QA and Program management oversight will not be required for the modernization program.
- ISD management is able to recruit, train and retain key IT personnel
- Any new legislation passed will not impact the modernization effort

#### Selection Criteria and Alternatives Ranking

Alternative #2 is a favorable alternative, however the requested budget would not provide for additional resources to support QA and program management oversight that may be required by the state Stage Gate process.

Solution Requirement #	Description	Alternatives Analysis		
		Met	Not Met	How Met or Not Met
SR1	Minimize operational risk to the agency by ensuring that technology advancements are considered and implemented where needed	√		Increased Normal Operating Budget provides ISD with the necessary resources to complete this requirement
SR2	Improve timely delivery of member services by implementing agency strategic initiatives	√		Increased Normal Operating Budget provides ISD with the necessary resources to complete this requirement
SR3	Build the knowledge base, skillsets, and technology upgrades that help evolve the ORION system	√		Normal operating budget is increased providing the necessary resources to complete this requirement

#### Cost

The budget for alternative #2 is detailed below. Costs for this project are presented in various categories.

Request to increase the ISD current service level budget	
Personal Services (3.00 permanent FTE)	\$607,451
Services & Supplies (Increase to ISD current service level budget)	\$5,200,000
Other Services & Supplies (Pension Case Management maintenance licenses & Training)	\$77,825

\_\_\_ Agency Request

X  Governor's

\_\_\_ Legislatively Adopted

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## BUDGET NARRATIVE

<b>Total</b>	<b>\$5,885,276</b>
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<b>Request for a Pension Case Management Solution</b>	
Services & Supplies (Case Management Professional Services)	\$292,581
Capital Outlay (Pension Case Management Tool)	\$223,150
<b>Total</b>	<b>\$515,731</b>

<b>TOTAL ORION Business Modernization Request for 2017-2019</b>	<b>\$6,401,007</b>
-----------------------------------------------------------------	--------------------

### Benefit

- Build the ORION knowledge base, skill sets, and technology upgrades that evolve the system to a modernized architecture;
- Meet agency 5-year strategic plan;
- Least costly alternative to improve timely delivery of member services;
- Resolve missing functionality and improve business automation and efficiencies; and
- Reduce operational risk.

### Risk

- Insufficient resources for external QA and program management required to meet stage gate oversight requirements if required.
- External dependencies that prevent timely execution of planned deliverables.

### Alternative Identification #3 – Contract out an ORION replacement system.

This alternative is difficult to control costs in both dollars and the dependency on limited PERS business knowledgeable resources to be successful. A new system would require a full system analysis of the current operations of ORION, before a newer design could provide a more effective approach. PERS business rules are very complex and there is no off the shelf product that can be purchased. It would be necessary to highly customize a product created from a similar retirement plan or create a complete ground up approach to a new system.

### Assumptions

- PERS has the budget dollars to pay the high costs of this approach.
- PERS has the knowledgeable business resources available to support a large project such as this.
- A majority of PERS ISD resources would be required to sustain the current system.

## BUDGET NARRATIVE

### Selection Criteria and Alternatives Ranking

Alternative #3 is not recommended by ISD management. This approach would be difficult to manage, control costs and provide PERS knowledge support with limited availability of key business and PERS IT resources during implementation.

### Solution Requirements and Analysis

Solution Requirement #	Description	Alternatives Analysis		
		Met	Not Met	How Met or Not Met
SR1	Minimize operational risk to the agency by ensuring that technology advancements are considered and implemented where needed	√		A total system replacement would address this requirement, but at a high cost. It would also put a strain on limited key business resources to execute the program.
SR2	Improve timely delivery of member services by implementing agency strategic initiatives		√	A total system replacement would take several years to implement, delaying improved services to the members
SR3	Build the knowledge base, skillsets, and technology upgrades that help evolve the ORION system		√	The IT knowledge base would require re-training for a complete system replacement

### Cost

The estimated budget for alternative #3 listed below. This estimate is based on prior system replacement costs associated with the ORION and other similar programs by peer pension system IT projects:

- Estimated Replacement Project Cost in excess of \$50-100 Million dollars

### Benefit

- New system based on modern architecture and current technologies
- Eventual improvement in timely delivery of member services
- Implementation risks are transferred to the systems integrator
- Systems integrators generally have high levels of technical expertise and have completed similar work

## BUDGET NARRATIVE

### Risk

- Changes outside of current scope would be extremely costly
- Internal IT staff would not have the skillset to maintain and enhance the system initially
- Systems integrator may not have knowledge about jClarety and related retirement information systems
- Systems integrator are not knowledgeable of PERS rules, regulations and processes
- RFP and contract negotiations would require additional time for the project, impacting ROI and payback period
- PERS contract staff may need to be augmented to handle additional contracting workload
- Potential legislative changes affecting project staffing, budget and timeline
- Potential legal challenges if disagreements on contract
- Potential costs for ongoing production support from systems integrator
- Code quality harder to verify
- Higher maintenance and operational costs due to knowledge transfer
- Knowledge transfer is higher risk if technologies are different then currently being used.

## BUDGET NARRATIVE

### Conclusions and Recommendations

Based on the listed risks and benefits below, ISD is seeking approval for alternative #2 to:

- Provide a Pension Case Management solution & Training (\$515,731)
- Increase the ISD current service level budget by \$5,885,276 per biennium, a sustainable level that will adequately support maintaining member service levels to reasonable standards, while staying well below a targeted cost per member to administer benefits.

Risks to mitigate, accept, or transfer for alternative #2:

- Potential legislative changes affecting staffing, budget, and timeline

Benefits of alternative #2:

- All of the solution requirements are met
- Sufficient knowledge base, skillsets, and technology upgrades are achieved and retained
- Agency strategic plan is fulfilled
- Delivery of member services is improved
- Operational risk is reduced

Alternative #2 is the best alternative to meet all of the solution requirements and allows PERS to realize the opportunities of an efficient and secured integrated system.

### **Consequences of Failure to Act**

PERS could continue to operate with its existing technology. The consequences of continuing in this direction, however, are:

- Reduced member services & increasing costs process benefits
- Continue business services as-is (no improvements)
- Increase risk in securing sensitive data.
- ORION technical issues become unmanageable and require a very expensive rebuild of PERS IT systems

## BUDGET NARRATIVE

### APPENDIX B – Hewlett Packard Enterprise White Paper “Evolution of a Retirement System”

#### Introduction

This white paper is centered on Hewlett Packard Enterprise (HPE) concepts for system evolution (as opposed to “rip and replace”) and integration strategies for maximizing business value.

#### Problem statement

For any retirement agency, the retirement line-of-business application is mission critical. It provides essential functions which enable the agency to provide pension administration and service to its members, employers, and other stakeholders.

Many agencies’ legacy retirement applications are running on rapidly aging hardware and/or software that is no longer supported. Given the speed of technology change, applications upgraded 5-7 years ago are now considered “legacy” when compared to the functionality available with today’s new systems if the agencies haven’t continued to evolve their technology.

All of this creates concerns about application availability, scalability, security and continuity of the business should the agency experience a partial or total system failure. In addition, new and evolving business and user requirements may be difficult or impossible to meet due to legacy system constraints.

Many legacy retirement applications also consume a disproportionate amount of the IT budget.

- The ongoing support costs associated with maintaining these applications are increasing as resources with the skill set or experience to maintain the application properly become more and more scarce.
- Third party software components reaching their end of life cycle need extended support from the respective vendors, which are also expensive.
- Security gaps in outdated applications and hardware expose the retirement agency to increased risk and require additional mitigation and manual processes.

## BUDGET NARRATIVE

Requesting funding to modernize or replace a legacy application is met with concern, a lack of understanding of the risks and benefits or questions about why an agency is trying to replace something that is still working and relatively “new”. This just further delays mitigating the risk a legacy application may pose.

Despite limited funding to address modernization efforts, key stakeholders would like (and end users demand) better experiences and more services which require newer technologies. The complexity and limitations of a legacy retirement application makes it very difficult to move to the new style of business with mobile, cloud or analytical technologies to improve services or gain new insights.

### **High-level solution**

The key is the gradual evolution of a system—not the far riskier “rip and replace” strategy of the past. Organizations have significant investments in their current systems that can be leveraged going forward, utilizing modern environments and replacing/updating components as needed. Laser-focused implementations, designed to address very specific business goals, result in less disruption and improved time to results. Organizations can set consistent innovation budgets rather than see the spending spikes with total system replacement, reusing previous technology investments where appropriate and only buying and replacing what they truly need.

## BUDGET NARRATIVE

HPE's approach to system evolution includes three basic phases:

- Assess and rationalize

Assess the organization's complete IT environment including applications, interfaces, data and infrastructure, aligning business and IT goals, and identifying a streamlined, cost-effective application portfolio that delivers optimum business value.

- Transform

Transform applications, data, and infrastructure, taking advantage of today's open standards including service-oriented architecture and identifying spend redirection opportunities from maintenance to innovation initiatives. Transform to a hybrid infrastructure to achieve a more flexible architecture able to support the new style of business and position the agency to take advantage of SaaS or cloud in the future.

- Manage

To keep the total cost of ownership lower, design solutions with management in mind. Build and implement applications with the quality, design and functionality needed to maintain those systems for years to come. Establish an application portfolio management system for continuous monitoring and optimization of applications.

## BUDGET NARRATIVE

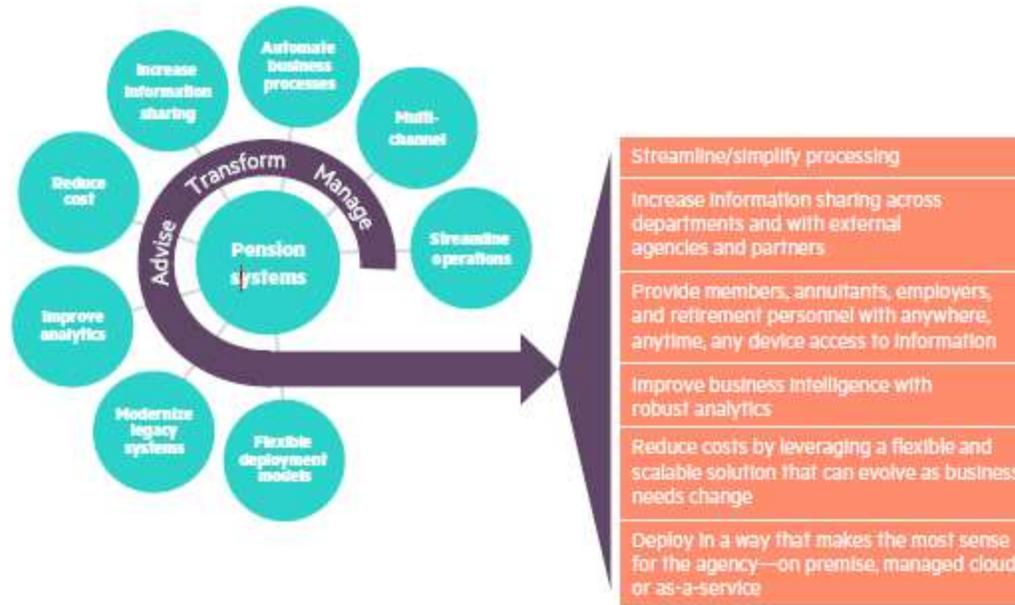


Figure 1: Benefits of system evolution

Today, businesses must leverage their systems to become more agile. Applications must be able to quickly support change, keep pace with regulations, and provide continuous operations. What organizations need are solutions that leverage previous IT investments, position them for change, let them pick the system components needed based on their customer and processing needs, and capitalize on market leading products while spending IT budgets wisely.

Organizations want to spend every IT dollar as efficiently as possible, leveraging the IT investments they have already made so they can achieve a maximum return. System evolution allows an organization to modernize at their own pace and budget by transforming a piece at a time—for example the workflow or contact management application—and then simply reconnecting it to existing modules. This approach positions an organization to change different pieces without spending millions of dollars dismantling and replacing everything. Saving those dollars allows an organization to spend funds on enhancing programs and delivering optimum service to constituents instead.

## BUDGET NARRATIVE

HPE's experience with system evolution has helped clients:



25%

Realize up to 25% increase in productivity while improving business performance



60%

Reduce applications operating costs up to 60%



40%

Increase IT allocation to strategic development initiatives up to 40%



50%

Reduce applications development up to 50%

### Path to gradual evolution

System evolution, as the term implies, does not have to be done all at once. Utilizing service-oriented architecture and software like an enterprise service bus, agencies can gradually “peel the onion” that is their legacy system and pull out different components to more quickly address processing pain points. And once the right architecture is in place, different components can be added, subtracted and changed to fit the precise needs of the business operations.

# BUDGET NARRATIVE

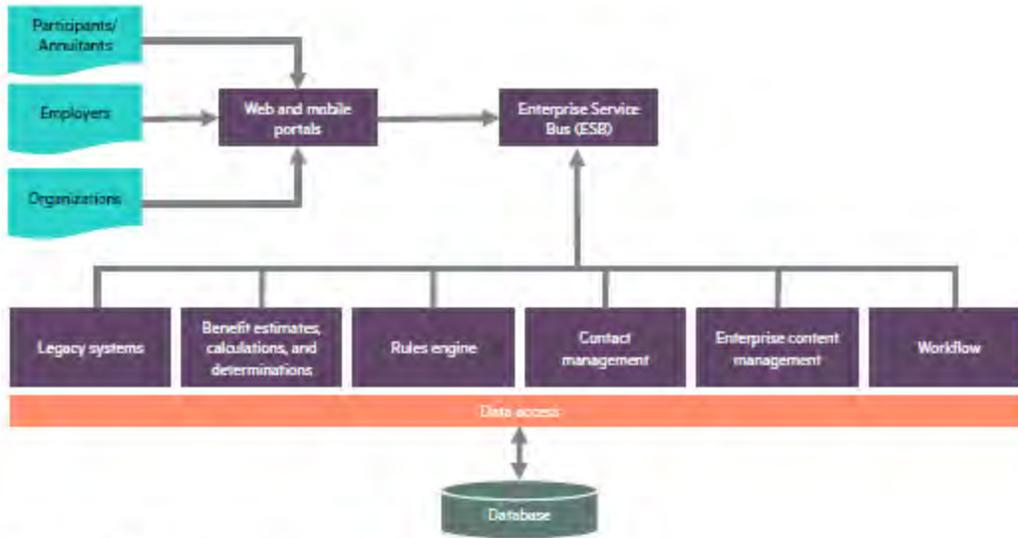


Figure 2: High level design for system evolution

## Step 1: Start with SOA

System evolution starts with leveraging Service-Oriented Architecture (SOA). The aim of SOA is to provide loose coupling between large pieces of functionality. In this model, business functionality in the enterprise is broken up into units called “services.” The main benefits of an SOA based architecture approach is reuse within the application and across other applications within the enterprise and business partners.

Subsystem components like Enterprise Service Bus (ESB), Customer Contact and Workflow Management, Enterprise Content Management (ECM), Imaging, Correspondence Management, and Business Rules Engine (BRE) are carefully picked based on SOA design principles to enable clients to make changes based on business need while reducing cost. Components have well-defined service contracts (for example, APIs). The solution service components are designed with service level abstraction to promote clear boundary and statelessness.

## BUDGET NARRATIVE



Figure 3: Why SOA?

The primary goal of the SOA is to encourage loose coupling between services. This means that two services should have the minimum possible knowledge of the internal implementation details of the other while still being able to communicate. For example, to call a service it is always necessary to know interface and contract. However, in a loosely-coupled architecture, the consumer should not have any knowledge of the service’s location, business rules, programming language, database or operating system. As a result, it is possible to change any of these aspects of a service without impacting service consumers. This provides substantial flexibility and can dramatically lower maintenance costs.

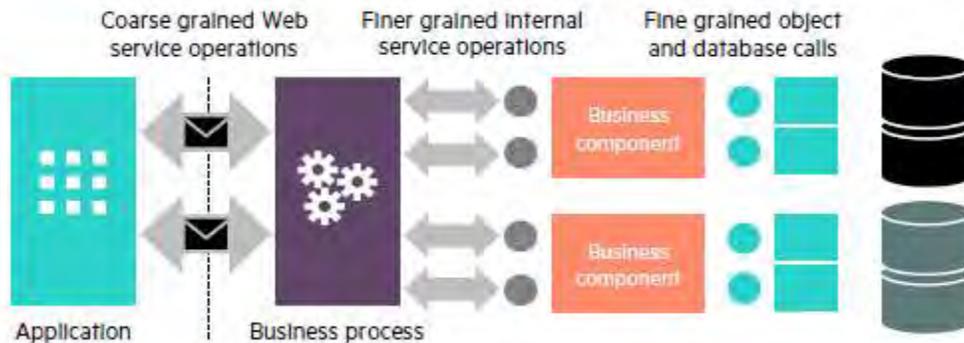


Figure 4: Service Oriented Architecture [SOA]

## BUDGET NARRATIVE

### Step 2: Define the business processes

The expectation of instant anytime, anywhere access to information has shifted the world into the digital realm—one where cloud, applications, big data and mobility converge. The only constant is change, as an agency’s mission challenges continue to evolve. An agency should define what the new or changed business processes should be to streamline processing and improve operational efficiency. What are the biggest pain points? What can be automated? What can be removed? This will drive priorities for evolution and where an agency can see the biggest benefit from a technology change.

### Step 3: Determine functional area hierarchy

Determine where the single source of truth shall be for different groups of data and the necessary controls for adding new, editing/changing, and deleting. Functional area hierarchy reduces the functional dependencies between areas. Dependencies are built on a need to know basis and “flatten” the system structure. As an example: The pension application knows benefit estimates and membership information; the benefit estimates module knows about membership; however, within membership, there is a finer hierarchy—the general ledger module knows nothing while the wage and contribution module knows everything.

## BUDGET NARRATIVE

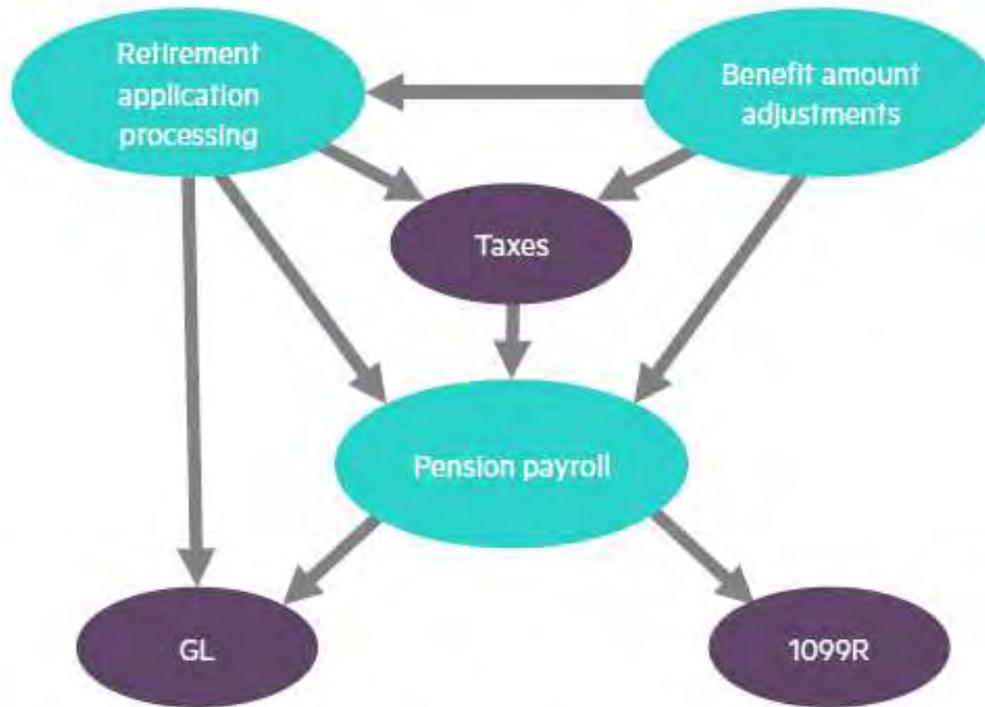


Figure 5: Benefits functional dependencies

Critical to supporting the functional hierarchy is the underlying technology which provides the building blocks, frameworks and services to implement the hierarchy.

### Step 4: Select the technology

Technology serves as an enabler, supporting the business processes. Knowing where an agency is right now and where it needs to be tomorrow is essential. Agencies need the power of a secure and agile IT environment with the flexibility to adjust, robust collaboration tools, and the actionable intelligence to help an agency make the right decisions in a new paradigm fueled by the rapid upheavals in

## BUDGET NARRATIVE

technology. Key is implementing a new, standardized pension administration technology platform that can support functionality like mobility, self-service and online capabilities.

Select technology that increases the level of application interoperability through design of open-standard, flexible interfaces and the provision of shared services through a thin-client, web-based architecture. Utilizing open standards, highly componentized and re-useable modules, n-tier architecture and well-defined interactions between application layers ensures system adaptability and integration of new technology in the future.

Encapsulating different parts of the architecture in the different layers makes the solution easily maintainable. For example:

- If a client interface, such as a report, needs to be modified in the future, it is possible to change it without changing the application layer.
- If an application layer needs to be modified to reflect legislative changes, it is possible to implement the change without affecting other application components.

The underlying encapsulation of logic in the application layer has two main advantages:

- Changes need only be made in one place.
- Changes in the application logic are seen by all client interfaces, thus maintaining integrity of the overall solution.

### **Step 5: The case for an Enterprise Service Bus (ESB)**

An ESB is an architecture that allows for the integration of multiple applications and enables them to communicate over a common channel (for example, bus) without having a dependency or knowledge of each other.

ESB components:

- Routing: ESBs provide the ability to route messages between applications based on message characteristics and predefined rule sets and instructions.
- Messaging: The ESB messaging infrastructure provides core capabilities, such as reliable messaging, content based routing, protocol independency, and multi-point integration.

## BUDGET NARRATIVE

- Transformation: In order to establish the level of independence that SOA requires, it is often necessary to map one data format into another. With an ESB, each program receives and outputs data in its native format, with the messaging layer and ESB infrastructure providing the transformation capabilities between data formats as required.
- Adapters: Exposing existing applications as services requires smart connectors or adapters to the different systems and application environments used by the applications. The adapters provide the connection to the ESB and shield the service consumer from having to understand the complexities of the environment where the application is hosted.

Reasons for using an ESB include: current or anticipated need to integrate multiple applications; applications use multiple communication protocols; provides message and content based routing; provides scalability and robustness to an integration framework.

### Case studies

#### Canada modernizes federal public servants pension administration

The administration of public services pensions in Canada was once highly decentralized and supported by more than 25 disparate systems with no standardized processes. Public Works and Government Services Canada (PWGSC) initiated a multi-year business transformation and applications modernization initiative to ensure the sustainability of its pension administration and adopt a newly defined centralized service delivery model. In its key role as system integrator, HPE replaced the old framework with an efficient and cost-effective solution that leverages streamlined business processes and automation.

HPE developed and implemented the new solution and associated business transformation using a phased-in approach to ensure business processes were aligned and that all stakeholders were prepared for their new roles.

Altogether, around 65 independent off-the-shelf software applications were used to implement the new platform. In addition, HPE designed and deployed a service-oriented architecture (SOA) and an Enterprise Service Bus was used to facilitate integration of the various applications. The service bus also enables the pension system to interface with external software, such as the application used by the Canadian government to pay out benefits. The SOA stack also intercepts transactions if they don't execute properly; it then either re-sets the affected application interfaces, or, if that doesn't solve the problem, generates a 'service ticket', which is a tracking mechanism used to document the detection and resolution of the problem.

## BUDGET NARRATIVE

The modernized pension administration system has been widely recognized as a major milestone for the Canadian government. In 2013, the project was honored with the Distinction Award for “Transforming the Business of Government—Internal” at Canada’s Government

Technology Event—GTEC 2013. It also won the 2013 Institute of Public Administration of Canada (IPAC) award for delivering better outcomes for Canadians. And the project also won the 2013 Ingenious Award for Excellence and Innovation in the use of ICT in a Large-Scale Government Organization, as well as the prestigious Judges’ Award for Overall Excellence, at the Information Technology Association of Canada (ITAC) event.

More important than those accolades, however, are the benefits the project has delivered to the Canadian government and all the Canadians this program serves.

One is cost reduction. The new PWGSC system enabled efficiency gains that generate public service pension administration cost savings of C\$79 million over the 10-year analysis period.

Another important benefit of the system is that it positions the PWGSC to accommodate growth. Demand for pension services has already grown by 38%. Because the new PWGSC framework incorporates highly efficient workflow processes paired with automation technology, it supports more efficient case management: case workers can handle more cases without compromising service quality.

The new system, combined with PWGSC’s centralized service delivery model, has improved PWGSC service levels. Since the system and services it supports were implemented, around 80% of all incoming calls are resolved during first contact—a figure that meets or exceeds targeted service industry benchmarks. The information stored in case files is more complete and comprehensive; the risk that information will be misfiled due to human error is significantly reduced.

### **Ministry reduces cost and increases agility**

The Italian Ministry of Instruction, University and Research (MIUR) needed to modernize its portfolio of applications to reduce costs and increase adaptability to evolving business conditions. MIUR undertook an application modernization initiative comprising an overall transformation strategy, a complete assessment of the legacy applications, and a modernization project roadmap. Today, MIUR’s legacy application environments are industry-standard and interoperable, with many common tasks automated. The application portfolio has been reduced by 33% through the elimination of unneeded and outdated functionality. The new infrastructure has helped MIUR roll out Internet portals for teachers, pupils, and parents to improve the learning experience. The Ministry realized overall savings of €6.8m in the first year and is on course for savings of €8.2m in year two.

\_\_\_\_ Agency Request

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\_\_\_\_ Legislatively Adopted

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## BUDGET NARRATIVE

### HPE's experience

HPE's experience with system evolution has helped clients transform and modernize their applications to meet the agency's changing business needs. Agencies need flexible and scalable solutions that enable business users to make process and functional changes and provides their people with the ability to collaborate with other organizations. As a part of the system gradual evolution, HPE can transform legacy applications to:

- To a best-of-breed, modular design which allows for replacement of outdated functionality and technology with rules engines, correspondence engines, contact management systems, and workflow engines that increase system flexibility and scalability.
- Improve understanding of client needs with an integrated 360 view of their interactions. What were their previous questions and the answers provided? What information has been sent to them? Who have they contacted, and where are they in the process of applying for retirement or a refund?
- Empower through mobile applications and self-service and through solutions that allow business users to change processing rules, workflows, standard letters, and reports without going through IT.
- Design security into the application as well as the supporting infrastructure.

HPE delivers on these demands with truly modernized and easily configurable solutions, combining best-of-breed components with the agency's prior technology investments to transform them through streamlining operations, improving service delivery, enhancing member engagement, and reducing costs.

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# BUDGET NARRATIVE

## Annual Performance Progress Report (APPR)

### Public Employees Retirement System Annual Performance Progress Report (APPR) for Fiscal Year 2016

**Final Submission Date: September 2016**

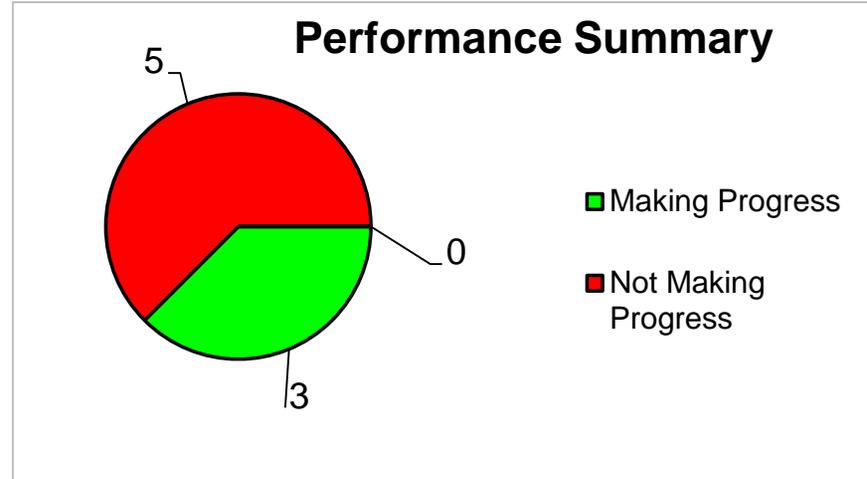
<b>2013-15 KPM#</b>	<b>2015-17 Key Performance Measures (KPMs)</b>	<b>Page #</b>
1	TIMELY RETIREMENT PAYMENTS: Percentage of initial service retirements paid within 45 days from retirement date	4
2	TOTAL BENEFIT ADMINISTRATION COSTS: Total benefit administration costs per member	6
3	MEMBER TO STAFF RATIO: Ratio of members to FTE staff	8
4	ACCURATE BENEFIT CALCULATIONS: Percent of service retirement monthly benefits accurately calculated to within \$5 per month	10
5	LEVEL OF PARTICIPATION: Percent of state employees participating in the deferred compensation program	12
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.	14
7	TIMELY BENEFIT ESTIMATES: Percent of benefit estimates processed within 30 days	16
8	BOARD OF DIRECTORS BEST PRACTICES: Percent of total best practices criteria met by the PERS board	18

# BUDGET NARRATIVE

Contact: Matthew Rickard, Budget Analyst	Phone: (503) 603-7576
Alternate: Kyle Knoll, Administrator, Financial and Administrative Services Division	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 over 900 state and local government entities across the state, and to some 371,000 active, inactive, and retired members. 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 approximately \$4.5 billion in benefits annually to Oregonians that served in the public sector. This substantial and widespread distribution of benefit payments (some \$375 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 233,000 non-retired members and 138,000 retired members and beneficiaries (including CY15 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

## 3. PERFORMANCE SUMMARY

Three KPMs, Level of Participation (page 12), Customer Service (page 14), and Board of Directors Best Practices (page 18) are making continued progress toward the targets (either at target or showing improvements towards the target over the previous year's performance). Five KPMs, Timely Retirement Payments (page 4), Total Benefit Administration Costs (page 6), Member to Staff Ratio (page 8), Accurate Benefit Calculations (page 10), and Timely Benefit Estimates (page 16), slipped backwards or remained short of the target 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 sessions, and online member services. Moreover, 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.

One challenge impacting the OSGP deferred compensation program is the large number of soon-to- retire and actively retiring baby boomers. The large number of retirements impacts the participation level as those people withdraw or roll their accounts to other institutions. Also, the financial impact of the recent economic downturn is being reflected in the participation rate. 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 FY2016, PERS expended \$55.7 million in administrative and special project expenditures, and \$4.5 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 needs to reach for cost and staff efficiencies in future periods.

## BUDGET NARRATIVE

KPM #1	<b>TIMELY RETIREMENT PAYMENTS</b> 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>	Operations Division (OD) statistics.	
<b>Owner</b>	Assistant Chief Operations Officer Brian Harrington, 503-431-8259	

**1. OUR STRATEGY**

PERS' basic mission is to deliver timely and accurate benefits to members. 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 continue our progress towards reaching this performance goal.

**2. ABOUT THE TARGETS**

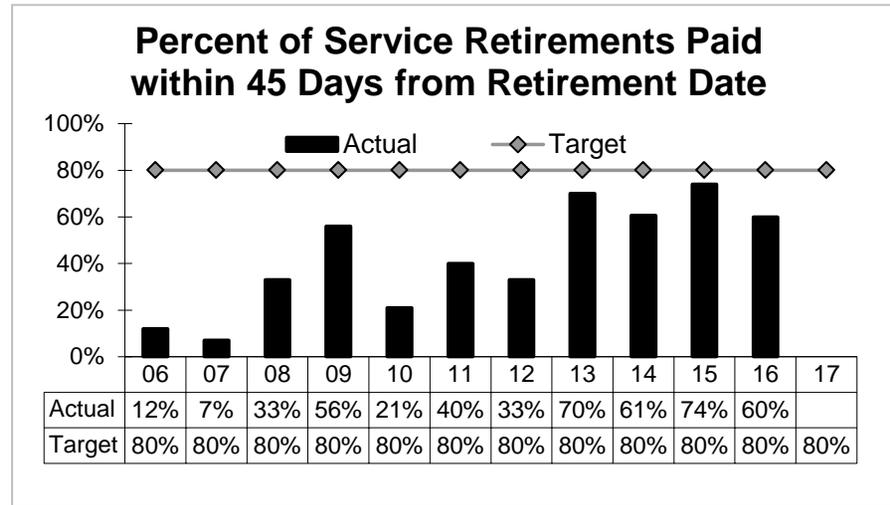
While statute requires PERS to issue the first benefit payment within 92 days from the member's effective retirement date, PERS' goal has always been to provide the first payment accurately and as quickly as possible. The target of 80% of member pensions being first paid within 45 days represents this goal.

**3. HOW WE ARE DOING**

During FY2016, PERS issued 60% of its pension benefit inceptions within 45 days of the member's effective retirement date, down from the 74% performance rate in FY2015.

**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 FY2015 (the 2016 report is not yet published) versus 9% for PERS. This discrepancy results from the other systems having less complicated statutory requirements and many have fewer program options than PERS. Moreover, public retirement systems in PERS' peer group issue 65% of their initial benefit payments based on estimates (making corrections and finalizing the benefit later on), rather than issuing finalized benefit payments; instead PERS does not issue payments until they can be final, unless to do so would delay beyond the 92 day statutory deadline. Thus PERS issued only 3% of initial payments based on estimates in FY2015.



## BUDGET NARRATIVE

### 5. FACTORS AFFECTING RESULTS

This year's decrease in performance was impacted by staff turnover and available staffing resources in the units involved in the pension inception process. Several key staff promoted into other areas, and new employees were hired in their places. Staffing resources were also affected by a large recalculation project resulting from the *Moro* court case. Key employees have been involved in this two year project, resulting in a drain on the staffing resources.

Despite these limitations this year, staff continue to build on system functionality as well as improving and limiting workarounds. In addition to system process improvements, we have streamlined and made process improvements to the retirement application itself and application processing.

### 6. WHAT NEEDS TO BE DONE

It will be key to bring new staff up to speed and help them to become more proficient in calculating benefits and processing retirement applications. Completing the *Moro* project will also help to alleviate some of the existing resource strains.

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. The Online Member Services functionality that was a part of the final system deployment also allows members to view their account information and has provided increased transparency so members can raise any questions or concerns they have prior to applying for retirement.

### 7. ABOUT THE DATA

This measure is based on data for the Oregon Fiscal Year period.

## BUDGET NARRATIVE

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>	Financial and Administrative Services Administrator Kyle Knoll, 503-603-7568	

**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 challenge is to keep costs per member from growing while in an environment of increasing workload and cost inflation.

**2. ABOUT THE TARGETS**

The targets for this measure represent the maximum desired cost per member. The goal is to keep the costs at or below the targeted level. The targets from FY2008 and forward represent a new data structure (CAFR reported admin expenses per total membership), and all actual data have been updated to the new data structure. The targets for 2009-11 through 2015-17 include minor inflationary increases.

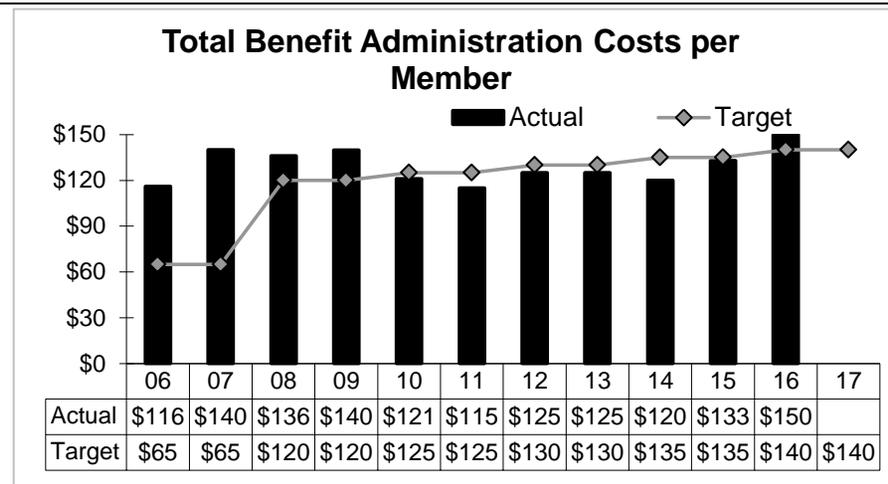
**3. HOW WE ARE DOING**

For FY2016, PERS' cost per member is \$150, up from \$133 in FY2015. In FY2016, PERS administrative costs increased by 14.8% to \$55.7 million, from the \$48.5 million in FY2015. There was also a 2% increase in total membership in FY16, which only partially offset the increase in costs, and resulted in the \$17 increase per member.

**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 2016 CEM Benchmarking Analysis has not yet been published, these comparisons are based on the 2015 analysis report.

For 2015, CEM Benchmarking, Inc. reported that while PERS' costs were higher than its peers for some activities, there were also a number of activities where PERS' costs were lower. PERS spent more (cost per unit) for activities such as Pension Inceptions (\$178 vs \$157), Withdrawals and Transfers-out



## BUDGET NARRATIVE

(\$241 vs \$165), Disability (\$2,540 vs. \$2,451), Call Center (\$12 vs. \$9), Member 1-on-1 Counseling/Application Assistance (\$138 vs. \$97), Employer/Member Data and Billing (\$24 vs. \$8), Services to Employers (\$7 vs. \$3), IT Strategy (\$24 vs \$15), and Legal/rule interpretation (\$6 vs \$5). On the other hand, PERS spent less for activities like Purchases (\$76 vs. \$263), Mail room/imaging (\$5 vs. \$9), Member Presentations (\$342 vs. \$1,279), Written pension estimates (\$67 vs \$143), Mass communication (\$2 vs. \$3), and IT desktop/networks (\$9,552 vs \$12,676). PERS costs were consistent with those of its peers for activities like Pension payments (\$8), Governance and financial control (\$8), and Special projects (\$7).

### 5. FACTORS AFFECTING RESULTS

FY2016 total attributable administrative costs (non-inflation adjusted) are up by over \$7 million from FY2015. A large portion of this increase is due to significantly higher State Government Service charges. Many of these fees are charged in the first year of a new biennium, and in FY16 these charges increased by \$4 million over the FY15 levels. There was also a \$2.8 million increase in IT consulting due to several technology-related projects (including IT work for the *Moro* project).

### 6. WHAT NEEDS TO BE DONE

PERS' benefit processing workload will increase over the next five to ten years with the inevitable retirement of nearly 70,000 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 approved in the 2015-17 Legislatively Approved 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 continued enhancements to the new ORION IT system, 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) (not including retiree health insurance premium payments) by the total membership including all active, inactive, and retired members as reported in the calendar year actuarial valuation (plus qualified non-vested inactive OPSRP members and calendar year lump sum and withdrawal recipients that are not included in the actuarial count).

# BUDGET NARRATIVE

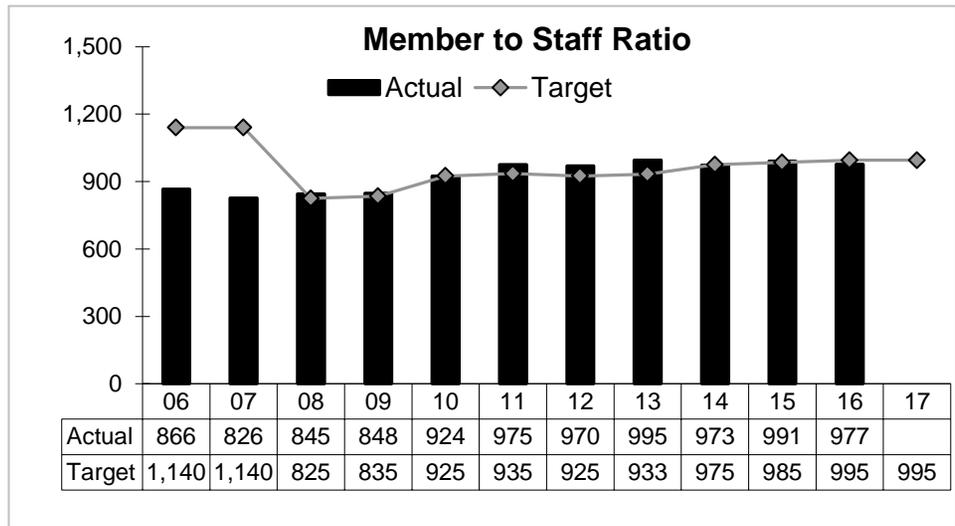
KPM #3	MEMBER TO STAFF RATIO Ratio of members to FTE staff	Measure since: 2006
<b>Goal</b>	Increase productivity of staff to improve service to members and retirees.	
<b>Oregon Context</b>	Oregon Benchmark #35: Public Management Quality. Increase efficiency of service to members.	
<b>Data source</b>	Budget/personnel statistics, PERS membership statistics from actuarial valuation, report from CEM Benchmarking, Inc. comparing PERS to its peers.	
<b>Owner</b>	Financial and Administrative Services Administrator Kyle Knoll, 503-603-7568	

**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 targets from 2011-2015, the targets for 2015-17 are based on projected membership levels for that biennium, and the staffing requested with the approved budget. The staffing included in 2015-17 has increased by 3% from the previous 2013-15 projected levels due to additional positions included in the approved budget. The goal with this KPM is to be at or above the targeted ratio.



**3. HOW WE ARE DOING**

PERS' member to staff ratio decreased to 977:1 in FY2016, down from 991:1 in FY2015. The staffing for FY16 increased by 12 FTE from FY15 levels, and the membership levels are up by 2% this year. These shifts are the causes behind the slight decrease in the member to staff ratio this year.

**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 2016 CEM Benchmarking Analysis has not yet been published, so these comparisons are based on the 2015 analysis report. These figures factor in the number of FTE directly involved in each activity (no support or indirect FTE included), and the listed figures represent direct FTE per 10,000 active members and retirees.

## BUDGET NARRATIVE

For Fiscal Year 2015, 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 is higher staffed for some benefit administration activities, there are also activities that PERS is lower staffed. When compared to its peer average, PERS was heavier staffed per 10,000 members versus its peer average for activities like Paying Pensions (.32 vs .22), Pension Inceptions (1.14 vs .52), Refunds (.53 vs .21), Written Pension Estimates (.27 vs .24), Call Center (1.01 vs .79), Employer Data, Money and Services (2.41 vs .82), Governance and Financial Control (.78 vs .61), Information Technology (2.47 vs 1.38), Support Services (1.19 vs 1.03) and Mail Room/Imaging (.53 vs .34). But PERS was lower staffed per 10,000 members versus its peer average for activities like Purchases (.1 vs .14), Disability (.27 vs .36), Member 1-on-1 counseling/application assistance (.18 vs .3), Member Presentations (.07 vs .17) and Major projects (.14 vs .54).

### 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 2015. 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.

The 2003 PERS Reform legislation contributed to system complexity and 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 2015-17 includes staffing of 380 positions, a decrease of 40 positions (10 percent) from the 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 has also been challenged by transitioning to a newly developed and implemented IT system. This situation is expected to improve as staff adapts to the functionality provided by that system and the operational demands of statutory changes and program expansions (OPSRP and IAP) are normalized.

In the long term, the improved IT systems will lead to more streamlined processes, 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 customer service membership base by the by total FTE staff per June PICS reports. The customer service membership base includes all active, inactive and retired members per the calendar year actuarial valuation, plus qualified non-vested inactive members and calendar year lump sum and withdrawal recipients.

## BUDGET NARRATIVE

KPM #4	<b>ACCURATE BENEFIT CALCULATIONS</b> Percent of service retirement monthly benefits accurately calculated to within \$5 per month	Measure since: 2012
<b>Goal</b>	Pay the right person the right benefit at the right time.	
<b>Oregon Context</b>	Oregon Benchmark #59: Independent Seniors. Encourage member independence and financial well-being into retirement.	
<b>Data source</b>	Annual internal audit of sample from Benefit Payments Division service retirement calculations	
<b>Owner</b>	Assistant Chief Operations Officer Brian Harrington, 503-431-8259	

**1. OUR STRATEGY**

Our agency’s mission is to pay the right person the right benefit at the right time. Calculating benefits accurately the first time is a key element of this mission.

**2. ABOUT THE TARGETS**

Our goal is to accurately calculate the service retirement benefits to within \$5 per month 100% of the time.

**3. HOW WE ARE DOING**

In FY2016, initial service retirement benefit calculations were accurate to within \$5 per month 95% of the time. The performance increased 1% in its fifth KPM year in FY2016. Three errors in calculated monthly benefits were uncovered during the annual random audit of 60 sample calculations.

**4. HOW WE COMPARE**

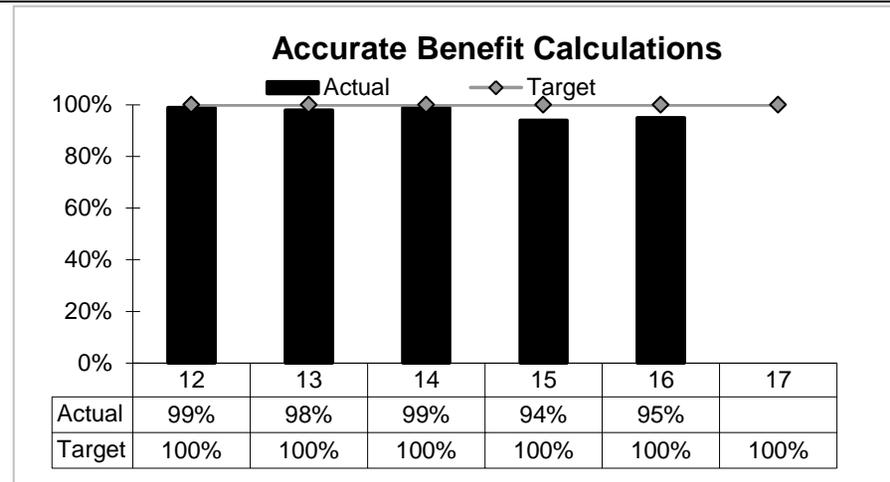
While we do use the services of a third-party benchmarking consultant (CEM Benchmarking, Inc.), the accuracy of benefit calculations is not one of the comparators they use.

**5. FACTORS AFFECTING RESULTS**

There were three errors in the calculations for new monthly pension inception calculations. Two of the errors were small underpayments (\$5.04 per month and \$23 per month), and one error involved an overpayment of \$163. Our Operations Division continues to perform monthly quality assurance samplings of various calculations and the error rate month to month during FY2016 varied from under one percent some months, to as high as 3 percent.

**6. WHAT NEEDS TO BE DONE**

The agency has taken considerable efforts to improve the accuracy of benefit calculations. There have been three primary areas of focused improvement in this regard. First is the accuracy audit on which this KPM is based. The annual audit is performed by our internal auditors and began in 2008. Second is regular internal quality assurance sampling of benefit calculations. Operations staff randomly test the benefit calculations to ensure that errors are being found and corrected before the benefit goes out the door. Third, IT system improvements have improved the accuracy of the calculations.



# BUDGET NARRATIVE

## 7. ABOUT THE DATA

This measure is based on data for the Oregon fiscal year period. The data is based on a sample audit of the Benefit Payments Division benefit calculations. The audit is conducted by PERS internal audits staff on an annual basis. In this audit, 60 benefit calculations were sampled at random, consisting of Tier 1 calculations, Tier 2 calculations, and OPSRP calculations. The random sample included monthly annuity and lump sum benefits, as well as lump sum plus annuity benefits.

## BUDGET NARRATIVE

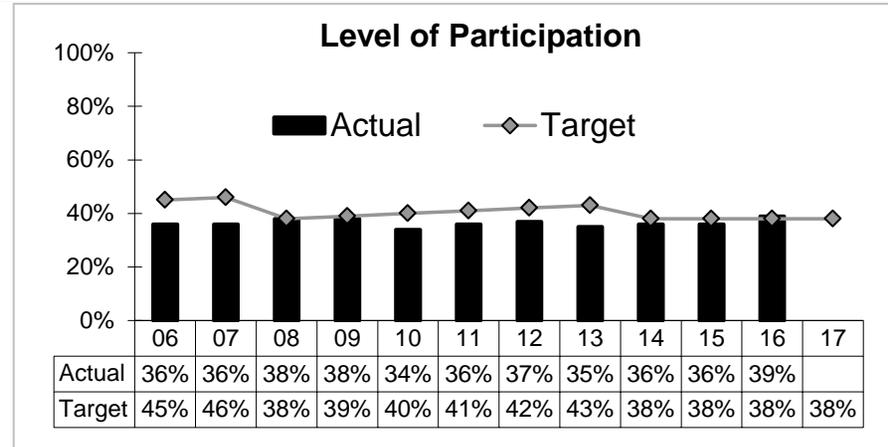
KPM #5	LEVEL OF PARTICIPATION Percent of state employees participating in the deferred compensation program.	Measure since: 2006
<b>Goal</b>	Increase voluntary participation by state employee members in Deferred Compensation Program	
<b>Oregon Context</b>	Encourage member independence and financial well-being 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, ING	
<b>Owner</b>	Deferred Compensation Manager Roger Smith, 503-330-7536.	

**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**

The annual target increases in the past have been based on OSGP's goal to gradually increase the participation level by 1% annually. While the participation has been increased by 1% annually over the last few years, achieving participation in the 40% range is highly unlikely and unachievable. With a large number of employees eligible to retire, an ambitious but achievable goal would be to reach and maintain a participation level of 38%. Considering a national average participation rate of 26% among similar deferred compensation plans, the 38% target still puts OSGP well ahead of its peers. Moving forward we have set the targets to 38%.



**3. HOW WE ARE DOING**

State government employee participation in OSGP increased to 39% in FY2016, up from 36% in FY2015.

**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 recent survey results, NAGDCA reported that, among the responding state plans, 26% of the eligible employees participated in optional plans like OSGP. So, at 39% participation among 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

## BUDGET NARRATIVE

factors that potentially limit the participation rates. There are a large number of 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.

### 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. Statistics show that the number of employees retiring from the program roughly equals the numbers of new hires, so reaching new employees is vital to the participation success.

OSGP staff are doing their best to educate new employees on the values of enrolling in the plan. The OSGP education specialist has increased the number of on-site visits and travels extensively around the state to meet with state employees. Another strategy is for 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. An ING employee works onsite for OSGP and helps with workshops and enrollments, as well as working with OSGP on formulating targeted mailings, videos and webinars to help increase participation. Roth 457 workshops have been added to the workshop schedule as well.

### 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. 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.

# BUDGET NARRATIVE

<b>KPM #6</b>	<b>CUSTOMER SERVICE</b> Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall, timeliness, accuracy, helpfulness, expertise, availability of information	<b>Measure since: 2006</b>
<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>	Chief Operations Officer 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 survey results, to place resources and effort where improvement is needed.

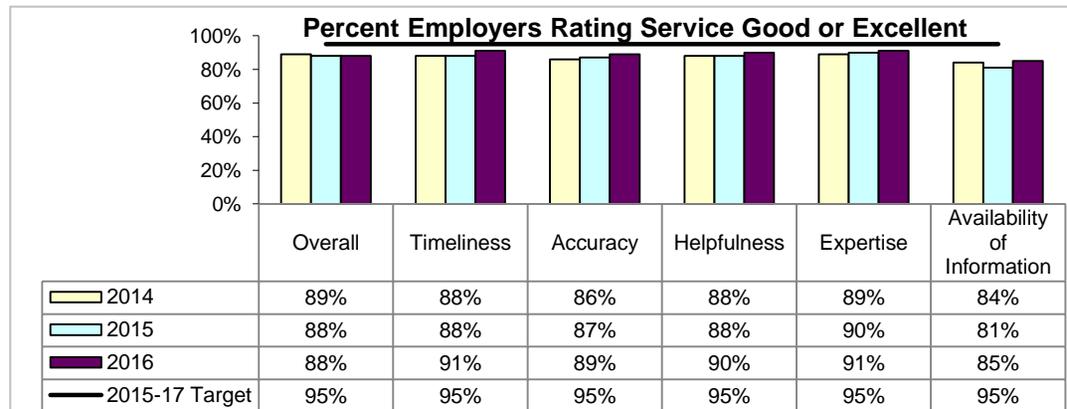
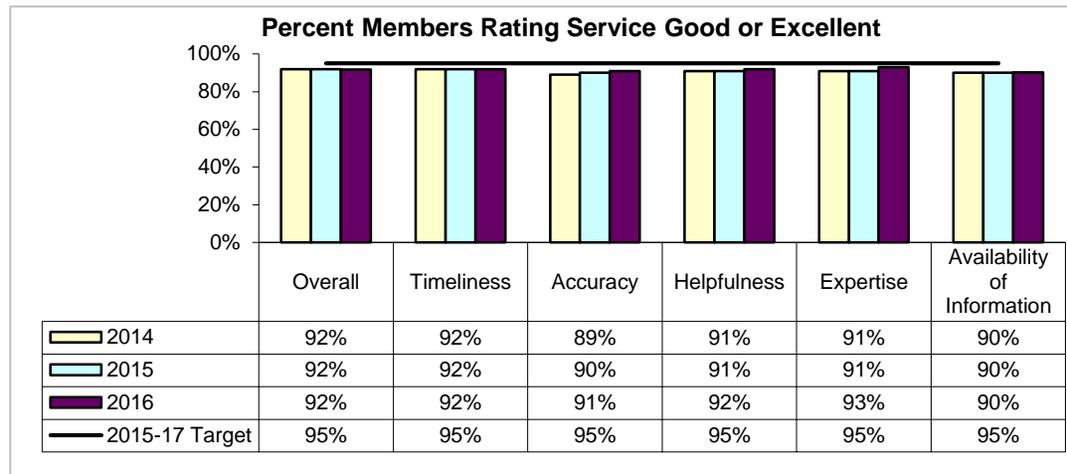
**2. ABOUT THE TARGETS**

The existing goal had been to maintain 80% of customers rating their PERS service as good or excellent. But during the budget process for the 2011-13 biennium, the Legislative Fiscal Office requested PERS to increase the member satisfaction targets to 95% moving forward.

**3. HOW WE ARE DOING**

For the FY2016 member survey, PERS received ratings that were consistent with the 2015 levels for the overall rating, Timeliness, and Availability of information. There were improvements in the ratings for Accuracy, Helpfulness and Expertise. Members rated PERS highest in Expertise (93%), and lowest in Availability of Information (90%).

In the FY2016 employer survey, the results reflected increased ratings in every category except Overall, which



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## BUDGET NARRATIVE

remained the same as the 2015 ratings. For the FY2016 employer survey, the employers rated PERS between 85% and 91% “good” or “excellent,” with 88% of employers rating PERS overall service as excellent or good. Employers rated PERS highest in Expertise and Timeliness (91%) and lowest in Availability of Information (85%).

### 4. HOW WE COMPARE

PERS uses the services of a benchmarking consultant (CEM Benchmarking, Inc.), but customer satisfaction ratings in these categories 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 and employer ratings would fall at the high end of that range, and well ahead of the sample average.

### 5. FACTORS AFFECTING RESULTS

PERS continues to keep customer service and 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. PERS has also continued to offer workshops and 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 and employer survey participants and found a few key areas of focus. For the member survey respondents, there were two main areas of dissatisfaction: Members noted a desire to see more functionality in the Online Member Service (OMS) website, and they indicated displeasure with long wait times for a benefit option change upon death of the member or based on selections at retirement. There has been a greater focus on website improvement. The state is providing new templates for website design, and PERS is updating its website. There were staffing resource constraints due to the *Moro* project, but we are now processing these benefit option changes more quickly.

In the employer survey, PERS found that there were two main areas of improvements desired by employers: Employers would like additional improvements to the employer reporting system, and they inquired about the availability of Employer Service Center (ESC) representatives throughout the business day. We are continuing to look for enhancements that simplify reporting for employers. And employers can call their assigned ESC representative (or speak with someone else in ESC) any time of the day.

### 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 retired members. The survey was open from August 1 through August 31, 2016. The population is consumers, since members are end users of PERS services. For the sampling frame, PERS left the survey open to all members (active, inactive and retired). The survey was advertised in the *Perspectives* newsletter (a PERS newsletter sent to all members), 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 to view. Since PERS left the survey open to the full population of members, the sampling procedure could be considered a passive census. Out of approximately 371,000 members, PERS received approximately 1,400 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 August 31, 2016. The employer population could be considered clients, and for the sampling frame, PERS left the survey open to all employers. The survey link was

## BUDGET NARRATIVE

emailed to all employers, and posted on the employer portion of the PERS website. The sampling procedure would be considered a passive census. Out of over 900 employers, PERS received 188 responses.

## BUDGET NARRATIVE

KPM #7	<b>TIMELY BENEFIT ESTIMATES</b> 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>	Chief Operations Officer Yvette Elledge, 503-603-7685	

**1. OUR STRATEGY**

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**

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 2015-17.

**3. HOW WE ARE DOING**

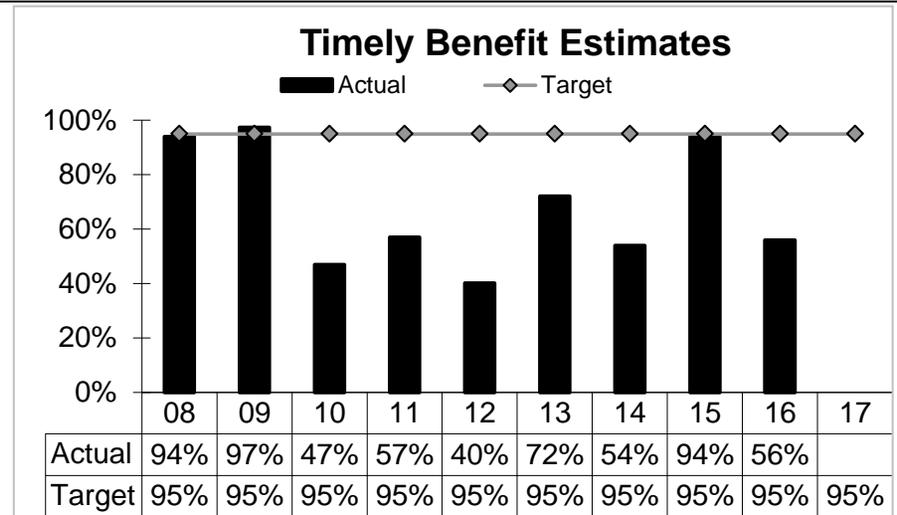
For FY2016, PERS provided member benefit estimates within 30 days 56% of the time. This is a drop from the FY2015 performance of 94%.

**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 time for preparing benefit estimates among PERS' peers was 19 days in fiscal year 2015 (CEM's 2016 report is not yet published). By comparison, PERS processed its benefit estimates in an average of 12 days during FY2015, well ahead of the peer average. Though our performance dipped in 2016, it is encouraging to note the faster than average performance last year. PERS also provides up to 3 different benefit calculations and 15 different benefit option scenarios with each estimate, as compared to an average of only 4 benefit options among its peers.

**5. FACTORS AFFECTING RESULTS**

During FY2016, the benefit estimate process experienced a drop in performance due to additional staffing constraints as compared to the previous year. There was staff turnover affecting the benefit estimate team, as well as staff that were allocated away from the team to assist with the *Moro* project.



## BUDGET NARRATIVE

6. **WHAT NEEDS TO BE DONE**

PERS will continue efforts to reduce the backlog by focusing on estimates by received date order and to improve Generate Benefit Estimates in Online Member Service (OMS), which will allow members to produce their own estimate scenarios with more confidence. Bringing new staff up to speed and completing the *Moro* project will help solidify the staffing resources devoted to the benefit estimate process.

7. **ABOUT THE DATA**

This measure is based on data for the Oregon fiscal year period. The data is based on tracked performance statistics provided by the Operations Division at PERS.

# BUDGET NARRATIVE

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>	Biennial self-administered survey.	
<b>Owner</b>	Executive Director Steve Rodeman, 503-603-7695	

**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 its initial self-assessment in 2008, 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 biennium.

**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**

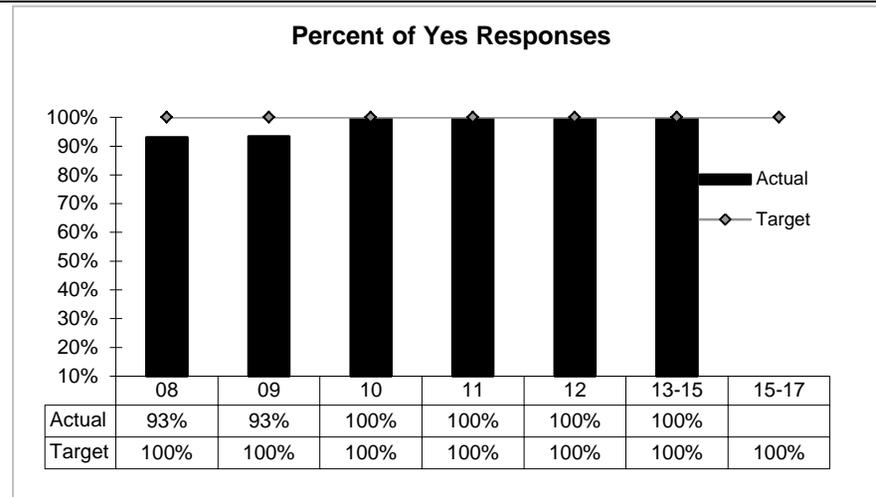
The PERS Board completed the self-assessment survey process for the 2013-15 biennium using the online SurveyMonkey.com tool in October 2014. The results were presented at their November 21, 2014 public board meeting. The 2015-17 survey will be conducted in the coming months. Continuing the approach used in previous biennia, the Board assessed their 2013-15 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 past samplings of the Annual Performance Progress Reports of other similar state agency boards, the scores generally 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 2013-15.

**5. FACTORS AFFECTING RESULTS**

The PERS Board recognizes the importance of providing strategic guidance, budget and financial control, customer service emphasis, regular communications with stakeholders, and maintaining agency focus on cost effective and efficient operations. This emphasis has resulted in increased



## BUDGET NARRATIVE

attention at the staff level on organizational structure and operational best practices, which takes on increasing importance in periods of economic stress. The Board and agency management will continue to support this best practices focus through their activities and discussions at Board and Audit Committee meetings.

### 6. WHAT NEEDS TO BE DONE

While the PERS Board did realize a 100% rating for the 2013-15 biennium, there was one area that received a vote of “meets but needs improvement.” Criteria 14, “Board members identify and attend appropriate training sessions,” received a single “meets but needs improvement” vote. 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. 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 implementation all the identified Board best practices.

### 7. ABOUT THE DATA

This measure is based on results for the 2013-15 biennium. The PERS Board completed the self-assessment in October 2014. The next assessment for the 2015-17 biennium will be reported for FY2017.

## BUDGET NARRATIVE

Contact: Matthew Rickard, Senior Retirement Data Analyst	Phone: (503) 603-7576
Alternate: Kyle Knoll, Interim Financial and Administrative Services Administrator	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 2015-17 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 2015-17 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. PERS has recently implemented a new outcome-based management system approach. This new system uses enterprise level process and outcome measure scorecards that are presented on a quarterly basis. Performance results are also used in the formation of business plans and in development of the agency’s biennial budget. The agency’s strategic plan and tactical plans 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 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

### Audit Response Report

The following reports were completed and / or issued by the Secretary of State or the Joint Legislative Audit Committee in the 2013-2015 biennium and thus far in the 2015-2017 biennium:

Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2013 (Report 2014-02)

No significant deficiencies or material weaknesses

Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2014 (Report 2014-30)

No significant deficiencies or material weaknesses

Only Isolated Incidences of Pension Inflation Among PERS Employers (Report 2015-02)

Recommendation #1

Consider periodically analyzing employer compensation data for signs of pension inflation and communicating with employers if patterns appear.

PERS response – Every three years, PERS will analyze employer compensation data and communicate with employers if patterns appear that may cause pension inflation or when salary changes fall significantly outside the normal actuarial assumptions.

Status – In Process

Audit of Schedule of Employer Allocations for the Fiscal Year Ended June 30, 2014 (No Report #)

No significant deficiencies or material weaknesses

State Agencies Respond Well to Routine Public Records Requests, but Struggle with Complex Requests and Emerging Technologies (Report 2015-27)

Recommendations - No specific recommendations for PERS.

Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2015 (Report 2015-33)

No significant deficiencies or material weaknesses

Audit of Schedule of Employer Allocations for the Fiscal Year Ended June 30, 2015 (Report 2016-10)

No significant deficiencies or material weaknesses

## BUDGET NARRATIVE

### Audit Response Report (continued)

Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2016 (Report 2016-36)  
No significant deficiencies or material weaknesses

# BUDGET NARRATIVE

## Affirmative Action Report

### Progress Made or Lost Since Previous Biennium

During the 2015-2017 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 Officials/Administrators, Administrative Support, and the Professional categories. 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.

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 2017-2019 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, 2014, and June 30, 2016.

## BUDGET NARRATIVE

### AGENCY WORKFORCE REPRESENTATION:

EEO-4 CATEGORY	WORKFORCE REPRESENTATION		WOMEN		
	TOTAL EE 2013- 2015	NUMBER WOMEN 2013-2015	TOTAL EE 2015- 2017	NUMBER WOMEN 2015-2017	% CHANGE IN # WOMEN
A. Officials/Admin	31	13	33	13	0.00%
B. Professionals	257	162	255	163	0.62%
C. Technicians	6	2	6	3	50.00%
F. Admin Support	58	52	51	44	-15.38%
G. Skilled Craft Worker	n/a	n/a	1	1	100%
H. Service Maintenance Worker	n/a	n/a	1	0	0.00%
<b>AGENCY TOTAL</b>	<b>352</b>	<b>229</b>	<b>347</b>	<b>224</b>	<b>-2.18%</b>

Note change in number of total agency employees: -1.42%

NOTE: 2013-2015 data is from June 2014 DAS statistics. The 2015-2017 data is from June 2016 DAS statistics.

#### **Women**

We decreased our percentage of women by 2.18 percent in the 2015-2017 biennium compared to the 2013-2015 biennium. The total number of agency employees, both men and women, decreased by 1.42 percent. We experienced an increase in our women representation in the Professionals, Technician, and Skilled Craft Worker categories. There were no changes in our women representation in the Officials/Administrators and Service Maintenance Worker categories. We experienced a decrease in our women representation in the Administrative support category, but are not underutilized. Even though we increased our representation of women in the Professional category and experienced no change in the Officials/Administrators category, women are still underutilized as compared to the DAS statistics. 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.

## BUDGET NARRATIVE

### WORKFORCE REPRESENTATION

### PEOPLE WITH DISABILITIES

EEO-4 CATEGORY	TOTAL EE 2013- 2015	NUMBER DISABLED 2013-2015	TOTAL EE 2015- 2017	NUMBER DISABLED 2015-2017	% CHANGE IN # DISABLED
A. Officials/Admin	31	1	33	1	0.00%
B. Professionals	257	10	255	10	0.00%
C. Technicians	6	0	6	0	0.00%
F. Admin Support	58	4	51	3	-25.00%
G. Skilled Craft Worker	n/a	n/a	1	0	0.00%
H. Service Maintenance Worker	n/a	n/a	1	0	0.00%
AGENCY TOTAL	352	15	347	14	-6.67%

Note change in number of total agency employees:

-1.42%

NOTE: 2013-2015 data is from June 2014 DAS statistics. The 2015-2017 data is from June 2016 DAS statistics.

#### **People with Disabilities**

Four percent of our total employees have disabilities. We continue to be welcoming to people with disabilities by providing access and reasonable accommodations under the Americans with Disabilities Act. There was a decrease of 6.67% in our percentage of disabled employees in the 2015-2017 biennium compared to the 2013-2015 biennium. The total number of agency employees, both men and women, decreased by 1.42 percent. We experienced a decrease in the Administrative Support category but it didn't create underutilization. There were no changes in our Professionals, Technicians, Skilled Craft Workers, Service Maintenance Worker, and Officials/Administrators categories. Although there were no changes in those categories, we are still underutilized in the Professionals and Officials/Administrators as compared to the DAS statistics. 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. We are going to continue to pursue posting our job links with various Vocational Rehabilitation Services in the area to help correct the underutilization.

## BUDGET NARRATIVE

### WORKFORCE REPRESENTATION

### PEOPLE OF COLOR

EEO-4 CATEGORY	TOTAL EE 2013- 2015	NUMBER POC 2013- 2015	TOTAL EE 2015- 2017	NUMBER POC 2015- 2017	% CHANGE IN # POC
A. Officials/Admin	31	4	33	4	0.00%
B. Professionals	257	45	255	49	8.89%
C. Technicians	6	1	6	0	-100.00%
F. Admin Support	58	8	51	12	50.00%
G. Skilled Craft Worker	n/a	n/a	1	0	0.00%
H. Service Maintenance Worker	n/a	n/a	1	1	100.00%
<b>AGENCY TOTAL</b>	<b>352</b>	<b>58</b>	<b>347</b>	<b>62</b>	<b>6.90%</b>

Note change in number  
of total agency  
employees:

-1.42%

NOTE: 2013-2015 data is from June 2014 DAS statistics. The 2015-2017 data is from June 2016 DAS statistics.

#### **People of Color**

There was a positive change in our overall percentage of people of color in the 2015-2017 biennium compared to the 2013-2015 biennium. We increased our percentage of Professionals by 8.89 percent, Administrative Support by 50 percent, and our Service Maintenance Workers by 100 percent. Even though we experienced a loss in the Technician category, we are not underutilized.

## BUDGET NARRATIVE

### Breakdown of People of Color by Category

#### WORKFORCE REPRESENTATION

#### AFRICAN AMERICANS

EEO-4 CATEGORY	TOTAL EE 2013- 2015	NUMBER AFR AMER 2013-2015	TOTAL EE 2015- 2017	NUMBER AFR AMER 2015-2017	% CHANGE IN # AFRICAN AMERICANS
A. Officials/Admin	31	0	33	0	0.00%
B. Professionals	257	6	255	5	-16.67%
C. Technicians	6	0	6	0	0.00%
F. Admin Support	58	1	51	1	0.00%
G. Skilled Craft Worker	n/a	n/a	1	0	0.00%
H. Service Maintenance Worker	n/a	n/a	1	0	0.00%
AGENCY TOTAL	352	7	347	6	-14.29%

Note change in number  
of total agency  
employees:

-1.42%

NOTE: 2013-2015 data is from June 2014 DAS statistics. The 2015-2017 data is from June 2016 DAS statistics.

**For African Americans**, we experienced a decrease in our overall agency representation by 14.29 percent. There was no change reported in the Technicians, Officials/Administrators, Administrative Support, Skilled Craft Worker, and Service Maintenance Worker categories. We experienced a decrease in representation in the Professionals category by 16.67 percent. We lost ground on hiring African Americans into management and professional positions and are below our goal. We will continue to target this group by developing relationships with the Portland Urban League and by having 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, such as offering informational interviews to diverse individuals. We will encourage African American employees to be part of our presentation team for recruitment at job fairs and interview panels. Increasing our number of African American professionals will give them experience within PERS to encourage future promotions into management, other professional and technical positions.

## BUDGET NARRATIVE

### WORKFORCE REPRESENTATION

### HISPANIC AMERICANS

EEO-4 CATEGORY	TOTAL EE 2013- 2015	NUMBER HISP AMER 2013-2015	TOTAL EE 2015- 2017	NUMBER HISP AMER 2015-2017	% CHANGE IN HISPANIC AMERICANS
A. Officials/Admin	31	2	33	2	0.00%
B. Professionals	257	5	255	5	0.00%
C. Technicians	6	0	6	0	0.00%
F. Admin Support	58	1	51	4	300.00%
G. Skilled Craft Worker	n/a	n/a	1	0	0.00%
H. Service Maintenance Worker	n/a	n/a	1	0	0.00%
<b>AGENCY TOTAL</b>	<b>352</b>	<b>8</b>	<b>347</b>	<b>11</b>	<b>37.50%</b>

Note change in number  
of total agency  
employees:

-1.42%

NOTE: 2013-2015 data is from June 2014 DAS statistics. The 2015-2017 data is from June 2016 DAS statistics.

**For Hispanic Americans**, we increased our overall agency representation by 37.50 percent. There was no change reported in the Technicians, Professionals, Officials/Administrators, Skilled Craft Worker, and Service Maintenance Worker categories. Although representation stayed the same in these categories, we will continue to focus on increasing representation in the Officials/Administrators and Professionals categories where we are currently underutilized during the 2017-2019 biennium. We experienced a substantial increase (300%) in the Administrative Support category.

We are below the goal for Hispanic Americans in some categories. We will continue to pursue outreach activities through developing relationships with key Hispanic centers and continue to target this group with our advertisements, any job fairs specific to the Hispanic Community, and have diverse interview panels.

## BUDGET NARRATIVE

### WORKFORCE REPRESENTATION

### ASIA/PACIFIC ISLANDER AMERICAN

EEO-4 CATEGORY	TOTAL EE 2013- 2015	NUMBER ASIA/PAC AMER 2013-2015	TOTAL EE 2015- 2017	NUMBER ASIA/PAC AMER 2015- 2017	% CHANGE IN # ASIA/PAC ISLAND AMERICAN
A. Officials/Admin	31	1	33	1	0.00%
B. Professionals	257	31	255	36	16.13%
C. Technicians	6	1	6	0	-100.00%
F. Admin Support	58	5	51	5	0.00%
G. Skilled Craft Worker	n/a	n/a	1	0	0.00%
H. Service Maintenance Worker	n/a	n/a	1	0	0.00%
<b>AGENCY TOTAL</b>	<b>352</b>	<b>38</b>	<b>347</b>	<b>42</b>	<b>10.53%</b>

Note change in number  
of total agency  
employees:

-1.42%

NOTE: 2013-2015 data is from June 2014 DAS statistics. The 2015-2017 data is from June 2016 DAS statistics.

**For Asian/Pacific Islanders**, we increased our overall representation by 10.53 percent. We experienced an increase in representation in the Professionals category by 16.13 percent. We are not underutilized in any of the categories. Even though we are not underutilized in the categories, we will continue to target this group with our advertisements and have diverse interview panels.

## BUDGET NARRATIVE

### WORKFORCE REPRESENTATION

### NATIVE AMERICAN

EEO-4 CATEGORY	TOTAL EE 2013- 2015	NUMBER NATIVE AMER 2013-2015	TOTAL EE 2015- 2017	NUMBER NATIVE AMER 2015- 2017	% CHANGE IN # NATIVE AMERICAN
A. Officials/Admin	31	1	33	1	0.00%
B. Professionals	257	3	255	3	0.00%
C. Technicians	6	0	6	0	0.00%
F. Admin Support	58	1	51	2	100.00%
G. Skilled Craft Worker	n/a	n/a	1	0	0.00%
H. Service Maintenance Worker	n/a	n/a	1	1	100.00%
<b>AGENCY TOTAL</b>	<b>352</b>	<b>5</b>	<b>347</b>	<b>7</b>	<b>40.00%</b>

Note change in number  
of total agency  
employees:

-1.42%

NOTE: 2013-2015 data is from June 2014 DAS statistics. The 2015-2017 data is from June 2016 DAS statistics.

**For Native Americans**, we increased our overall agency representation by 40 percent. There were no changes reported in the Officials/Administrators, Professionals, Technicians, or Skilled Craft Worker categories. We increased our Native American representation in the Service Maintenance Worker and Administrative Support categories by 100%. We are still underutilized in the Native American representation of professionals. This will be the area of emphasis for the 2017-2019 biennium. We are exploring outreach opportunities with Native American groups such as the local Confederated Tribes of Grande Ronde to see how we can put ads or articles in their newsletters and will contact the Oregon Native American Chamber of Commerce to discuss any opportunities to partner with them.

## BUDGET NARRATIVE

### Summary

During the 2017-2019 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 application process, PERS will attempt to capture more accurate statistics about our workforce representation through voluntary disclosure once the employee is hired. We will also be sending out a voluntary self-disclosure form to our current workforce to try and capture more current data regarding the diversity of our workforce. Our target date to have this completed is January 2017.

Although PERS met many of its Affirmative Action goals, PERS continues to work towards meeting the long range goals for the 2017-2019 biennium. However, recruiting people of color continues to be a challenge for management and professional positions.

PERS continues to have diverse interview panels and provides training for managers on interviewing and promoting cultural awareness. PERS provides harassment/discrimination training for all managers and staff and will conduct this training again before the end of 2016. 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. Within our agency, members of the Executive Leadership Team have been attending new employee networking sessions 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 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 use the Career Builder website as well as Monster and Craigslist. We go through organizations related to specific positions such as Human Resources, Information Technology or Accounting.

PERS met some of the long-range goals for the 2015-2017 biennium. Due to challenges in the 2015-17 biennium some of our goals were not attained. However we have a renewed interest and commitment in meeting our affirmative action goals in 2017-2019. PERS will work on increasing diversity activities to encourage retention of women and people of color. We will continue to write diversity articles for our internal newsletters and support activities through the Diversity Committee.

We will work with our recruiter, in partnership with our Diversity Committee, to find ways to recruit and retain a more diverse candidate pool.

## BUDGET NARRATIVE

**JULY 1, 2017 – JUNE 30, 2019**

**A. Goals**

The Affirmative Action goals for the Oregon Public Employees Retirement System for the 2017-2019 biennium are the following:

1. Continue to educate and provide managers with strategies to hire more employees from diverse backgrounds. Increase timely annual performance evaluations of managers 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 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, and maintaining a professional workplace.
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. 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.
8. 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.

## BUDGET NARRATIVE

9. Continue with community outreach activities that benefit diverse populations and use these opportunities to promote PERS as a great place to work.
10. Send out voluntary self-identification worksheet to gather updated EEO data by January 2017.
11. Work with the PERS Executive Leadership Team to evaluate the need for a new diversity, equity and inclusion assessment. Collect new data to establish an understanding of current cultural perceptions and practices at PERS. Utilize data findings to create a new cultural competency initiative for the 2017-2019 biennium.
12. Explore ways to gather better human capital analytics including data on veterans.
13. Review the past cultural competencies report and create an agency training plan for the 2017-2019 biennium.
14. As we revise our succession planning program, explore how a mentorship and internship program could be utilized.
15. Continue to develop and implement a comprehensive Management Training Series focusing on management and leadership competencies to ensure our leaders have the skills necessary to manage people.
16. Encourage increased participation in Diversity Committee (DC) events through educational promotion by the committee members within the agency.
17. Encourage increased suggestions and input from PERS Employees on activities and events.
18. To hold DC events at least quarterly to further the group's mission.
19. Review and revise the DC charter to broaden the scope of the committee's focus on larger issues of culture and inclusion. Look at broadening and increasing membership in the Committee.
20. Consider renaming the committee to reflect the revised scope of the charter.
21. Review Management Position Descriptions to assure alignment with Executive Order 16-09
22. Add Diversity measures to the updated 2017 management performance evaluation process

## BUDGET NARRATIVE

### B. Strategies and Time Lines for Implementation

1. PERS' action plan for employees is to increase awareness, provide additional opportunities for career advancement, provide qualitative and timely feedback, and to instill a culture that supports success at both the individual and agency level. The includes redesigning our New Employee Orientation to include additional information about the Affirmative Action Plan, delivering mandatory trainings, posting the Affirmation Action Plan for employees t review, ;managing the AAP more actively with our managers and Labor Management Committee, and providing more work out of class and job rotation opportunities
2. Managers will increase completion of timely evaluations for employees by 10 percent each year until the goal of 90 percent completion is reached. This will be measured quarterly with all managers and new reports will be designed and rolled out to executive leadership providing monthly data beginning October 2016.
3. All supervisory management evaluations will have a component of rating the employee on effectiveness on achieving affirmative action objectives as a key consideration of the manager's and supervisor's performance. Positions descriptions will be reviewed, and roll out of agency expectations and training for managers will be provided by July 2017.
4. In 2017-2019, 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.
5. The Affirmative Action Plan will be reviewed and activities discussed at manager's meetings in 2017-2019. These meetings are held once a month. The schedule to review quarterly affirmative action reports for 2017- 2019 will be as follows:

#### **Manager's Meetings**

February, 2017: (report from 4th quarter 2016)

April, 2017: (report from 1st quarter 2017)

July, 2017: (report from 2nd quarter 2017)

## BUDGET NARRATIVE

October, 2017: (report from 3rd quarter 2017)

February, 2018 (report from 4th quarter 2017)

April 2018 (report from 1st quarter 2018)

July 2018 (report from 2nd quarter 2018)

October 2018 (report from 3rd quarter 2018)

February 2019 (report from 4th quarter 2018)

April 2019 (report from 1st quarter 2019)

6. The recommendations from the 2005 Cultural Competency Assessment have all been implemented. Two of the goals were to continue to be implemented:
  - *“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.”*
7. “PERS Professional Competency Series” was developed consisting of a set of four development courses. This training program continues to be in effect and provided as requested and throughout the re-organization efforts in 2017-2019.
8. PERS employees and managers will continue in 2017-2019 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.
9. PERS will educate and train all employees in prevention of 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 October 2016.
10. PERS will participate in job fairs as appropriate over the 2017-2019 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.
11. 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

## BUDGET NARRATIVE

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.

12. PERS will continue community outreach activities that serve diverse populations. Volunteer activities at the Oregon Food Bank are currently scheduled by the “PERsuing a Better Community” Committee. Activities for 2017-2019 for both the Oregon Food Bank and the Transitional School will be scheduled in late 2016. PERS will continue support of the Transitional School program by hosting Halloween and Back-to-School activities in the 2017-19 biennium.
13. PERS Affirmative Action representative will consistently attend Affirmative Action workshops. The goal is to increase management personnel attendance at Affirmative Action workshops.
14. PERS will continue to use the Affirmative Action Plan in recruitments. PERS’ recruiter will review parity data with managers at the time of requisition to assess affirmative action needs and posting opportunities. This will be implemented by the end of 2016.
15. PERS will continue to actively implement the goals of the agency strategic plan.
16. PERS will implement its management training plan in 2016 and 2017, which includes training to address issues of effective supervision, documentation, leave laws, and retaliation topics.

## BUDGET NARRATIVE

### ORBITS and PICS Reports

#### *ORBITS Reports*

The following reports are contained in this section:

BSU003A	Summary Cross Reference Listing and Packages
BSU004A	Policy Package List by Priority
BDV103A	Budget Support – Detail Revenues and Expenditures
BDV104	Summary of 2017-19 Biennium Budget
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
PPDPFISCAL	Package Fiscal Impact Report

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

Summary Cross Reference Listing and Packages  
2017-19 Biennium

Agency Number: 45900

BAM Analyst: Wittekind, Linnea

Budget Coordinator: Barnett, Linda - (503)603-7570

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
010-01-00-00000	Tier One and Tier Two Pension Programs	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
010-01-00-00000	Tier One and Tier Two Pension Programs	021	0	Phase - In	Essential Packages
010-01-00-00000	Tier One and Tier Two Pension Programs	022	0	Phase-out Pgm & One-time Costs	Essential Packages
010-01-00-00000	Tier One and Tier Two Pension Programs	031	0	Standard Inflation	Essential Packages
010-01-00-00000	Tier One and Tier Two Pension Programs	032	0	Above Standard Inflation	Essential Packages
010-01-00-00000	Tier One and Tier Two Pension Programs	060	0	Technical Adjustments	Essential Packages
010-01-00-00000	Tier One and Tier Two Pension Programs	080	0	May 2016 E-Board	Policy Packages
010-01-00-00000	Tier One and Tier Two Pension Programs	081	0	September 2016 Emergency Board	Policy Packages
010-01-00-00000	Tier One and Tier Two Pension Programs	090	0	Analyst Adjustments	Policy Packages
010-01-00-00000	Tier One and Tier Two Pension Programs	091	0	Statewide Adjustment DAS Chgs	Policy Packages
010-01-00-00000	Tier One and Tier Two Pension Programs	092	0	Statewide AG Adjustment	Policy Packages
010-01-00-00000	Tier One and Tier Two Pension Programs	200	0	Data Center Migration	Policy Packages
010-02-00-00000	Retirement Health Insurance Programs	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
010-02-00-00000	Retirement Health Insurance Programs	021	0	Phase - In	Essential Packages
010-02-00-00000	Retirement Health Insurance Programs	022	0	Phase-out Pgm & One-time Costs	Essential Packages
010-02-00-00000	Retirement Health Insurance Programs	031	0	Standard Inflation	Essential Packages
010-02-00-00000	Retirement Health Insurance Programs	032	0	Above Standard Inflation	Essential Packages
010-02-00-00000	Retirement Health Insurance Programs	060	0	Technical Adjustments	Essential Packages
010-02-00-00000	Retirement Health Insurance Programs	080	0	May 2016 E-Board	Policy Packages
010-02-00-00000	Retirement Health Insurance Programs	081	0	September 2016 Emergency Board	Policy Packages
010-02-00-00000	Retirement Health Insurance Programs	090	0	Analyst Adjustments	Policy Packages
010-02-00-00000	Retirement Health Insurance Programs	091	0	Statewide Adjustment DAS Chgs	Policy Packages

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Summary Cross Reference Listing and Packages  
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\_\_\_ Agency Request

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

Summary Cross Reference Listing and Packages  
2017-19 Biennium

Agency Number: 45900  
BAM Analyst: Wittekind, Linnea  
Budget Coordinator: Barnett, Linda - (503)603-7570

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
010-02-00-00000	Retirement Health Insurance Programs	092	0	Statewide AG Adjustment	Policy Packages
010-02-00-00000	Retirement Health Insurance Programs	200	0	Data Center Migration	Policy Packages
010-03-00-00000	Oregon Public Service Retirement Pension Pgm	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
010-03-00-00000	Oregon Public Service Retirement Pension Pgm	021	0	Phase - In	Essential Packages
010-03-00-00000	Oregon Public Service Retirement Pension Pgm	022	0	Phase-out Pgm & One-time Costs	Essential Packages
010-03-00-00000	Oregon Public Service Retirement Pension Pgm	031	0	Standard Inflation	Essential Packages
010-03-00-00000	Oregon Public Service Retirement Pension Pgm	032	0	Above Standard Inflation	Essential Packages
010-03-00-00000	Oregon Public Service Retirement Pension Pgm	060	0	Technical Adjustments	Essential Packages
010-03-00-00000	Oregon Public Service Retirement Pension Pgm	080	0	May 2016 E-Board	Policy Packages
010-03-00-00000	Oregon Public Service Retirement Pension Pgm	081	0	September 2016 Emergency Board	Policy Packages
010-03-00-00000	Oregon Public Service Retirement Pension Pgm	090	0	Analyst Adjustments	Policy Packages
010-03-00-00000	Oregon Public Service Retirement Pension Pgm	091	0	Statewide Adjustment DAS Chgs	Policy Packages
010-03-00-00000	Oregon Public Service Retirement Pension Pgm	092	0	Statewide AG Adjustment	Policy Packages
010-03-00-00000	Oregon Public Service Retirement Pension Pgm	200	0	Data Center Migration	Policy Packages
010-04-00-00000	Individual Account Program (IAP)	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
010-04-00-00000	Individual Account Program (IAP)	021	0	Phase - In	Essential Packages
010-04-00-00000	Individual Account Program (IAP)	022	0	Phase-out Pgm & One-time Costs	Essential Packages
010-04-00-00000	Individual Account Program (IAP)	031	0	Standard Inflation	Essential Packages
010-04-00-00000	Individual Account Program (IAP)	032	0	Above Standard Inflation	Essential Packages
010-04-00-00000	Individual Account Program (IAP)	060	0	Technical Adjustments	Essential Packages
010-04-00-00000	Individual Account Program (IAP)	080	0	May 2016 E-Board	Policy Packages
010-04-00-00000	Individual Account Program (IAP)	081	0	September 2016 Emergency Board	Policy Packages

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Summary Cross Reference Listing and Packages  
BSU-003A

\_\_\_ Agency Request

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Budget Page 360

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

Summary Cross Reference Listing and Packages  
2017-19 Biennium

Agency Number: 45900

BAM Analyst: Wittekind, Linnea

Budget Coordinator: Barnett, Linda - (503)603-7570

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
010-04-00-00000	Individual Account Program (IAP)	090	0	Analyst Adjustments	Policy Packages
010-04-00-00000	Individual Account Program (IAP)	091	0	Statewide Adjustment DAS Chgs	Policy Packages
010-04-00-00000	Individual Account Program (IAP)	092	0	Statewide AG Adjustment	Policy Packages
010-04-00-00000	Individual Account Program (IAP)	200	0	Data Center Migration	Policy Packages
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	060	0	Technical Adjustments	Essential Packages
100-00-00-00000	Tier One and Tier Two Plan	080	0	May 2016 E-Board	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	081	0	September 2016 Emergency Board	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	091	0	Statewide Adjustment DAS Chgs	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	092	0	Statewide AG Adjustment	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	200	0	Data Center Migration	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	060	0	Technical Adjustments	Essential Packages

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Summary Cross Reference Listing and Packages  
BSU-003A

\_\_\_ Agency Request

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Summary Cross Reference Listing and Packages  
2017-19 Biennium**

**Agency Number: 45900  
BAM Analyst: Wittekind, Linnea  
Budget Coordinator: Barnett, Linda - (503)603-7570**

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
200-00-00-00000	Oregon Public Service Retirement Plan	080	0	May 2016 E-Board	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	081	0	September 2016 Emergency Board	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	091	0	Statewide Adjustment DAS Chgs	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	092	0	Statewide AG Adjustment	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	200	0	Data Center Migration	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	060	0	Technical Adjustments	Essential Packages
300-00-00-00000	Operations	080	0	May 2016 E-Board	Policy Packages
300-00-00-00000	Operations	081	0	September 2016 Emergency Board	Policy Packages
300-00-00-00000	Operations	090	0	Analyst Adjustments	Policy Packages
300-00-00-00000	Operations	091	0	Statewide Adjustment DAS Chgs	Policy Packages
300-00-00-00000	Operations	092	0	Statewide AG Adjustment	Policy Packages
300-00-00-00000	Operations	200	0	Data Center Migration	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

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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**

**2017-19 Biennium**

**Agency Number: 45900**

**BAM Analyst: Wittekind, Linnea**

**Budget Coordinator: Barnett, Linda - (503)603-7570**

<i>Cross Reference Number</i>	<i>Cross Reference Description</i>	<i>Package Number</i>	<i>Priority</i>	<i>Package Description</i>	<i>Package Group</i>
400-00-00-00000	Debt Service	032	0	Above Standard Inflation	Essential Packages
400-00-00-00000	Debt Service	060	0	Technical Adjustments	Essential Packages
400-00-00-00000	Debt Service	080	0	May 2016 E-Board	Policy Packages
400-00-00-00000	Debt Service	081	0	September 2016 Emergency Board	Policy Packages
400-00-00-00000	Debt Service	090	0	Analyst Adjustments	Policy Packages
400-00-00-00000	Debt Service	091	0	Statewide Adjustment DAS Chgs	Policy Packages
400-00-00-00000	Debt Service	092	0	Statewide AG Adjustment	Policy Packages
400-00-00-00000	Debt Service	200	0	Data Center Migration	Policy Packages
500-01-00-00000	Central Administration	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
500-01-00-00000	Central Administration	021	0	Phase - In	Essential Packages
500-01-00-00000	Central Administration	022	0	Phase-out Pgm & One-time Costs	Essential Packages
500-01-00-00000	Central Administration	031	0	Standard Inflation	Essential Packages
500-01-00-00000	Central Administration	032	0	Above Standard Inflation	Essential Packages
500-01-00-00000	Central Administration	060	0	Technical Adjustments	Essential Packages
500-01-00-00000	Central Administration	080	0	May 2016 E-Board	Policy Packages
500-01-00-00000	Central Administration	081	0	September 2016 Emergency Board	Policy Packages
500-01-00-00000	Central Administration	090	0	Analyst Adjustments	Policy Packages
500-01-00-00000	Central Administration	091	0	Statewide Adjustment DAS Chgs	Policy Packages
500-01-00-00000	Central Administration	092	0	Statewide AG Adjustment	Policy Packages
500-01-00-00000	Central Administration	101	1	Cybersecurity Program	Policy Packages
500-01-00-00000	Central Administration	102	2	Fully Integrating IAP Administration into the PERS ORION	Policy Packages
500-01-00-00000	Central Administration	103	3	Business Modernization	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  
2017-19 Biennium**

**Agency Number: 45900**

**BAM Analyst: Wittekind, Linnea**

**Budget Coordinator: Barnett, Linda - (503)603-7570**

<i>Cross Reference Number</i>	<i>Cross Reference Description</i>	<i>Package Number</i>	<i>Priority</i>	<i>Package Description</i>	<i>Package Group</i>
500-01-00-00000	Central Administration	200	0	Data Center Migration	Policy Packages
500-02-00-00000	Benefit Payments Division	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
500-02-00-00000	Benefit Payments Division	021	0	Phase - In	Essential Packages
500-02-00-00000	Benefit Payments Division	022	0	Phase-out Pgm & One-time Costs	Essential Packages
500-02-00-00000	Benefit Payments Division	031	0	Standard Inflation	Essential Packages
500-02-00-00000	Benefit Payments Division	032	0	Above Standard Inflation	Essential Packages
500-02-00-00000	Benefit Payments Division	060	0	Technical Adjustments	Essential Packages
500-02-00-00000	Benefit Payments Division	080	0	May 2016 E-Board	Policy Packages
500-02-00-00000	Benefit Payments Division	081	0	September 2016 Emergency Board	Policy Packages
500-02-00-00000	Benefit Payments Division	090	0	Analyst Adjustments	Policy Packages
500-02-00-00000	Benefit Payments Division	091	0	Statewide Adjustment DAS Chgs	Policy Packages
500-02-00-00000	Benefit Payments Division	092	0	Statewide AG Adjustment	Policy Packages
500-02-00-00000	Benefit Payments Division	101	1	Cybersecurity Program	Policy Packages
500-02-00-00000	Benefit Payments Division	102	2	Fully Integrating IAP Administration into the PERS ORION	Policy Packages
500-02-00-00000	Benefit Payments Division	103	3	Business Modernization	Policy Packages
500-02-00-00000	Benefit Payments Division	200	0	Data Center Migration	Policy Packages
500-03-00-00000	Financial & Admin Services Division (FASD)	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
500-03-00-00000	Financial & Admin Services Division (FASD)	021	0	Phase - In	Essential Packages
500-03-00-00000	Financial & Admin Services Division (FASD)	022	0	Phase-out Pgm & One-time Costs	Essential Packages
500-03-00-00000	Financial & Admin Services Division (FASD)	031	0	Standard Inflation	Essential Packages
500-03-00-00000	Financial & Admin Services Division (FASD)	032	0	Above Standard Inflation	Essential Packages
500-03-00-00000	Financial & Admin Services Division (FASD)	060	0	Technical Adjustments	Essential Packages

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Summary Cross Reference Listing and Packages  
BSU-003A

\_\_\_ Agency Request

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Budget Page 364

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Summary Cross Reference Listing and Packages  
2017-19 Biennium**

**Agency Number: 45900**

**BAM Analyst: Wittekind, Linnea**

**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>
500-03-00-00000	Financial & Admin Services Division (FASD)	080	0	May 2016 E-Board	Policy Packages
500-03-00-00000	Financial & Admin Services Division (FASD)	081	0	September 2016 Emergency Board	Policy Packages
500-03-00-00000	Financial & Admin Services Division (FASD)	090	0	Analyst Adjustments	Policy Packages
500-03-00-00000	Financial & Admin Services Division (FASD)	091	0	Statewide Adjustment DAS Chgs	Policy Packages
500-03-00-00000	Financial & Admin Services Division (FASD)	092	0	Statewide AG Adjustment	Policy Packages
500-03-00-00000	Financial & Admin Services Division (FASD)	101	1	Cybersecurity Program	Policy Packages
500-03-00-00000	Financial & Admin Services Division (FASD)	102	2	Fully Integrating IAP Administration into the PERS ORION	Policy Packages
500-03-00-00000	Financial & Admin Services Division (FASD)	103	3	Business Modernization	Policy Packages
500-03-00-00000	Financial & Admin Services Division (FASD)	200	0	Data Center Migration	Policy Packages
500-04-00-00000	Information Services Division	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
500-04-00-00000	Information Services Division	021	0	Phase - In	Essential Packages
500-04-00-00000	Information Services Division	022	0	Phase-out Pgm & One-time Costs	Essential Packages
500-04-00-00000	Information Services Division	031	0	Standard Inflation	Essential Packages
500-04-00-00000	Information Services Division	032	0	Above Standard Inflation	Essential Packages
500-04-00-00000	Information Services Division	060	0	Technical Adjustments	Essential Packages
500-04-00-00000	Information Services Division	080	0	May 2016 E-Board	Policy Packages
500-04-00-00000	Information Services Division	081	0	September 2016 Emergency Board	Policy Packages
500-04-00-00000	Information Services Division	090	0	Analyst Adjustments	Policy Packages
500-04-00-00000	Information Services Division	091	0	Statewide Adjustment DAS Chgs	Policy Packages
500-04-00-00000	Information Services Division	092	0	Statewide AG Adjustment	Policy Packages
500-04-00-00000	Information Services Division	101	1	Cybersecurity Program	Policy Packages
500-04-00-00000	Information Services Division	102	2	Fully Integrating IAP Administration into the PERS ORION	Policy Packages

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Summary Cross Reference Listing and Packages  
BSU-003A

\_\_\_ Agency Request

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Summary Cross Reference Listing and Packages  
2017-19 Biennium**

**Agency Number: 45900**

**BAM Analyst: Wittekind, Linnea**

**Budget Coordinator: Barnett, Linda - (503)603-7570**

<i>Cross Reference Number</i>	<i>Cross Reference Description</i>	<i>Package Number</i>	<i>Priority</i>	<i>Package Description</i>	<i>Package Group</i>
500-04-00-00000	Information Services Division	103	3	Business Modernization	Policy Packages
500-04-00-00000	Information Services Division	200	0	Data Center Migration	Policy Packages
500-05-00-00000	Customer Services Division	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
500-05-00-00000	Customer Services Division	021	0	Phase - In	Essential Packages
500-05-00-00000	Customer Services Division	022	0	Phase-out Pgm & One-time Costs	Essential Packages
500-05-00-00000	Customer Services Division	031	0	Standard Inflation	Essential Packages
500-05-00-00000	Customer Services Division	032	0	Above Standard Inflation	Essential Packages
500-05-00-00000	Customer Services Division	060	0	Technical Adjustments	Essential Packages
500-05-00-00000	Customer Services Division	080	0	May 2016 E-Board	Policy Packages
500-05-00-00000	Customer Services Division	081	0	September 2016 Emergency Board	Policy Packages
500-05-00-00000	Customer Services Division	090	0	Analyst Adjustments	Policy Packages
500-05-00-00000	Customer Services Division	091	0	Statewide Adjustment DAS Chgs	Policy Packages
500-05-00-00000	Customer Services Division	092	0	Statewide AG Adjustment	Policy Packages
500-05-00-00000	Customer Services Division	101	1	Cybersecurity Program	Policy Packages
500-05-00-00000	Customer Services Division	102	2	Fully Integrating IAP Administration into the PERS ORION	Policy Packages
500-05-00-00000	Customer Services Division	103	3	Business Modernization	Policy Packages
500-05-00-00000	Customer Services Division	200	0	Data Center Migration	Policy Packages
500-06-00-00000	Policy Planning Legislative Analysis Division	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
500-06-00-00000	Policy Planning Legislative Analysis Division	021	0	Phase - In	Essential Packages
500-06-00-00000	Policy Planning Legislative Analysis Division	022	0	Phase-out Pgm & One-time Costs	Essential Packages
500-06-00-00000	Policy Planning Legislative Analysis Division	031	0	Standard Inflation	Essential Packages
500-06-00-00000	Policy Planning Legislative Analysis Division	032	0	Above Standard Inflation	Essential Packages

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Summary Cross Reference Listing and Packages  
BSU-003A

\_\_\_ Agency Request

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Summary Cross Reference Listing and Packages  
2017-19 Biennium**

**Agency Number: 45900  
BAM Analyst: Wittekind, Linnea  
Budget Coordinator: Barnett, Linda - (503)603-7570**

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
500-06-00-00000	Policy Planning Legislative Analysis Division	060	0	Technical Adjustments	Essential Packages
500-06-00-00000	Policy Planning Legislative Analysis Division	080	0	May 2016 E-Board	Policy Packages
500-06-00-00000	Policy Planning Legislative Analysis Division	081	0	September 2016 Emergency Board	Policy Packages
500-06-00-00000	Policy Planning Legislative Analysis Division	090	0	Analyst Adjustments	Policy Packages
500-06-00-00000	Policy Planning Legislative Analysis Division	091	0	Statewide Adjustment DAS Chgs	Policy Packages
500-06-00-00000	Policy Planning Legislative Analysis Division	092	0	Statewide AG Adjustment	Policy Packages
500-06-00-00000	Policy Planning Legislative Analysis Division	101	1	Cybersecurity Program	Policy Packages
500-06-00-00000	Policy Planning Legislative Analysis Division	102	2	Fully Integrating IAP Administration into the PERS ORION	Policy Packages
500-06-00-00000	Policy Planning Legislative Analysis Division	103	3	Business Modernization	Policy Packages
500-06-00-00000	Policy Planning Legislative Analysis Division	200	0	Data Center Migration	Policy Packages
500-07-00-00000	Policy, Planning & Communications Division	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
500-07-00-00000	Policy, Planning & Communications Division	021	0	Phase - In	Essential Packages
500-07-00-00000	Policy, Planning & Communications Division	022	0	Phase-out Pgm & One-time Costs	Essential Packages
500-07-00-00000	Policy, Planning & Communications Division	031	0	Standard Inflation	Essential Packages
500-07-00-00000	Policy, Planning & Communications Division	032	0	Above Standard Inflation	Essential Packages
500-07-00-00000	Policy, Planning & Communications Division	060	0	Technical Adjustments	Essential Packages
500-07-00-00000	Policy, Planning & Communications Division	080	0	May 2016 E-Board	Policy Packages
500-07-00-00000	Policy, Planning & Communications Division	081	0	September 2016 Emergency Board	Policy Packages
500-07-00-00000	Policy, Planning & Communications Division	090	0	Analyst Adjustments	Policy Packages
500-07-00-00000	Policy, Planning & Communications Division	091	0	Statewide Adjustment DAS Chgs	Policy Packages
500-07-00-00000	Policy, Planning & Communications Division	092	0	Statewide AG Adjustment	Policy Packages
500-07-00-00000	Policy, Planning & Communications Division	101	1	Cybersecurity Program	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

Agency Number: 45900

2017-19 Biennium

BAM Analyst: Wittekind, Linnea

Budget Coordinator: Barnett, Linda - (503)603-7570

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
500-07-00-00000	Policy, Planning & Communications Division	102	2	Fully Integrating IAP Administration into the PERS ORION	Policy Packages
500-07-00-00000	Policy, Planning & Communications Division	103	3	Business Modernization	Policy Packages
500-07-00-00000	Policy, Planning & Communications Division	200	0	Data Center Migration	Policy Packages

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

Policy Package List by Priority  
2017-19 Biennium

Agency Number: 45900

BAM Analyst: Wittekind, Linnea

Budget Coordinator: Barnett, Linda - (503)603-7570

Priority	Policy Pkg Number	Policy Pkg Description	Summary Cross Reference Number	Cross Reference Description
0	080	May 2016 E-Board	010-01-00-00000	Tier One and Tier Two Pension Programs
			010-02-00-00000	Retirement Health Insurance Programs
			010-03-00-00000	Oregon Public Service Retirement Pension Pgm
			010-04-00-00000	Individual Account Program (IAP)
			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
			500-01-00-00000	Central Administration
			500-02-00-00000	Benefit Payments Division
	500-03-00-00000	Financial & Admin Services Division (FASD)		
	500-04-00-00000	Information Services Division		
	500-05-00-00000	Customer Services Division		
	500-06-00-00000	Policy Planning Legislative Analysis Division		
	500-07-00-00000	Policy, Planning & Communications Division		
	081	September 2016 Emergency Board	010-01-00-00000	Tier One and Tier Two Pension Programs
			010-02-00-00000	Retirement Health Insurance Programs
			010-03-00-00000	Oregon Public Service Retirement Pension Pgm
			010-04-00-00000	Individual Account Program (IAP)
			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	

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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  
2017-19 Biennium

Agency Number: 45900

BAM Analyst: Wittekind, Linnea

Budget Coordinator: Barnett, Linda - (503)603-7570

Priority	Policy Pkg Number	Policy Pkg Description	Summary Cross Reference Number	Cross Reference Description
0	081	September 2016 Emergency Board	500-01-00-00000	Central Administration
			500-02-00-00000	Benefit Payments Division
			500-03-00-00000	Financial & Admin Services Division (FASD)
			500-04-00-00000	Information Services Division
			500-05-00-00000	Customer Services Division
			500-06-00-00000	Policy Planning Legislative Analysis Division
			500-07-00-00000	Policy, Planning & Communications Division
	090	Analyst Adjustments	010-01-00-00000	Tier One and Tier Two Pension Programs
			010-02-00-00000	Retirement Health Insurance Programs
			010-03-00-00000	Oregon Public Service Retirement Pension Pgm
			010-04-00-00000	Individual Account Program (IAP)
			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
			500-01-00-00000	Central Administration
			500-02-00-00000	Benefit Payments Division
			500-03-00-00000	Financial & Admin Services Division (FASD)
			500-04-00-00000	Information Services Division
			500-05-00-00000	Customer Services Division
	500-06-00-00000	Policy Planning Legislative Analysis Division		
	500-07-00-00000	Policy, Planning & Communications Division		
	091	Statewide Adjustment DAS Chgs	010-01-00-00000	Tier One and Tier Two Pension Programs

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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  
2017-19 Biennium

Agency Number: 45900

BAM Analyst: Wittekind, Linnea

Budget Coordinator: Barnett, Linda - (503)603-7570

Priority	Policy Pkg Number	Policy Pkg Description	Summary Cross Reference Number	Cross Reference Description
0	091	Statewide Adjustment DAS Chgs	010-02-00-00000	Retirement Health Insurance Programs
			010-03-00-00000	Oregon Public Service Retirement Pension Pgm
			010-04-00-00000	Individual Account Program (IAP)
			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
			500-01-00-00000	Central Administration
			500-02-00-00000	Benefit Payments Division
			500-03-00-00000	Financial & Admin Services Division (FASD)
	500-04-00-00000	Information Services Division		
	500-05-00-00000	Customer Services Division		
	500-06-00-00000	Policy Planning Legislative Analysis Division		
	500-07-00-00000	Policy, Planning & Communications Division		
	092	Statewide AG Adjustment	010-01-00-00000	Tier One and Tier Two Pension Programs
			010-02-00-00000	Retirement Health Insurance Programs
			010-03-00-00000	Oregon Public Service Retirement Pension Pgm
			010-04-00-00000	Individual Account Program (IAP)
			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	
500-01-00-00000			Central Administration	

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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  
2017-19 Biennium

Agency Number: 45900

BAM Analyst: Wittekind, Linnea

Budget Coordinator: Barnett, Linda - (503)603-7570

Priority	Policy Pkg Number	Policy Pkg Description	Summary Cross Reference Number	Cross Reference Description
0	092	Statewide AG Adjustment	500-02-00-00000	Benefit Payments Division
			500-03-00-00000	Financial & Admin Services Division (FASD)
			500-04-00-00000	Information Services Division
			500-05-00-00000	Customer Services Division
			500-06-00-00000	Policy Planning Legislative Analysis Division
			500-07-00-00000	Policy, Planning & Communications Division
			010-01-00-00000	Tier One and Tier Two Pension Programs
	200	Data Center Migration	010-02-00-00000	Retirement Health Insurance Programs
			010-03-00-00000	Oregon Public Service Retirement Pension Pgm
			010-04-00-00000	Individual Account Program (IAP)
			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
			500-01-00-00000	Central Administration
			500-02-00-00000	Benefit Payments Division
			500-03-00-00000	Financial & Admin Services Division (FASD)
			500-04-00-00000	Information Services Division
			500-05-00-00000	Customer Services Division
			500-06-00-00000	Policy Planning Legislative Analysis Division
500-07-00-00000	Policy, Planning & Communications Division			
1	101	Cybersecurity Program	500-01-00-00000	Central Administration
			500-02-00-00000	Benefit Payments Division

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

Policy Package List by Priority  
2017-19 Biennium

Agency Number: 45900

BAM Analyst: Wittekind, Linnea

Budget Coordinator: Barnett, Linda - (503)603-7570

Priority	Policy Pkg Number	Policy Pkg Description	Summary Cross Reference Number	Cross Reference Description
1	101	Cybersecurity Program	500-03-00-00000	Financial & Admin Services Division (FASD)
			500-04-00-00000	Information Services Division
			500-05-00-00000	Customer Services Division
			500-06-00-00000	Policy Planning Legislative Analysis Division
			500-07-00-00000	Policy, Planning & Communications Division
2	102	Fully Integrating IAP Administration into the PE	500-01-00-00000	Central Administration
			500-02-00-00000	Benefit Payments Division
			500-03-00-00000	Financial & Admin Services Division (FASD)
			500-04-00-00000	Information Services Division
			500-05-00-00000	Customer Services Division
			500-06-00-00000	Policy Planning Legislative Analysis Division
			500-07-00-00000	Policy, Planning & Communications Division
3	103	Business Modernization	500-01-00-00000	Central Administration
			500-02-00-00000	Benefit Payments Division
			500-03-00-00000	Financial & Admin Services Division (FASD)
			500-04-00-00000	Information Services Division
			500-05-00-00000	Customer Services Division
			500-06-00-00000	Policy Planning Legislative Analysis Division
			500-07-00-00000	Policy, Planning & Communications Division

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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**

**2017-19 Biennium**

**Public Employees Retirement System, Oregon**

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
<b>BEGINNING BALANCE</b>						
<b>0025 Beginning Balance</b>						
3200 Other Funds Non-Ltd	64,777,072,131	68,648,502,088	68,648,502,088	80,782,999,403	80,782,999,403	-
3400 Other Funds Ltd	1,763,254	2,033,811	2,033,811	2,211,608	2,211,608	-
All Funds	64,778,835,385	68,650,535,899	68,650,535,899	80,785,211,011	80,785,211,011	-
<b>0030 Beginning Balance Adjustment</b>						
3200 Other Funds Non-Ltd	1,608,079,706	-	-	-	-	-
3400 Other Funds Ltd	3,231,912	-	-	-	-	-
All Funds	1,611,311,618	-	-	-	-	-
<b>BEGINNING BALANCE</b>						
3200 Other Funds Non-Ltd	66,385,151,837	68,648,502,088	68,648,502,088	80,782,999,403	80,782,999,403	-
3400 Other Funds Ltd	4,995,166	2,033,811	2,033,811	2,211,608	2,211,608	-
<b>TOTAL BEGINNING BALANCE</b>	<b>\$66,390,147,003</b>	<b>\$68,650,535,899</b>	<b>\$68,650,535,899</b>	<b>\$80,785,211,011</b>	<b>\$80,785,211,011</b>	-
<b>REVENUE CATEGORIES</b>						
<b>CHARGES FOR SERVICES</b>						
<b>0410 Charges for Services</b>						
3200 Other Funds Non-Ltd	71,310	488,193,674	488,193,674	756,071,500	756,071,500	-
3400 Other Funds Ltd	3,074,964	3,794,821	3,794,821	4,175,500	4,175,500	-
All Funds	3,146,274	491,988,495	491,988,495	760,247,000	760,247,000	-
<b>INTEREST EARNINGS</b>						
<b>0605 Interest Income</b>						
3200 Other Funds Non-Ltd	11,949,444,555	14,298,922,810	14,298,922,810	14,316,670,000	14,316,670,000	-
3400 Other Funds Ltd	25,032	30,291	30,291	29,150	29,150	-

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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**

**2017-19 Biennium**

**Public Employees Retirement System, Oregon**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
All Funds	11,949,469,587	14,298,953,101	14,298,953,101	14,316,699,150	14,316,699,150	
<b>DONATIONS AND CONTRIBUTIONS</b>						
<b>0915 Retirement System Contribution</b>						
3200 Other Funds Non-Ltd	3,312,348,727	3,532,290,966	3,532,290,966	4,785,800,000	4,785,800,000	-
<b>INSURANCE PREMIUM</b>						
<b>0965 Insurance Premiums</b>						
3200 Other Funds Non-Ltd	409,003,005	-	-	-	-	-
<b>OTHER</b>						
<b>0975 Other Revenues</b>						
3200 Other Funds Non-Ltd	49,394,357	493,001	493,001	-	-	-
3400 Other Funds Ltd	183,224	74,000	74,000	50,000	50,000	-
All Funds	49,577,581	567,001	567,001	50,000	50,000	-
<b>TRANSFERS IN</b>						
<b>1010 Transfer In - Intrafund</b>						
3400 Other Funds Ltd	74,450,261	90,872,552	103,480,139	104,683,048	105,318,631	-
3430 Other Funds Debt Svc Ltd	1,302,850	1,290,750	1,290,750	-	-	-
All Funds	75,753,111	92,163,302	104,770,889	104,683,048	105,318,631	-
<b>REVENUE CATEGORIES</b>						
3200 Other Funds Non-Ltd	15,720,261,954	18,319,900,451	18,319,900,451	19,858,541,500	19,858,541,500	-
3400 Other Funds Ltd	77,733,481	94,771,664	107,379,251	108,937,698	109,573,281	-
3430 Other Funds Debt Svc Ltd	1,302,850	1,290,750	1,290,750	-	-	-
<b>TOTAL REVENUE CATEGORIES</b>	<b>\$15,799,298,285</b>	<b>\$18,415,962,865</b>	<b>\$18,428,570,452</b>	<b>\$19,967,479,198</b>	<b>\$19,968,114,781</b>	<b>-</b>

**TRANSFERS OUT**

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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**

**2017-19 Biennium**

**Public Employees Retirement System, Oregon**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>2010 Transfer Out - Intrafund</b>						
3200 Other Funds Non-Ltd	(75,753,111)	(92,004,161)	(104,511,748)	(104,447,116)	(105,082,699)	-
3400 Other Funds Ltd	-	(159,141)	(159,141)	(235,932)	(235,932)	-
All Funds	(75,753,111)	(92,163,302)	(104,770,889)	(104,683,048)	(105,318,631)	-
<b>AVAILABLE REVENUES</b>						
3200 Other Funds Non-Ltd	82,029,660,680	86,876,398,378	86,883,790,791	100,537,093,787	100,536,458,204	-
3400 Other Funds Ltd	82,728,647	96,646,334	109,253,921	110,913,374	111,548,957	-
3430 Other Funds Debt Svc Ltd	1,302,850	1,290,750	1,290,750	-	-	-
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$82,113,692,177</b>	<b>\$86,974,335,462</b>	<b>\$86,974,335,462</b>	<b>\$100,648,007,161</b>	<b>\$100,648,007,161</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	36,924,715	41,900,664	44,344,316	47,982,166	46,796,088	-
<b>3160 Temporary Appointments</b>						
3400 Other Funds Ltd	268,624	170,055	170,055	178,346	176,346	-
<b>3170 Overtime Payments</b>						
3400 Other Funds Ltd	499,890	582,505	582,505	604,059	604,059	-
<b>3180 Shift Differential</b>						
3400 Other Funds Ltd	6,829	2,210	2,210	2,292	2,292	-
<b>3190 All Other Differential</b>						
3400 Other Funds Ltd	732,653	234,027	234,027	242,685	242,685	-
<b>SALARIES &amp; WAGES</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**

**2017-19 Biennium**

**Public Employees Retirement System, Oregon**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
3400 Other Funds Ltd	38,432,711	42,889,461	45,333,113	49,007,550	47,821,470	-
<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$38,432,711</b>	<b>\$42,889,461</b>	<b>\$45,333,113</b>	<b>\$49,007,550</b>	<b>\$47,821,470</b>	-
<b>OTHER PAYROLL EXPENSES</b>						
<b>3210 Empl. Rel. Bd. Assessments</b>						
3400 Other Funds Ltd	13,452	16,720	16,720	21,945	21,489	-
<b>3220 Public Employees' Retire Cont</b>						
3200 Other Funds Non-Ltd	1,816	-	-	-	-	-
3400 Other Funds Ltd	5,567,881	6,745,395	7,131,247	7,053,070	6,895,263	-
All Funds	5,569,697	6,745,395	7,131,247	7,053,070	6,895,263	-
<b>3221 Pension Obligation Bond</b>						
3400 Other Funds Ltd	2,487,277	2,553,914	2,513,648	2,747,083	2,747,083	-
<b>3230 Social Security Taxes</b>						
3400 Other Funds Ltd	2,889,297	3,278,020	3,464,959	3,745,324	3,654,589	-
<b>3240 Unemployment Assessments</b>						
3400 Other Funds Ltd	34,663	41,796	41,796	43,342	43,342	-
<b>3250 Worker's Comp. Assess. (WCD)</b>						
3400 Other Funds Ltd	21,549	26,220	26,220	26,634	26,082	-
<b>3260 Mass Transit Tax</b>						
3400 Other Funds Ltd	230,757	310,390	325,053	294,046	286,945	-
<b>3270 Flexible Benefits</b>						
3400 Other Funds Ltd	10,311,451	11,600,640	11,600,640	12,867,696	12,601,008	-
<b>OTHER PAYROLL EXPENSES</b>						
3200 Other Funds Non-Ltd	1,816	-	-	-	-	-

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BDV103A - Budget Support - Detail Revenues & Expenditures  
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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

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

**2017-19 Biennium**

**Public Employees Retirement System, Oregon**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
3400 Other Funds Ltd	21,556,337	24,573,095	25,120,283	26,799,140	26,275,801	-
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$21,558,153</b>	<b>\$24,573,095</b>	<b>\$25,120,283</b>	<b>\$26,799,140</b>	<b>\$26,275,801</b>	-
<b>P.S. BUDGET ADJUSTMENTS</b>						
<b>3455 Vacancy Savings</b>						
3400 Other Funds Ltd	-	(928,574)	(928,574)	(286,757)	(286,757)	-
<b>3465 Reconciliation Adjustment</b>						
3400 Other Funds Ltd	-	(3)	(3)	-	596,647	-
<b>P.S. BUDGET ADJUSTMENTS</b>						
3400 Other Funds Ltd	-	(928,577)	(928,577)	(286,757)	310,090	-
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	<b>-</b>	<b>(\$928,577)</b>	<b>(\$928,577)</b>	<b>(\$286,757)</b>	<b>\$310,090</b>	-
<b>PERSONAL SERVICES</b>						
3200 Other Funds Non-Ltd	1,816	-	-	-	-	-
3400 Other Funds Ltd	59,989,048	86,533,979	69,524,819	75,519,933	74,407,361	-
<b>TOTAL PERSONAL SERVICES</b>	<b>\$59,990,864</b>	<b>\$86,533,979</b>	<b>\$69,524,819</b>	<b>\$75,519,933</b>	<b>\$74,407,361</b>	-
<b>SERVICES &amp; SUPPLIES</b>						
<b>4100 Instate Travel</b>						
3400 Other Funds Ltd	221,989	226,069	226,069	234,433	234,433	-
<b>4125 Out of State Travel</b>						
3400 Other Funds Ltd	56	8,131	8,131	8,431	8,431	-
<b>4150 Employee Training</b>						
3400 Other Funds Ltd	520,859	621,703	621,703	616,601	610,106	-
<b>4175 Office Expenses</b>						
3400 Other Funds Ltd	1,671,750	1,665,849	1,665,849	1,756,376	1,724,122	-

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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**

**2017-19 Biennium**

**Public Employees Retirement System, Oregon**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>4200 Telecommunications</b>						
3400 Other Funds Ltd	481,978	582,442	582,442	603,992	603,992	-
<b>4225 State Gov. Service Charges</b>						
3400 Other Funds Ltd	1,178,297	4,404,108	11,105,278	4,935,739	4,754,836	-
<b>4250 Data Processing</b>						
3400 Other Funds Ltd	2,408,978	4,003,642	4,003,642	3,311,646	3,720,866	-
<b>4275 Publicity and Publications</b>						
3400 Other Funds Ltd	190,777	234,513	234,513	243,190	243,190	-
<b>4300 Professional Services</b>						
3200 Other Funds Non-Ltd	62,064,569	95,101,418	95,101,418	89,171,000	88,992,792	-
3400 Other Funds Ltd	2,479,321	3,492,570	3,492,570	2,878,668	2,878,668	-
All Funds	64,543,890	98,593,988	98,593,988	92,049,668	91,871,460	-
<b>4315 IT Professional Services</b>						
3400 Other Funds Ltd	4,457,166	4,616,506	7,532,083	10,409,460	10,237,444	-
<b>4325 Attorney General</b>						
3400 Other Funds Ltd	1,050,635	1,076,863	1,076,863	1,218,363	1,138,316	-
<b>4350 Dispute Resolution Services</b>						
3400 Other Funds Ltd	221,092	180,500	180,500	297,700	297,700	-
<b>4375 Employee Recruitment and Develop</b>						
3400 Other Funds Ltd	18,088	61,004	61,004	57,182	57,182	-
<b>4400 Dues and Subscriptions</b>						
3400 Other Funds Ltd	125,571	37,298	37,298	1,075,678	1,075,678	-
<b>4425 Facilities Rental and Taxes</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**

**2017-19 Biennium**

**Public Employees Retirement System, Oregon**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
3400 Other Funds Ltd	844,391	907,757	907,757	964,645	964,645	-
<b>4450 Fuels and Utilities</b>						
3400 Other Funds Ltd	201,408	287,500	287,500	298,138	298,138	-
<b>4475 Facilities Maintenance</b>						
3400 Other Funds Ltd	775,905	1,246,200	1,246,200	1,292,309	1,292,309	-
<b>4575 Agency Program Related S and S</b>						
3200 Other Funds Non-Ltd	5,517,088	4,580,434	4,580,434	4,900,000	4,890,207	-
3400 Other Funds Ltd	10,344	-	-	-	-	-
All Funds	5,527,432	4,580,434	4,580,434	4,900,000	4,890,207	-
<b>4625 Other COI Costs</b>						
3400 Other Funds Ltd	-	2,682	2,682	2,781	2,781	-
<b>4650 Other Services and Supplies</b>						
3400 Other Funds Ltd	344,874	812,435	812,435	794,614	780,809	-
<b>4700 Expendable Prop 250 - 5000</b>						
3400 Other Funds Ltd	126,843	100,397	100,397	99,669	93,849	-
<b>4715 IT Expendable Property</b>						
3400 Other Funds Ltd	1,142,204	647,199	647,199	653,369	625,369	-
<b>SERVICES &amp; SUPPLIES</b>						
3200 Other Funds Non-Ltd	67,581,657	99,681,852	99,681,852	94,071,000	93,882,999	-
3400 Other Funds Ltd	18,472,328	25,215,368	24,832,115	31,752,984	31,642,664	-
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$86,053,985</b>	<b>\$124,897,220</b>	<b>\$134,513,967</b>	<b>\$125,823,984</b>	<b>\$125,525,663</b>	<b>-</b>

**CAPITAL OUTLAY**

**5100 Office Furniture and Fixtures**

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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**

**2017-19 Biennium**

**Public Employees Retirement System, Oregon**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
3400 Other Funds Ltd	39,766	34,506	34,506	35,783	35,783	-
<b>5150 Telecommunications Equipment</b>						
3400 Other Funds Ltd	559,648	70,145	70,145	72,740	72,740	-
<b>5200 Technical Equipment</b>						
3400 Other Funds Ltd	226,645	-	-	-	-	-
<b>5550 Data Processing Software</b>						
3400 Other Funds Ltd	203,290	539,496	539,496	612,328	312,328	-
<b>5600 Data Processing Hardware</b>						
3400 Other Funds Ltd	880,046	1,477,660	1,477,660	796,651	420,151	-
<b>5900 Other Capital Outlay</b>						
3400 Other Funds Ltd	257,543	-	-	-	-	-
<b>CAPITAL OUTLAY</b>						
3400 Other Funds Ltd	2,166,938	2,121,807	2,121,807	1,517,502	841,002	-
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$2,166,938</b>	<b>\$2,121,807</b>	<b>\$2,121,807</b>	<b>\$1,517,502</b>	<b>\$841,002</b>	<b>-</b>
<b>SPECIAL PAYMENTS</b>						
<b>6030 Dist to Non-Gov Units</b>						
3200 Other Funds Non-Ltd	464,408,128	462,993,027	462,993,027	726,100,000	726,100,000	-
<b>6035 Dist to Individuals</b>						
3200 Other Funds Non-Ltd	8,495,962,164	9,160,783,183	9,160,783,183	10,174,000,000	10,174,000,000	-
<b>6107 Spc Pmt to Administrative Svcs</b>						
3400 Other Funds Ltd	-	-	-	-	2,252,966	-
<b>SPECIAL PAYMENTS</b>						
3200 Other Funds Non-Ltd	8,960,370,292	9,623,776,210	9,623,776,210	10,900,100,000	10,900,100,000	-

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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**

**2017-19 Biennium**

**Public Employees Retirement System, Oregon**

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
3400 Other Funds Ltd	-	-	-	-	2,252,966	-
<b>TOTAL SPECIAL PAYMENTS</b>	<b>\$8,960,370,292</b>	<b>\$9,623,776,210</b>	<b>\$9,623,776,210</b>	<b>\$10,900,100,000</b>	<b>\$10,902,352,966</b>	-
<b>DEBT SERVICE</b>						
<b>7100 Principal - Bonds</b>						
3430 Other Funds Debt Svc Ltd	1,110,000	1,200,000	1,200,000	-	-	-
<b>7150 Interest - Bonds</b>						
3430 Other Funds Debt Svc Ltd	192,850	90,750	90,750	-	-	-
<b>DEBT SERVICE</b>						
3430 Other Funds Debt Svc Ltd	1,302,850	1,290,750	1,290,750	-	-	-
<b>TOTAL DEBT SERVICE</b>	<b>\$1,302,850</b>	<b>\$1,290,750</b>	<b>\$1,290,750</b>	-	-	-
<b>EXPENDITURES</b>						
3200 Other Funds Non-Ltd	9,027,953,766	9,723,458,062	9,723,458,062	10,994,171,000	10,993,982,999	-
3400 Other Funds Ltd	80,628,314	93,871,154	106,478,741	108,790,419	109,143,993	-
3430 Other Funds Debt Svc Ltd	1,302,850	1,290,750	1,290,750	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$9,109,884,929</b>	<b>\$9,818,619,966</b>	<b>\$9,831,227,553</b>	<b>\$11,102,961,419</b>	<b>\$11,103,126,992</b>	-
<b>ENDING BALANCE</b>						
3200 Other Funds Non-Ltd	73,001,706,915	77,152,940,316	77,140,332,729	89,542,922,787	89,542,475,205	-
3400 Other Funds Ltd	2,100,333	2,775,180	2,775,180	2,122,955	2,404,964	-
<b>TOTAL ENDING BALANCE</b>	<b>\$73,003,807,248</b>	<b>\$77,155,715,496</b>	<b>\$77,143,107,909</b>	<b>\$89,545,045,742</b>	<b>\$89,544,880,169</b>	-
<b>AUTHORIZED POSITIONS</b>						
8150 Class/Unclass Positions	372	380	380	386	378	-
<b>TOTAL AUTHORIZED POSITIONS</b>	<b>372</b>	<b>380</b>	<b>380</b>	<b>386</b>	<b>378</b>	-
<b>AUTHORIZED FTE</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**

**2017-19 Biennium**

**Public Employees Retirement System, Oregon**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
8250 Class/Unclass FTE Positions	369.18	380.00	380.00	386.00	378.00	-
<b>TOTAL AUTHORIZED FTE</b>	<b>369.18</b>	<b>380.00</b>	<b>380.00</b>	<b>386.00</b>	<b>378.00</b>	<b>-</b>

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-010-00-00-00000**

**2017-19 Biennium**

**Non-Limited Programs**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>BEGINNING BALANCE</b>						
0025 Beginning Balance						
3200 Other Funds Non-Ltd	64,777,072,131	68,648,502,088	68,648,502,088	80,782,999,403	80,782,999,403	-
0030 Beginning Balance Adjustment						
3200 Other Funds Non-Ltd	8,224,634,784	-	-	-	-	-
<b>BEGINNING BALANCE</b>						
3200 Other Funds Non-Ltd	73,001,706,915	68,648,502,088	68,648,502,088	80,782,999,403	80,782,999,403	-
<b>TOTAL BEGINNING BALANCE</b>	<b>\$73,001,706,915</b>	<b>\$68,648,502,088</b>	<b>\$68,648,502,088</b>	<b>\$80,782,999,403</b>	<b>\$80,782,999,403</b>	<b>-</b>
<b>REVENUE CATEGORIES</b>						
<b>CHARGES FOR SERVICES</b>						
0410 Charges for Services						
3200 Other Funds Non-Ltd	-	488,193,674	488,193,674	756,071,500	756,071,500	-
<b>INTEREST EARNINGS</b>						
0605 Interest Income						
3200 Other Funds Non-Ltd		14,298,922,810	14,298,922,810	14,316,670,000	14,316,670,000	-
<b>DONATIONS AND CONTRIBUTIONS</b>						
0915 Retirement System Contribution						
3200 Other Funds Non-Ltd		3,532,290,966	3,532,290,966	4,785,800,000	4,785,800,000	-
<b>OTHER</b>						
0975 Other Revenues						
3200 Other Funds Non-Ltd		493,001	493,001	-	-	-
<b>REVENUE CATEGORIES</b>						
3200 Other Funds Non-Ltd	-	18,319,900,451	18,319,900,451	19,858,541,500	19,858,541,500	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-010-00-00-00000**

**2017-19 Biennium**

**Non-Limited Programs**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>TOTAL REVENUE CATEGORIES</b>	-	\$18,319,900,451	\$18,319,900,451	\$19,858,541,500	\$19,858,541,500	-
<b>TRANSFERS OUT</b>						
<b>2010 Transfer Out - Intrafund</b>						
3200 Other Funds Non-Ltd	-	(92,004,161)	(104,611,748)	(104,447,118)	(105,082,699)	-
<b>AVAILABLE REVENUES</b>						
3200 Other Funds Non-Ltd	73,001,706,915	86,876,398,378	86,863,790,791	100,537,093,787	100,536,458,204	-
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$73,001,706,915</b>	<b>\$86,876,398,378</b>	<b>\$86,863,790,791</b>	<b>\$100,537,093,787</b>	<b>\$100,536,458,204</b>	-
<b>EXPENDITURES</b>						
<b>SERVICES &amp; SUPPLIES</b>						
<b>4300 Professional Services</b>						
3200 Other Funds Non-Ltd	-	95,101,418	95,101,418	89,171,000	88,992,792	-
<b>4575 Agency Program Related S and S</b>						
3200 Other Funds Non-Ltd	-	4,580,434	4,580,434	4,900,000	4,890,207	-
<b>SERVICES &amp; SUPPLIES</b>						
3200 Other Funds Non-Ltd	-	99,681,852	99,681,852	94,071,000	93,882,999	-
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>\$99,681,852</b>	<b>\$99,681,852</b>	<b>\$94,071,000</b>	<b>\$93,882,999</b>	-
<b>SPECIAL PAYMENTS</b>						
<b>6030 Dist to Non-Gov Units</b>						
3200 Other Funds Non-Ltd	-	462,993,027	462,993,027	726,100,000	726,100,000	-
<b>6035 Dist to Individuals</b>						
3200 Other Funds Non-Ltd	-	9,160,783,183	9,160,783,183	10,174,000,000	10,174,000,000	-
<b>SPECIAL PAYMENTS</b>						
3200 Other Funds Non-Ltd	-	9,623,776,210	9,623,776,210	10,800,100,000	10,900,100,000	-
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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-010-00-00-00000**

**2017-19 Biennium**

**Non-Limited Programs**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>TOTAL SPECIAL PAYMENTS</b>	-	\$9,623,776,210	\$9,623,776,210	\$10,900,100,000	\$10,900,100,000	-
<b>EXPENDITURES</b>						
3200 Other Funds Non-Ltd	-	9,723,458,062	9,723,458,062	10,994,171,000	10,993,982,999	-
<b>TOTAL EXPENDITURES</b>	-	\$9,723,458,062	\$9,723,458,062	\$10,994,171,000	\$10,993,982,999	-
<b>ENDING BALANCE</b>						
3200 Other Funds Non-Ltd	73,001,706,915	77,152,940,316	77,140,332,729	89,542,922,787	89,542,475,205	-
<b>TOTAL ENDING BALANCE</b>	\$73,001,706,915	\$77,152,940,316	\$77,140,332,729	\$89,542,922,787	\$89,542,475,205	-

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-010-01-00-00000**

**2017-19 Biennium**

**Tier One and Tier Two Pension Programs**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>BEGINNING BALANCE</b>						
0025 Beginning Balance						
3200 Other Funds Non-Ltd	57,602,603,846	59,505,006,564	59,505,006,564	68,128,458,017	68,128,458,017	-
0030 Beginning Balance Adjustment						
3200 Other Funds Non-Ltd	5,579,921,943	-	-	-	-	-
<b>BEGINNING BALANCE</b>						
3200 Other Funds Non-Ltd	63,182,525,789	59,505,006,564	59,505,006,564	68,128,458,017	68,128,458,017	-
<b>TOTAL BEGINNING BALANCE</b>	<b>\$63,182,525,789</b>	<b>\$59,505,006,564</b>	<b>\$59,505,006,564</b>	<b>\$68,128,458,017</b>	<b>\$68,128,458,017</b>	<b>-</b>
<b>REVENUE CATEGORIES</b>						
<b>CHARGES FOR SERVICES</b>						
0410 Charges for Services						
3200 Other Funds Non-Ltd	-	23,485	23,485	12,500	12,500	-
<b>INTEREST EARNINGS</b>						
0605 Interest Income						
3200 Other Funds Non-Ltd	-	11,977,047,107	11,977,047,107	12,500,000,000	12,500,000,000	-
<b>DONATIONS AND CONTRIBUTIONS</b>						
0915 Retirement System Contribution						
3200 Other Funds Non-Ltd	-	1,723,725,616	1,723,725,616	2,300,000,000	2,300,000,000	-
<b>REVENUE CATEGORIES</b>						
3200 Other Funds Non-Ltd	-	13,700,796,208	13,700,796,208	14,800,012,500	14,800,012,500	-
<b>TOTAL REVENUE CATEGORIES</b>	<b>-</b>	<b>\$13,700,796,208</b>	<b>\$13,700,796,208</b>	<b>\$14,800,012,500</b>	<b>\$14,800,012,500</b>	<b>-</b>
<b>TRANSFERS OUT</b>						
2010 Transfer Out - Intrafund						

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-010-01-00-00000**

**2017-19 Biennium**

**Tier One and Tier Two Pension Programs**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
3200 Other Funds Non-Ltd	-	(65,560,497)	(73,609,086)	(73,884,636)	(74,620,219)	-
<b>AVAILABLE REVENUES</b>						
3200 Other Funds Non-Ltd	63,182,525,789	73,140,242,275	73,132,193,686	82,854,485,881	82,853,850,298	-
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$63,182,525,789</b>	<b>\$73,140,242,275</b>	<b>\$73,132,193,686</b>	<b>\$82,854,485,881</b>	<b>\$82,853,850,298</b>	<b>-</b>
<b>EXPENDITURES</b>						
<b>SPECIAL PAYMENTS</b>						
<b>5035 Dist to Individuals</b>						
3200 Other Funds Non-Ltd	-	8,262,947,862	8,262,947,862	9,083,000,000	9,083,000,000	-
<b>ENDING BALANCE</b>						
3200 Other Funds Non-Ltd	63,182,525,789	64,877,294,413	64,869,245,824	73,771,485,881	73,770,850,298	-
<b>TOTAL ENDING BALANCE</b>	<b>\$63,182,525,789</b>	<b>\$64,877,294,413</b>	<b>\$64,869,245,824</b>	<b>\$73,771,485,881</b>	<b>\$73,770,850,298</b>	<b>-</b>

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-010-02-00-00000**

**2017-19 Biennium**

**Retirement Health Insurance Programs**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>BEGINNING BALANCE</b>						
0025 Beginning Balance						
3200 Other Funds Non-Ltd	417,197,927	486,783,192	486,783,192	627,014,774	627,014,774	-
0030 Beginning Balance Adjustment						
3200 Other Funds Non-Ltd	70,791,814	-	-	-	-	-
<b>BEGINNING BALANCE</b>						
3200 Other Funds Non-Ltd	487,989,741	486,783,192	486,783,192	627,014,774	627,014,774	-
<b>TOTAL BEGINNING BALANCE</b>	<b>\$487,989,741</b>	<b>\$486,783,192</b>	<b>\$486,783,192</b>	<b>\$627,014,774</b>	<b>\$627,014,774</b>	<b>-</b>
<b>REVENUE CATEGORIES</b>						
<b>CHARGES FOR SERVICES</b>						
0410 Charges for Services						
3200 Other Funds Non-Ltd	-	488,083,281	488,083,261	756,000,000	756,000,000	-
<b>INTEREST EARNINGS</b>						
0505 Interest Income						
3200 Other Funds Non-Ltd	-	66,496,968	66,496,968	71,670,000	71,670,000	-
<b>DONATIONS AND CONTRIBUTIONS</b>						
0915 Retirement System Contribution						
3200 Other Funds Non-Ltd	-	116,039,616	116,039,616	141,800,000	141,800,000	-
<b>REVENUE CATEGORIES</b>						
3200 Other Funds Non-Ltd	-	670,619,845	670,619,845	969,470,000	969,470,000	-
<b>TOTAL REVENUE CATEGORIES</b>	<b>-</b>	<b>\$670,619,845</b>	<b>\$670,619,845</b>	<b>\$969,470,000</b>	<b>\$969,470,000</b>	<b>-</b>
<b>TRANSFERS OUT</b>						
2010 Transfer Out - Intrafund						

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-010-02-00-00000**

**2017-19 Biennium**

**Retirement Health Insurance Programs**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
3200 Other Funds Non-Ltd	-	(1,706,014)	(1,919,132)	(1,965,288)	(1,965,288)	-
<b>AVAILABLE REVENUES</b>						
3200 Other Funds Non-Ltd	487,989,741	1,155,697,023	1,155,483,905	1,594,519,486	1,594,519,486	-
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$487,989,741</b>	<b>\$1,155,697,023</b>	<b>\$1,155,483,905</b>	<b>\$1,594,519,486</b>	<b>\$1,594,519,486</b>	-
<b>EXPENDITURES</b>						
<b>SERVICES &amp; SUPPLIES</b>						
<b>4300 Professional Services</b>						
3200 Other Funds Non-Ltd	-	95,101,418	95,101,418	89,171,000	88,992,792	-
<b>SPECIAL PAYMENTS</b>						
<b>6030 Dist to Non-Gov Units</b>						
3200 Other Funds Non-Ltd	-	462,983,027	462,983,027	726,100,000	726,100,000	-
<b>EXPENDITURES</b>						
3200 Other Funds Non-Ltd	-	558,094,445	558,094,445	815,271,000	815,092,792	-
<b>TOTAL EXPENDITURES</b>	-	<b>\$558,094,445</b>	<b>\$558,094,445</b>	<b>\$815,271,000</b>	<b>\$615,092,792</b>	-
<b>ENDING BALANCE</b>						
3200 Other Funds Non-Ltd	487,989,741	597,602,578	597,389,460	779,248,486	779,426,694	-
<b>TOTAL ENDING BALANCE</b>	<b>\$487,989,741</b>	<b>\$597,602,578</b>	<b>\$597,389,460</b>	<b>\$779,248,486</b>	<b>\$779,426,694</b>	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-010-03-00-00000**

**2017-19 Biennium**

**Oregon Public Service Retirement Pension Pgm**

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
<b>BEGINNING BALANCE</b>						
0025 Beginning Balance						
3200 Other Funds Non-Ltd	1,382,872,322	1,913,881,683	1,913,881,683	3,585,526,314	3,585,526,314	-
0030 Beginning Balance Adjustment						
3200 Other Funds Non-Ltd	895,933,372	-	-	-	-	-
<b>BEGINNING BALANCE</b>						
3200 Other Funds Non-Ltd	2,278,805,694	1,913,881,683	1,913,881,683	3,585,526,314	3,585,526,314	-
<b>TOTAL BEGINNING BALANCE</b>	<b>\$2,278,805,694</b>	<b>\$1,913,881,683</b>	<b>\$1,913,881,683</b>	<b>\$3,585,526,314</b>	<b>\$3,585,526,314</b>	<b>-</b>
<b>REVENUE CATEGORIES</b>						
<b>INTEREST EARNINGS</b>						
0605 Interest Income						
3200 Other Funds Non-Ltd	-	479,456,512	479,456,512	604,000,000	604,000,000	-
<b>DONATIONS AND CONTRIBUTIONS</b>						
0915 Retirement System Contribution						
3200 Other Funds Non-Ltd	-	654,812,138	654,812,138	1,205,000,000	1,205,000,000	-
<b>OTHER</b>						
0975 Other Revenues						
3200 Other Funds Non-Ltd	-	493,001	493,001	-	-	-
<b>REVENUE CATEGORIES</b>						
3200 Other Funds Non-Ltd	-	1,134,761,651	1,134,761,651	1,809,000,000	1,809,000,000	-
<b>TOTAL REVENUE CATEGORIES</b>	<b>-</b>	<b>\$1,134,761,651</b>	<b>\$1,134,761,651</b>	<b>\$1,809,000,000</b>	<b>\$1,809,000,000</b>	<b>-</b>
<b>TRANSFERS OUT</b>						
2010 Transfer Out - Intrafund						

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-010-03-00-00000**

**2017-19 Biennium**

**Oregon Public Service Retirement Pension Pgm**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
3200 Other Funds Non-Ltd	-	(10,996,699)	(12,370,430)	(12,667,939)	(12,667,939)	-
<b>AVAILABLE REVENUES</b>						
3200 Other Funds Non-Ltd	2,278,805,694	3,037,646,635	3,036,272,904	5,381,858,375	5,381,858,375	-
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$2,278,805,694</b>	<b>\$3,037,646,635</b>	<b>\$3,036,272,904</b>	<b>\$5,381,858,375</b>	<b>\$5,381,858,375</b>	-
<b>EXPENDITURES</b>						
<b>SPECIAL PAYMENTS</b>						
<b>5035 Dist to Individuals</b>						
3200 Other Funds Non-Ltd	-	28,926,864	28,926,864	39,000,000	39,000,000	-
<b>ENDING BALANCE</b>						
3200 Other Funds Non-Ltd	2,278,805,694	3,008,719,771	3,007,346,040	5,342,858,375	5,342,858,375	-
<b>TOTAL ENDING BALANCE</b>	<b>\$2,278,805,694</b>	<b>\$3,008,719,771</b>	<b>\$3,007,346,040</b>	<b>\$5,342,858,375</b>	<b>\$5,342,858,375</b>	-

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-010-04-00-00000**

**2017-19 Biennium**

**Individual Account Program (IAP)**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>BEGINNING BALANCE</b>						
0025 Beginning Balance						
3200 Other Funds Non-Ltd	5,374,398,036	6,742,830,649	6,742,830,649	8,442,000,298	8,442,000,298	-
0030 Beginning Balance Adjustment						
3200 Other Funds Non-Ltd	1,677,987,655	-	-	-	-	-
<b>BEGINNING BALANCE</b>						
3200 Other Funds Non-Ltd	7,052,385,691	6,742,830,649	6,742,830,649	8,442,000,298	8,442,000,298	-
<b>TOTAL BEGINNING BALANCE</b>	<b>\$7,052,385,691</b>	<b>\$6,742,830,649</b>	<b>\$6,742,830,649</b>	<b>\$8,442,000,298</b>	<b>\$8,442,000,298</b>	<b>-</b>
<b>REVENUE CATEGORIES</b>						
<b>CHARGES FOR SERVICES</b>						
0410 Charges for Services						
3200 Other Funds Non-Ltd	-	86,928	86,928	59,000	59,000	-
<b>INTEREST EARNINGS</b>						
0505 Interest Income						
3200 Other Funds Non-Ltd	-	1,775,922,223	1,775,922,223	1,141,000,000	1,141,000,000	-
<b>DONATIONS AND CONTRIBUTIONS</b>						
0915 Retirement System Contribution						
3200 Other Funds Non-Ltd	-	1,037,713,596	1,037,713,596	1,139,000,000	1,139,000,000	-
<b>REVENUE CATEGORIES</b>						
3200 Other Funds Non-Ltd	-	2,813,722,747	2,813,722,747	2,280,059,000	2,280,059,000	-
<b>TOTAL REVENUE CATEGORIES</b>	<b>-</b>	<b>\$2,813,722,747</b>	<b>\$2,813,722,747</b>	<b>\$2,280,059,000</b>	<b>\$2,280,059,000</b>	<b>-</b>
<b>TRANSFERS OUT</b>						
2010 Transfer Out - Intrafund						

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-010-04-00-00000**

**2017-19 Biennium**

**Individual Account Program (IAP)**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
3200 Other Funds Non-Ltd	-	(13,740,951)	(16,713,100)	(15,829,253)	(15,829,253)	-
<b>AVAILABLE REVENUES</b>						
3200 Other Funds Non-Ltd	7,052,385,691	9,542,812,445	9,539,840,296	10,706,230,045	10,706,230,045	-
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$7,052,385,691</b>	<b>\$9,542,812,445</b>	<b>\$9,539,840,296</b>	<b>\$10,706,230,045</b>	<b>\$10,706,230,045</b>	-
<b>EXPENDITURES</b>						
<b>SERVICES &amp; SUPPLIES</b>						
<b>4575 Agency Program Related S and S</b>						
3200 Other Funds Non-Ltd	-	4,580,434	4,580,434	4,900,000	4,890,207	-
<b>SPECIAL PAYMENTS</b>						
<b>6035 Dist to Individuals</b>						
3200 Other Funds Non-Ltd	-	868,908,457	868,908,457	1,052,000,000	1,052,000,000	-
<b>EXPENDITURES</b>						
3200 Other Funds Non-Ltd	-	873,488,891	873,488,891	1,056,900,000	1,056,890,207	-
<b>TOTAL EXPENDITURES</b>	-	<b>\$873,488,891</b>	<b>\$873,488,891</b>	<b>\$1,056,900,000</b>	<b>\$1,056,890,207</b>	-
<b>ENDING BALANCE</b>						
3200 Other Funds Non-Ltd	7,052,385,691	8,669,323,554	8,666,351,405	9,649,330,045	9,649,339,838	-
<b>TOTAL ENDING BALANCE</b>	<b>\$7,052,385,691</b>	<b>\$8,669,323,554</b>	<b>\$8,666,351,405</b>	<b>\$9,649,330,045</b>	<b>\$9,649,339,838</b>	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-100-00-00-00000**

**2017-19 Biennium**

**Tier One and Tier Two Plan**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>BEGINNING BALANCE</b>						
0030 Beginning Balance Adjustment						
3200 Other Funds Non-Ltd	(4,238,073,518)	-	-	-	-	-
<b>REVENUE CATEGORIES</b>						
<b>CHARGES FOR SERVICES</b>						
0410 Charges for Services						
3200 Other Funds Non-Ltd	10,342	-	-	-	-	-
<b>INTEREST EARNINGS</b>						
0605 Interest Income						
3200 Other Funds Non-Ltd	10,483,162,588	-	-	-	-	-
<b>DONATIONS AND CONTRIBUTIONS</b>						
0915 Retirement System Contribution						
3200 Other Funds Non-Ltd	1,701,761,752	-	-	-	-	-
<b>INSURANCE PREMIUM</b>						
0965 Insurance Premiums						
3200 Other Funds Non-Ltd	409,003,005	-	-	-	-	-
<b>OTHER</b>						
0975 Other Revenues						
3200 Other Funds Non-Ltd	48,454,601	-	-	-	-	-
<b>REVENUE CATEGORIES</b>						
3200 Other Funds Non-Ltd	12,642,392,288	-	-	-	-	-
<b>TOTAL REVENUE CATEGORIES</b>	<b>\$12,642,392,288</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TRANSFERS OUT</b>						

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-100-00-00-00000**

**2017-19 Biennium**

**Tier One and Tier Two Plan**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
2010 Transfer Out - Intrafund						
3200 Other Funds Non-Ltd	(58,217,430)	-	-	-	-	-
<b>AVAILABLE REVENUES</b>						
3200 Other Funds Non-Ltd	8,348,101,340	-	-	-	-	-
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$8,348,101,340</b>	-	-	-	-	-
<b>EXPENDITURES</b>						
<b>PERSONAL SERVICES</b>						
<b>OTHER PAYROLL EXPENSES</b>						
3220 Public Employees' Retire Cont						
3200 Other Funds Non-Ltd	1,816	-	-	-	-	-
<b>SERVICES &amp; SUPPLIES</b>						
4300 Professional Services						
3200 Other Funds Non-Ltd	62,064,569	-	-	-	-	-
4575 Agency Program Related S and S						
3200 Other Funds Non-Ltd	994,504	-	-	-	-	-
<b>SERVICES &amp; SUPPLIES</b>						
3200 Other Funds Non-Ltd	63,059,073	-	-	-	-	-
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$63,059,073</b>	-	-	-	-	-
<b>SPECIAL PAYMENTS</b>						
6030 Dist to Non-Gov Units						
3200 Other Funds Non-Ltd	464,408,128	-	-	-	-	-
6035 Dist to Individuals						
3200 Other Funds Non-Ltd	7,820,632,323	-	-	-	-	-

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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

2017-19 Biennium

Tier One and Tier Two Plan

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>SPECIAL PAYMENTS</b>						
3200 Other Funds Non-Ltd	8,285,040,451	-	-	-	-	-
<b>TOTAL SPECIAL PAYMENTS</b>	<b>\$8,285,040,451</b>	-	-	-	-	-
<b>EXPENDITURES</b>						
3200 Other Funds Non-Ltd	8,348,101,340	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$8,348,101,340</b>	-	-	-	-	-

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

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

**2017-19 Biennium**

**Oregon Public Service Retirement Plan**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>BEGINNING BALANCE</b>						
<b>0030 Beginning Balance Adjustment</b>						
3200 Other Funds Non-Ltd	(2,378,481,560)	-	-	-	-	-
<b>REVENUE CATEGORIES</b>						
<b>CHARGES FOR SERVICES</b>						
<b>0410 Charges for Services</b>						
3200 Other Funds Non-Ltd	60,968	-	-	-	-	-
<b>INTEREST EARNINGS</b>						
<b>0605 Interest Income</b>						
3200 Other Funds Non-Ltd	1,468,281,987	-	-	-	-	-
<b>DONATIONS AND CONTRIBUTIONS</b>						
<b>0915 Retirement System Contribution</b>						
3200 Other Funds Non-Ltd	1,610,586,975	-	-	-	-	-
<b>OTHER</b>						
<b>0975 Other Revenues</b>						
3200 Other Funds Non-Ltd	939,756	-	-	-	-	-
<b>REVENUE CATEGORIES</b>						
3200 Other Funds Non-Ltd	3,077,869,666	-	-	-	-	-
<b>TOTAL REVENUE CATEGORIES</b>	<b>\$3,077,869,666</b>	-	-	-	-	-
<b>TRANSFERS OUT</b>						
<b>2010 Transfer Out - Intrafund</b>						
3200 Other Funds Non-Ltd	(19,535,681)	-	-	-	-	-
<b>AVAILABLE REVENUES</b>						
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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

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

**2017-19 Biennium**

**Oregon Public Service Retirement Plan**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
3200 Other Funds Non-Ltd	679,852,425	-	-	-	-	-
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$679,852,425</b>	-	-	-	-	-
<b>EXPENDITURES</b>						
<b>SERVICES &amp; SUPPLIES</b>						
<b>4575 Agency Program Related S and S</b>						
3200 Other Funds Non-Ltd	4,522,584	-	-	-	-	-
<b>SPECIAL PAYMENTS</b>						
<b>6035 Dist to Individuals</b>						
3200 Other Funds Non-Ltd	675,329,841	-	-	-	-	-
<b>EXPENDITURES</b>						
3200 Other Funds Non-Ltd	679,852,425	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$679,852,425</b>	-	-	-	-	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-300-00-00-00000**

**2017-19 Biennium**

**Operations**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>BEGINNING BALANCE</b>						
0030 Beginning Balance Adjustment						
3400 Other Funds Ltd	3,091,995	-	-	-	-	-
<b>REVENUE CATEGORIES</b>						
<b>CHARGES FOR SERVICES</b>						
0410 Charges for Services						
3400 Other Funds Ltd	3,074,964	-	-	-	-	-
<b>INTEREST EARNINGS</b>						
0605 Interest Income						
3400 Other Funds Ltd	25,032	-	-	-	-	-
<b>OTHER</b>						
0975 Other Revenues						
3400 Other Funds Ltd	183,224	-	-	-	-	-
<b>TRANSFERS IN</b>						
1010 Transfer In - Intrafund						
3400 Other Funds Ltd	74,450,261	-	-	-	-	-
<b>REVENUE CATEGORIES</b>						
3400 Other Funds Ltd	77,733,481	-	-	-	-	-
<b>TOTAL REVENUE CATEGORIES</b>	<b>\$77,733,481</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>AVAILABLE REVENUES</b>						
3400 Other Funds Ltd	80,825,476	-	-	-	-	-
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$80,825,476</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>						

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-300-00-00-00000**

**2017-19 Biennium**

**Operations**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>PERSONAL SERVICES</b>						
<b>SALARIES &amp; WAGES</b>						
<b>3110 Class/Unclass Sal. and Per Diem</b>						
3400 Other Funds Ltd	36,924,715	-	-	-	-	-
<b>3160 Temporary Appointments</b>						
3400 Other Funds Ltd	268,624	-	-	-	-	-
<b>3170 Overtime Payments</b>						
3400 Other Funds Ltd	499,890	-	-	-	-	-
<b>3180 Shift Differential</b>						
3400 Other Funds Ltd	6,829	-	-	-	-	-
<b>3190 All Other Differential</b>						
3400 Other Funds Ltd	732,653	-	-	-	-	-
<b>SALARIES &amp; WAGES</b>						
3400 Other Funds Ltd	38,432,711	-	-	-	-	-
<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$38,432,711</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER PAYROLL EXPENSES</b>						
<b>3210 Empl. Rel. Bd. Assessments</b>						
3400 Other Funds Ltd	13,452	-	-	-	-	-
<b>3220 Public Employees' Retire Cont</b>						
3400 Other Funds Ltd	5,567,881	-	-	-	-	-
<b>3221 Pension Obligation Bond</b>						
3400 Other Funds Ltd	2,487,277	-	-	-	-	-
<b>3230 Social Security Taxes</b>						

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-300-00-00-00000**

**2017-19 Biennium**

**Operations**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
3400 Other Funds Ltd	2,889,297	-	-	-	-	-
<b>3240 Unemployment Assessments</b>						
3400 Other Funds Ltd	34,663	-	-	-	-	-
<b>3250 Worker's Comp. Assess. (WCD)</b>						
3400 Other Funds Ltd	21,549	-	-	-	-	-
<b>3260 Mass Transit Tax</b>						
3400 Other Funds Ltd	230,757	-	-	-	-	-
<b>3270 Flexible Benefits</b>						
3400 Other Funds Ltd	10,311,461	-	-	-	-	-
<b>OTHER PAYROLL EXPENSES</b>						
3400 Other Funds Ltd	21,556,337	-	-	-	-	-
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$21,556,337</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PERSONAL SERVICES</b>						
3400 Other Funds Ltd	59,989,048	-	-	-	-	-
<b>TOTAL PERSONAL SERVICES</b>	<b>\$59,989,048</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>SERVICES &amp; SUPPLIES</b>						
<b>4100 Instate Travel</b>						
3400 Other Funds Ltd	221,989	-	-	-	-	-
<b>4125 Out of State Travel</b>						
3400 Other Funds Ltd	56	-	-	-	-	-
<b>4150 Employee Training</b>						
3400 Other Funds Ltd	520,859	-	-	-	-	-
<b>4175 Office Expenses</b>						
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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-300-00-00-00000**

**2017-19 Biennium**

**Operations**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
3400 Other Funds Ltd	1,671,750	-	-	-	-	-
<b>4200 Telecommunications</b>						
3400 Other Funds Ltd	481,979	-	-	-	-	-
<b>4225 State Gov. Service Charges</b>						
3400 Other Funds Ltd	1,178,297	-	-	-	-	-
<b>4250 Data Processing</b>						
3400 Other Funds Ltd	2,408,979	-	-	-	-	-
<b>4275 Publicity and Publications</b>						
3400 Other Funds Ltd	190,777	-	-	-	-	-
<b>4300 Professional Services</b>						
3400 Other Funds Ltd	2,479,321	-	-	-	-	-
<b>4315 IT Professional Services</b>						
3400 Other Funds Ltd	4,457,166	-	-	-	-	-
<b>4325 Attorney General</b>						
3400 Other Funds Ltd	1,050,635	-	-	-	-	-
<b>4350 Dispute Resolution Services</b>						
3400 Other Funds Ltd	221,092	-	-	-	-	-
<b>4375 Employee Recruitment and Develop</b>						
3400 Other Funds Ltd	18,088	-	-	-	-	-
<b>4400 Dues and Subscriptions</b>						
3400 Other Funds Ltd	125,571	-	-	-	-	-
<b>4425 Facilities Rental and Taxes</b>						
3400 Other Funds Ltd	844,391	-	-	-	-	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-300-00-00-00000**

**2017-19 Biennium**

**Operations**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>4450 Fuels and Utilities</b>						
3400 Other Funds Ltd	201,408	-	-	-	-	-
<b>4475 Facilities Maintenance</b>						
3400 Other Funds Ltd	775,905	-	-	-	-	-
<b>4575 Agency Program Related S and S</b>						
3400 Other Funds Ltd	10,344	-	-	-	-	-
<b>4650 Other Services and Supplies</b>						
3400 Other Funds Ltd	344,674	-	-	-	-	-
<b>4700 Expendable Prop 250 - 5000</b>						
3400 Other Funds Ltd	128,843	-	-	-	-	-
<b>4715 IT Expendable Property</b>						
3400 Other Funds Ltd	1,142,204	-	-	-	-	-
<b>SERVICES &amp; SUPPLIES</b>						
3400 Other Funds Ltd	18,472,328	-	-	-	-	-
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$18,472,328</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CAPITAL OUTLAY</b>						
<b>5100 Office Furniture and Fixtures</b>						
3400 Other Funds Ltd	39,766	-	-	-	-	-
<b>5150 Telecommunications Equipment</b>						
3400 Other Funds Ltd	559,648	-	-	-	-	-
<b>5200 Technical Equipment</b>						
3400 Other Funds Ltd	226,645	-	-	-	-	-
<b>5550 Data Processing Software</b>						

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-300-00-00-00000**

**2017-19 Biennium**

**Operations**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
3400 Other Funds Ltd	203,290	-	-	-	-	-
<b>5600 Data Processing Hardware</b>						
3400 Other Funds Ltd	880,046	-	-	-	-	-
<b>5900 Other Capital Outlay</b>						
3400 Other Funds Ltd	257,543	-	-	-	-	-
<b>CAPITAL OUTLAY</b>						
3400 Other Funds Ltd	2,166,938	-	-	-	-	-
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$2,166,938</b>	-	-	-	-	-
<b>EXPENDITURES</b>						
3400 Other Funds Ltd	80,628,314	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$80,628,314</b>	-	-	-	-	-
<b>ENDING BALANCE</b>						
3400 Other Funds Ltd	197,162	-	-	-	-	-
<b>TOTAL ENDING BALANCE</b>	<b>\$197,162</b>	-	-	-	-	-
<b>AUTHORIZED POSITIONS</b>						
8150 Class/Unclass Positions	372	-	-	-	-	-
<b>TOTAL AUTHORIZED POSITIONS</b>	<b>372</b>	-	-	-	-	-
<b>AUTHORIZED FTE</b>						
8250 Class/Unclass FTE Positions	369.18	-	-	-	-	-
<b>TOTAL AUTHORIZED FTE</b>	<b>369.18</b>	-	-	-	-	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-400-00-00-00000**

**2017-19 Biennium**

**Debt Service**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>REVENUE CATEGORIES</b>						
<b>TRANSFERS IN</b>						
<b>1010 Transfer In - Intrafund</b>						
3430 Other Funds Debt Svc Ltd	1,302,850	1,290,750	1,290,750	-	-	-
<b>AVAILABLE REVENUES</b>						
3430 Other Funds Debt Svc Ltd	1,302,850	1,290,750	1,290,750	-	-	-
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$1,302,850</b>	<b>\$1,290,750</b>	<b>\$1,290,750</b>	-	-	-
<b>EXPENDITURES</b>						
<b>DEBT SERVICE</b>						
<b>7100 Principal - Bonds</b>						
3430 Other Funds Debt Svc Ltd	1,110,000	1,200,000	1,200,000	-	-	-
<b>7150 Interest - Bonds</b>						
3430 Other Funds Debt Svc Ltd	192,850	90,750	90,750	-	-	-
<b>DEBT SERVICE</b>						
3430 Other Funds Debt Svc Ltd	1,302,850	1,290,750	1,290,750	-	-	-
<b>TOTAL DEBT SERVICE</b>	<b>\$1,302,850</b>	<b>\$1,290,750</b>	<b>\$1,290,750</b>	-	-	-

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**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-500-00-00-00000**

**2017-19 Biennium**

**Limited - Operations**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>BEGINNING BALANCE</b>						
0025 Beginning Balance						
3400 Other Funds Ltd	1,763,254	2,033,811	2,033,811	2,211,608	2,211,608	-
0030 Beginning Balance Adjustment						
3400 Other Funds Ltd	139,917	-	-	-	-	-
<b>BEGINNING BALANCE</b>						
3400 Other Funds Ltd	1,903,171	2,033,811	2,033,811	2,211,608	2,211,608	-
<b>TOTAL BEGINNING BALANCE</b>	<b>\$1,903,171</b>	<b>\$2,033,811</b>	<b>\$2,033,811</b>	<b>\$2,211,608</b>	<b>\$2,211,608</b>	<b>-</b>
<b>REVENUE CATEGORIES</b>						
<b>CHARGES FOR SERVICES</b>						
0410 Charges for Services						
3400 Other Funds Ltd	-	3,794,821	3,794,821	4,175,500	4,175,500	-
<b>INTEREST EARNINGS</b>						
0505 Interest Income						
3400 Other Funds Ltd		30,291	30,291	29,150	29,150	-
<b>OTHER</b>						
0975 Other Revenues						
3400 Other Funds Ltd		74,000	74,000	50,000	50,000	
<b>TRANSFERS IN</b>						
1010 Transfer In - Intrafund						
3400 Other Funds Ltd		90,872,552	103,480,139	104,683,048	105,318,631	-
<b>REVENUE CATEGORIES</b>						
3400 Other Funds Ltd	-	94,771,664	107,379,251	108,937,698	109,573,281	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-500-00-00-00000**

**2017-19 Biennium**

**Limited - Operations**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>TOTAL REVENUE CATEGORIES</b>	-	\$94,771,664	\$107,379,251	\$108,937,698	\$109,573,281	-
<b>TRANSFERS OUT</b>						
<b>2010 Transfer Out - Intrafund</b>						
3400 Other Funds Ltd	-	(159,141)	(159,141)	(235,932)	(235,932)	-
<b>AVAILABLE REVENUES</b>						
3400 Other Funds Ltd	1,903,171	96,646,334	109,253,921	110,913,374	111,548,957	-
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$1,903,171</b>	<b>\$96,646,334</b>	<b>\$109,253,921</b>	<b>\$110,913,374</b>	<b>\$111,548,957</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	-	41,900,664	44,344,316	47,982,168	46,796,088	-
<b>3160 Temporary Appointments</b>						
3400 Other Funds Ltd	-	170,055	170,055	176,346	176,346	-
<b>3170 Overtime Payments</b>						
3400 Other Funds Ltd		582,505	582,505	604,059	604,059	
<b>3180 Shift Differential</b>						
3400 Other Funds Ltd		2,210	2,210	2,292	2,292	
<b>3190 All Other Differential</b>						
3400 Other Funds Ltd		234,027	234,027	242,685	242,685	
<b>SALARIES &amp; WAGES</b>						
3400 Other Funds Ltd		42,889,461	45,333,113	49,007,550	47,821,470	-
<b>TOTAL SALARIES &amp; WAGES</b>	-	<b>\$42,889,461</b>	<b>\$45,333,113</b>	<b>\$49,007,550</b>	<b>\$47,821,470</b>	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-500-00-00-00000**

**2017-19 Biennium**

**Limited - Operations**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>OTHER PAYROLL EXPENSES</b>						
<b>3210 Empl. Rel. Bd. Assessments</b>						
3400 Other Funds Ltd	-	16,720	16,720	21,945	21,489	-
<b>3220 Public Employees' Retire Cont</b>						
3400 Other Funds Ltd	-	6,745,395	7,131,247	7,053,070	6,895,263	-
<b>3221 Pension Obligation Bond</b>						
3400 Other Funds Ltd	-	2,553,914	2,513,648	2,747,083	2,747,083	-
<b>3230 Social Security Taxes</b>						
3400 Other Funds Ltd	-	3,278,020	3,464,959	3,745,324	3,654,589	-
<b>3240 Unemployment Assessments</b>						
3400 Other Funds Ltd	-	41,796	41,798	43,342	43,342	-
<b>3250 Worker's Comp. Assess. (WCD)</b>						
3400 Other Funds Ltd	-	26,220	26,220	26,634	26,082	-
<b>3260 Mass Transit Tax</b>						
3400 Other Funds Ltd	-	310,390	325,053	294,046	286,945	-
<b>3270 Flexible Benefits</b>						
3400 Other Funds Ltd	-	11,600,640	11,600,640	12,867,696	12,601,008	-
<b>OTHER PAYROLL EXPENSES</b>						
3400 Other Funds Ltd	-	24,573,095	25,120,283	26,799,140	26,275,801	-
<b>TOTAL OTHER PAYROLL EXPENSES</b>	-	<b>\$24,573,095</b>	<b>\$25,120,283</b>	<b>\$26,799,140</b>	<b>\$26,275,801</b>	-
<b>P.S. BUDGET ADJUSTMENTS</b>						
<b>3455 Vacancy Savings</b>						
3400 Other Funds Ltd	-	(928,574)	(928,574)	(286,757)	(286,757)	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-500-00-00-00000**

**2017-19 Biennium**

**Limited - Operations**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>3465 Reconciliation Adjustment</b>						
3400 Other Funds Ltd	-	(3)	(3)	-	596,847	-
<b>P.S. BUDGET ADJUSTMENTS</b>						
3400 Other Funds Ltd	-	(928,577)	(928,577)	(286,757)	310,090	-
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	-	<b>(928,577)</b>	<b>(928,577)</b>	<b>(286,757)</b>	<b>\$310,090</b>	-
<b>PERSONAL SERVICES</b>						
3400 Other Funds Ltd	-	66,533,979	69,524,819	75,519,933	74,407,361	-
<b>TOTAL PERSONAL SERVICES</b>	-	<b>\$66,533,979</b>	<b>\$69,524,819</b>	<b>\$75,519,933</b>	<b>\$74,407,361</b>	-
<b>SERVICES &amp; SUPPLIES</b>						
<b>4100 Instate Travel</b>						
3400 Other Funds Ltd	-	226,069	226,069	234,433	234,433	-
<b>4125 Out of State Travel</b>						
3400 Other Funds Ltd	-	8,131	8,131	8,431	8,431	-
<b>4150 Employee Training</b>						
3400 Other Funds Ltd	-	621,703	621,703	618,601	610,106	-
<b>4175 Office Expenses</b>						
3400 Other Funds Ltd	-	1,865,849	1,665,849	1,756,376	1,724,122	-
<b>4200 Telecommunications</b>						
3400 Other Funds Ltd	-	582,442	582,442	603,992	603,992	-
<b>4225 State Gov. Service Charges</b>						
3400 Other Funds Ltd	-	4,404,108	11,105,278	4,935,739	4,754,836	-
<b>4250 Data Processing</b>						
3400 Other Funds Ltd	-	4,003,642	4,003,642	3,311,646	3,720,866	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-500-00-00-00000**

**2017-19 Biennium**

**Limited - Operations**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>4275 Publicity and Publications</b>						
3400 Other Funds Ltd	-	234,513	234,513	243,190	243,190	-
<b>4300 Professional Services</b>						
3400 Other Funds Ltd	-	3,492,570	3,492,570	2,878,668	2,878,668	-
<b>4315 IT Professional Services</b>						
3400 Other Funds Ltd	-	4,616,506	7,532,083	10,409,460	10,237,444	-
<b>4325 Attorney General</b>						
3400 Other Funds Ltd	-	1,076,863	1,076,863	1,218,363	1,138,316	-
<b>4350 Dispute Resolution Services</b>						
3400 Other Funds Ltd	-	180,500	180,500	297,700	297,700	-
<b>4375 Employee Recruitment and Develop</b>						
3400 Other Funds Ltd	-	61,004	61,004	57,182	57,182	-
<b>4400 Dues and Subscriptions</b>						
3400 Other Funds Ltd	-	37,298	37,298	1,075,676	1,075,676	-
<b>4425 Facilities Rental and Taxes</b>						
3400 Other Funds Ltd	-	907,757	907,757	964,645	964,645	-
<b>4450 Fuels and Utilities</b>						
3400 Other Funds Ltd	-	287,500	287,500	298,138	298,138	-
<b>4475 Facilities Maintenance</b>						
3400 Other Funds Ltd	-	1,246,200	1,246,200	1,292,309	1,292,309	-
<b>4625 Other COI Costs</b>						
3400 Other Funds Ltd	-	2,682	2,682	2,781	2,781	-
<b>4650 Other Services and Supplies</b>						

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-500-00-00-00000**

**2017-19 Biennium**

**Limited - Operations**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
3400 Other Funds Ltd	-	812,435	812,435	794,614	780,809	-
<b>4700 Expendable Prop 250 - 5000</b>						
3400 Other Funds Ltd	-	100,397	100,397	99,669	93,649	-
<b>4715 IT Expendable Property</b>						
3400 Other Funds Ltd	-	647,199	647,199	653,389	625,389	-
<b>SERVICES &amp; SUPPLIES</b>						
3400 Other Funds Ltd	-	25,215,368	34,832,115	31,752,984	31,642,664	-
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>\$25,215,368</b>	<b>\$34,832,115</b>	<b>\$31,752,984</b>	<b>\$31,642,664</b>	-
<b>CAPITAL OUTLAY</b>						
<b>5100 Office Furniture and Fixtures</b>						
3400 Other Funds Ltd	-	34,506	34,506	35,783	35,783	-
<b>5150 Telecommunications Equipment</b>						
3400 Other Funds Ltd	-	70,145	70,145	72,740	72,740	-
<b>5550 Data Processing Software</b>						
3400 Other Funds Ltd	-	539,496	539,496	612,328	312,328	-
<b>5600 Data Processing Hardware</b>						
3400 Other Funds Ltd	-	1,477,660	1,477,660	796,851	420,151	-
<b>CAPITAL OUTLAY</b>						
3400 Other Funds Ltd	-	2,121,807	2,121,807	1,517,502	841,002	-
<b>TOTAL CAPITAL OUTLAY</b>	-	<b>\$2,121,807</b>	<b>\$2,121,807</b>	<b>\$1,517,502</b>	<b>\$841,002</b>	-
<b>SPECIAL PAYMENTS</b>						
<b>6107 Spc Pmt to Administrative Svcs</b>						
3400 Other Funds Ltd	-				2,252,966	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-500-00-00-00000**

**2017-19 Biennium**

**Limited - Operations**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>EXPENDITURES</b>						
3400 Other Funds Ltd	-	93,871,154	106,478,741	108,790,419	109,143,993	-
<b>TOTAL EXPENDITURES</b>	-	<b>\$93,871,154</b>	<b>\$106,478,741</b>	<b>\$108,790,419</b>	<b>\$109,143,993</b>	-
<b>ENDING BALANCE</b>						
3400 Other Funds Ltd	1,903,171	2,775,180	2,775,180	2,122,955	2,404,964	-
<b>TOTAL ENDING BALANCE</b>	<b>\$1,903,171</b>	<b>\$2,775,180</b>	<b>\$2,775,180</b>	<b>\$2,122,955</b>	<b>\$2,404,964</b>	-
<b>AUTHORIZED POSITIONS</b>						
8150 Class/Unclass Positions	-	380	380	386	378	-
<b>TOTAL AUTHORIZED POSITIONS</b>	-	<b>380</b>	<b>380</b>	<b>386</b>	<b>378</b>	-
<b>AUTHORIZED FTE</b>						
8250 Class/Unclass FTE Positions	-	380.00	380.00	386.00	378.00	-
<b>TOTAL AUTHORIZED FTE</b>	-	<b>380.00</b>	<b>380.00</b>	<b>386.00</b>	<b>378.00</b>	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-500-01-00-00000**

**2017-19 Biennium**

**Central Administration**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>BEGINNING BALANCE</b>						
0025 Beginning Balance						
3400 Other Funds Ltd	316,241	276,877	276,877	190,796	190,796	-
0030 Beginning Balance Adjustment						
3400 Other Funds Ltd	(45,179)	-	-	-	-	-
<b>BEGINNING BALANCE</b>						
3400 Other Funds Ltd	271,062	276,877	276,877	190,796	190,796	-
<b>TOTAL BEGINNING BALANCE</b>	<b>\$271,062</b>	<b>\$276,877</b>	<b>\$276,877</b>	<b>\$190,796</b>	<b>\$190,796</b>	<b>-</b>
<b>REVENUE CATEGORIES</b>						
<b>CHARGES FOR SERVICES</b>						
0410 Charges for Services						
3400 Other Funds Ltd	-	398,000	398,000	398,000	398,000	-
<b>INTEREST EARNINGS</b>						
0505 Interest Income						
3400 Other Funds Ltd	-	3,000	3,000	3,300	3,300	-
<b>TRANSFERS IN</b>						
1010 Transfer In - Intrafund						
3400 Other Funds Ltd	-	3,439,304	3,629,718	3,758,281	3,758,281	-
<b>REVENUE CATEGORIES</b>						
3400 Other Funds Ltd	-	3,840,304	4,030,718	4,159,581	4,159,581	-
<b>TOTAL REVENUE CATEGORIES</b>	<b>-</b>	<b>\$3,840,304</b>	<b>\$4,030,718</b>	<b>\$4,159,581</b>	<b>\$4,159,581</b>	<b>-</b>
<b>TRANSFERS OUT</b>						
2010 Transfer Out - Intrafund						

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-500-01-00-00000**

**2017-19 Biennium**

**Central Administration**

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
3400 Other Funds Ltd	-	(159,141)	(159,141)	(235,932)	(235,932)	-
<b>AVAILABLE REVENUES</b>						
3400 Other Funds Ltd	271,062	3,958,040	4,148,454	4,114,425	4,114,425	-
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$271,062</b>	<b>\$3,958,040</b>	<b>\$4,148,454</b>	<b>\$4,114,425</b>	<b>\$4,114,425</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	-	1,726,392	1,803,122	1,831,128	1,956,672	-
<b>3160 Temporary Appointments</b>						
3400 Other Funds Ltd	-	876	876	908	908	-
<b>3170 Overtime Payments</b>						
3400 Other Funds Ltd	-	376	376	390	390	-
<b>3190 All Other Differential</b>						
3400 Other Funds Ltd	-	49,029	49,029	50,843	50,843	-
<b>SALARIES &amp; WAGES</b>						
3400 Other Funds Ltd	-	1,776,673	1,853,403	1,883,269	2,008,813	-
<b>TOTAL SALARIES &amp; WAGES</b>	-	<b>\$1,776,673</b>	<b>\$1,853,403</b>	<b>\$1,883,269</b>	<b>\$2,008,813</b>	-
<b>OTHER PAYROLL EXPENSES</b>						
<b>3210 Empl. Rel. Bd. Assessments</b>						
3400 Other Funds Ltd	-	440	440	513	570	-
<b>3220 Public Employees' Retire Cont</b>						
3400 Other Funds Ltd	-	280,400	292,515	350,870	374,836	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-500-01-00-00000**

**2017-19 Biennium**

**Central Administration**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>3221 Pension Obligation Bond</b>						
3400 Other Funds Ltd	-	109,250	104,489	109,248	109,248	-
<b>3230 Social Security Taxes</b>						
3400 Other Funds Ltd	-	132,870	138,739	140,466	150,070	-
<b>3250 Worker's Comp. Assess. (WCD)</b>						
3400 Other Funds Ltd	-	690	690	690	759	-
<b>3260 Mass Transit Tax</b>						
3400 Other Funds Ltd	-	12,781	13,242	11,299	11,299	-
<b>3270 Flexible Benefits</b>						
3400 Other Funds Ltd	-	305,280	305,280	333,360	366,696	-
<b>OTHER PAYROLL EXPENSES</b>						
3400 Other Funds Ltd	-	841,711	855,395	946,446	1,013,478	-
<b>TOTAL OTHER PAYROLL EXPENSES</b>	-	<b>\$841,711</b>	<b>\$855,395</b>	<b>\$946,446</b>	<b>\$1,013,478</b>	-
<b>P.S. BUDGET ADJUSTMENTS</b>						
<b>3455 Vacancy Savings</b>						
3400 Other Funds Ltd	-	(37,134)	(37,134)	(11,660)	(11,660)	-
<b>3465 Reconciliation Adjustment</b>						
3400 Other Funds Ltd	-	-	-	-	(192,576)	-
<b>P.S. BUDGET ADJUSTMENTS</b>						
3400 Other Funds Ltd	-	(37,134)	(37,134)	(11,660)	(204,236)	-
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	-	<b>(\$37,134)</b>	<b>(\$37,134)</b>	<b>(\$11,660)</b>	<b>(\$204,236)</b>	-
<b>PERSONAL SERVICES</b>						
3400 Other Funds Ltd	-	2,581,250	2,671,664	2,818,055	2,818,055	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-500-01-00-00000**

**2017-19 Biennium**

**Central Administration**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>TOTAL PERSONAL SERVICES</b>	-	\$2,581,250	\$2,671,664	\$2,818,055	\$2,818,055	-
<b>SERVICES &amp; SUPPLIES</b>						
<b>4100 Instate Travel</b>						
3400 Other Funds Ltd	-	13,278	13,278	13,769	13,769	-
<b>4125 Out of State Travel</b>						
3400 Other Funds Ltd	-	2,572	2,572	2,667	2,667	-
<b>4150 Employee Training</b>						
3400 Other Funds Ltd	-	52,275	52,275	54,209	54,209	-
<b>4175 Office Expenses</b>						
3400 Other Funds Ltd	-	20,000	20,000	20,740	20,453	-
<b>4200 Telecommunications</b>						
3400 Other Funds Ltd	-	173	173	179	179	-
<b>4225 State Gov. Service Charges</b>						
3400 Other Funds Ltd	-	920,000	1,020,000	1,016,000	975,112	-
<b>4250 Data Processing</b>						
3400 Other Funds Ltd	-	3,164	3,164	3,281	3,281	-
<b>4300 Professional Services</b>						
3400 Other Funds Ltd	-	27,734	27,734	28,872	28,872	-
<b>4325 Attorney General</b>						
3400 Other Funds Ltd	-	5,846	5,846	6,614	6,179	-
<b>4400 Dues and Subscriptions</b>						
3400 Other Funds Ltd	-	5,534	5,534	5,739	5,739	-
<b>4700 Expendable Prop 250 - 5000</b>						

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-500-01-00-00000**

**2017-19 Biennium**

**Central Administration**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
3400 Other Funds Ltd	-	3,498	3,498	3,628	3,628	-
<b>4715 IT Expendable Property</b>						
3400 Other Funds Ltd	-	4,000	4,000	4,148	4,148	-
<b>SERVICES &amp; SUPPLIES</b>						
3400 Other Funds Ltd	-	1,058,074	1,158,074	1,159,846	1,118,236	-
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>-</b>	<b>\$1,058,074</b>	<b>\$1,158,074</b>	<b>\$1,159,846</b>	<b>\$1,118,236</b>	<b>-</b>
<b>EXPENDITURES</b>						
3400 Other Funds Ltd	-	3,639,324	3,829,738	3,977,901	3,936,291	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>\$3,639,324</b>	<b>\$3,829,738</b>	<b>\$3,977,901</b>	<b>\$3,936,291</b>	<b>-</b>
<b>ENDING BALANCE</b>						
3400 Other Funds Ltd	271,062	318,716	318,716	136,524	178,134	-
<b>TOTAL ENDING BALANCE</b>	<b>\$271,062</b>	<b>\$318,716</b>	<b>\$318,716</b>	<b>\$136,524</b>	<b>\$178,134</b>	<b>-</b>
<b>AUTHORIZED POSITIONS</b>						
8150 Class/Unclass Positions	-	10	10	10	11	-
8180 Position Reconciliation	-	-	-	-	(1)	-
<b>TOTAL AUTHORIZED POSITIONS</b>	<b>-</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>-</b>
<b>AUTHORIZED FTE</b>						
8250 Class/Unclass FTE Positions	-	10.00	10.00	10.00	11.00	-
8280 FTE Reconciliation	-	-	-	-	(1.00)	-
<b>TOTAL AUTHORIZED FTE</b>	<b>-</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>-</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-500-02-00-00000**

**2017-19 Biennium**

**Benefit Payments Division**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>BEGINNING BALANCE</b>						
<b>0025 Beginning Balance</b>						
3400 Other Funds Ltd	-	140,010	140,010	172,820	172,820	-
<b>REVENUE CATEGORIES</b>						
<b>CHARGES FOR SERVICES</b>						
<b>0410 Charges for Services</b>						
3400 Other Funds Ltd	-	615,609	615,609	473,000	473,000	-
<b>TRANSFERS IN</b>						
<b>1010 Transfer in - Intrafund</b>						
3400 Other Funds Ltd	-	13,569,570	14,155,250	14,665,601	14,665,601	-
<b>REVENUE CATEGORIES</b>						
3400 Other Funds Ltd	-	14,185,179	14,770,859	15,138,601	15,138,601	-
<b>TOTAL REVENUE CATEGORIES</b>	-	<b>\$14,185,179</b>	<b>\$14,770,859</b>	<b>\$15,138,601</b>	<b>\$15,138,601</b>	-
<b>AVAILABLE REVENUES</b>						
3400 Other Funds Ltd	-	14,325,189	14,910,869	15,311,421	15,311,421	-
<b>TOTAL AVAILABLE REVENUES</b>	-	<b>\$14,325,189</b>	<b>\$14,910,869</b>	<b>\$15,311,421</b>	<b>\$15,311,421</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	-	7,758,240	8,249,267	8,926,416	8,926,416	-
<b>3160 Temporary Appointments</b>						
3400 Other Funds Ltd	-	60,977	60,977	63,233	63,233	-
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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-500-02-00-00000**

**2017-19 Biennium**

**Benefit Payments Division**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>3170 Overtime Payments</b>						
3400 Other Funds Ltd	-	175,047	175,047	181,524	181,524	-
<b>3190 All Other Differential</b>						
3400 Other Funds Ltd	-	32,274	32,274	33,468	33,468	-
<b>SALARIES &amp; WAGES</b>						
3400 Other Funds Ltd	-	8,026,538	8,517,565	9,204,641	9,204,641	-
<b>TOTAL SALARIES &amp; WAGES</b>	-	<b>\$8,026,538</b>	<b>\$8,517,565</b>	<b>\$9,204,641</b>	<b>\$9,204,641</b>	-
<b>OTHER PAYROLL EXPENSES</b>						
<b>3210 Empl. Rel. Bd. Assessments</b>						
3400 Other Funds Ltd	-	3,520	3,520	4,560	4,560	-
<b>3220 Public Employees' Retire Cont</b>						
3400 Other Funds Ltd	-	1,257,758	1,335,291	1,283,485	1,283,485	-
<b>3221 Pension Obligation Bond</b>						
3400 Other Funds Ltd	-	492,091	468,701	530,545	530,545	-
<b>3230 Social Security Taxes</b>						
3400 Other Funds Ltd	-	614,040	651,604	704,149	704,149	-
<b>3250 Worker's Comp. Assess. (WCD)</b>						
3400 Other Funds Ltd	-	5,520	5,520	5,520	5,520	-
<b>3260 Mass Transit Tax</b>						
3400 Other Funds Ltd	-	58,088	61,034	55,228	55,228	-
<b>3270 Flexible Benefits</b>						
3400 Other Funds Ltd	-	2,442,240	2,442,240	2,666,880	2,666,880	-
<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**

**Cross Reference Number: 45900-500-02-00-00000**

**2017-19 Biennium**

**Benefit Payments Division**

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
3400 Other Funds Ltd	-	4,873,257	4,967,910	5,250,367	5,250,367	-
<b>TOTAL OTHER PAYROLL EXPENSES</b>	-	<b>\$4,873,257</b>	<b>\$4,967,910</b>	<b>\$5,250,367</b>	<b>\$5,250,367</b>	-
<b>P.S. BUDGET ADJUSTMENTS</b>						
<b>3455 Vacancy Savings</b>						
3400 Other Funds Ltd	-	(175,814)	(175,814)	(53,345)	(53,345)	-
<b>PERSONAL SERVICES</b>						
3400 Other Funds Ltd	-	12,723,981	13,309,661	14,401,663	14,401,663	-
<b>TOTAL PERSONAL SERVICES</b>	-	<b>\$12,723,981</b>	<b>\$13,309,661</b>	<b>\$14,401,663</b>	<b>\$14,401,663</b>	-
<b>SERVICES &amp; SUPPLIES</b>						
<b>4100 Instate Travel</b>						
3400 Other Funds Ltd	-	4,080	4,060	4,210	4,210	-
<b>4125 Out of State Travel</b>						
3400 Other Funds Ltd	-	1,626	1,626	1,686	1,686	-
<b>4150 Employee Training</b>						
3400 Other Funds Ltd	-	91,200	91,200	94,574	94,574	-
<b>4175 Office Expenses</b>						
3400 Other Funds Ltd	-	163,000	163,000	169,031	167,461	-
<b>4300 Professional Services</b>						
3400 Other Funds Ltd	-	1,134,351	1,134,351	455,470	455,470	-
<b>4375 Employee Recruitment and Develop</b>						
3400 Other Funds Ltd	-	4,820	4,820	4,998	4,998	-
<b>4400 Dues and Subscriptions</b>						
3400 Other Funds Ltd	-	3,035	3,035	3,147	3,147	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-500-02-00-00000**

**2017-19 Biennium**

**Benefit Payments Division**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>4700 Expendable Prop 250 - 5000</b>						
3400 Other Funds Ltd	-	20,196	20,196	19,906	19,906	-
<b>4715 IT Expendable Property</b>						
3400 Other Funds Ltd	-	35,600	35,600	32,769	32,769	-
<b>SERVICES &amp; SUPPLIES</b>						
3400 Other Funds Ltd	-	1,457,888	1,457,888	785,791	784,221	-
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>\$1,457,888</b>	<b>\$1,457,888</b>	<b>\$785,791</b>	<b>\$784,221</b>	-
<b>EXPENDITURES</b>						
3400 Other Funds Ltd	-	14,181,869	14,767,549	15,187,454	15,185,884	-
<b>TOTAL EXPENDITURES</b>	-	<b>\$14,181,869</b>	<b>\$14,767,549</b>	<b>\$15,187,454</b>	<b>\$15,185,884</b>	-
<b>ENDING BALANCE</b>						
3400 Other Funds Ltd	-	143,320	143,320	123,967	125,537	-
<b>TOTAL ENDING BALANCE</b>	-	<b>\$143,320</b>	<b>\$143,320</b>	<b>\$123,967</b>	<b>\$125,537</b>	-
<b>AUTHORIZED POSITIONS</b>						
8150 Class/Unclass Positions	-	80	80	80	80	-
<b>TOTAL AUTHORIZED POSITIONS</b>	-	<b>80</b>	<b>80</b>	<b>80</b>	<b>80</b>	-
<b>AUTHORIZED FTE</b>						
8250 Class/Unclass FTE Positions	-	80.00	80.00	80.00	80.00	-
<b>TOTAL AUTHORIZED FTE</b>	-	<b>80.00</b>	<b>80.00</b>	<b>80.00</b>	<b>80.00</b>	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-500-03-00-00000**

**2017-19 Biennium**

**Financial & Admin Services Division (FASD)**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>BEGINNING BALANCE</b>						
<b>0025 Beginning Balance</b>						
3400 Other Funds Ltd	1,447,013	1,616,924	1,616,924	1,847,992	1,847,992	-
<b>0030 Beginning Balance Adjustment</b>						
3400 Other Funds Ltd	185,096	-	-	-	-	-
<b>BEGINNING BALANCE</b>						
3400 Other Funds Ltd	1,632,109	1,616,924	1,616,924	1,847,992	1,847,992	-
<b>TOTAL BEGINNING BALANCE</b>	<b>\$1,632,109</b>	<b>\$1,616,924</b>	<b>\$1,616,924</b>	<b>\$1,847,992</b>	<b>\$1,847,992</b>	<b>-</b>
<b>REVENUE CATEGORIES</b>						
<b>CHARGES FOR SERVICES</b>						
<b>0410 Charges for Services</b>						
3400 Other Funds Ltd	-	2,776,712	2,776,712	3,300,000	3,300,000	-
<b>INTEREST EARNINGS</b>						
<b>0505 Interest Income</b>						
3400 Other Funds Ltd		27,291	27,291	25,850	25,850	-
<b>OTHER</b>						
<b>0975 Other Revenues</b>						
3400 Other Funds Ltd		74,000	74,000	50,000	50,000	
<b>TRANSFERS IN</b>						
<b>1010 Transfer In - Intrafund</b>						
3400 Other Funds Ltd		19,433,875	26,542,703	20,081,666	20,081,666	-
<b>REVENUE CATEGORIES</b>						
3400 Other Funds Ltd	-	22,311,878	29,420,706	23,457,516	23,457,516	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-500-03-00-00000**

**2017-19 Biennium**

**Financial & Admin Services Division (FASD)**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>TOTAL REVENUE CATEGORIES</b>	-	\$22,311,878	\$29,420,706	\$23,457,516	\$23,457,516	-
<b>AVAILABLE REVENUES</b>						
3400 Other Funds Ltd	1,632,109	23,928,802	31,037,630	25,305,508	25,305,508	-
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$1,632,109</b>	<b>\$23,928,802</b>	<b>\$31,037,630</b>	<b>\$25,305,508</b>	<b>\$25,305,508</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	-	7,347,912	7,761,230	8,078,448	8,078,448	-
<b>3160 Temporary Appointments</b>						
3400 Other Funds Ltd	-	14,027	14,027	14,546	14,546	-
<b>3170 Overtime Payments</b>						
3400 Other Funds Ltd	-	12,776	12,776	13,249	13,249	-
<b>3190 All Other Differential</b>						
3400 Other Funds Ltd	-	24,681	24,681	25,594	25,594	-
<b>SALARIES &amp; WAGES</b>						
3400 Other Funds Ltd	-	7,399,396	7,812,714	8,131,837	8,131,837	-
<b>TOTAL SALARIES &amp; WAGES</b>	-	<b>\$7,399,396</b>	<b>\$7,812,714</b>	<b>\$8,131,837</b>	<b>\$8,131,837</b>	-
<b>OTHER PAYROLL EXPENSES</b>						
<b>3210 Empl. Rel. Bd. Assessments</b>						
3400 Other Funds Ltd	-	2,728	2,728	3,534	3,534	-
<b>3220 Public Employees' Retire Cont</b>						
3400 Other Funds Ltd	-	1,166,149	1,231,412	1,253,581	1,253,581	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-500-03-00-00000**

**2017-19 Biennium**

**Financial & Admin Services Division (FASD)**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>3221 Pension Obligation Bond</b>						
3400 Other Funds Ltd	-	439,584	434,562	455,528	455,528	-
<b>3230 Social Security Taxes</b>						
3400 Other Funds Ltd	-	566,052	597,671	622,083	622,083	-
<b>3240 Unemployment Assessments</b>						
3400 Other Funds Ltd	-	41,796	41,796	43,342	43,342	-
<b>3250 Worker's Comp. Assess. (WCD)</b>						
3400 Other Funds Ltd	-	4,278	4,278	4,278	4,278	-
<b>3260 Mass Transit Tax</b>						
3400 Other Funds Ltd	-	53,549	56,029	48,791	48,791	-
<b>3270 Flexible Benefits</b>						
3400 Other Funds Ltd	-	1,892,736	1,892,736	2,066,832	2,066,832	-
<b>OTHER PAYROLL EXPENSES</b>						
3400 Other Funds Ltd	-	4,166,872	4,261,212	4,497,969	4,497,969	-
<b>TOTAL OTHER PAYROLL EXPENSES</b>	-	<b>\$4,166,872</b>	<b>\$4,261,212</b>	<b>\$4,497,969</b>	<b>\$4,497,969</b>	-
<b>P.S. BUDGET ADJUSTMENTS</b>						
<b>3455 Vacancy Savings</b>						
3400 Other Funds Ltd	-	(158,503)	(158,503)	(50,189)	(50,189)	-
<b>3465 Reconciliation Adjustment</b>						
3400 Other Funds Ltd	-	(3)	(3)	-	-	-
<b>P.S. BUDGET ADJUSTMENTS</b>						
3400 Other Funds Ltd	-	(158,506)	(158,506)	(50,189)	(50,189)	-
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	-	<b>(\$158,506)</b>	<b>(\$158,506)</b>	<b>(\$50,189)</b>	<b>(\$50,189)</b>	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-500-03-00-00000**

**2017-19 Biennium**

**Financial & Admin Services Division (FASD)**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>PERSONAL SERVICES</b>						
3400 Other Funds Ltd	-	11,407,762	11,915,420	12,579,617	12,579,617	-
<b>TOTAL PERSONAL SERVICES</b>	-	<b>\$11,407,762</b>	<b>\$11,915,420</b>	<b>\$12,579,617</b>	<b>\$12,579,617</b>	-
<b>SERVICES &amp; SUPPLIES</b>						
<b>4100 Instate Travel</b>						
3400 Other Funds Ltd	-	86,756	86,756	89,966	89,966	-
<b>4125 Out of State Travel</b>						
3400 Other Funds Ltd	-	1,735	1,735	1,799	1,799	-
<b>4150 Employee Training</b>						
3400 Other Funds Ltd	-	140,345	140,345	134,735	134,735	-
<b>4175 Office Expenses</b>						
3400 Other Funds Ltd	-	994,832	994,832	1,031,086	1,031,086	-
<b>4225 State Gov. Service Charges</b>						
3400 Other Funds Ltd	-	3,484,108	10,085,278	3,919,739	3,779,724	-
<b>4275 Publicity and Publications</b>						
3400 Other Funds Ltd	-	6,856	6,856	7,110	7,110	-
<b>4300 Professional Services</b>						
3400 Other Funds Ltd	-	1,987,949	1,987,949	2,069,455	2,069,455	-
<b>4325 Attorney General</b>						
3400 Other Funds Ltd	-	109,840	109,840	124,273	116,108	-
<b>4375 Employee Recruitment and Develop</b>						
3400 Other Funds Ltd	-	51,364	51,364	47,186	47,186	-
<b>4400 Dues and Subscriptions</b>						

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

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**Budget Support - Detail Revenues and Expenditures**

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**2017-19 Biennium**

**Financial & Admin Services Division (FASD)**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
3400 Other Funds Ltd	-	9,250	9,250	9,592	9,592	-
<b>4425 Facilities Rental and Taxes</b>						
3400 Other Funds Ltd	-	907,757	907,757	964,645	964,645	-
<b>4450 Fuels and Utilities</b>						
3400 Other Funds Ltd	-	287,500	287,500	298,138	298,138	-
<b>4475 Facilities Maintenance</b>						
3400 Other Funds Ltd	-	1,243,036	1,243,036	1,289,028	1,289,028	-
<b>4625 Other COI Costs</b>						
3400 Other Funds Ltd	-	2,682	2,682	2,781	2,781	-
<b>4650 Other Services and Supplies</b>						
3400 Other Funds Ltd	-	812,435	812,435	794,614	780,809	-
<b>4700 Expendable Prop 250 - 5000</b>						
3400 Other Funds Ltd	-	19,745	19,745	19,439	19,439	-
<b>4715 IT Expendable Property</b>						
3400 Other Funds Ltd	-	27,200	27,200	24,058	24,058	-
<b>SERVICES &amp; SUPPLIES</b>						
3400 Other Funds Ltd	-	10,173,390	16,774,560	10,827,644	10,865,659	-
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>\$10,173,390</b>	<b>\$16,774,560</b>	<b>\$10,827,644</b>	<b>\$10,865,659</b>	-
<b>CAPITAL OUTLAY</b>						
<b>5100 Office Furniture and Fixtures</b>						
3400 Other Funds Ltd	-	34,506	34,506	35,783	35,783	-
<b>EXPENDITURES</b>						
3400 Other Funds Ltd	-	21,615,656	28,724,486	23,443,044	23,281,059	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-500-03-00-00000**

**2017-19 Biennium**

**Financial & Admin Services Division (FASD)**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>TOTAL EXPENDITURES</b>	-	\$21,615,658	\$28,724,486	\$23,443,044	\$23,281,059	-
<b>ENDING BALANCE</b>						
3400 Other Funds Ltd	1,632,109	2,313,144	2,313,144	1,862,464	2,024,449	-
<b>TOTAL ENDING BALANCE</b>	<b>\$1,632,109</b>	<b>\$2,313,144</b>	<b>\$2,313,144</b>	<b>\$1,862,464</b>	<b>\$2,024,449</b>	-
<b>AUTHORIZED POSITIONS</b>						
8150 Class/Unclass Positions	-	62	62	62	62	-
<b>TOTAL AUTHORIZED POSITIONS</b>	-	<b>62</b>	<b>62</b>	<b>62</b>	<b>62</b>	-
<b>AUTHORIZED FTE</b>						
8250 Class/Unclass FTE Positions	-	62.00	62.00	62.00	62.00	-
<b>TOTAL AUTHORIZED FTE</b>	-	<b>62.00</b>	<b>62.00</b>	<b>62.00</b>	<b>62.00</b>	-

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-500-04-00-00000**

**2017-19 Biennium**

**Information Services Division**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>REVENUE CATEGORIES</b>						
<b>CHARGES FOR SERVICES</b>						
<b>0410 Charges for Services</b>						
3400 Other Funds Ltd	-	3,500	3,500	3,500	3,500	-
<b>TRANSFERS IN</b>						
<b>1010 Transfer In - Intrafund</b>						
3400 Other Funds Ltd	-	26,835,936	30,269,702	35,272,283	35,907,866	-
<b>REVENUE CATEGORIES</b>						
3400 Other Funds Ltd	-	26,839,436	30,273,202	35,275,783	35,911,366	-
<b>TOTAL REVENUE CATEGORIES</b>	<b>-</b>	<b>\$26,839,436</b>	<b>\$30,273,202</b>	<b>\$35,275,783</b>	<b>\$35,911,366</b>	<b>-</b>
<b>AVAILABLE REVENUES</b>						
3400 Other Funds Ltd	-	26,839,436	30,273,202	35,275,783	35,911,366	-
<b>TOTAL AVAILABLE REVENUES</b>	<b>-</b>	<b>\$26,839,436</b>	<b>\$30,273,202</b>	<b>\$35,275,783</b>	<b>\$35,911,366</b>	<b>-</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		9,470,904	9,895,509	11,465,592	10,282,200	
<b>3160 Temporary Appointments</b>						
3400 Other Funds Ltd		20,190	20,190	20,937	20,937	
<b>3170 Overtime Payments</b>						
3400 Other Funds Ltd		112,722	112,722	116,893	116,893	-
<b>3180 Shift Differential</b>						

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-500-04-00-00000**

**2017-19 Biennium**

**Information Services Division**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
3400 Other Funds Ltd	-	2,210	2,210	2,292	2,292	-
<b>3190 All Other Differential</b>						
3400 Other Funds Ltd	-	85,010	85,010	88,155	88,155	-
<b>SALARIES &amp; WAGES</b>						
3400 Other Funds Ltd	-	9,691,036	10,115,641	11,693,869	10,510,477	-
<b>TOTAL SALARIES &amp; WAGES</b>	-	<b>\$9,691,036</b>	<b>\$10,115,641</b>	<b>\$11,693,869</b>	<b>\$10,510,477</b>	-
<b>OTHER PAYROLL EXPENSES</b>						
<b>3210 Empl. Rel. Bd. Assessments</b>						
3400 Other Funds Ltd	-	3,300	3,300	4,617	4,161	-
<b>3220 Public Employees' Retire Cont</b>						
3400 Other Funds Ltd	-	1,527,028	1,594,073	1,804,016	1,439,029	-
<b>3221 Pension Obligation Bond</b>						
3400 Other Funds Ltd	-	577,532	569,041	606,087	606,087	-
<b>3230 Social Security Taxes</b>						
3400 Other Funds Ltd	-	741,369	773,851	894,451	803,922	-
<b>3250 Worker's Comp. Assess. (WCD)</b>						
3400 Other Funds Ltd	-	5,175	5,175	5,589	5,037	-
<b>3260 Mass Transit Tax</b>						
3400 Other Funds Ltd	-	70,134	72,682	70,164	63,063	-
<b>3270 Flexible Benefits</b>						
3400 Other Funds Ltd	-	2,289,600	2,289,600	2,700,216	2,433,528	-
<b>OTHER PAYROLL EXPENSES</b>						
3400 Other Funds Ltd	-	5,214,138	5,307,722	5,885,140	5,354,827	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

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**2017-19 Biennium**

**Information Services Division**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>TOTAL OTHER PAYROLL EXPENSES</b>	-	\$5,214,138	\$5,307,722	\$5,885,140	\$5,354,827	-
<b>P.S. BUDGET ADJUSTMENTS</b>						
<b>3455 Vacancy Savings</b>						
3400 Other Funds Ltd	-	(204,577)	(204,577)	(63,990)	(63,990)	-
<b>3465 Reconciliation Adjustment</b>						
3400 Other Funds Ltd	-	1	1	-	601,133	-
<b>P.S. BUDGET ADJUSTMENTS</b>						
3400 Other Funds Ltd	-	(204,576)	(204,576)	(63,990)	537,143	-
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	-	(\$204,576)	(\$204,576)	(\$63,990)	\$537,143	-
<b>PERSONAL SERVICES</b>						
3400 Other Funds Ltd	-	14,700,598	15,218,787	17,515,019	16,402,447	-
<b>TOTAL PERSONAL SERVICES</b>	-	\$14,700,598	\$15,218,787	\$17,515,019	\$16,402,447	-
<b>SERVICES &amp; SUPPLIES</b>						
<b>4100 Instate Travel</b>						
3400 Other Funds Ltd		3,661	3,661	3,796	3,796	
<b>4150 Employee Training</b>						
3400 Other Funds Ltd		158,075	158,075	146,622	140,127	
<b>4175 Office Expenses</b>						
3400 Other Funds Ltd		159,000	159,000	194,328	169,328	
<b>4200 Telecommunications</b>						
3400 Other Funds Ltd		582,269	582,269	603,813	603,813	
<b>4250 Data Processing</b>						
3400 Other Funds Ltd		4,000,478	4,000,478	3,308,365	3,717,585	

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

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**2017-19 Biennium**

**Information Services Division**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>4315 IT Professional Services</b>						
3400 Other Funds Ltd	-	4,616,506	7,532,083	10,409,460	10,237,444	-
<b>4375 Employee Recruitment and Develop</b>						
3400 Other Funds Ltd	-	2,109	2,109	2,187	2,187	-
<b>4400 Dues and Subscriptions</b>						
3400 Other Funds Ltd	-	7,047	7,047	1,044,308	1,044,308	-
<b>4475 Facilities Maintenance</b>						
3400 Other Funds Ltd	-	3,164	3,164	3,281	3,281	-
<b>4700 Expendable Prop 250 - 5000</b>						
3400 Other Funds Ltd	-	20,129	20,129	25,763	19,743	-
<b>4715 IT Expendable Property</b>						
3400 Other Funds Ltd	-	499,099	499,099	537,122	509,122	-
<b>SERVICES &amp; SUPPLIES</b>						
3400 Other Funds Ltd	-	10,051,537	12,967,114	16,279,045	16,450,734	-
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>\$10,051,537</b>	<b>\$12,967,114</b>	<b>\$16,279,045</b>	<b>\$16,450,734</b>	-
<b>CAPITAL OUTLAY</b>						
<b>5150 Telecommunications Equipment</b>						
3400 Other Funds Ltd	-	70,145	70,145	72,740	72,740	-
<b>5550 Data Processing Software</b>						
3400 Other Funds Ltd	-	539,496	539,496	612,328	312,328	-
<b>5600 Data Processing Hardware</b>						
3400 Other Funds Ltd	-	1,477,660	1,477,660	796,651	420,151	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-500-04-00-00000**

**2017-19 Biennium**

**Information Services Division**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
3400 Other Funds Ltd	-	2,087,301	2,087,301	1,481,719	805,219	-
<b>TOTAL CAPITAL OUTLAY</b>	-	<b>\$2,087,301</b>	<b>\$2,087,301</b>	<b>\$1,481,719</b>	<b>\$805,219</b>	-
<b>SPECIAL PAYMENTS</b>						
6107 Spc Pmt to Administrative Svcs						
3400 Other Funds Ltd	-	-	-	-	2,252,966	-
<b>EXPENDITURES</b>						
3400 Other Funds Ltd	-	26,839,436	30,273,202	35,275,783	35,911,366	-
<b>TOTAL EXPENDITURES</b>	-	<b>\$26,839,436</b>	<b>\$30,273,202</b>	<b>\$35,275,783</b>	<b>\$35,911,366</b>	-
<b>AUTHORIZED POSITIONS</b>						
8150 Class/Unclass Positions	-	75	75	81	73	-
<b>TOTAL AUTHORIZED POSITIONS</b>	-	<b>75</b>	<b>75</b>	<b>81</b>	<b>73</b>	-
<b>AUTHORIZED FTE</b>						
8250 Class/Unclass FTE Positions	-	75.00	75.00	81.00	73.00	-
<b>TOTAL AUTHORIZED FTE</b>	-	<b>75.00</b>	<b>75.00</b>	<b>81.00</b>	<b>73.00</b>	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-500-05-00-00000**

**2017-19 Biennium**

**Customer Services Division**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>REVENUE CATEGORIES</b>						
<b>CHARGES FOR SERVICES</b>						
<b>0410 Charges for Services</b>						
3400 Other Funds Ltd	-	1,000	1,000	1,000	1,000	-
<b>TRANSFERS IN</b>						
<b>1010 Transfer In - Intrafund</b>						
3400 Other Funds Ltd	-	20,876,552	21,936,293	23,390,147	23,390,147	-
<b>REVENUE CATEGORIES</b>						
3400 Other Funds Ltd	-	20,877,552	21,936,293	23,391,147	23,391,147	-
<b>TOTAL REVENUE CATEGORIES</b>	<b>-</b>	<b>\$20,877,552</b>	<b>\$21,936,293</b>	<b>\$23,391,147</b>	<b>\$23,391,147</b>	<b>-</b>
<b>AVAILABLE REVENUES</b>						
3400 Other Funds Ltd	-	20,877,552	21,936,293	23,391,147	23,391,147	-
<b>TOTAL AVAILABLE REVENUES</b>	<b>-</b>	<b>\$20,877,552</b>	<b>\$21,936,293</b>	<b>\$23,391,147</b>	<b>\$23,391,147</b>	<b>-</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		12,311,640	13,155,418	14,068,080	14,068,080	
<b>3160 Temporary Appointments</b>						
3400 Other Funds Ltd		45,164	45,164	46,835	46,835	
<b>3170 Overtime Payments</b>						
3400 Other Funds Ltd		275,077	275,077	285,255	285,255	-
<b>3190 All Other Differential</b>						

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-500-05-00-00000**

**2017-19 Biennium**

**Customer Services Division**

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
3400 Other Funds Ltd	-	33,118	33,118	34,343	34,343	-
<b>SALARIES &amp; WAGES</b>						
3400 Other Funds Ltd	-	12,664,999	13,508,777	14,434,513	14,434,513	-
<b>TOTAL SALARIES &amp; WAGES</b>	-	<b>\$12,664,999</b>	<b>\$13,508,777</b>	<b>\$14,434,513</b>	<b>\$14,434,513</b>	-
<b>OTHER PAYROLL EXPENSES</b>						
<b>3210 Empl. Rel. Bd. Assessments</b>						
3400 Other Funds Ltd	-	5,588	5,588	7,239	7,239	-
<b>3220 Public Employees' Retire Cont</b>						
3400 Other Funds Ltd	-	1,992,672	2,125,905	1,984,511	1,984,511	-
<b>3221 Pension Obligation Bond</b>						
3400 Other Funds Ltd	-	730,444	742,562	835,026	835,026	-
<b>3230 Social Security Taxes</b>						
3400 Other Funds Ltd	-	968,882	1,033,431	1,104,230	1,104,230	-
<b>3250 Worker's Comp. Assess. (WCD)</b>						
3400 Other Funds Ltd	-	8,763	8,763	8,763	8,763	-
<b>3260 Mass Transit Tax</b>						
3400 Other Funds Ltd	-	91,656	96,719	86,607	86,607	-
<b>3270 Flexible Benefits</b>						
3400 Other Funds Ltd	-	3,877,056	3,877,056	4,233,672	4,233,672	-
<b>OTHER PAYROLL EXPENSES</b>						
3400 Other Funds Ltd	-	7,675,061	7,890,024	8,260,048	8,260,048	-
<b>TOTAL OTHER PAYROLL EXPENSES</b>	-	<b>\$7,675,061</b>	<b>\$7,890,024</b>	<b>\$8,260,048</b>	<b>\$8,260,048</b>	-
<b>P.S. BUDGET ADJUSTMENTS</b>						

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-500-05-00-00000**

**2017-19 Biennium**

**Customer Services Division**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>3455 Vacancy Savings</b>						
3400 Other Funds Ltd	-	(281,157)	(281,157)	(85,071)	(85,071)	-
<b>3465 Reconciliation Adjustment</b>						
3400 Other Funds Ltd	-	(1)	(1)	-	-	-
<b>P.S. BUDGET ADJUSTMENTS</b>						
3400 Other Funds Ltd	-	(281,158)	(281,158)	(85,071)	(85,071)	-
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	-	<b>(\$281,158)</b>	<b>(\$281,158)</b>	<b>(\$85,071)</b>	<b>(\$85,071)</b>	-
<b>PERSONAL SERVICES</b>						
3400 Other Funds Ltd	-	20,058,902	21,117,643	22,609,490	22,609,490	-
<b>TOTAL PERSONAL SERVICES</b>	-	<b>\$20,058,902</b>	<b>\$21,117,643</b>	<b>\$22,609,490</b>	<b>\$22,609,490</b>	-
<b>SERVICES &amp; SUPPLIES</b>						
<b>4100 Instate Travel</b>						
3400 Other Funds Ltd	-	117,001	117,001	121,330	121,330	-
<b>4125 Out of State Travel</b>						
3400 Other Funds Ltd	-	1,626	1,626	1,686	1,686	-
<b>4150 Employee Training</b>						
3400 Other Funds Ltd	-	140,508	140,508	145,707	145,707	-
<b>4175 Office Expenses</b>						
3400 Other Funds Ltd	-	277,017	277,017	287,267	285,705	-
<b>4300 Professional Services</b>						
3400 Other Funds Ltd	-	180,120	180,120	155,796	155,796	-
<b>4400 Dues and Subscriptions</b>						
3400 Other Funds Ltd	-	1,780	1,780	1,846	1,846	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-500-05-00-00000**

**2017-19 Biennium**

**Customer Services Division**

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
<b>4700 Expendable Prop 250 - 5000</b>						
3400 Other Funds Ltd	-	29,698	29,698	23,538	23,538	-
<b>4715 IT Expendable Property</b>						
3400 Other Funds Ltd	-	70,900	70,900	44,487	44,487	-
<b>SERVICES &amp; SUPPLIES</b>						
3400 Other Funds Ltd	-	818,650	818,650	781,657	780,095	-
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>\$818,650</b>	<b>\$818,650</b>	<b>\$781,657</b>	<b>\$780,095</b>	-
<b>EXPENDITURES</b>						
3400 Other Funds Ltd	-	20,877,552	21,936,293	23,391,147	23,389,585	-
<b>TOTAL EXPENDITURES</b>	-	<b>\$20,877,552</b>	<b>\$21,936,293</b>	<b>\$23,391,147</b>	<b>\$23,389,585</b>	-
<b>ENDING BALANCE</b>						
3400 Other Funds Ltd	-	-	-	-	1,562	-
<b>TOTAL ENDING BALANCE</b>	-	-	-	-	<b>\$1,562</b>	-
<b>AUTHORIZED POSITIONS</b>						
8150 Class/Unclass Positions	-	127	127	127	127	-
<b>TOTAL AUTHORIZED POSITIONS</b>	-	<b>127</b>	<b>127</b>	<b>127</b>	<b>127</b>	-
<b>AUTHORIZED FTE</b>						
8250 Class/Unclass FTE Positions	-	127.00	127.00	127.00	127.00	-
<b>TOTAL AUTHORIZED FTE</b>	-	<b>127.00</b>	<b>127.00</b>	<b>127.00</b>	<b>127.00</b>	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-500-07-00-00000**

**2017-19 Biennium**

**Policy, Planning & Communications Division**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>REVENUE CATEGORIES</b>						
<b>TRANSFERS IN</b>						
<b>1010 Transfer In - Intrafund</b>						
3400 Other Funds Ltd	-	6,717,315	6,947,473	7,515,090	7,515,090	-
<b>AVAILABLE REVENUES</b>						
3400 Other Funds Ltd	-	6,717,315	6,947,473	7,515,090	7,515,090	-
<b>TOTAL AVAILABLE REVENUES</b>	-	<b>\$6,717,315</b>	<b>\$6,947,473</b>	<b>\$7,515,090</b>	<b>\$7,515,090</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	-	3,285,576	3,479,770	3,612,504	3,484,272	-
<b>3160 Temporary Appointments</b>						
3400 Other Funds Ltd	-	28,821	28,821	29,887	29,887	-
<b>3170 Overtime Payments</b>						
3400 Other Funds Ltd	-	6,507	6,507	6,748	6,748	-
<b>3190 All Other Differential</b>						
3400 Other Funds Ltd	-	9,915	9,915	10,282	10,282	-
<b>SALARIES &amp; WAGES</b>						
3400 Other Funds Ltd	-	3,330,819	3,525,013	3,659,421	3,531,189	-
<b>TOTAL SALARIES &amp; WAGES</b>	-	<b>\$3,330,819</b>	<b>\$3,525,013</b>	<b>\$3,659,421</b>	<b>\$3,531,189</b>	-
<b>OTHER PAYROLL EXPENSES</b>						
<b>3210 Empl. Rel. Bd. Assessments</b>						

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-500-07-00-00000**

**2017-19 Biennium**

**Policy, Planning & Communications Division**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
3400 Other Funds Ltd	-	1,144	1,144	1,482	1,425	-
<b>3220 Public Employees' Retire Conf</b>						
3400 Other Funds Ltd	-	521,388	552,051	576,807	559,821	-
<b>3221 Pension Obligation Bond</b>						
3400 Other Funds Ltd	-	205,013	194,293	210,649	210,649	-
<b>3230 Social Security Taxes</b>						
3400 Other Funds Ltd	-	254,807	269,663	279,945	270,135	-
<b>3250 Worker's Comp. Assess. (WCD)</b>						
3400 Other Funds Ltd	-	1,794	1,794	1,794	1,725	-
<b>3260 Mass Transit Tax</b>						
3400 Other Funds Ltd	-	24,182	25,347	21,957	21,957	-
<b>3270 Flexible Benefits</b>						
3400 Other Funds Ltd	-	793,728	793,728	866,736	833,400	-
<b>OTHER PAYROLL EXPENSES</b>						
3400 Other Funds Ltd	-	1,802,056	1,838,020	1,959,170	1,899,112	-
<b>TOTAL OTHER PAYROLL EXPENSES</b>	-	<b>\$1,802,056</b>	<b>\$1,838,020</b>	<b>\$1,959,170</b>	<b>\$1,899,112</b>	-
<b>P.S. BUDGET ADJUSTMENTS</b>						
<b>3455 Vacancy Savings</b>						
3400 Other Funds Ltd	-	(71,389)	(71,389)	(22,502)	(22,502)	-
<b>3465 Reconciliation Adjustment</b>						
3400 Other Funds Ltd	-	-	-	-	188,290	-
<b>P.S. BUDGET ADJUSTMENTS</b>						
3400 Other Funds Ltd	-	(71,389)	(71,389)	(22,502)	165,788	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-500-07-00-00000**

**2017-19 Biennium**

**Policy, Planning & Communications Division**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	-	(\$71,389)	(\$71,389)	(\$22,502)	\$165,788	-
<b>PERSONAL SERVICES</b>						
3400 Other Funds Ltd	-	5,061,486	5,291,644	5,596,089	5,596,089	-
<b>TOTAL PERSONAL SERVICES</b>	-	<b>\$5,061,486</b>	<b>\$5,291,644</b>	<b>\$5,596,089</b>	<b>\$5,596,089</b>	-
<b>SERVICES &amp; SUPPLIES</b>						
<b>4100 Instate Travel</b>						
3400 Other Funds Ltd	-	1,313	1,313	1,362	1,362	-
<b>4125 Out of State Travel</b>						
3400 Other Funds Ltd	-	572	572	593	593	-
<b>4150 Employee Training</b>						
3400 Other Funds Ltd	-	39,300	39,300	40,754	40,754	-
<b>4175 Office Expenses</b>						
3400 Other Funds Ltd	-	52,000	52,000	53,924	50,089	-
<b>4275 Publicity and Publications</b>						
3400 Other Funds Ltd	-	227,657	227,657	236,080	236,080	-
<b>4300 Professional Services</b>						
3400 Other Funds Ltd	-	162,416	162,416	169,075	169,075	-
<b>4325 Attorney General</b>						
3400 Other Funds Ltd	-	961,177	961,177	1,087,476	1,016,029	-
<b>4350 Dispute Resolution Services</b>						
3400 Other Funds Ltd	-	180,500	180,500	297,700	297,700	-
<b>4375 Employee Recruitment and Develop</b>						
3400 Other Funds Ltd	-	2,711	2,711	2,811	2,811	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-500-07-00-00000**

**2017-19 Biennium**

**Policy, Planning & Communications Division**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>4400 Dues and Subscriptions</b>						
3400 Other Funds Ltd	-	10,652	10,652	11,046	11,046	-
<b>4700 Expendable Prop 250 - 5000</b>						
3400 Other Funds Ltd	-	7,131	7,131	7,395	7,395	-
<b>4715 IT Expendable Property</b>						
3400 Other Funds Ltd	-	10,400	10,400	10,785	10,785	-
<b>SERVICES &amp; SUPPLIES</b>						
3400 Other Funds Ltd	-	1,655,829	1,655,829	1,919,001	1,843,719	-
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>\$1,655,829</b>	<b>\$1,655,829</b>	<b>\$1,919,001</b>	<b>\$1,843,719</b>	-
<b>EXPENDITURES</b>						
3400 Other Funds Ltd	-	6,717,315	6,947,473	7,515,090	7,439,808	-
<b>TOTAL EXPENDITURES</b>	-	<b>\$6,717,315</b>	<b>\$6,947,473</b>	<b>\$7,515,090</b>	<b>\$7,439,808</b>	-
<b>ENDING BALANCE</b>						
3400 Other Funds Ltd	-	-	-	-	75,282	-
<b>TOTAL ENDING BALANCE</b>	-	-	-	-	<b>\$75,282</b>	-
<b>AUTHORIZED POSITIONS</b>						
8150 Class/Unclass Positions	-	26	26	26	25	-
8180 Position Reconciliation	-	-	-	-	1	-
<b>TOTAL AUTHORIZED POSITIONS</b>	-	<b>26</b>	<b>26</b>	<b>26</b>	<b>26</b>	-
<b>AUTHORIZED FTE</b>						
8250 Class/Unclass FTE Positions	-	26.00	26.00	26.00	25.00	-
8280 FTE Reconciliation	-	-	-	-	1.00	-
<b>TOTAL AUTHORIZED FTE</b>	-	<b>26.00</b>	<b>26.00</b>	<b>26.00</b>	<b>26.00</b>	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Public Employees Retirement System, Oregon  
 2017-19 Biennium

Governor's 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
2015-17 Leg Adopted Budget	380	380.00	9,818,619,986	-	-	95,161,904	-	9,723,458,062	-
2015-17 Emergency Boards	-	-	12,607,587	-	-	12,607,587	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>380</b>	<b>380.00</b>	<b>9,831,227,553</b>	<b>-</b>	<b>-</b>	<b>107,769,491</b>	<b>-</b>	<b>9,723,458,062</b>	<b>-</b>
<b>2017-19 Base Budget Adjustments</b>									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	(6)	(6.00)	2,883,405	-	-	2,883,405	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	(1,290,750)	-	-	(1,290,750)	-	-	-
Base Nonlimited Adjustment	-	-	1,270,712,938	-	-	-	-	1,270,712,938	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	<b>374</b>	<b>374.00</b>	<b>11,103,533,146</b>	<b>-</b>	<b>-</b>	<b>109,382,146</b>	<b>-</b>	<b>10,994,171,000</b>	<b>-</b>
<b>Essential Packages</b>									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	641,817	-	-	641,817	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	243,922	-	-	243,922	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>885,739</b>	<b>-</b>	<b>-</b>	<b>885,739</b>	<b>-</b>	<b>-</b>	<b>-</b>
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	3	3.00	804,304	-	-	804,304	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	(8,322,234)	-	-	(8,322,234)	-	-	-
<b>Subtotal</b>	<b>3</b>	<b>3.00</b>	<b>(7,517,930)</b>	<b>-</b>	<b>-</b>	<b>(7,517,930)</b>	<b>-</b>	<b>-</b>	<b>-</b>
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	899,929	-	-	899,929	-	-	-
State Gov't & Services Charges Increase/(Decrease)	-	-	(6,251,033)	-	-	(6,251,033)	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Public Employees Retirement System, Oregon  
 2017-19 Biennium

Governor's 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	-	-	(5,351,104)	-	-	(5,351,104)	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	17,732	-	-	17,732	-	-	-
<b>Subtotal: 2017-19 Current Service Level</b>	<b>377</b>	<b>377.00</b>	<b>11,091,567,583</b>	<b>-</b>	<b>-</b>	<b>97,396,583</b>	<b>-</b>	<b>10,994,171,000</b>	<b>-</b>

# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Public Employees Retirement System, Oregon  
 2017-19 Biennium

Governor's 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: 2017-19 Current Service Level</b>	377	377.00	11,091,567,583	-	-	97,396,583	-	10,994,171,000	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	377	377.00	11,091,567,583	-	-	97,396,583	-	10,994,171,000	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	(2)	(2.00)	(495,921)	-	-	(495,921)	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	(422,825)	-	-	(234,824)	-	(188,001)	-
092 - Statewide AG Adjustment	-	-	(80,047)	-	-	(80,047)	-	-	-
101 - Cybersecurity Program	-	-	2,252,966	-	-	2,252,966	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	3	3.00	2,757,595	-	-	2,757,595	-	-	-
103 - Business Modernization	-	-	6,401,007	-	-	6,401,007	-	-	-
200 - Data Center Migration	-	-	1,147,634	-	-	1,147,634	-	-	-
<b>Subtotal Policy Packages</b>	1	1.00	11,559,409	-	-	11,747,410	-	(188,001)	-
<b>Total 2017-19 Governor's Budget</b>	378	378.00	11,103,126,992	-	-	109,143,993	-	10,993,982,999	-
Percentage Change From 2015-17 Leg Approved Budget	-0.53%	-0.53%	12.94%	-	-	1.28%	-	13.07%	-
Percentage Change From 2017-19 Current Service Level	0.27%	0.27%	0.10%	-	-	12.06%	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon**  
**Non-Limited Programs**  
**2017-19 Biennium**

**Governor's Budget**  
**Cross Reference Number: 45900-010-00-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	-	-	9,723,458,062	-	-	-	-	9,723,458,062	-
2015-17 Emergency Boards	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	-	-	<b>9,723,458,062</b>	-	-	-	-	<b>9,723,458,062</b>	-
<b>2017-19 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	-	-	1,270,712,938	-	-	-	-	1,270,712,938	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	-	-	<b>10,994,171,000</b>	-	-	-	-	<b>10,994,171,000</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: 2017-19 Current Service Level</b>	-	-	<b>10,994,171,000</b>	-	-	-	-	<b>10,994,171,000</b>	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon  
Non-Limited Programs  
2017-19 Biennium**

**Governor's Budget  
Cross Reference Number: 45900-010-00-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal; 2017-19 Current Service Level</b>	-	-	10,994,171,000	-	-	-	-	10,994,171,000	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	-	-	10,994,171,000	-	-	-	-	10,994,171,000	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	(188,001)	-	-	-	-	(188,001)	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Cybersecurity Program	-	-	-	-	-	-	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	-	-	-	-	-	-	-	-	-
103 - Business Modernization	-	-	-	-	-	-	-	-	-
200 - Data Center Migration	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	-	-	(188,001)	-	-	-	-	(188,001)	-
<b>Total 2017-19 Governor's Budget</b>	-	-	10,993,982,999	-	-	-	-	10,993,982,999	-
Percentage Change From 2015-17 Leg Approved Budget	-	-	13.07%	-	-	-	-	13.07%	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon  
Tier One and Tier Two Pension Programs  
2017-19 Biennium**

**Governor's Budget  
Cross Reference Number: 45900-010-01-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	-	-	8,262,947,862	-	-	-	-	8,262,947,862	-
2015-17 Emergency Boards	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>-</b>	<b>-</b>	<b>8,262,947,862</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,262,947,862</b>	<b>-</b>
<b>2017-19 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	-	-	820,052,138	-	-	-	-	820,052,138	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	<b>-</b>	<b>-</b>	<b>9,083,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,083,000,000</b>	<b>-</b>
020 - Phase In / Out Pgm & One-time Cost:									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
<b>Subtotal: 2017-19 Current Service Level</b>	<b>-</b>	<b>-</b>	<b>9,083,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,083,000,000</b>	<b>-</b>

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon  
Tier One and Tier Two Pension Programs  
2017-19 Biennium**

**Governor's Budget  
Cross Reference Number: 45900-010-01-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal; 2017-19 Current Service Level</b>	-	-	9,083,000,000	-	-	-	-	9,083,000,000	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	-	-	9,083,000,000	-	-	-	-	9,083,000,000	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Cybersecurity Program	-	-	-	-	-	-	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	-	-	-	-	-	-	-	-	-
103 - Business Modernization	-	-	-	-	-	-	-	-	-
200 - Data Center Migration	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	-	-	-	-	-	-	-	-	-
<b>Total 2017-19 Governor's Budget</b>	-	-	9,083,000,000	-	-	-	-	9,083,000,000	-
Percentage Change From 2015-17 Leg Approved Budget	-	-	9.92%	-	-	-	-	9.92%	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon  
Retirement Health Insurance Programs  
2017-19 Biennium**

**Governor's Budget  
Cross Reference Number: 45900-010-02-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	-	-	558,094,445	-	-	-	-	558,094,445	-
2015-17 Emergency Boards	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>-</b>	<b>-</b>	<b>558,094,445</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>558,094,445</b>	<b>-</b>
<b>2017-19 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	-	-	257,176,555	-	-	-	-	257,176,555	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	<b>-</b>	<b>-</b>	<b>815,271,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>815,271,000</b>	<b>-</b>
020 - Phase In / Out Pgm & One-time Cost:									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
<b>Subtotal: 2017-19 Current Service Level</b>	<b>-</b>	<b>-</b>	<b>815,271,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>815,271,000</b>	<b>-</b>

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon  
Retirement Health Insurance Programs  
2017-19 Biennium**

**Governor's Budget  
Cross Reference Number: 45900-010-02-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal; 2017-19 Current Service Level</b>	-	-	815,271,000	-	-	-	-	815,271,000	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	-	-	815,271,000	-	-	-	-	815,271,000	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	(178,208)	-	-	-	-	(178,208)	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Cybersecurity Program	-	-	-	-	-	-	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	-	-	-	-	-	-	-	-	-
103 - Business Modernization	-	-	-	-	-	-	-	-	-
200 - Data Center Migration	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	-	-	(178,208)	-	-	-	-	(178,208)	-
<b>Total 2017-19 Governor's Budget</b>	-	-	815,092,792	-	-	-	-	815,092,792	-
Percentage Change From 2015-17 Leg Approved Budget	-	-	46.05%	-	-	-	-	46.05%	-
Percentage Change From 2017-19 Current Service Level	-	-	-0.02%	-	-	-	-	-0.02%	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon  
Oregon Public Service Retirement Pension Pgm  
2017-19 Biennium**

**Governor's Budget  
Cross Reference Number: 45900-010-03-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	-	-	28,926,864	-	-	-	-	28,926,864	-
2015-17 Emergency Boards	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>-</b>	<b>-</b>	<b>28,926,864</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,926,864</b>	<b>-</b>
<b>2017-19 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	-	-	10,073,136	-	-	-	-	10,073,136	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	<b>-</b>	<b>-</b>	<b>39,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,000,000</b>	<b>-</b>
020 - Phase In / Out Pgm & One-time Cost:									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
<b>Subtotal: 2017-19 Current Service Level</b>	<b>-</b>	<b>-</b>	<b>39,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,000,000</b>	<b>-</b>

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## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
Oregon Public Service Retirement Pension Pgm  
2017-19 Biennium

Governor's Budget  
Cross Reference Number: 45900-010-03-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal; 2017-19 Current Service Level</b>	-	-	39,000,000	-	-	-	-	39,000,000	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	-	-	39,000,000	-	-	-	-	39,000,000	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Cybersecurity Program	-	-	-	-	-	-	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	-	-	-	-	-	-	-	-	-
103 - Business Modernization	-	-	-	-	-	-	-	-	-
200 - Data Center Migration	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	-	-	-	-	-	-	-	-	-
<b>Total 2017-19 Governor's Budget</b>	-	-	39,000,000	-	-	-	-	39,000,000	-
Percentage Change From 2015-17 Leg Approved Budget	-	-	34.82%	-	-	-	-	34.82%	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon  
Individual Account Program (IAP)  
2017-19 Biennium**

**Governor's Budget  
Cross Reference Number: 45900-010-04-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	-	-	873,488,891	-	-	-	-	873,488,891	-
2015-17 Emergency Boards	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>-</b>	<b>-</b>	<b>873,488,891</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>873,488,891</b>	<b>-</b>
<b>2017-19 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	-	-	183,411,109	-	-	-	-	183,411,109	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	<b>-</b>	<b>-</b>	<b>1,056,900,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,056,900,000</b>	<b>-</b>
020 - Phase In / Out Pgm & One-time Cost:									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
<b>Subtotal: 2017-19 Current Service Level</b>	<b>-</b>	<b>-</b>	<b>1,056,900,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,056,900,000</b>	<b>-</b>

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon  
Individual Account Program (IAP)  
2017-19 Biennium**

**Governor's Budget  
Cross Reference Number: 45900-010-04-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal; 2017-19 Current Service Level</b>	-	-	1,056,900,000	-	-	-	-	1,056,900,000	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	-	-	1,056,900,000	-	-	-	-	1,056,900,000	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	(9,793)	-	-	-	-	(9,793)	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Cybersecurity Program	-	-	-	-	-	-	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	-	-	-	-	-	-	-	-	-
103 - Business Modernization	-	-	-	-	-	-	-	-	-
200 - Data Center Migration	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	-	-	(9,793)	-	-	-	-	(9,793)	-
<b>Total 2017-19 Governor's Budget</b>	-	-	1,056,890,207	-	-	-	-	1,056,890,207	-
Percentage Change From 2015-17 Leg Approved Budget	-	-	21.00%	-	-	-	-	21.00%	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon**  
**Tier One and Tier Two Plan**  
**2017-19 Biennium**

**Governor's 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
2015-17 Leg Adopted Budget	-	-	-	-	-	-	-	-	-
2015-17 Emergency Boards	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2017-19 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	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
<b>Subtotal: 2017-19 Current Service Level</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon  
Tier One and Tier Two Plan  
2017-19 Biennium**

**Governor's 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
<b>Subtotal; 2017-19 Current Service Level</b>	-	-	-	-	-	-	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	-	-	-	-	-	-	-	-	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Cybersecurity Program	-	-	-	-	-	-	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	-	-	-	-	-	-	-	-	-
103 - Business Modernization	-	-	-	-	-	-	-	-	-
200 - Data Center Migration	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	-	-	-	-	-	-	-	-	-
<b>Total 2017-19 Governor's Budget</b>	-	-	-	-	-	-	-	-	-
Percentage Change From 2015-17 Leg Approved Budget	-	-	-	-	-	-	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon  
Oregon Public Service Retirement Plan  
2017-19 Biennium**

**Governor's 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
2015-17 Leg Adopted Budget	-	-	-	-	-	-	-	-	-
2015-17 Emergency Boards	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2017-19 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	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
<b>Subtotal: 2017-19 Current Service Level</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon  
Oregon Public Service Retirement Plan  
2017-19 Biennium**

**Governor's 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; 2017-19 Current Service Level</b>	-	-	-	-	-	-	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	-	-	-	-	-	-	-	-	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Cybersecurity Program	-	-	-	-	-	-	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	-	-	-	-	-	-	-	-	-
103 - Business Modernization	-	-	-	-	-	-	-	-	-
200 - Data Center Migration	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	-	-	-	-	-	-	-	-	-
<b>Total 2017-19 Governor's Budget</b>	-	-	-	-	-	-	-	-	-
Percentage Change From 2015-17 Leg Approved Budget	-	-	-	-	-	-	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon  
Operations  
2017-19 Biennium**

**Governor's 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
2015-17 Leg Adopted Budget	-	-	-	-	-	-	-	-	-
2015-17 Emergency Boards	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2017-19 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	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
<b>Subtotal: 2017-19 Current Service Level</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon  
Operations  
2017-19 Biennium**

**Governor's 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
<b>Subtotal; 2017-19 Current Service Level</b>	-	-	-	-	-	-	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	-	-	-	-	-	-	-	-	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Cybersecurity Program	-	-	-	-	-	-	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	-	-	-	-	-	-	-	-	-
103 - Business Modernization	-	-	-	-	-	-	-	-	-
200 - Data Center Migration	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	-	-	-	-	-	-	-	-	-
<b>Total 2017-19 Governor's Budget</b>	-	-	-	-	-	-	-	-	-
Percentage Change From 2015-17 Leg Approved Budget	-	-	-	-	-	-	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon**  
**Debt Service**  
**2017-19 Biennium**

**Governor's 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
2015-17 Leg Adopted Budget	-	-	1,290,750	-	-	1,290,750	-	-	-
2015-17 Emergency Boards	-	-	-	-	-	-	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>-</b>	<b>-</b>	<b>1,290,750</b>	<b>-</b>	<b>-</b>	<b>1,290,750</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2017-19 Base Budget Adjustments</b>									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	(1,290,750)	-	-	(1,290,750)	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
<b>Subtotal: 2017-19 Current Service Level</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon**  
**Debt Service**  
**2017-19 Biennium**

**Governor's 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; 2017-19 Current Service Level</b>	-	-	-	-	-	-	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	-	-	-	-	-	-	-	-	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Cybersecurity Program	-	-	-	-	-	-	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	-	-	-	-	-	-	-	-	-
103 - Business Modernization	-	-	-	-	-	-	-	-	-
200 - Data Center Migration	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	-	-	-	-	-	-	-	-	-
<b>Total 2017-19 Governor's Budget</b>	-	-	-	-	-	-	-	-	-
Percentage Change From 2015-17 Leg Approved Budget	-	-	-100.00%	-	-	-100.00%	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon  
Limited - Operations  
2017-19 Biennium**

**Governor's Budget  
Cross Reference Number: 45900-500-00-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	380	380.00	93,871,154	-	-	93,871,154	-	-	-
2015-17 Emergency Boards	-	-	12,607,587	-	-	12,607,587	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>380</b>	<b>380.00</b>	<b>106,478,741</b>	<b>-</b>	<b>-</b>	<b>106,478,741</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2017-19 Base Budget Adjustments</b>									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	(6)	(6.00)	2,883,405	-	-	2,883,405	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	<b>374</b>	<b>374.00</b>	<b>109,362,146</b>	<b>-</b>	<b>-</b>	<b>109,362,146</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Essential Packages</b>									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	641,817	-	-	641,817	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	243,922	-	-	243,922	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>885,739</b>	<b>-</b>	<b>-</b>	<b>885,739</b>	<b>-</b>	<b>-</b>	<b>-</b>
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	3	3.00	804,304	-	-	804,304	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	(8,322,234)	-	-	(8,322,234)	-	-	-
<b>Subtotal</b>	<b>3</b>	<b>3.00</b>	<b>(7,517,930)</b>	<b>-</b>	<b>-</b>	<b>(7,517,930)</b>	<b>-</b>	<b>-</b>	<b>-</b>
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	899,929	-	-	899,929	-	-	-
State Gov't & Services Charges Increase/(Decrease)	-	-	(8,251,033)	-	-	(8,251,033)	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Limited - Operations  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-500-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal	-	-	(5,351,104)	-	-	(5,351,104)	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	17,732	-	-	17,732	-	-	-
<b>Subtotal: 2017-19 Current Service Level</b>	<b>377</b>	<b>377.00</b>	<b>97,396,583</b>	<b>-</b>	<b>-</b>	<b>97,396,583</b>	<b>-</b>	<b>-</b>	<b>-</b>

# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon  
Limited - Operations  
2017-19 Biennium**

**Governor's Budget  
Cross Reference Number: 45900-500-00-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal; 2017-19 Current Service Level</b>	<b>377</b>	<b>377.00</b>	<b>97,396,583</b>	-	-	<b>97,396,583</b>	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	<b>377</b>	<b>377.00</b>	<b>97,396,583</b>	-	-	<b>97,396,583</b>	-	-	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	(2)	(2.00)	(495,921)	-	-	(495,921)	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	(234,824)	-	-	(234,824)	-	-	-
092 - Statewide AG Adjustment	-	-	(80,047)	-	-	(80,047)	-	-	-
101 - Cybersecurity Program	-	-	2,252,966	-	-	2,252,966	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	3	3.00	2,757,595	-	-	2,757,595	-	-	-
103 - Business Modernization	-	-	6,401,007	-	-	6,401,007	-	-	-
200 - Data Center Migration	-	-	1,147,634	-	-	1,147,634	-	-	-
<b>Subtotal Policy Packages</b>	<b>1</b>	<b>1.00</b>	<b>11,747,410</b>	<b>-</b>	<b>-</b>	<b>11,747,410</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total 2017-19 Governor's Budget</b>	<b>378</b>	<b>378.00</b>	<b>109,143,993</b>	<b>-</b>	<b>-</b>	<b>109,143,993</b>	<b>-</b>	<b>-</b>	<b>-</b>
Percentage Change From 2015-17 Leg Approved Budget	-0.53%	-0.53%	2.50%	-	-	2.50%	-	-	-
Percentage Change From 2017-19 Current Service Level	0.27%	0.27%	12.06%	-	-	12.06%	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon  
Central Administration  
2017-19 Biennium**

**Governor's Budget  
Cross Reference Number: 45900-500-01-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	10	10.00	3,639,324	-	-	3,639,324	-	-	-
2015-17 Emergency Boards	-	-	190,414	-	-	190,414	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>10</b>	<b>10.00</b>	<b>3,829,738</b>	<b>-</b>	<b>-</b>	<b>3,829,738</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2017-19 Base Budget Adjustments</b>									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	115,749	-	-	115,749	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	<b>10</b>	<b>10.00</b>	<b>3,945,487</b>	<b>-</b>	<b>-</b>	<b>3,945,487</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Essential Packages</b>									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/(Decrease)	-	-	25,474	-	-	25,474	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	5,168	-	-	5,168	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>30,642</b>	<b>-</b>	<b>-</b>	<b>30,642</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	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	5,772	-	-	5,772	-	-	-
State Gov't & Services Charges Increase/(Decrease)	-	-	(4,000)	-	-	(4,000)	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Central Administration  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-500-01-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal	-	-	1,772	-	-	1,772	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
<b>Subtotal: 2017-19 Current Service Level</b>	<b>10</b>	<b>10.00</b>	<b>3,977,901</b>	<b>-</b>	<b>-</b>	<b>3,977,901</b>	<b>-</b>	<b>-</b>	<b>-</b>

# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon  
Central Administration  
2017-19 Biennium**

**Governor's Budget  
Cross Reference Number: 45900-500-01-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal; 2017-19 Current Service Level</b>	<b>10</b>	<b>10.00</b>	<b>3,977,901</b>	-	-	<b>3,977,901</b>	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	<b>10</b>	<b>10.00</b>	<b>3,977,901</b>	-	-	<b>3,977,901</b>	-	-	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	<b>-</b>	<b>-</b>	<b>-</b>	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	(41,175)	-	-	(41,175)	-	-	-
092 - Statewide AG Adjustment	-	-	(435)	-	-	(435)	-	-	-
101 - Cybersecurity Program	-	-	-	-	-	-	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	-	-	-	-	-	-	-	-	-
103 - Business Modernization	-	-	-	-	-	-	-	-	-
200 - Data Center Migration	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	<b>-</b>	<b>-</b>	<b>(41,610)</b>	-	-	<b>(41,610)</b>	-	-	-
<b>Total 2017-19 Governor's Budget</b>	<b>10</b>	<b>10.00</b>	<b>3,936,291</b>	-	-	<b>3,936,291</b>	-	-	-
Percentage Change From 2015-17 Leg Approved Budget	-	-	2.78%	-	-	2.78%	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-1.05%	-	-	-1.05%	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon**  
**Benefit Payments Division**  
**2017-19 Biennium**

**Governor's Budget**  
**Cross Reference Number: 45900-500-02-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	80	80.00	14,161,869	-	-	14,161,869	-	-	-
2015-17 Emergency Boards	-	-	585,680	-	-	585,680	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>80</b>	<b>80.00</b>	<b>14,767,549</b>	<b>-</b>	<b>-</b>	<b>14,767,549</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2017-19 Base Budget Adjustments</b>									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	901,345	-	-	901,345	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	<b>80</b>	<b>80.00</b>	<b>15,668,894</b>	<b>-</b>	<b>-</b>	<b>15,668,894</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Essential Packages</b>									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	122,469	-	-	122,469	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	68,188	-	-	68,188	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>190,657</b>	<b>-</b>	<b>-</b>	<b>190,657</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	-	-	(701,820)	-	-	(701,820)	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>(701,820)</b>	<b>-</b>	<b>-</b>	<b>(701,820)</b>	<b>-</b>	<b>-</b>	<b>-</b>
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	29,723	-	-	29,723	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>29,723</b>	<b>-</b>	<b>-</b>	<b>29,723</b>	<b>-</b>	<b>-</b>	<b>-</b>

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon**  
**Benefit Payments Division**  
**2017-19 Biennium**

**Governor's Budget**  
**Cross Reference Number: 45900-500-02-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
<b>Subtotal: 2017-19 Current Service Level</b>	<b>80</b>	<b>80.00</b>	<b>15,187,454</b>	<b>-</b>	<b>-</b>	<b>15,187,454</b>	<b>-</b>	<b>-</b>	<b>-</b>

# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon  
Benefit Payments Division  
2017-19 Biennium**

**Governor's Budget  
Cross Reference Number: 45900-500-02-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal; 2017-19 Current Service Level</b>	<b>80</b>	<b>80.00</b>	<b>15,187,454</b>	-	-	<b>15,187,454</b>	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	<b>80</b>	<b>80.00</b>	<b>15,187,454</b>	-	-	<b>15,187,454</b>	-	-	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	(1,570)	-	-	(1,570)	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Cybersecurity Program	-	-	-	-	-	-	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	-	-	-	-	-	-	-	-	-
103 - Business Modernization	-	-	-	-	-	-	-	-	-
200 - Data Center Migration	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	-	-	<b>(1,570)</b>	-	-	<b>(1,570)</b>	-	-	-
<b>Total 2017-19 Governor's Budget</b>	<b>80</b>	<b>80.00</b>	<b>15,185,884</b>	-	-	<b>15,185,884</b>	-	-	-
Percentage Change From 2015-17 Leg Approved Budget	-	-	2.83%	-	-	2.83%	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-0.01%	-	-	-0.01%	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon  
Financial & Admin Services Division (FASD)  
2017-19 Biennium**

**Governor's Budget  
Cross Reference Number: 45900-500-03-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	62	62.00	21,615,858	-	-	21,615,858	-	-	-
2015-17 Emergency Boards	-	-	7,108,828	-	-	7,108,828	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>62</b>	<b>62.00</b>	<b>28,724,486</b>	<b>-</b>	<b>-</b>	<b>28,724,486</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2017-19 Base Budget Adjustments</b>									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	(3)	(3.00)	113,795	-	-	113,795	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	<b>59</b>	<b>59.00</b>	<b>28,838,281</b>	<b>-</b>	<b>-</b>	<b>28,838,281</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Essential Packages</b>									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	108,314	-	-	108,314	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	17,295	-	-	17,295	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>125,609</b>	<b>-</b>	<b>-</b>	<b>125,609</b>	<b>-</b>	<b>-</b>	<b>-</b>
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	3	3.00	804,304	-	-	804,304	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	(384,391)	-	-	(384,391)	-	-	-
<b>Subtotal</b>	<b>3</b>	<b>3.00</b>	<b>419,913</b>	<b>-</b>	<b>-</b>	<b>419,913</b>	<b>-</b>	<b>-</b>	<b>-</b>
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	274,393	-	-	274,393	-	-	-
State Gov't & Services Charges Increase/(Decrease)	-	-	(6,247,033)	-	-	(6,247,033)	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Financial & Admin Services Division (FASD)  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-500-03-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal	-	-	(5,972,640)	-	-	(5,972,640)	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	49,613	-	-	49,613	-	-	-
<b>Subtotal: 2017-19 Current Service Level</b>	<b>62</b>	<b>62.00</b>	<b>23,460,776</b>	<b>-</b>	<b>-</b>	<b>23,460,776</b>	<b>-</b>	<b>-</b>	<b>-</b>

# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon  
Financial & Admin Services Division (FASD)  
2017-19 Biennium**

**Governor's Budget  
Cross Reference Number: 45900-500-03-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal; 2017-19 Current Service Level</b>	<b>62</b>	<b>62.00</b>	<b>23,460,776</b>	-	-	<b>23,460,776</b>	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	<b>62</b>	<b>62.00</b>	<b>23,460,776</b>	-	-	<b>23,460,776</b>	-	-	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	(171,552)	-	-	(171,552)	-	-	-
092 - Statewide AG Adjustment	-	-	(8,165)	-	-	(8,165)	-	-	-
101 - Cybersecurity Program	-	-	-	-	-	-	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	-	-	-	-	-	-	-	-	-
103 - Business Modernization	-	-	-	-	-	-	-	-	-
200 - Data Center Migration	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	<b>-</b>	<b>-</b>	<b>(179,717)</b>	<b>-</b>	<b>-</b>	<b>(179,717)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total 2017-19 Governor's Budget</b>	<b>62</b>	<b>62.00</b>	<b>23,281,059</b>	<b>-</b>	<b>-</b>	<b>23,281,059</b>	<b>-</b>	<b>-</b>	<b>-</b>
Percentage Change From 2015-17 Leg Approved Budget	-	-	-18.95%	-	-	-18.95%	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-0.77%	-	-	-0.77%	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon**  
**Information Services Division**  
**2017-19 Biennium**

**Governor's Budget**  
**Cross Reference Number: 45900-500-04-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	75	75.00	26,639,436	-	-	26,639,436	-	-	-
2015-17 Emergency Boards	-	-	3,433,766	-	-	3,433,766	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>75</b>	<b>75.00</b>	<b>30,273,202</b>	<b>-</b>	<b>-</b>	<b>30,273,202</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2017-19 Base Budget Adjustments</b>									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	(3)	(3.00)	314,685	-	-	314,685	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	<b>72</b>	<b>72.00</b>	<b>30,587,887</b>	<b>-</b>	<b>-</b>	<b>30,587,887</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Essential Packages</b>									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	140,587	-	-	140,587	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	39,783	-	-	39,783	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>180,370</b>	<b>-</b>	<b>-</b>	<b>180,370</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	-	-	(7,170,563)	-	-	(7,170,563)	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>(7,170,563)</b>	<b>-</b>	<b>-</b>	<b>(7,170,563)</b>	<b>-</b>	<b>-</b>	<b>-</b>
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	298,402	-	-	298,402	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>298,402</b>	<b>-</b>	<b>-</b>	<b>298,402</b>	<b>-</b>	<b>-</b>	<b>-</b>

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Information Services Division  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-500-04-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
040 - Mandated Caseload									
040 - Mandated Caseload									
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts									
060 - Technical Adjustments									
060 - Technical Adjustments			(31,881)			(31,881)			
<b>Subtotal: 2017-19 Current Service Level</b>	<b>72</b>	<b>72.00</b>	<b>23,864,215</b>			<b>23,864,215</b>			

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## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon**  
**Information Services Division**  
**2017-19 Biennium**

**Governor's Budget**  
**Cross Reference Number: 45900-500-04-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal; 2017-19 Current Service Level</b>	<b>72</b>	<b>72.00</b>	<b>23,864,215</b>	-	-	<b>23,864,215</b>	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	<b>72</b>	<b>72.00</b>	<b>23,864,215</b>	-	-	<b>23,864,215</b>	-	-	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	<b>-</b>	<b>-</b>	<b>-</b>	-	-	<b>-</b>	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	(2)	(2.00)	(496,921)	-	-	(496,921)	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	(15,130)	-	-	(15,130)	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Cybersecurity Program	-	-	2,252,966	-	-	2,252,966	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	3	3.00	2,757,595	-	-	2,757,595	-	-	-
103 - Business Modernization	-	-	6,401,007	-	-	6,401,007	-	-	-
200 - Data Center Migration	-	-	1,147,634	-	-	1,147,634	-	-	-
<b>Subtotal Policy Packages</b>	<b>1</b>	<b>1.00</b>	<b>12,047,151</b>	-	-	<b>12,047,151</b>	-	-	-
<b>Total 2017-19 Governor's Budget</b>	<b>73</b>	<b>73.00</b>	<b>35,911,366</b>	-	-	<b>35,911,366</b>	-	-	-
Percentage Change From 2015-17 Leg Approved Budget	-2.67%	-2.67%	18.62%	-	-	18.62%	-	-	-
Percentage Change From 2017-19 Current Service Level	1.39%	1.39%	50.48%	-	-	50.48%	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Customer Services Division  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-500-05-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	127	127.00	20,877,552	-	-	20,877,552	-	-	-
2015-17 Emergency Boards	-	-	1,058,741	-	-	1,058,741	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>127</b>	<b>127.00</b>	<b>21,936,293</b>	<b>-</b>	<b>-</b>	<b>21,936,293</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2017-19 Base Budget Adjustments</b>									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	1,197,157	-	-	1,197,157	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	<b>127</b>	<b>127.00</b>	<b>23,133,450</b>	<b>-</b>	<b>-</b>	<b>23,133,450</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Essential Packages</b>									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	196,086	-	-	196,086	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	98,604	-	-	98,604	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>294,690</b>	<b>-</b>	<b>-</b>	<b>294,690</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	-	-	(65,460)	-	-	(65,460)	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>(65,460)</b>	<b>-</b>	<b>-</b>	<b>(65,460)</b>	<b>-</b>	<b>-</b>	<b>-</b>
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	28,467	-	-	28,467	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>28,467</b>	<b>-</b>	<b>-</b>	<b>28,467</b>	<b>-</b>	<b>-</b>	<b>-</b>

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Customer Services Division  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-500-05-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
040 - Mandated Caseload									
040 - Mandated Caseload									
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts									
060 - Technical Adjustments									
060 - Technical Adjustments									
<b>Subtotal: 2017-19 Current Service Level</b>	<b>127</b>	<b>127.00</b>	<b>23,391,147</b>	-	-	<b>23,391,147</b>	-	-	-

# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon**  
**Customer Services Division**  
**2017-19 Biennium**

**Governor's Budget**  
**Cross Reference Number: 45900-500-05-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal; 2017-19 Current Service Level</b>	127	127.00	23,391,147	-	-	23,391,147	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	127	127.00	23,391,147	-	-	23,391,147	-	-	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	(1,562)	-	-	(1,562)	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Cybersecurity Program	-	-	-	-	-	-	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	-	-	-	-	-	-	-	-	-
103 - Business Modernization	-	-	-	-	-	-	-	-	-
200 - Data Center Migration	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	-	-	(1,562)	-	-	(1,562)	-	-	-
<b>Total 2017-19 Governor's Budget</b>	127	127.00	23,389,585	-	-	23,389,585	-	-	-
Percentage Change From 2015-17 Leg Approved Budget	-	-	5.63%	-	-	5.63%	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-0.01%	-	-	-0.01%	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Policy, Planning & Communications Division  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-500-07-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	26	26.00	6,717,315	-	-	6,717,315	-	-	-
2015-17 Emergency Boards	-	-	230,158	-	-	230,158	-	-	-
<b>2015-17 Leg Approved Budget</b>	<b>26</b>	<b>26.00</b>	<b>6,947,473</b>	<b>-</b>	<b>-</b>	<b>6,947,473</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2017-19 Base Budget Adjustments</b>									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	240,674	-	-	240,674	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	<b>26</b>	<b>26.00</b>	<b>7,188,147</b>	<b>-</b>	<b>-</b>	<b>7,188,147</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Essential Packages</b>									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	46,887	-	-	46,887	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	14,884	-	-	14,884	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>63,771</b>	<b>-</b>	<b>-</b>	<b>63,771</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	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	263,172	-	-	263,172	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>263,172</b>	<b>-</b>	<b>-</b>	<b>263,172</b>	<b>-</b>	<b>-</b>	<b>-</b>

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Public Employees Retirement System, Oregon  
 Policy, Planning & Communications Division  
 2017-19 Biennium

Governor's Budget  
 Cross Reference Number: 45900-500-07-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
040 - Mandated Caseload									
040 - Mandated Caseload									
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts									
060 - Technical Adjustments									
060 - Technical Adjustments									
<b>Subtotal: 2017-19 Current Service Level</b>	<b>26</b>	<b>26.00</b>	<b>7,515,090</b>	<b>-</b>	<b>-</b>	<b>7,515,090</b>	<b>-</b>	<b>-</b>	<b>-</b>

# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

**Public Employees Retirement System, Oregon  
Policy, Planning & Communications Division  
2017-19 Biennium**

**Governor's Budget  
Cross Reference Number: 45900-500-07-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal; 2017-19 Current Service Level</b>	<b>26</b>	<b>26.00</b>	<b>7,515,090</b>	-	-	<b>7,515,090</b>	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2017-19 Current Service Level</b>	<b>26</b>	<b>26.00</b>	<b>7,515,090</b>	-	-	<b>7,515,090</b>	-	-	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	<b>-</b>	<b>-</b>	<b>-</b>	-	-	<b>-</b>	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	(3,835)	-	-	(3,835)	-	-	-
092 - Statewide AG Adjustment	-	-	(71,447)	-	-	(71,447)	-	-	-
101 - Cybersecurity Program	-	-	-	-	-	-	-	-	-
102 - Fully Integrating IAP Administration into the PERS ORION S	-	-	-	-	-	-	-	-	-
103 - Business Modernization	-	-	-	-	-	-	-	-	-
200 - Data Center Migration	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	<b>-</b>	<b>-</b>	<b>(75,282)</b>	-	-	<b>(75,282)</b>	-	-	-
<b>Total 2017-19 Governor's Budget</b>	<b>26</b>	<b>26.00</b>	<b>7,439,808</b>	-	-	<b>7,439,808</b>	-	-	-
Percentage Change From 2015-17 Leg Approved Budget	-	-	7.09%	-	-	7.09%	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-1.00%	-	-	-1.00%	-	-	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Version / Column Comparison Report - Detail

Cross Reference Number:45900-010-00-00-00000

2017-19 Biennium

Non-Limited Programs

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 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	80,782,999,403	80,782,999,403	0	-
<b>REVENUE CATEGORIES</b>				
<b>CHARGES FOR SERVICES</b>				
0410 Charges for Services				
3200 Other Funds Non-Ltd	756,071,500	756,071,500	0	-
<b>INTEREST EARNINGS</b>				
0605 Interest Income				
3200 Other Funds Non-Ltd	14,316,670,000	14,316,670,000	0	-
<b>DONATIONS AND CONTRIBUTIONS</b>				
0915 Retirement System Contribution				
3200 Other Funds Non-Ltd	4,785,800,000	4,785,800,000	0	-
<b>TOTAL REVENUES</b>				
3200 Other Funds Non-Ltd	19,858,541,500	19,858,541,500	0	-
<b>TRANSFERS OUT</b>				
2010 Transfer Out - Intrafund				
3200 Other Funds Non-Ltd	(104,447,116)	(104,447,116)	0	-
<b>AVAILABLE REVENUES</b>				
3200 Other Funds Non-Ltd	100,537,093,787	100,537,093,787	0	-
<b>EXPENDITURES</b>				
<b>SERVICES &amp; SUPPLIES</b>				
4300 Professional Services				
3200 Other Funds Non-Ltd	89,171,000	89,171,000	0	-

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# BUDGET NARRATIVE

*Public Employees Retirement System, Oregon*

*Agency Number: 45900*

Version / Column Comparison Report - Detail

Cross Reference Number:45900-010-00-00-00000

2017-19 Biennium

Non-Limited Programs

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>4575 Agency Program Related S and S</b>				
3200 Other Funds Non-Ltd	4,900,000	4,900,000	0	-
<b>TOTAL SERVICES &amp; SUPPLIES</b>				
3200 Other Funds Non-Ltd	94,071,000	94,071,000	0	-
<b>SPECIAL PAYMENTS</b>				
<b>6030 Dist to Non-Gov Units</b>				
3200 Other Funds Non-Ltd	726,100,000	726,100,000	0	-
<b>6035 Dist to Individuals</b>				
3200 Other Funds Non-Ltd	10,174,000,000	10,174,000,000	0	-
<b>TOTAL SPECIAL PAYMENTS</b>				
3200 Other Funds Non-Ltd	10,900,100,000	10,900,100,000	0	-
<b>TOTAL EXPENDITURES</b>				
3200 Other Funds Non-Ltd	10,994,171,000	10,994,171,000	0	-
<b>ENDING BALANCE</b>				
3200 Other Funds Non-Ltd	89,542,922,787	89,542,922,787	0	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Version / Column Comparison Report - Detail

Cross Reference Number:45900-010-01-00-00000

2017-19 Biennium

Tier One and Tier Two Pension Programs

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 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	68,128,458,017	68,128,458,017	0	-
<b>REVENUE CATEGORIES</b>				
<b>CHARGES FOR SERVICES</b>				
0410 Charges for Services				
3200 Other Funds Non-Ltd	12,500	12,500	0	-
<b>INTEREST EARNINGS</b>				
0605 Interest Income				
3200 Other Funds Non-Ltd	12,500,000,000	12,500,000,000	0	-
<b>DONATIONS AND CONTRIBUTIONS</b>				
0915 Retirement System Contribution				
3200 Other Funds Non-Ltd	2,300,000,000	2,300,000,000	0	-
<b>TOTAL REVENUES</b>				
3200 Other Funds Non-Ltd	14,800,012,500	14,800,012,500	0	-
<b>TRANSFERS OUT</b>				
2010 Transfer Out - Intrafund				
3200 Other Funds Non-Ltd	(73,984,636)	(73,984,636)	0	-
<b>AVAILABLE REVENUES</b>				
3200 Other Funds Non-Ltd	82,854,485,881	82,854,485,881	0	-
<b>EXPENDITURES</b>				
<b>SPECIAL PAYMENTS</b>				
6035 Dist to Individuals				
3200 Other Funds Non-Ltd	9,083,000,000	9,083,000,000	0	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

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Cross Reference Number:45900-010-01-00-00000

2017-19 Biennium

Tier One and Tier Two Pension Programs

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>ENDING BALANCE</b>				
3200 Other Funds Non-Ltd	73,771,485,881	73,771,485,881	0	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

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Cross Reference Number:45900-010-02-00-00000

2017-19 Biennium

Retirement Health Insurance Programs

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 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	627,014,774	627,014,774	0	-
<b>REVENUE CATEGORIES</b>				
<b>CHARGES FOR SERVICES</b>				
0410 Charges for Services				
3200 Other Funds Non-Ltd	756,000,000	756,000,000	0	-
<b>INTEREST EARNINGS</b>				
0605 Interest Income				
3200 Other Funds Non-Ltd	71,670,000	71,670,000	0	-
<b>DONATIONS AND CONTRIBUTIONS</b>				
0915 Retirement System Contribution				
3200 Other Funds Non-Ltd	141,800,000	141,800,000	0	-
<b>TOTAL REVENUES</b>				
3200 Other Funds Non-Ltd	969,470,000	969,470,000	0	-
<b>TRANSFERS OUT</b>				
2010 Transfer Out - Intrafund				
3200 Other Funds Non-Ltd	(1,965,288)	(1,965,288)	0	-
<b>AVAILABLE REVENUES</b>				
3200 Other Funds Non-Ltd	1,594,519,486	1,594,519,486	0	-
<b>EXPENDITURES</b>				
<b>SERVICES &amp; SUPPLIES</b>				
4300 Professional Services				
3200 Other Funds Non-Ltd	89,171,000	89,171,000	0	-

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**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

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Cross Reference Number:45900-010-02-00-00000

2017-19 Biennium

Retirement Health Insurance Programs

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>SPECIAL PAYMENTS</b>				
<b>6030 Dist to Non-Gov Units</b>				
3200 Other Funds Non-Ltd	726,100,000	726,100,000	0	-
<b>TOTAL EXPENDITURES</b>				
3200 Other Funds Non-Ltd	815,271,000	815,271,000	0	-
<b>ENDING BALANCE</b>				
3200 Other Funds Non-Ltd	779,248,486	779,248,486	0	-

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

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 2017-19 Biennium  
 Oregon Public Service Retirement Pension Pgm

Cross Reference Number:45900-010-03-00-00000

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>BEGINNING BALANCE</b>				
<b>0025 Beginning Balance</b>				
3200 Other Funds Non-Ltd	3,585,526,314	3,585,526,314	0	-
<b>REVENUE CATEGORIES</b>				
<b>INTEREST EARNINGS</b>				
<b>0605 Interest Income</b>				
3200 Other Funds Non-Ltd	604,000,000	604,000,000	0	-
<b>DONATIONS AND CONTRIBUTIONS</b>				
<b>0915 Retirement System Contribution</b>				
3200 Other Funds Non-Ltd	1,205,000,000	1,205,000,000	0	-
<b>TOTAL REVENUES</b>				
3200 Other Funds Non-Ltd	1,809,000,000	1,809,000,000	0	-
<b>TRANSFERS OUT</b>				
<b>2010 Transfer Out - Intrafund</b>				
3200 Other Funds Non-Ltd	(12,667,939)	(12,667,939)	0	-
<b>AVAILABLE REVENUES</b>				
3200 Other Funds Non-Ltd	5,381,858,375	5,381,858,375	0	-
<b>EXPENDITURES</b>				
<b>SPECIAL PAYMENTS</b>				
<b>6035 Dist to Individuals</b>				
3200 Other Funds Non-Ltd	39,000,000	39,000,000	0	-
<b>ENDING BALANCE</b>				
3200 Other Funds Non-Ltd	5,342,858,375	5,342,858,375	0	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

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Cross Reference Number:45900-010-04-00-00000

2017-19 Biennium

Individual Account Program (IAP)

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 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	8,442,000,298	8,442,000,298	0	-
<b>REVENUE CATEGORIES</b>				
<b>CHARGES FOR SERVICES</b>				
0410 Charges for Services				
3200 Other Funds Non-Ltd	59,000	59,000	0	-
<b>INTEREST EARNINGS</b>				
0605 Interest Income				
3200 Other Funds Non-Ltd	1,141,000,000	1,141,000,000	0	-
<b>DONATIONS AND CONTRIBUTIONS</b>				
0915 Retirement System Contribution				
3200 Other Funds Non-Ltd	1,139,000,000	1,139,000,000	0	-
<b>TOTAL REVENUES</b>				
3200 Other Funds Non-Ltd	2,280,059,000	2,280,059,000	0	-
<b>TRANSFERS OUT</b>				
2010 Transfer Out - Intrafund				
3200 Other Funds Non-Ltd	(15,829,253)	(15,829,253)	0	-
<b>AVAILABLE REVENUES</b>				
3200 Other Funds Non-Ltd	10,706,230,045	10,706,230,045	0	-
<b>EXPENDITURES</b>				
<b>SERVICES &amp; SUPPLIES</b>				
4575 Agency Program Related S and S				
3200 Other Funds Non-Ltd	4,900,000	4,900,000	0	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

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Cross Reference Number:45900-010-04-00-00000

2017-19 Biennium

Individual Account Program (IAP)

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>SPECIAL PAYMENTS</b>				
<b>6035 Dist to Individuals</b>				
3200 Other Funds Non-Ltd	1,052,000,000	1,052,000,000	0	-
<b>TOTAL EXPENDITURES</b>				
3200 Other Funds Non-Ltd	1,056,900,000	1,056,900,000	0	-
<b>ENDING BALANCE</b>				
3200 Other Funds Non-Ltd	9,649,330,045	9,649,330,045	0	-

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

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2017-19 Biennium

Limited - Operations

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 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	2,211,608	2,211,608	0	-
<b>REVENUE CATEGORIES</b>				
<b>CHARGES FOR SERVICES</b>				
0410 Charges for Services				
3400 Other Funds Ltd	4,175,500	4,175,500	0	-
<b>INTEREST EARNINGS</b>				
0605 Interest Income				
3400 Other Funds Ltd	29,150	29,150	0	-
<b>OTHER</b>				
0975 Other Revenues				
3400 Other Funds Ltd	50,000	50,000	0	-
<b>TRANSFERS IN</b>				
1010 Transfer In - Intrafund				
3400 Other Funds Ltd	104,683,048	104,683,048	0	-
<b>TOTAL REVENUES</b>				
3400 Other Funds Ltd	108,937,698	108,937,698	0	-
<b>TRANSFERS OUT</b>				
2010 Transfer Out - Intrafund				
3400 Other Funds Ltd	(235,932)	(235,932)	0	-
<b>AVAILABLE REVENUES</b>				
3400 Other Funds Ltd	110,913,374	110,913,374	0	-
<b>EXPENDITURES</b>				

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**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

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Cross Reference Number:45900-500-00-00-00000

2017-19 Biennium

Limited - Operations

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**PERSONAL SERVICES**

**SALARIES & WAGES**

**3110 Class/Unclass Sal. and Per Diem**

3400 Other Funds Ltd	46,483,800	46,481,112	(2,688)	-0.01%
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**3160 Temporary Appointments**

3400 Other Funds Ltd	170,055	170,055	0	-
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**3170 Overtime Payments**

3400 Other Funds Ltd	582,505	582,505	0	-
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**3180 Shift Differential**

3400 Other Funds Ltd	2,210	2,210	0	-
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**3190 All Other Differential**

3400 Other Funds Ltd	234,027	234,027	0	-
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**TOTAL SALARIES & WAGES**

3400 Other Funds Ltd	47,472,597	47,469,909	(2,688)	-0.01%
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**OTHER PAYROLL EXPENSES**

**3210 Empl. Rel. Bd. Assessments**

3400 Other Funds Ltd	21,261	21,261	0	-
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**3220 Public Employees' Retire Cont**

3400 Other Funds Ltd	6,841,071	6,848,251	7,180	0.10%
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**3221 Pension Obligation Bond**

3400 Other Funds Ltd	2,513,648	2,513,648	0	-
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**3230 Social Security Taxes**

3400 Other Funds Ltd	3,627,902	3,627,696	(206)	-0.01%
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**3240 Unemployment Assessments**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Version / Column Comparison Report - Detail  
 2017-19 Biennium  
 Limited - Operations

Cross Reference Number:45900-500-00-00-00000

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	41,796	41,796	0	-
<b>3250 Worker's Comp. Assess. (WCD)</b>				
3400 Other Funds Ltd	25,806	25,806	0	-
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	325,053	325,053	0	-
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	12,467,664	12,467,664	0	-
<b>TOTAL OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	25,864,201	25,871,175	6,974	0.03%
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3455 Vacancy Savings</b>				
3400 Other Funds Ltd	(928,574)	(928,574)	0	-
<b>3465 Reconciliation Adjustment</b>				
3400 Other Funds Ltd	-	(4,286)	(4,286)	100.00%
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	(928,574)	(932,860)	(4,286)	-0.46%
<b>TOTAL PERSONAL SERVICES</b>				
3400 Other Funds Ltd	72,408,224	72,408,224	0	-
<b>SERVICES &amp; SUPPLIES</b>				
<b>4100 Instate Travel</b>				
3400 Other Funds Ltd	226,069	226,069	0	-
<b>4125 Out of State Travel</b>				
3400 Other Funds Ltd	8,131	8,131	0	-
<b>4150 Employee Training</b>				

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

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Cross Reference Number:45900-500-00-00-00000

2017-19 Biennium

Limited - Operations

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	611,280	611,280	0	-
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	1,665,849	1,665,849	0	-
<b>4200 Telecommunications</b>				
3400 Other Funds Ltd	582,442	582,442	0	-
<b>4225 State Gov. Service Charges</b>				
3400 Other Funds Ltd	11,186,772	11,186,772	0	-
<b>4250 Data Processing</b>				
3400 Other Funds Ltd	2,971,761	2,971,761	0	-
<b>4275 Publicity and Publications</b>				
3400 Other Funds Ltd	234,513	234,513	0	-
<b>4300 Professional Services</b>				
3400 Other Funds Ltd	3,492,570	3,492,570	0	-
<b>4315 IT Professional Services</b>				
3400 Other Funds Ltd	7,532,083	7,532,083	0	-
<b>4325 Attorney General</b>				
3400 Other Funds Ltd	1,076,863	1,076,863	0	-
<b>4350 Dispute Resolution Services</b>				
3400 Other Funds Ltd	180,500	180,500	0	-
<b>4375 Employee Recruitment and Develop</b>				
3400 Other Funds Ltd	55,142	55,142	0	-
<b>4400 Dues and Subscriptions</b>				
3400 Other Funds Ltd	1,037,298	1,037,298	0	-
<b>4425 Facilities Rental and Taxes</b>				

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**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

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2017-19 Biennium  
Limited - Operations**

**Cross Reference Number:45900-500-00-00-00000**

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	907,757	907,757	0	-
<b>4450 Fuels and Utilities</b>				
3400 Other Funds Ltd	287,500	287,500	0	-
<b>4475 Facilities Maintenance</b>				
3400 Other Funds Ltd	1,246,200	1,246,200	0	-
<b>4625 Other COI Costs</b>				
3400 Other Funds Ltd	2,682	2,682	0	-
<b>4650 Other Services and Supplies</b>				
3400 Other Funds Ltd	779,107	779,107	0	-
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	100,397	100,397	0	-
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	647,199	647,199	0	-
<b>TOTAL SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	34,832,115	34,832,115	0	-
<b>CAPITAL OUTLAY</b>				
<b>5100 Office Furniture and Fixtures</b>				
3400 Other Funds Ltd	34,506	34,506	0	-
<b>5150 Telecommunications Equipment</b>				
3400 Other Funds Ltd	70,145	70,145	0	-
<b>5550 Data Processing Software</b>				
3400 Other Funds Ltd	539,496	539,496	0	-
<b>5600 Data Processing Hardware</b>				
3400 Other Funds Ltd	1,477,660	1,477,660	0	-

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**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

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Cross Reference Number:45900-500-00-00-00000

2017-19 Biennium

Limited - Operations

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL CAPITAL OUTLAY</b>				
3400 Other Funds Ltd	2,121,807	2,121,807	0	-
<b>TOTAL EXPENDITURES</b>				
3400 Other Funds Ltd	109,362,146	109,362,146	0	-
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	1,551,228	1,551,228	0	-
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	374	374	0	-
<b>AUTHORIZED FTE</b>				
8250 Class/Unclass FTE Positions	374.00	374.00	0	-

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Version / Column Comparison Report - Detail

Cross Reference Number:45900-500-01-00-00000

2017-19 Biennium

Central Administration

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 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	190,796	190,796	0	-
<b>REVENUE CATEGORIES</b>				
<b>CHARGES FOR SERVICES</b>				
0410 Charges for Services				
3400 Other Funds Ltd	398,000	398,000	0	-
<b>INTEREST EARNINGS</b>				
0605 Interest Income				
3400 Other Funds Ltd	3,300	3,300	0	-
<b>TRANSFERS IN</b>				
1010 Transfer In - Intrafund				
3400 Other Funds Ltd	3,758,261	3,758,261	0	-
<b>TOTAL REVENUES</b>				
3400 Other Funds Ltd	4,159,561	4,159,561	0	-
<b>TRANSFERS OUT</b>				
2010 Transfer Out - Intrafund				
3400 Other Funds Ltd	(235,932)	(235,932)	0	-
<b>AVAILABLE REVENUES</b>				
3400 Other Funds Ltd	4,114,425	4,114,425	0	-
<b>EXPENDITURES</b>				
<b>PERSONAL SERVICES</b>				
<b>SALARIES &amp; WAGES</b>				
3110 Class/Unclass Sal. and Per Diem				

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Version / Column Comparison Report - Detail

Cross Reference Number:45900-500-01-00-00000

2017-19 Biennium

Central Administration

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	1,831,128	1,956,672	125,544	6.86%
<b>3160 Temporary Appointments</b>				
3400 Other Funds Ltd	876	876	0	-
<b>3170 Overtime Payments</b>				
3400 Other Funds Ltd	376	376	0	-
<b>3190 All Other Differential</b>				
3400 Other Funds Ltd	49,029	49,029	0	-
<b>TOTAL SALARIES &amp; WAGES</b>				
3400 Other Funds Ltd	1,881,409	2,006,953	125,544	6.67%
<b>OTHER PAYROLL EXPENSES</b>				
<b>3210 Empl. Rel. Bd. Assessments</b>				
3400 Other Funds Ltd	513	570	57	11.11%
<b>3220 Public Employees' Retire Cont</b>				
3400 Other Funds Ltd	350,520	374,486	23,966	6.84%
<b>3221 Pension Obligation Bond</b>				
3400 Other Funds Ltd	104,489	104,489	0	-
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	140,324	149,928	9,604	6.84%
<b>3250 Worker's Comp. Assess. (WCD)</b>				
3400 Other Funds Ltd	690	759	69	10.00%
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	13,242	13,242	0	-
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	333,360	366,696	33,336	10.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

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 2017-19 Biennium  
 Central Administration

Cross Reference Number:45900-500-01-00-00000

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	943,138	1,010,170	67,032	7.11%
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3455 Vacancy Savings</b>				
3400 Other Funds Ltd	(37,134)	(37,134)	0	-
<b>3465 Reconciliation Adjustment</b>				
3400 Other Funds Ltd	-	(192,576)	(192,576)	100.00%
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	(37,134)	(229,710)	(192,576)	-518.60%
<b>TOTAL PERSONAL SERVICES</b>				
3400 Other Funds Ltd	2,787,413	2,787,413	0	-
<b>SERVICES &amp; SUPPLIES</b>				
<b>4100 Instate Travel</b>				
3400 Other Funds Ltd	13,278	13,278	0	-
<b>4125 Out of State Travel</b>				
3400 Other Funds Ltd	2,572	2,572	0	-
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	52,275	52,275	0	-
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	20,000	20,000	0	-
<b>4200 Telecommunications</b>				
3400 Other Funds Ltd	173	173	0	-
<b>4225 State Gov. Service Charges</b>				
3400 Other Funds Ltd	1,020,000	1,020,000	0	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

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Cross Reference Number:45900-500-01-00-00000

2017-19 Biennium

Central Administration

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>4250 Data Processing</b>				
3400 Other Funds Ltd	3,164	3,164	0	-
<b>4300 Professional Services</b>				
3400 Other Funds Ltd	27,734	27,734	0	-
<b>4325 Attorney General</b>				
3400 Other Funds Ltd	5,846	5,846	0	-
<b>4400 Dues and Subscriptions</b>				
3400 Other Funds Ltd	5,534	5,534	0	-
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	3,498	3,498	0	-
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	4,000	4,000	0	-
<b>TOTAL SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	1,158,074	1,158,074	0	-
<b>TOTAL EXPENDITURES</b>				
3400 Other Funds Ltd	3,945,487	3,945,487	0	-
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	168,938	168,938	0	-
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	10	11	1	10.00%
8180 Position Reconciliation	-	(1)	(1)	100.00%
<b>TOTAL AUTHORIZED POSITIONS</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>-</b>
<b>AUTHORIZED FTE</b>				
8250 Class/Unclass FTE Positions	10.00	11.00	1.00	10.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

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Cross Reference Number:45900-500-01-00-00000

2017-19 Biennium

Central Administration

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
8280 FTE Reconciliation	-	(1.00)	(1.00)	100.00%
<b>TOTAL AUTHORIZED FTE</b>	<b>10.00</b>	<b>10.00</b>	<b>0</b>	<b>-</b>

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Version / Column Comparison Report - Detail

Cross Reference Number:45900-500-02-00-00000

2017-19 Biennium

Benefit Payments Division

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 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	172,820	172,820	0	-
<b>REVENUE CATEGORIES</b>				
<b>CHARGES FOR SERVICES</b>				
0410 Charges for Services				
3400 Other Funds Ltd	473,000	473,000	0	-
<b>TRANSFERS IN</b>				
1010 Transfer In - Intrafund				
3400 Other Funds Ltd	14,665,601	14,665,601	0	-
<b>TOTAL REVENUES</b>				
3400 Other Funds Ltd	15,138,601	15,138,601	0	-
<b>AVAILABLE REVENUES</b>				
3400 Other Funds Ltd	15,311,421	15,311,421	0	-
<b>EXPENDITURES</b>				
<b>PERSONAL SERVICES</b>				
<b>SALARIES &amp; WAGES</b>				
3110 Class/Unclass Sal. and Per Diem				
3400 Other Funds Ltd	8,926,416	8,926,416	0	-
3160 Temporary Appointments				
3400 Other Funds Ltd	60,977	60,977	0	-
3170 Overtime Payments				
3400 Other Funds Ltd	175,047	175,047	0	-
3190 All Other Differential				

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**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

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Cross Reference Number:45900-500-02-00-00000

2017-19 Biennium

Benefit Payments Division

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	32,274	32,274	0	-
<b>TOTAL SALARIES &amp; WAGES</b>				
3400 Other Funds Ltd	9,194,714	9,194,714	0	-
<b>OTHER PAYROLL EXPENSES</b>				
<b>3210 Empl. Rel. Bd. Assessments</b>				
3400 Other Funds Ltd	4,560	4,560	0	-
<b>3220 Public Employees' Retire Cont</b>				
3400 Other Funds Ltd	1,282,021	1,282,021	0	-
<b>3221 Pension Obligation Bond</b>				
3400 Other Funds Ltd	468,701	468,701	0	-
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	703,390	703,390	0	-
<b>3250 Worker's Comp. Assess. (WCD)</b>				
3400 Other Funds Ltd	5,520	5,520	0	-
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	61,034	61,034	0	-
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	2,666,880	2,666,880	0	-
<b>TOTAL OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	5,192,106	5,192,106	0	-
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3455 Vacancy Savings</b>				
3400 Other Funds Ltd	(175,814)	(175,814)	0	-
<b>TOTAL PERSONAL SERVICES</b>				

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

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Cross Reference Number:45900-500-02-00-00000

2017-19 Biennium

Benefit Payments Division

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	14,211,006	14,211,006	0	-
<b>SERVICES &amp; SUPPLIES</b>				
<b>4100 Instate Travel</b>				
3400 Other Funds Ltd	4,060	4,060	0	-
<b>4125 Out of State Travel</b>				
3400 Other Funds Ltd	1,626	1,626	0	-
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	91,200	91,200	0	-
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	163,000	163,000	0	-
<b>4300 Professional Services</b>				
3400 Other Funds Ltd	1,134,351	1,134,351	0	-
<b>4375 Employee Recruitment and Develop</b>				
3400 Other Funds Ltd	4,820	4,820	0	-
<b>4400 Dues and Subscriptions</b>				
3400 Other Funds Ltd	3,035	3,035	0	-
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	20,196	20,196	0	-
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	35,600	35,600	0	-
<b>TOTAL SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	1,457,888	1,457,888	0	-
<b>TOTAL EXPENDITURES</b>				
3400 Other Funds Ltd	15,668,894	15,668,894	0	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

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Cross Reference Number:45900-500-02-00-00000

2017-19 Biennium

Benefit Payments Division

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(357,473)	(357,473)	0	-
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	80	80	0	-
<b>AUTHORIZED FTE</b>				
8250 Class/Unclass FTE Positions	80.00	80.00	0	-

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Version / Column Comparison Report - Detail

Cross Reference Number:45900-500-03-00-00000

2017-19 Biennium

Financial & Admin Services Division (FASD)

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 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	1,847,992	1,847,992	0	-
<b>REVENUE CATEGORIES</b>				
<b>CHARGES FOR SERVICES</b>				
0410 Charges for Services				
3400 Other Funds Ltd	3,300,000	3,300,000	0	-
<b>INTEREST EARNINGS</b>				
0605 Interest Income				
3400 Other Funds Ltd	25,850	25,850	0	-
<b>OTHER</b>				
0975 Other Revenues				
3400 Other Funds Ltd	50,000	50,000	0	-
<b>TRANSFERS IN</b>				
1010 Transfer In - Intrafund				
3400 Other Funds Ltd	20,081,666	20,081,666	0	-
<b>TOTAL REVENUES</b>				
3400 Other Funds Ltd	23,457,516	23,457,516	0	-
<b>AVAILABLE REVENUES</b>				
3400 Other Funds Ltd	25,305,508	25,305,508	0	-
<b>EXPENDITURES</b>				
<b>PERSONAL SERVICES</b>				
<b>SALARIES &amp; WAGES</b>				
3110 Class/Unclass Sal. and Per Diem				

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

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Cross Reference Number:45900-500-03-00-00000

2017-19 Biennium

Financial & Admin Services Division (FASD)

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	7,810,008	7,810,008	0	-
<b>3160 Temporary Appointments</b>				
3400 Other Funds Ltd	14,027	14,027	0	-
<b>3170 Overtime Payments</b>				
3400 Other Funds Ltd	12,776	12,776	0	-
<b>3190 All Other Differential</b>				
3400 Other Funds Ltd	24,681	24,681	0	-
<b>TOTAL SALARIES &amp; WAGES</b>				
3400 Other Funds Ltd	7,861,492	7,861,492	0	-
<b>OTHER PAYROLL EXPENSES</b>				
<b>3210 Empl. Rel. Bd. Assessments</b>				
3400 Other Funds Ltd	3,363	3,363	0	-
<b>3220 Public Employees' Retire Cont</b>				
3400 Other Funds Ltd	1,218,179	1,218,179	0	-
<b>3221 Pension Obligation Bond</b>				
3400 Other Funds Ltd	434,562	434,562	0	-
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	601,402	601,402	0	-
<b>3240 Unemployment Assessments</b>				
3400 Other Funds Ltd	41,796	41,796	0	-
<b>3250 Worker's Comp. Assess. (WCD)</b>				
3400 Other Funds Ltd	4,071	4,071	0	-
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	56,029	56,029	0	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

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Cross Reference Number:45900-500-03-00-00000

2017-19 Biennium

Financial & Admin Services Division (FASD)

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	1,966,824	1,966,824	0	-
<b>TOTAL OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	4,326,226	4,326,226	0	-
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3455 Vacancy Savings</b>				
3400 Other Funds Ltd	(158,503)	(158,503)	0	-
<b>TOTAL PERSONAL SERVICES</b>				
3400 Other Funds Ltd	12,029,215	12,029,215	0	-
<b>SERVICES &amp; SUPPLIES</b>				
<b>4100 Instate Travel</b>				
3400 Other Funds Ltd	86,756	86,756	0	-
<b>4125 Out of State Travel</b>				
3400 Other Funds Ltd	1,735	1,735	0	-
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	129,922	129,922	0	-
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	994,832	994,832	0	-
<b>4225 State Gov. Service Charges</b>				
3400 Other Funds Ltd	10,134,891	10,134,891	0	-
<b>4275 Publicity and Publications</b>				
3400 Other Funds Ltd	6,856	6,856	0	-
<b>4300 Professional Services</b>				
3400 Other Funds Ltd	1,987,949	1,987,949	0	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

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Cross Reference Number:45900-500-03-00-00000

2017-19 Biennium

Financial & Admin Services Division (FASD)

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>4325 Attorney General</b>				
3400 Other Funds Ltd	109,840	109,840	0	-
<b>4375 Employee Recruitment and Develop</b>				
3400 Other Funds Ltd	45,502	45,502	0	-
<b>4400 Dues and Subscriptions</b>				
3400 Other Funds Ltd	9,250	9,250	0	-
<b>4425 Facilities Rental and Taxes</b>				
3400 Other Funds Ltd	907,757	907,757	0	-
<b>4450 Fuels and Utilities</b>				
3400 Other Funds Ltd	287,500	287,500	0	-
<b>4475 Facilities Maintenance</b>				
3400 Other Funds Ltd	1,243,036	1,243,036	0	-
<b>4625 Other COI Costs</b>				
3400 Other Funds Ltd	2,682	2,682	0	-
<b>4650 Other Services and Supplies</b>				
3400 Other Funds Ltd	779,107	779,107	0	-
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	19,745	19,745	0	-
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	27,200	27,200	0	-
<b>TOTAL SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	16,774,560	16,774,560	0	-
<b>CAPITAL OUTLAY</b>				
<b>5100 Office Furniture and Fixtures</b>				

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

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 2017-19 Biennium  
 Financial & Admin Services Division (FASD)

Cross Reference Number:45900-500-03-00-00000

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	34,506	34,506	0	-
<b>TOTAL EXPENDITURES</b>				
3400 Other Funds Ltd	28,838,281	28,838,281	0	-
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(3,532,773)	(3,532,773)	0	-
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	59	59	0	-
<b>AUTHORIZED FTE</b>				
8250 Class/Unclass FTE Positions	59.00	59.00	0	-

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

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Cross Reference Number:45900-500-04-00-00000

2017-19 Biennium

Information Services Division

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**CHARGES FOR SERVICES**

**0410 Charges for Services**

3400 Other Funds Ltd

3,500

3,500

0

-

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd

35,272,283

35,272,283

0

-

**TOTAL REVENUES**

3400 Other Funds Ltd

35,275,783

35,275,783

0

-

**AVAILABLE REVENUES**

3400 Other Funds Ltd

35,275,783

35,275,783

0

-

**EXPENDITURES**

**PERSONAL SERVICES**

**SALARIES & WAGES**

**3110 Class/Unclass Sal. and Per Diem**

3400 Other Funds Ltd

10,235,664

10,235,664

0

-

**3160 Temporary Appointments**

3400 Other Funds Ltd

20,190

20,190

0

-

**3170 Overtime Payments**

3400 Other Funds Ltd

112,722

112,722

0

-

**3180 Shift Differential**

3400 Other Funds Ltd

2,210

2,210

0

-

**3190 All Other Differential**

3400 Other Funds Ltd

85,010

85,010

0

-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Version / Column Comparison Report - Detail

Cross Reference Number:45900-500-04-00-00000

2017-19 Biennium

Information Services Division

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL SALARIES &amp; WAGES</b>				
3400 Other Funds Ltd	10,455,796	10,455,796	0	-
<b>OTHER PAYROLL EXPENSES</b>				
<b>3210 Empl. Rel. Bd. Assessments</b>				
3400 Other Funds Ltd	4,104	4,104	0	-
<b>3220 Public Employees' Retire Cont</b>				
3400 Other Funds Ltd	1,431,526	1,431,526	0	-
<b>3221 Pension Obligation Bond</b>				
3400 Other Funds Ltd	569,041	569,041	0	-
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	799,740	799,740	0	-
<b>3250 Worker's Comp. Assess. (WCD)</b>				
3400 Other Funds Ltd	4,968	4,968	0	-
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	72,682	72,682	0	-
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	2,400,192	2,400,192	0	-
<b>TOTAL OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	5,282,253	5,282,253	0	-
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3455 Vacancy Savings</b>				
3400 Other Funds Ltd	(204,577)	(204,577)	0	-
<b>TOTAL PERSONAL SERVICES</b>				
3400 Other Funds Ltd	15,533,472	15,533,472	0	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Version / Column Comparison Report - Detail  
 2017-19 Biennium  
 Information Services Division

Cross Reference Number:45900-500-04-00-00000

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>SERVICES &amp; SUPPLIES</b>				
<b>4100 Instate Travel</b>				
3400 Other Funds Ltd	3,661	3,661	0	-
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	158,075	158,075	0	-
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	159,000	159,000	0	-
<b>4200 Telecommunications</b>				
3400 Other Funds Ltd	582,269	582,269	0	-
<b>4225 State Gov. Service Charges</b>				
3400 Other Funds Ltd	31,881	31,881	0	-
<b>4250 Data Processing</b>				
3400 Other Funds Ltd	2,968,597	2,968,597	0	-
<b>4315 IT Professional Services</b>				
3400 Other Funds Ltd	7,532,083	7,532,083	0	-
<b>4375 Employee Recruitment and Develop</b>				
3400 Other Funds Ltd	2,109	2,109	0	-
<b>4400 Dues and Subscriptions</b>				
3400 Other Funds Ltd	1,007,047	1,007,047	0	-
<b>4475 Facilities Maintenance</b>				
3400 Other Funds Ltd	3,164	3,164	0	-
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	20,129	20,129	0	-
<b>4715 IT Expendable Property</b>				

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Version / Column Comparison Report - Detail

Cross Reference Number:45900-500-04-00-00000

2017-19 Biennium

Information Services Division

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	499,099	499,099	0	-
<b>TOTAL SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	12,967,114	12,967,114	0	-
<b>CAPITAL OUTLAY</b>				
<b>5150 Telecommunications Equipment</b>				
3400 Other Funds Ltd	70,145	70,145	0	-
<b>5550 Data Processing Software</b>				
3400 Other Funds Ltd	539,496	539,496	0	-
<b>5600 Data Processing Hardware</b>				
3400 Other Funds Ltd	1,477,660	1,477,660	0	-
<b>TOTAL CAPITAL OUTLAY</b>				
3400 Other Funds Ltd	2,087,301	2,087,301	0	-
<b>TOTAL EXPENDITURES</b>				
3400 Other Funds Ltd	30,587,887	30,587,887	0	-
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	4,687,896	4,687,896	0	-
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	72	72	0	-
<b>AUTHORIZED FTE</b>				
8250 Class/Unclass FTE Positions	72.00	72.00	0	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

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Cross Reference Number:45900-500-05-00-00000

2017-19 Biennium

Customer Services Division

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>REVENUE CATEGORIES</b>				
<b>CHARGES FOR SERVICES</b>				
<b>0410 Charges for Services</b>				
3400 Other Funds Ltd	1,000	1,000	0	-
<b>TRANSFERS IN</b>				
<b>1010 Transfer In - Intrafund</b>				
3400 Other Funds Ltd	23,390,147	23,390,147	0	-
<b>TOTAL REVENUES</b>				
3400 Other Funds Ltd	23,391,147	23,391,147	0	-
<b>AVAILABLE REVENUES</b>				
3400 Other Funds Ltd	23,391,147	23,391,147	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	14,068,080	14,068,080	0	-
<b>3160 Temporary Appointments</b>				
3400 Other Funds Ltd	45,164	45,164	0	-
<b>3170 Overtime Payments</b>				
3400 Other Funds Ltd	275,077	275,077	0	-
<b>3190 All Other Differential</b>				
3400 Other Funds Ltd	33,118	33,118	0	-
<b>TOTAL SALARIES &amp; WAGES</b>				
3400 Other Funds Ltd	14,421,439	14,421,439	0	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Version / Column Comparison Report - Detail

Cross Reference Number:45900-500-05-00-00000

2017-19 Biennium

Customer Services Division

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>OTHER PAYROLL EXPENSES</b>				
<b>3210 Empl. Rel. Bd. Assessments</b>				
3400 Other Funds Ltd	7,239	7,239	0	-
<b>3220 Public Employees' Retire Cont</b>				
3400 Other Funds Ltd	1,982,334	1,982,334	0	-
<b>3221 Pension Obligation Bond</b>				
3400 Other Funds Ltd	742,562	742,562	0	-
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	1,103,229	1,103,229	0	-
<b>3250 Worker's Comp. Assess. (WCD)</b>				
3400 Other Funds Ltd	8,763	8,763	0	-
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	96,719	96,719	0	-
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	4,233,672	4,233,672	0	-
<b>TOTAL OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	8,174,518	8,174,518	0	-
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3455 Vacancy Savings</b>				
3400 Other Funds Ltd	(281,157)	(281,157)	0	-
<b>TOTAL PERSONAL SERVICES</b>				
3400 Other Funds Ltd	22,314,800	22,314,800	0	-
<b>SERVICES &amp; SUPPLIES</b>				
<b>4100 Instate Travel</b>				

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Version / Column Comparison Report - Detail

Cross Reference Number:45900-500-05-00-00000

2017-19 Biennium

Customer Services Division

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	117,001	117,001	0	-
<b>4125 Out of State Travel</b>				
3400 Other Funds Ltd	1,626	1,626	0	-
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	140,508	140,508	0	-
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	277,017	277,017	0	-
<b>4300 Professional Services</b>				
3400 Other Funds Ltd	180,120	180,120	0	-
<b>4400 Dues and Subscriptions</b>				
3400 Other Funds Ltd	1,780	1,780	0	-
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	29,698	29,698	0	-
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	70,900	70,900	0	-
<b>TOTAL SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	818,650	818,650	0	-
<b>TOTAL EXPENDITURES</b>				
3400 Other Funds Ltd	23,133,450	23,133,450	0	-
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	257,697	257,697	0	-
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	127	127	0	-
<b>AUTHORIZED FTE</b>				

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Version / Column Comparison Report - Detail

Cross Reference Number:45900-500-05-00-00000

2017-19 Biennium

Customer Services Division

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
8250 Class/Unclass FTE Positions	127.00	127.00	0	-

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Version / Column Comparison Report - Detail

Cross Reference Number:45900-500-07-00-00000

2017-19 Biennium

Policy, Planning & Communications Division

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	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	7,515,090	7,515,090	0	-
<b>AVAILABLE REVENUES</b>				
3400 Other Funds Ltd	7,515,090	7,515,090	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	3,612,504	3,484,272	(128,232)	-3.55%
<b>3160 Temporary Appointments</b>				
3400 Other Funds Ltd	28,821	28,821	0	-
<b>3170 Overtime Payments</b>				
3400 Other Funds Ltd	6,507	6,507	0	-
<b>3190 All Other Differential</b>				
3400 Other Funds Ltd	9,915	9,915	0	-
<b>TOTAL SALARIES &amp; WAGES</b>				
3400 Other Funds Ltd	3,657,747	3,529,515	(128,232)	-3.51%
<b>OTHER PAYROLL EXPENSES</b>				
<b>3210 Empl. Rel. Bd. Assessments</b>				
3400 Other Funds Ltd	1,482	1,425	(57)	-3.85%
<b>3220 Public Employees' Retire Cont</b>				
3400 Other Funds Ltd	576,491	559,705	(16,786)	-2.91%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Version / Column Comparison Report - Detail  
2017-19 Biennium  
Policy, Planning & Communications Division**

**Cross Reference Number: 45900-500-07-00-00000**

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>3221 Pension Obligation Bond</b>				
3400 Other Funds Ltd	194,293	194,293	0	-
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	279,817	270,007	(9,810)	-3.51%
<b>3250 Worker's Comp. Assess. (WCD)</b>				
3400 Other Funds Ltd	1,794	1,725	(69)	-3.85%
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	25,347	25,347	0	-
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	866,736	833,400	(33,336)	-3.85%
<b>TOTAL OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	1,945,960	1,885,902	(60,058)	-3.09%
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3455 Vacancy Savings</b>				
3400 Other Funds Ltd	(71,389)	(71,389)	0	-
<b>3465 Reconciliation Adjustment</b>				
3400 Other Funds Ltd	-	188,290	188,290	100.00%
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	(71,389)	116,901	188,290	263.75%
<b>TOTAL PERSONAL SERVICES</b>				
3400 Other Funds Ltd	5,532,318	5,532,318	0	-
<b>SERVICES &amp; SUPPLIES</b>				
<b>4100 Instate Travel</b>				
3400 Other Funds Ltd	1,313	1,313	0	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Version / Column Comparison Report - Detail

Cross Reference Number:45900-500-07-00-00000

2017-19 Biennium

Policy, Planning & Communications Division

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>4125 Out of State Travel</b>				
3400 Other Funds Ltd	572	572	0	-
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	39,300	39,300	0	-
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	52,000	52,000	0	-
<b>4275 Publicity and Publications</b>				
3400 Other Funds Ltd	227,657	227,657	0	-
<b>4300 Professional Services</b>				
3400 Other Funds Ltd	162,416	162,416	0	-
<b>4325 Attorney General</b>				
3400 Other Funds Ltd	961,177	961,177	0	-
<b>4350 Dispute Resolution Services</b>				
3400 Other Funds Ltd	180,500	180,500	0	-
<b>4375 Employee Recruitment and Develop</b>				
3400 Other Funds Ltd	2,711	2,711	0	-
<b>4400 Dues and Subscriptions</b>				
3400 Other Funds Ltd	10,652	10,652	0	-
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	7,131	7,131	0	-
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	10,400	10,400	0	-
<b>TOTAL SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	1,655,829	1,655,829	0	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Version / Column Comparison Report - Detail  
 2017-19 Biennium  
 Policy, Planning & Communications Division

Cross Reference Number:45900-500-07-00-00000

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL EXPENDITURES</b>				
3400 Other Funds Ltd	7,188,147	7,188,147	0	-
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	326,943	326,943	0	-
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	26	25	(1)	-3.85%
8180 Position Reconciliation	-	1	1	100.00%
<b>TOTAL AUTHORIZED POSITIONS</b>	<b>26</b>	<b>26</b>	<b>0</b>	<b>-</b>
<b>AUTHORIZED FTE</b>				
8250 Class/Unclass FTE Positions	26.00	25.00	(1.00)	-3.85%
8280 FTE Reconciliation	-	1.00	1.00	100.00%
<b>TOTAL AUTHORIZED FTE</b>	<b>26.00</b>	<b>26.00</b>	<b>0</b>	<b>-</b>

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Non-Limited Programs

Cross Reference Number: 45900-010-00-00-00000  
Package: Analyst Adjustments  
Pkg Group: POL Pkg Type: 090 Pkg Number: 090

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>2000</b>				
<b>2010 Transfer Out - Intrafund</b>				
3200 Other Funds Non-Ltd	-	(635,583)	(635,583)	100.00%
<b>AVAILABLE REVENUES</b>				
3200 Other Funds Non-Ltd	-	(635,583)	(635,583)	100.00%
<b>TOTAL AVAILABLE REVENUES</b>	-	<b>(\$635,583)</b>	<b>(\$635,583)</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3200 Other Funds Non-Ltd	-	(635,583)	(635,583)	100.00%
<b>TOTAL ENDING BALANCE</b>	-	<b>(\$635,583)</b>	<b>(\$635,583)</b>	<b>100.00%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Non-Limited Programs

Cross Reference Number: 45900-010-00-00-00000  
Package: Statewide Adjustment DAS Chgs  
Pkg Group: POL Pkg Type: 090 Pkg Number: 091

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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>				
3200 Other Funds Non-Ltd	-	(178,208)	(178,208)	100.00%
<b>4575 Agency Program Related S and S</b>				
3200 Other Funds Non-Ltd	-	(9,793)	(9,793)	100.00%
<b>SERVICES &amp; SUPPLIES</b>				
3200 Other Funds Non-Ltd	-	(188,001)	(188,001)	100.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>-</b>	<b>(\$188,001)</b>	<b>(\$188,001)</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3200 Other Funds Non-Ltd	-	188,001	188,001	100.00%
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>\$188,001</b>	<b>\$188,001</b>	<b>100.00%</b>

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail

Cross Reference Number: 45900-010-01-00-00000

2017-19 Biennium

Package: Analyst Adjustments

Tier One and Tier Two Pension Programs

Pkg Group: POL Pkg Type: 090 Pkg Number: 090

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>2000</b>				
<b>2010 Transfer Out - Intrafund</b>				
3200 Other Funds Non-Ltd	-	(635,583)	(635,583)	100.00%
<b>AVAILABLE REVENUES</b>				
3200 Other Funds Non-Ltd	-	(635,583)	(635,583)	100.00%
<b>TOTAL AVAILABLE REVENUES</b>	-	<b>(\$635,583)</b>	<b>(\$635,583)</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3200 Other Funds Non-Ltd	-	(635,583)	(635,583)	100.00%
<b>TOTAL ENDING BALANCE</b>	-	<b>(\$635,583)</b>	<b>(\$635,583)</b>	<b>100.00%</b>

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail

Cross Reference Number: 45900-010-02-00-00000

2017-19 Biennium

Package: Statewide Adjustment DAS Chgs

Retirement Health Insurance Programs

Pkg Group: POL Pkg Type: 090 Pkg Number: 091

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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>				
3200 Other Funds Non-Ltd	-	(178,208)	(178,208)	100.00%
<b>ENDING BALANCE</b>				
3200 Other Funds Non-Ltd	-	178,208	178,208	100.00%
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>\$178,208</b>	<b>\$178,208</b>	<b>100.00%</b>

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Individual Account Program (IAP)

Cross Reference Number: 45900-010-04-00-00000  
Package: Statewide Adjustment DAS Chgs  
Pkg Group: POL Pkg Type: 090 Pkg Number: 091

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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>4575 Agency Program Related S and S</b>				
3200 Other Funds Non-Ltd	-	(9,793)	(9,793)	100.00%
<b>ENDING BALANCE</b>				
3200 Other Funds Non-Ltd	-	9,793	9,793	100.00%
<b>TOTAL ENDING BALANCE</b>	-	<b>\$9,793</b>	<b>\$9,793</b>	<b>100.00%</b>

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
Package: Non-PICS Psnl Svc / Vacancy Factor  
Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	6,291	6,291	0	0.00%
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**3170 Overtime Payments**

3400 Other Funds Ltd	21,554	21,554	0	0.00%
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**3180 Shift Differential**

3400 Other Funds Ltd	82	82	0	0.00%
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**3190 All Other Differential**

3400 Other Funds Ltd	8,658	8,658	0	0.00%
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**SALARIES & WAGES**

3400 Other Funds Ltd	36,585	36,585	0	0.00%
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**TOTAL SALARIES & WAGES**

	<b>\$36,585</b>	<b>\$36,585</b>	<b>\$0</b>	<b>0.00%</b>
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**OTHER PAYROLL EXPENSES**

**3220 Public Employees Retire Cont**

3400 Other Funds Ltd	5,783	5,783	0	0.00%
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**3221 Pension Obligation Bond**

3400 Other Funds Ltd	233,435	233,435	0	0.00%
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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
Package: Non-PICS Psnl Svc / Vacancy Factor  
Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	2,799	2,799	0	0.00%
<b>3240 Unemployment Assessments</b>				
3400 Other Funds Ltd	1,546	1,546	0	0.00%
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	(36,226)	(36,226)	0	0.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	207,337	207,337	0	0.00%
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$207,337</b>	<b>\$207,337</b>	<b>\$0</b>	<b>0.00%</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3455 Vacancy Savings</b>				
3400 Other Funds Ltd	641,817	641,817	0	0.00%
<b>P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	641,817	641,817	0	0.00%
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	<b>\$641,817</b>	<b>\$641,817</b>	<b>\$0</b>	<b>0.00%</b>
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	885,739	885,739	0	0.00%
<b>TOTAL PERSONAL SERVICES</b>	<b>\$885,739</b>	<b>\$885,739</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  
 2017-19 Biennium  
 Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
 Package: Non-PICS Psnl Svc / Vacancy Factor  
 Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	885,739	885,739	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$885,739</b>	<b>\$885,739</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(885,739)	(885,739)	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>(\$885,739)</b>	<b>(\$885,739)</b>	<b>\$0</b>	<b>0.00%</b>

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
Package: Phase - In  
Pkg Group: ESS Pkg Type: 020 Pkg Number: 021

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**EXPENDITURES**

**PERSONAL SERVICES**

**SALARIES & WAGES**

**3110 Class/Unclass Sal. and Per Diem**

3400 Other Funds Ltd	268,440	268,440	0	0.00%
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**SALARIES & WAGES**

3400 Other Funds Ltd	268,440	268,440	0	0.00%
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<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$268,440</b>	<b>\$268,440</b>	<b>\$0</b>	<b>0.00%</b>
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**OTHER PAYROLL EXPENSES**

**3210 Empl. Rel. Bd. Assessments**

3400 Other Funds Ltd	171	171	0	0.00%
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**3220 Public Employees Retire Cont**

3400 Other Funds Ltd	35,138	35,138	0	0.00%
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**3230 Social Security Taxes**

3400 Other Funds Ltd	20,535	20,535	0	0.00%
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**3250 Workers Comp. Assess. (WCD)**

3400 Other Funds Ltd	207	207	0	0.00%
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**3260 Mass Transit Tax**

3400 Other Funds Ltd	1,610	1,610	0	0.00%
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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
Package: Phase - In  
Pkg Group: ESS Pkg Type: 020 Pkg Number: 021

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	100,008	100,008	0	0.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	157,669	157,669	0	0.00%
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$157,669</b>	<b>\$157,669</b>	<b>\$0</b>	<b>0.00%</b>
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	426,109	426,109	0	0.00%
<b>TOTAL PERSONAL SERVICES</b>	<b>\$426,109</b>	<b>\$426,109</b>	<b>\$0</b>	<b>0.00%</b>
<b>SERVICES &amp; SUPPLIES</b>				
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	3,195	3,195	0	0.00%
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	15,000	15,000	0	0.00%
<b>4650 Other Services and Supplies</b>				
3400 Other Funds Ltd	360,000	360,000	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	378,195	378,195	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$378,195</b>	<b>\$378,195</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  
2017-19 Biennium  
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Cross Reference Number: 45900-500-00-00-00000  
Package: Phase - In  
Pkg Group: ESS Pkg Type: 020 Pkg Number: 021

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	804,304	804,304	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$804,304</b>	<b>\$804,304</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(804,304)	(804,304)	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>(\$804,304)</b>	<b>(\$804,304)</b>	<b>\$0</b>	<b>0.00%</b>
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	3	3	0	0.00%
<b>AUTHORIZED FTE</b>				
8250 Class/Unclass FTE Positions	3.00	3.00	0.00	0.00%

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
Package: Phase-out Pgm & One-time Costs  
Pkg Group: ESS Pkg Type: 020 Pkg Number: 022

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**EXPENDITURES**

**PERSONAL SERVICES**

**OTHER PAYROLL EXPENSES**

**3260 Mass Transit Tax**

3400 Other Funds Ltd	(3,771)	(3,771)	0	0.00%
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**OTHER PAYROLL EXPENSES**

3400 Other Funds Ltd	(3,771)	(3,771)	0	0.00%
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<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>(\$3,771)</b>	<b>(\$3,771)</b>	<b>\$0</b>	<b>0.00%</b>
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**PERSONAL SERVICES**

3400 Other Funds Ltd	(3,771)	(3,771)	0	0.00%
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<b>TOTAL PERSONAL SERVICES</b>	<b>(\$3,771)</b>	<b>(\$3,771)</b>	<b>\$0</b>	<b>0.00%</b>
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**SERVICES & SUPPLIES**

**4150 Employee Training**

3400 Other Funds Ltd	(30,150)	(30,150)	0	0.00%
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**4175 Office Expenses**

3400 Other Funds Ltd	(30,000)	(30,000)	0	0.00%
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**4300 Professional Services**

3400 Other Funds Ltd	(727,280)	(727,280)	0	0.00%
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**4315 IT Professional Services**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
Package: Phase-out Pgm & One-time Costs  
Pkg Group: ESS Pkg Type: 020 Pkg Number: 022

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	(5,585,033)	(5,585,033)	0	0.00%
<b>4650 Other Services and Supplies</b>				
3400 Other Funds Ltd	(360,000)	(360,000)	0	0.00%
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	(12,000)	(12,000)	0	0.00%
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	(48,000)	(48,000)	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	(6,792,463)	(6,792,463)	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>(\$6,792,463)</b>	<b>(\$6,792,463)</b>	<b>\$0</b>	<b>0.00%</b>
<b>CAPITAL OUTLAY</b>				
<b>5550 Data Processing Software</b>				
3400 Other Funds Ltd	(453,500)	(453,500)	0	0.00%
<b>5600 Data Processing Hardware</b>				
3400 Other Funds Ltd	(1,072,500)	(1,072,500)	0	0.00%
<b>CAPITAL OUTLAY</b>				
3400 Other Funds Ltd	(1,526,000)	(1,526,000)	0	0.00%
<b>TOTAL CAPITAL OUTLAY</b>	<b>(\$1,526,000)</b>	<b>(\$1,526,000)</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
Package: Phase-out Pgm & One-time Costs  
Pkg Group: ESS Pkg Type: 020 Pkg Number: 022

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	(8,322,234)	(8,322,234)	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>(\$8,322,234)</b>	<b>(\$8,322,234)</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	8,322,234	8,322,234	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>\$8,322,234</b>	<b>\$8,322,234</b>	<b>\$0</b>	<b>0.00%</b>

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
Package: Standard Inflation  
Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	8,364	8,364	0	0.00%
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**4125 Out of State Travel**

3400 Other Funds Ltd	300	300	0	0.00%
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**4150 Employee Training**

3400 Other Funds Ltd	21,501	21,501	0	0.00%
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**4175 Office Expenses**

3400 Other Funds Ltd	60,527	60,527	0	0.00%
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**4200 Telecommunications**

3400 Other Funds Ltd	21,550	21,550	0	0.00%
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**4225 State Gov. Service Charges**

3400 Other Funds Ltd	(6,251,033)	(6,251,033)	0	0.00%
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**4250 Data Processing**

3400 Other Funds Ltd	109,955	109,955	0	0.00%
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**4275 Publicity and Publications**

3400 Other Funds Ltd	8,677	8,677	0	0.00%
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**4300 Professional Services**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
Package: Standard Inflation  
Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	113,378	113,378	0	0.00%
<b>4315 IT Professional Services</b>				
3400 Other Funds Ltd	79,829	79,829	0	0.00%
<b>4325 Attorney General</b>				
3400 Other Funds Ltd	141,500	141,500	0	0.00%
<b>4350 Dispute Resolution Services</b>				
3400 Other Funds Ltd	6,678	6,678	0	0.00%
<b>4375 Employee Recruitment and Develop</b>				
3400 Other Funds Ltd	2,040	2,040	0	0.00%
<b>4400 Dues and Subscriptions</b>				
3400 Other Funds Ltd	38,380	38,380	0	0.00%
<b>4425 Facilities Rental and Taxes</b>				
3400 Other Funds Ltd	56,888	56,888	0	0.00%
<b>4450 Fuels and Utilities</b>				
3400 Other Funds Ltd	10,638	10,638	0	0.00%
<b>4475 Facilities Maintenance</b>				
3400 Other Funds Ltd	46,109	46,109	0	0.00%
<b>4625 Other COI Costs</b>				
3400 Other Funds Ltd	99	99	0	0.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
Package: Standard Inflation  
Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>4650 Other Services and Supplies</b>				
3400 Other Funds Ltd	15,507	15,507	0	0.00%
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	3,272	3,272	0	0.00%
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	22,170	22,170	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	(5,483,671)	(5,483,671)	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>(\$5,483,671)</b>	<b>(\$5,483,671)</b>	<b>\$0</b>	<b>0.00%</b>
<b>CAPITAL OUTLAY</b>				
<b>5100 Office Furniture and Fixtures</b>				
3400 Other Funds Ltd	1,277	1,277	0	0.00%
<b>5150 Telecommunications Equipment</b>				
3400 Other Funds Ltd	2,595	2,595	0	0.00%
<b>5550 Data Processing Software</b>				
3400 Other Funds Ltd	3,182	3,182	0	0.00%
<b>5600 Data Processing Hardware</b>				
3400 Other Funds Ltd	14,991	14,991	0	0.00%
<b>CAPITAL OUTLAY</b>				

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
Package: Standard Inflation  
Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	22,045	22,045	0	0.00%
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$22,045</b>	<b>\$22,045</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	(5,461,626)	(5,461,626)	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>(\$5,461,626)</b>	<b>(\$5,461,626)</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	5,461,626	5,461,626	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>\$5,461,626</b>	<b>\$5,461,626</b>	<b>\$0</b>	<b>0.00%</b>

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
Package: Above Standard Inflation  
Pkg Group: ESS Pkg Type: 030 Pkg Number: 032

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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>4350 Dispute Resolution Services</b>				
3400 Other Funds Ltd	110,522	110,522	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	110,522	110,522	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$110,522</b>	<b>\$110,522</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	110,522	110,522	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$110,522</b>	<b>\$110,522</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(110,522)	(110,522)	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>(\$110,522)</b>	<b>(\$110,522)</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  
2017-19 Biennium  
Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
Package: Technical Adjustments  
Pkg Group: ESS Pkg Type: 060 Pkg Number: 060

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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>4225 State Gov. Service Charges</b>				
3400 Other Funds Ltd	-	17,732	17,732	100.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	-	17,732	17,732	100.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>\$17,732</b>	<b>\$17,732</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	-	17,732	17,732	100.00%
<b>TOTAL EXPENDITURES</b>	-	<b>\$17,732</b>	<b>\$17,732</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	(17,732)	(17,732)	100.00%
<b>TOTAL ENDING BALANCE</b>	-	<b>(\$17,732)</b>	<b>(\$17,732)</b>	<b>100.00%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
Package: Analyst Adjustments  
Pkg Group: POL Pkg Type: 090 Pkg Number: 090

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	-	635,583	635,583	100.00%
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	-	635,583	635,583	100.00%
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<b>TOTAL AVAILABLE REVENUES</b>	-	<b>\$635,583</b>	<b>\$635,583</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	-	(331,752)	(331,752)	100.00%
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**SALARIES & WAGES**

3400 Other Funds Ltd	-	(331,752)	(331,752)	100.00%
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<b>TOTAL SALARIES &amp; WAGES</b>	-	<b>(\$331,752)</b>	<b>(\$331,752)</b>	<b>100.00%</b>
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**OTHER PAYROLL EXPENSES**

**3210 Empl. Rel. Bd. Assessments**

3400 Other Funds Ltd	-	(114)	(114)	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  
2017-19 Biennium  
Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
Package: Analyst Adjustments  
Pkg Group: POL Pkg Type: 090 Pkg Number: 090

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	-	(43,427)	(43,427)	100.00%
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	-	(25,379)	(25,379)	100.00%
<b>3250 Workers Comp. Assess. (WCD)</b>				
3400 Other Funds Ltd	-	(138)	(138)	100.00%
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	-	(1,991)	(1,991)	100.00%
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	-	(66,672)	(66,672)	100.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	-	(137,721)	(137,721)	100.00%
<b>TOTAL OTHER PAYROLL EXPENSES</b>	-	<b>(\$137,721)</b>	<b>(\$137,721)</b>	<b>100.00%</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3465 Reconciliation Adjustment</b>				
3400 Other Funds Ltd	-	(6,318)	(6,318)	100.00%
<b>P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	-	(6,318)	(6,318)	100.00%
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	-	<b>(\$6,318)</b>	<b>(\$6,318)</b>	<b>100.00%</b>

**PERSONAL SERVICES**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
Package: Analyst Adjustments  
Pkg Group: POL Pkg Type: 090 Pkg Number: 090

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	-	(475,791)	(475,791)	100.00%
<b>TOTAL PERSONAL SERVICES</b>	-	<b>(\$475,791)</b>	<b>(\$475,791)</b>	<b>100.00%</b>
<b>SERVICES &amp; SUPPLIES</b>				
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	-	(2,110)	(2,110)	100.00%
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	-	(10,000)	(10,000)	100.00%
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	-	(1,020)	(1,020)	100.00%
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	-	(8,000)	(8,000)	100.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	-	(21,130)	(21,130)	100.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>(\$21,130)</b>	<b>(\$21,130)</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	-	(496,921)	(496,921)	100.00%
<b>TOTAL EXPENDITURES</b>	-	<b>(\$496,921)</b>	<b>(\$496,921)</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	1,132,504	1,132,504	100.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
 2017-19 Biennium  
 Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
 Package: Analyst Adjustments  
 Pkg Group: POL Pkg Type: 090 Pkg Number: 090

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL ENDING BALANCE</b>	-	\$1,132,504	\$1,132,504	100.00%
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	-	(2)	(2)	100.00%
<b>AUTHORIZED FTE</b>				
8250 Class/Unclass FTE Positions	-	(2.00)	(2.00)	100.00%

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
Package: Statewide Adjustment DAS Chgs  
Pkg Group: POL Pkg Type: 090 Pkg Number: 091

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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>4175 Office Expenses</b>				
3400 Other Funds Ltd	-	(7,254)	(7,254)	100.00%
<b>4225 State Gov. Service Charges</b>				
3400 Other Funds Ltd	-	(198,635)	(198,635)	100.00%
<b>4250 Data Processing</b>				
3400 Other Funds Ltd	-	(15,130)	(15,130)	100.00%
<b>4650 Other Services and Supplies</b>				
3400 Other Funds Ltd	-	(13,805)	(13,805)	100.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	-	(234,824)	(234,824)	100.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>(\$234,824)</b>	<b>(\$234,824)</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	-	(234,824)	(234,824)	100.00%
<b>TOTAL EXPENDITURES</b>	-	<b>(\$234,824)</b>	<b>(\$234,824)</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	234,824	234,824	100.00%
<b>TOTAL ENDING BALANCE</b>	-	<b>\$234,824</b>	<b>\$234,824</b>	<b>100.00%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
Package: Statewide AG Adjustment  
Pkg Group: POL Pkg Type: 090 Pkg Number: 092

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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>4325 Attorney General</b>				
3400 Other Funds Ltd	-	(80,047)	(80,047)	100.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	-	(80,047)	(80,047)	100.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>(\$80,047)</b>	<b>(\$80,047)</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	-	(80,047)	(80,047)	100.00%
<b>TOTAL EXPENDITURES</b>	-	<b>(\$80,047)</b>	<b>(\$80,047)</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	80,047	80,047	100.00%
<b>TOTAL ENDING BALANCE</b>	-	<b>\$80,047</b>	<b>\$80,047</b>	<b>100.00%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
Package: Cybersecurity Program  
Pkg Group: POL Pkg Type: POL Pkg Number: 101

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**EXPENDITURES**

**PERSONAL SERVICES**

**SALARIES & WAGES**

**3110 Class/Unclass Sal. and Per Diem**

3400 Other Funds Ltd	433,752	-	(433,752)	(100.00%)
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**SALARIES & WAGES**

3400 Other Funds Ltd	433,752	-	(433,752)	(100.00%)
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<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$433,752</b>	<b>-</b>	<b>(\$433,752)</b>	<b>(100.00%)</b>
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**OTHER PAYROLL EXPENSES**

**3210 Empl. Rel. Bd. Assessments**

3400 Other Funds Ltd	171	-	(171)	(100.00%)
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**3220 Public Employees Retire Cont**

3400 Other Funds Ltd	66,858	-	(66,858)	(100.00%)
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**3230 Social Security Taxes**

3400 Other Funds Ltd	33,182	-	(33,182)	(100.00%)
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**3250 Workers Comp. Assess. (WCD)**

3400 Other Funds Ltd	207	-	(207)	(100.00%)
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**3260 Mass Transit Tax**

3400 Other Funds Ltd	2,603	-	(2,603)	(100.00%)
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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
Package: Cybersecurity Program  
Pkg Group: POL Pkg Type: POL Pkg Number: 101

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	100,008	-	(100,008)	(100.00%)
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	203,029	-	(203,029)	(100.00%)
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$203,029</b>	<b>-</b>	<b>(\$203,029)</b>	<b>(100.00%)</b>
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	636,781	-	(636,781)	(100.00%)
<b>TOTAL PERSONAL SERVICES</b>	<b>\$636,781</b>	<b>-</b>	<b>(\$636,781)</b>	<b>(100.00%)</b>
<b>SERVICES &amp; SUPPLIES</b>				
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	4,385	-	(4,385)	(100.00%)
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	15,000	-	(15,000)	(100.00%)
<b>4250 Data Processing</b>				
3400 Other Funds Ltd	185,300	-	(185,300)	(100.00%)
<b>4315 IT Professional Services</b>				
3400 Other Funds Ltd	710,000	-	(710,000)	(100.00%)
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	5,000	-	(5,000)	(100.00%)

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
Package: Cybersecurity Program  
Pkg Group: POL Pkg Type: POL Pkg Number: 101

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	20,000	-	(20,000)	(100.00%)
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	939,685	-	(939,685)	(100.00%)
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$939,685</b>	<b>-</b>	<b>(\$939,685)</b>	<b>(100.00%)</b>
<b>CAPITAL OUTLAY</b>				
<b>5550 Data Processing Software</b>				
3400 Other Funds Ltd	300,000	-	(300,000)	(100.00%)
<b>5600 Data Processing Hardware</b>				
3400 Other Funds Ltd	376,500	-	(376,500)	(100.00%)
<b>CAPITAL OUTLAY</b>				
3400 Other Funds Ltd	676,500	-	(676,500)	(100.00%)
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$676,500</b>	<b>-</b>	<b>(\$676,500)</b>	<b>(100.00%)</b>
<b>SPECIAL PAYMENTS</b>				
<b>6107 Spc Pmt to Administrative Svcs</b>				
3400 Other Funds Ltd	-	2,252,966	2,252,966	100.00%
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	2,252,966	2,252,966	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$2,252,966</b>	<b>\$2,252,966</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  
2017-19 Biennium  
Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
Package: Cybersecurity Program  
Pkg Group: POL Pkg Type: POL Pkg Number: 101

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(2,252,966)	(2,252,966)	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>(\$2,252,966)</b>	<b>(\$2,252,966)</b>	<b>\$0</b>	<b>0.00%</b>
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	3	-	(3)	(100.00%)
<b>AUTHORIZED FTE</b>				
8250 Class/Unclass FTE Positions	3.00	-	(3.00)	(100.00%)

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
Package: Fully Integrating IAP Administration into the PERS ORION System Phae III  
Pkg Group: POL Pkg Type: POL Pkg Number: 102

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**EXPENDITURES**

**PERSONAL SERVICES**

**SALARIES & WAGES**

**3110 Class/Unclass Sal. and Per Diem**

3400 Other Funds Ltd	378,288	378,288	0	0.00%
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**SALARIES & WAGES**

3400 Other Funds Ltd	378,288	378,288	0	0.00%
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<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$378,288</b>	<b>\$378,288</b>	<b>\$0</b>	<b>0.00%</b>
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**OTHER PAYROLL EXPENSES**

**3210 Empl. Rel. Bd. Assessments**

3400 Other Funds Ltd	171	171	0	0.00%
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**3220 Public Employees Retire Cont**

3400 Other Funds Ltd	49,518	49,518	0	0.00%
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**3230 Social Security Taxes**

3400 Other Funds Ltd	28,938	28,938	0	0.00%
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**3250 Workers Comp. Assess. (WCD)**

3400 Other Funds Ltd	207	207	0	0.00%
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**3260 Mass Transit Tax**

3400 Other Funds Ltd	2,270	2,270	0	0.00%
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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
Package: Fully Integrating IAP Administration into the PERS ORION System Phae III  
Pkg Group: POL Pkg Type: POL Pkg Number: 102

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	100,008	100,008	0	0.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	181,112	181,112	0	0.00%
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$181,112</b>	<b>\$181,112</b>	<b>\$0</b>	<b>0.00%</b>
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	559,400	559,400	0	0.00%
<b>TOTAL PERSONAL SERVICES</b>	<b>\$559,400</b>	<b>\$559,400</b>	<b>\$0</b>	<b>0.00%</b>
<b>SERVICES &amp; SUPPLIES</b>				
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	3,195	3,195	0	0.00%
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	15,000	15,000	0	0.00%
<b>4315 IT Professional Services</b>				
3400 Other Funds Ltd	2,180,000	2,180,000	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	2,198,195	2,198,195	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$2,198,195</b>	<b>\$2,198,195</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  
2017-19 Biennium  
Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
Package: Fully Integrating IAP Administration into the PERS ORION System Phae III  
Pkg Group: POL Pkg Type: POL Pkg Number: 102

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	2,757,595	2,757,595	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$2,757,595</b>	<b>\$2,757,595</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(2,757,595)	(2,757,595)	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>(\$2,757,595)</b>	<b>(\$2,757,595)</b>	<b>\$0</b>	<b>0.00%</b>
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	3	3	0	0.00%
<b>AUTHORIZED FTE</b>				
8250 Class/Unclass FTE Positions	3.00	3.00	0.00	0.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
Package: Business Modernization  
Pkg Group: POL Pkg Type: POL Pkg Number: 103

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**EXPENDITURES**

**PERSONAL SERVICES**

**SALARIES & WAGES**

**3110 Class/Unclass Sal. and Per Diem**

3400 Other Funds Ltd	417,888	-	(417,888)	(100.00%)
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**SALARIES & WAGES**

3400 Other Funds Ltd	417,888	-	(417,888)	(100.00%)
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<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$417,888</b>	<b>-</b>	<b>(\$417,888)</b>	<b>(100.00%)</b>
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**OTHER PAYROLL EXPENSES**

**3210 Empl. Rel. Bd. Assessments**

3400 Other Funds Ltd	171	-	(171)	(100.00%)
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**3220 Public Employees Retire Cont**

3400 Other Funds Ltd	54,702	-	(54,702)	(100.00%)
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**3230 Social Security Taxes**

3400 Other Funds Ltd	31,968	-	(31,968)	(100.00%)
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**3250 Workers Comp. Assess. (WCD)**

3400 Other Funds Ltd	207	-	(207)	(100.00%)
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**3260 Mass Transit Tax**

3400 Other Funds Ltd	2,507	-	(2,507)	(100.00%)
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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
Package: Business Modernization  
Pkg Group: POL Pkg Type: POL Pkg Number: 103

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	100,008	-	(100,008)	(100.00%)
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	189,563	-	(189,563)	(100.00%)
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$189,563</b>	<b>-</b>	<b>(\$189,563)</b>	<b>(100.00%)</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3465 Reconciliation Adjustment</b>				
3400 Other Funds Ltd	-	607,451	607,451	100.00%
<b>P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	-	607,451	607,451	100.00%
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	<b>-</b>	<b>\$607,451</b>	<b>\$607,451</b>	<b>100.00%</b>
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	607,451	607,451	0	0.00%
<b>TOTAL PERSONAL SERVICES</b>	<b>\$607,451</b>	<b>\$607,451</b>	<b>\$0</b>	<b>0.00%</b>
<b>SERVICES &amp; SUPPLIES</b>				
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	3,195	3,195	0	0.00%
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	15,000	15,000	0	0.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
Package: Business Modernization  
Pkg Group: POL Pkg Type: POL Pkg Number: 103

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>4250 Data Processing</b>				
3400 Other Funds Ltd	44,630	44,630	0	0.00%
<b>4315 IT Professional Services</b>				
3400 Other Funds Ltd	5,492,581	5,492,581	0	0.00%
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	3,000	3,000	0	0.00%
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	12,000	12,000	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	5,570,406	5,570,406	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$5,570,406</b>	<b>\$5,570,406</b>	<b>\$0</b>	<b>0.00%</b>
<b>CAPITAL OUTLAY</b>				
<b>5550 Data Processing Software</b>				
3400 Other Funds Ltd	223,150	223,150	0	0.00%
<b>CAPITAL OUTLAY</b>				
3400 Other Funds Ltd	223,150	223,150	0	0.00%
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$223,150</b>	<b>\$223,150</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	6,401,007	6,401,007	0	0.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
Package: Business Modernization  
Pkg Group: POL Pkg Type: POL Pkg Number: 103

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL EXPENDITURES</b>	\$6,401,007	\$6,401,007	\$0	0.00%
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(6,401,007)	(6,401,007)	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>(\$6,401,007)</b>	<b>(\$6,401,007)</b>	<b>\$0</b>	<b>0.00%</b>
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	3	-	(3)	(100.00%)
<b>AUTHORIZED FTE</b>				
8250 Class/Unclass FTE Positions	3.00	-	(3.00)	(100.00%)

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Limited - Operations

Cross Reference Number: 45900-500-00-00-00000  
Package: Data Center Migration  
Pkg Group: POL Pkg Type: POL Pkg Number: 200

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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>4250 Data Processing</b>				
3400 Other Funds Ltd	-	609,650	609,650	100.00%
<b>4315 IT Professional Services</b>				
3400 Other Funds Ltd	-	537,984	537,984	100.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	-	1,147,634	1,147,634	100.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>\$1,147,634</b>	<b>\$1,147,634</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	-	1,147,634	1,147,634	100.00%
<b>TOTAL EXPENDITURES</b>	-	<b>\$1,147,634</b>	<b>\$1,147,634</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	(1,147,634)	(1,147,634)	100.00%
<b>TOTAL ENDING BALANCE</b>	-	<b>(\$1,147,634)</b>	<b>(\$1,147,634)</b>	<b>100.00%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Central Administration

Cross Reference Number: 45900-500-01-00-00000  
Package: Non-PICS Psnl Svc / Vacancy Factor  
Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	32	32	0	0.00%
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**3170 Overtime Payments**

3400 Other Funds Ltd	14	14	0	0.00%
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**3190 All Other Differential**

3400 Other Funds Ltd	1,814	1,814	0	0.00%
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**SALARIES & WAGES**

3400 Other Funds Ltd	1,860	1,860	0	0.00%
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<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$1,860</b>	<b>\$1,860</b>	<b>\$0</b>	<b>0.00%</b>
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**OTHER PAYROLL EXPENSES**

**3220 Public Employees Retire Cont**

3400 Other Funds Ltd	350	350	0	0.00%
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**3221 Pension Obligation Bond**

3400 Other Funds Ltd	4,759	4,759	0	0.00%
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**3230 Social Security Taxes**

3400 Other Funds Ltd	142	142	0	0.00%
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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Central Administration

Cross Reference Number: 45900-500-01-00-00000  
Package: Non-PICS Psnl Svc / Vacancy Factor  
Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	(1,943)	(1,943)	0	0.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	3,308	3,308	0	0.00%
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$3,308</b>	<b>\$3,308</b>	<b>\$0</b>	<b>0.00%</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3455 Vacancy Savings</b>				
3400 Other Funds Ltd	25,474	25,474	0	0.00%
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	30,642	30,642	0	0.00%
<b>TOTAL PERSONAL SERVICES</b>	<b>\$30,642</b>	<b>\$30,642</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	30,642	30,642	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$30,642</b>	<b>\$30,642</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(30,642)	(30,642)	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>(\$30,642)</b>	<b>(\$30,642)</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  
2017-19 Biennium  
Central Administration

Cross Reference Number: 45900-500-01-00-00000  
Package: Standard Inflation  
Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	491	491	0	0.00%
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**4125 Out of State Travel**

3400 Other Funds Ltd	95	95	0	0.00%
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**4150 Employee Training**

3400 Other Funds Ltd	1,934	1,934	0	0.00%
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**4175 Office Expenses**

3400 Other Funds Ltd	740	740	0	0.00%
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**4200 Telecommunications**

3400 Other Funds Ltd	6	6	0	0.00%
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**4225 State Gov. Service Charges**

3400 Other Funds Ltd	(4,000)	(4,000)	0	0.00%
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**4250 Data Processing**

3400 Other Funds Ltd	117	117	0	0.00%
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**4300 Professional Services**

3400 Other Funds Ltd	1,138	1,138	0	0.00%
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**4325 Attorney General**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Central Administration

Cross Reference Number: 45900-500-01-00-00000  
Package: Standard Inflation  
Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	768	768	0	0.00%
<b>4400 Dues and Subscriptions</b>				
3400 Other Funds Ltd	205	205	0	0.00%
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	130	130	0	0.00%
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	148	148	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	1,772	1,772	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$1,772</b>	<b>\$1,772</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	1,772	1,772	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$1,772</b>	<b>\$1,772</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(1,772)	(1,772)	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>(\$1,772)</b>	<b>(\$1,772)</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  
2017-19 Biennium  
Central Administration

Cross Reference Number: 45900-500-01-00-00000  
Package: Statewide Adjustment DAS Chgs  
Pkg Group: POL Pkg Type: 090 Pkg Number: 091

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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>4175 Office Expenses</b>				
3400 Other Funds Ltd	-	(287)	(287)	100.00%
<b>4225 State Gov. Service Charges</b>				
3400 Other Funds Ltd	-	(40,888)	(40,888)	100.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	-	(41,175)	(41,175)	100.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>(\$41,175)</b>	<b>(\$41,175)</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	-	(41,175)	(41,175)	100.00%
<b>TOTAL EXPENDITURES</b>	-	<b>(\$41,175)</b>	<b>(\$41,175)</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	41,175	41,175	100.00%
<b>TOTAL ENDING BALANCE</b>	-	<b>\$41,175</b>	<b>\$41,175</b>	<b>100.00%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Central Administration

Cross Reference Number: 45900-500-01-00-00000  
Package: Statewide AG Adjustment  
Pkg Group: POL Pkg Type: 090 Pkg Number: 092

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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>4325 Attorney General</b>				
3400 Other Funds Ltd	-	(435)	(435)	100.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	-	(435)	(435)	100.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>-</b>	<b>(\$435)</b>	<b>(\$435)</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	-	(435)	(435)	100.00%
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>(\$435)</b>	<b>(\$435)</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	435	435	100.00%
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>\$435</b>	<b>\$435</b>	<b>100.00%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail

Cross Reference Number: 45900-500-02-00-00000

2017-19 Biennium

Package: Non-PICS Psnl Svc / Vacancy Factor

Benefit Payments Division

Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	2,256	2,256	0	0.00%
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**3170 Overtime Payments**

3400 Other Funds Ltd	6,477	6,477	0	0.00%
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**3190 All Other Differential**

3400 Other Funds Ltd	1,194	1,194	0	0.00%
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**SALARIES & WAGES**

3400 Other Funds Ltd	9,927	9,927	0	0.00%
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**TOTAL SALARIES & WAGES**

	<b>\$9,927</b>	<b>\$9,927</b>	<b>\$0</b>	<b>0.00%</b>
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**OTHER PAYROLL EXPENSES**

**3220 Public Employees Retire Cont**

3400 Other Funds Ltd	1,464	1,464	0	0.00%
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**3221 Pension Obligation Bond**

3400 Other Funds Ltd	61,844	61,844	0	0.00%
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**3230 Social Security Taxes**

3400 Other Funds Ltd	759	759	0	0.00%
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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Benefit Payments Division

Cross Reference Number: 45900-500-02-00-00000  
Package: Non-PICS Psnl Svc / Vacancy Factor  
Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	(5,806)	(5,806)	0	0.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	58,261	58,261	0	0.00%
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$58,261</b>	<b>\$58,261</b>	<b>\$0</b>	<b>0.00%</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3455 Vacancy Savings</b>				
3400 Other Funds Ltd	122,469	122,469	0	0.00%
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	190,657	190,657	0	0.00%
<b>TOTAL PERSONAL SERVICES</b>	<b>\$190,657</b>	<b>\$190,657</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	190,657	190,657	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$190,657</b>	<b>\$190,657</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(190,657)	(190,657)	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>(\$190,657)</b>	<b>(\$190,657)</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  
2017-19 Biennium  
Benefit Payments Division

Cross Reference Number: 45900-500-02-00-00000  
Package: Phase-out Pgm & One-time Costs  
Pkg Group: ESS Pkg Type: 020 Pkg Number: 022

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	(696,820)	(696,820)	0	0.00%
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	(1,000)	(1,000)	0	0.00%
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	(4,000)	(4,000)	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	(701,820)	(701,820)	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>(\$701,820)</b>	<b>(\$701,820)</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	(701,820)	(701,820)	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>(\$701,820)</b>	<b>(\$701,820)</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	701,820	701,820	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>\$701,820</b>	<b>\$701,820</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  
2017-19 Biennium  
Benefit Payments Division

Cross Reference Number: 45900-500-02-00-00000  
Package: Standard Inflation  
Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	150	150	0	0.00%
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**4125 Out of State Travel**

3400 Other Funds Ltd	60	60	0	0.00%
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**4150 Employee Training**

3400 Other Funds Ltd	3,374	3,374	0	0.00%
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**4175 Office Expenses**

3400 Other Funds Ltd	6,031	6,031	0	0.00%
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**4300 Professional Services**

3400 Other Funds Ltd	17,939	17,939	0	0.00%
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**4375 Employee Recruitment and Develop**

3400 Other Funds Ltd	178	178	0	0.00%
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**4400 Dues and Subscriptions**

3400 Other Funds Ltd	112	112	0	0.00%
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**4700 Expendable Prop 250 - 5000**

3400 Other Funds Ltd	710	710	0	0.00%
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**4715 IT Expendable Property**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail

Cross Reference Number: 45900-500-02-00-00000

2017-19 Biennium

Package: Standard Inflation

Benefit Payments Division

Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	1,169	1,169	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	29,723	29,723	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$29,723</b>	<b>\$29,723</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	29,723	29,723	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$29,723</b>	<b>\$29,723</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(29,723)	(29,723)	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>(\$29,723)</b>	<b>(\$29,723)</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  
2017-19 Biennium  
Benefit Payments Division

Cross Reference Number: 45900-500-02-00-00000  
Package: Statewide Adjustment DAS Chgs  
Pkg Group: POL Pkg Type: 090 Pkg Number: 091

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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>4175 Office Expenses</b>				
3400 Other Funds Ltd	-	(1,570)	(1,570)	100.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	-	(1,570)	(1,570)	100.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>(\$1,570)</b>	<b>(\$1,570)</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	-	(1,570)	(1,570)	100.00%
<b>TOTAL EXPENDITURES</b>	-	<b>(\$1,570)</b>	<b>(\$1,570)</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	1,570	1,570	100.00%
<b>TOTAL ENDING BALANCE</b>	-	<b>\$1,570</b>	<b>\$1,570</b>	<b>100.00%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail

Cross Reference Number: 45900-500-03-00-00000

2017-19 Biennium

Package: Non-PICS Psnl Svc / Vacancy Factor

Financial & Admin Services Division (FASD)

Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	519	519	0	0.00%
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**3170 Overtime Payments**

3400 Other Funds Ltd	473	473	0	0.00%
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**3190 All Other Differential**

3400 Other Funds Ltd	913	913	0	0.00%
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**SALARIES & WAGES**

3400 Other Funds Ltd	1,905	1,905	0	0.00%
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<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$1,905</b>	<b>\$1,905</b>	<b>\$0</b>	<b>0.00%</b>
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**OTHER PAYROLL EXPENSES**

**3220 Public Employees Retire Cont**

3400 Other Funds Ltd	264	264	0	0.00%
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**3221 Pension Obligation Bond**

3400 Other Funds Ltd	20,966	20,966	0	0.00%
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**3230 Social Security Taxes**

3400 Other Funds Ltd	146	146	0	0.00%
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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail

Cross Reference Number: 45900-500-03-00-00000

2017-19 Biennium

Package: Non-PICS Psnl Svc / Vacancy Factor

Financial & Admin Services Division (FASD)

Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>3240 Unemployment Assessments</b>				
3400 Other Funds Ltd	1,546	1,546	0	0.00%
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	(7,532)	(7,532)	0	0.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	15,390	15,390	0	0.00%
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$15,390</b>	<b>\$15,390</b>	<b>\$0</b>	<b>0.00%</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3455 Vacancy Savings</b>				
3400 Other Funds Ltd	108,314	108,314	0	0.00%
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	125,609	125,609	0	0.00%
<b>TOTAL PERSONAL SERVICES</b>	<b>\$125,609</b>	<b>\$125,609</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	125,609	125,609	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$125,609</b>	<b>\$125,609</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(125,609)	(125,609)	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>(\$125,609)</b>	<b>(\$125,609)</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: 45900-500-03-00-00000

2017-19 Biennium

Package: Phase - In

Financial & Admin Services Division (FASD)

Pkg Group: ESS Pkg Type: 020 Pkg Number: 021

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**EXPENDITURES**

**PERSONAL SERVICES**

**SALARIES & WAGES**

**3110 Class/Unclass Sal. and Per Diem**

3400 Other Funds Ltd	268,440	268,440	0	0.00%
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**SALARIES & WAGES**

3400 Other Funds Ltd	268,440	268,440	0	0.00%
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<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$268,440</b>	<b>\$268,440</b>	<b>\$0</b>	<b>0.00%</b>
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**OTHER PAYROLL EXPENSES**

**3210 Empl. Rel. Bd. Assessments**

3400 Other Funds Ltd	171	171	0	0.00%
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**3220 Public Employees Retire Cont**

3400 Other Funds Ltd	35,138	35,138	0	0.00%
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**3230 Social Security Taxes**

3400 Other Funds Ltd	20,535	20,535	0	0.00%
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**3250 Workers Comp. Assess. (WCD)**

3400 Other Funds Ltd	207	207	0	0.00%
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**3260 Mass Transit Tax**

3400 Other Funds Ltd	1,610	1,610	0	0.00%
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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail

Cross Reference Number: 45900-500-03-00-00000

2017-19 Biennium

Package: Phase - In

Financial & Admin Services Division (FASD)

Pkg Group: ESS Pkg Type: 020 Pkg Number: 021

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	100,008	100,008	0	0.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	157,669	157,669	0	0.00%
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$157,669</b>	<b>\$157,669</b>	<b>\$0</b>	<b>0.00%</b>
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	426,109	426,109	0	0.00%
<b>TOTAL PERSONAL SERVICES</b>	<b>\$426,109</b>	<b>\$426,109</b>	<b>\$0</b>	<b>0.00%</b>
<b>SERVICES &amp; SUPPLIES</b>				
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	3,195	3,195	0	0.00%
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	15,000	15,000	0	0.00%
<b>4650 Other Services and Supplies</b>				
3400 Other Funds Ltd	360,000	360,000	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	378,195	378,195	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$378,195</b>	<b>\$378,195</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail

Cross Reference Number: 45900-500-03-00-00000

2017-19 Biennium

Package: Phase - In

Financial & Admin Services Division (FASD)

Pkg Group: ESS Pkg Type: 020 Pkg Number: 021

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	804,304	804,304	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$804,304</b>	<b>\$804,304</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(804,304)	(804,304)	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>(\$804,304)</b>	<b>(\$804,304)</b>	<b>\$0</b>	<b>0.00%</b>
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	3	3	0	0.00%
<b>AUTHORIZED FTE</b>				
8250 Class/Unclass FTE Positions	3.00	3.00	0.00	0.00%

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail

Cross Reference Number: 45900-500-03-00-00000

2017-19 Biennium

Package: Phase-out Pgm & One-time Costs

Financial & Admin Services Division (FASD)

Pkg Group: ESS Pkg Type: 020 Pkg Number: 022

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**EXPENDITURES**

**PERSONAL SERVICES**

**OTHER PAYROLL EXPENSES**

**3260 Mass Transit Tax**

3400 Other Funds Ltd	(1,316)	(1,316)	0	0.00%
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**OTHER PAYROLL EXPENSES**

3400 Other Funds Ltd	(1,316)	(1,316)	0	0.00%
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<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>(\$1,316)</b>	<b>(\$1,316)</b>	<b>\$0</b>	<b>0.00%</b>
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**PERSONAL SERVICES**

3400 Other Funds Ltd	(1,316)	(1,316)	0	0.00%
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<b>TOTAL PERSONAL SERVICES</b>	<b>(\$1,316)</b>	<b>(\$1,316)</b>	<b>\$0</b>	<b>0.00%</b>
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**SERVICES & SUPPLIES**

**4150 Employee Training**

3400 Other Funds Ltd	(3,075)	(3,075)	0	0.00%
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**4175 Office Expenses**

3400 Other Funds Ltd	(15,000)	(15,000)	0	0.00%
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**4650 Other Services and Supplies**

3400 Other Funds Ltd	(360,000)	(360,000)	0	0.00%
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**4700 Expendable Prop 250 - 5000**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail

Cross Reference Number: 45900-500-03-00-00000

2017-19 Biennium

Package: Phase-out Pgm & One-time Costs

Financial & Admin Services Division (FASD)

Pkg Group: ESS Pkg Type: 020 Pkg Number: 022

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	(1,000)	(1,000)	0	0.00%
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	(4,000)	(4,000)	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	(383,075)	(383,075)	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>(\$383,075)</b>	<b>(\$383,075)</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	(384,391)	(384,391)	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>(\$384,391)</b>	<b>(\$384,391)</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	384,391	384,391	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>\$384,391</b>	<b>\$384,391</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: 45900-500-03-00-00000

2017-19 Biennium

Package: Standard Inflation

Financial & Admin Services Division (FASD)

Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	3,210	3,210	0	0.00%
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**4125 Out of State Travel**

3400 Other Funds Ltd	64	64	0	0.00%
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**4150 Employee Training**

3400 Other Funds Ltd	4,693	4,693	0	0.00%
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**4175 Office Expenses**

3400 Other Funds Ltd	36,254	36,254	0	0.00%
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**4225 State Gov. Service Charges**

3400 Other Funds Ltd	(6,247,033)	(6,247,033)	0	0.00%
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**4275 Publicity and Publications**

3400 Other Funds Ltd	254	254	0	0.00%
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**4300 Professional Services**

3400 Other Funds Ltd	81,506	81,506	0	0.00%
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**4325 Attorney General**

3400 Other Funds Ltd	14,433	14,433	0	0.00%
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**4375 Employee Recruitment and Develop**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail

Cross Reference Number: 45900-500-03-00-00000

2017-19 Biennium

Package: Standard Inflation

Financial & Admin Services Division (FASD)

Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	1,684	1,684	0	0.00%
<b>4400 Dues and Subscriptions</b>				
3400 Other Funds Ltd	342	342	0	0.00%
<b>4425 Facilities Rental and Taxes</b>				
3400 Other Funds Ltd	56,888	56,888	0	0.00%
<b>4450 Fuels and Utilities</b>				
3400 Other Funds Ltd	10,638	10,638	0	0.00%
<b>4475 Facilities Maintenance</b>				
3400 Other Funds Ltd	45,992	45,992	0	0.00%
<b>4625 Other COI Costs</b>				
3400 Other Funds Ltd	99	99	0	0.00%
<b>4650 Other Services and Supplies</b>				
3400 Other Funds Ltd	15,507	15,507	0	0.00%
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	694	694	0	0.00%
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	858	858	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	(5,973,917)	(5,973,917)	0	0.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail

Cross Reference Number: 45900-500-03-00-00000

2017-19 Biennium

Package: Standard Inflation

Financial & Admin Services Division (FASD)

Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL SERVICES &amp; SUPPLIES</b>	(\$5,973,917)	(\$5,973,917)	\$0	0.00%
<b>CAPITAL OUTLAY</b>				
5100 Office Furniture and Fixtures				
3400 Other Funds Ltd	1,277	1,277	0	0.00%
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	(5,972,640)	(5,972,640)	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>(\$5,972,640)</b>	<b>(\$5,972,640)</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	5,972,640	5,972,640	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>\$5,972,640</b>	<b>\$5,972,640</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: 45900-500-03-00-00000

2017-19 Biennium

Package: Technical Adjustments

Financial & Admin Services Division (FASD)

Pkg Group: ESS Pkg Type: 060 Pkg Number: 060

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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>4225 State Gov. Service Charges</b>				
3400 Other Funds Ltd	31,881	49,613	17,732	55.62%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	31,881	49,613	17,732	55.62%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$31,881</b>	<b>\$49,613</b>	<b>\$17,732</b>	<b>55.62%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	31,881	49,613	17,732	55.62%
<b>TOTAL EXPENDITURES</b>	<b>\$31,881</b>	<b>\$49,613</b>	<b>\$17,732</b>	<b>55.62%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(31,881)	(49,613)	(17,732)	(55.62%)
<b>TOTAL ENDING BALANCE</b>	<b>(\$31,881)</b>	<b>(\$49,613)</b>	<b>(\$17,732)</b>	<b>(55.62%)</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail

Cross Reference Number: 45900-500-03-00-00000

2017-19 Biennium

Package: Statewide Adjustment DAS Chgs

Financial & Admin Services Division (FASD)

Pkg Group: POL Pkg Type: 090 Pkg Number: 091

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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>4225 State Gov. Service Charges</b>				
3400 Other Funds Ltd	-	(157,747)	(157,747)	100.00%
<b>4650 Other Services and Supplies</b>				
3400 Other Funds Ltd	-	(13,805)	(13,805)	100.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	-	(171,552)	(171,552)	100.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>(\$171,552)</b>	<b>(\$171,552)</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	-	(171,552)	(171,552)	100.00%
<b>TOTAL EXPENDITURES</b>	-	<b>(\$171,552)</b>	<b>(\$171,552)</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	171,552	171,552	100.00%
<b>TOTAL ENDING BALANCE</b>	-	<b>\$171,552</b>	<b>\$171,552</b>	<b>100.00%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail

Cross Reference Number: 45900-500-03-00-00000

2017-19 Biennium

Package: Statewide AG Adjustment

Financial & Admin Services Division (FASD)

Pkg Group: POL Pkg Type: 090 Pkg Number: 092

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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>4325 Attorney General</b>				
3400 Other Funds Ltd	-	(8,165)	(8,165)	100.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	-	(8,165)	(8,165)	100.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>(\$8,165)</b>	<b>(\$8,165)</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	-	(8,165)	(8,165)	100.00%
<b>TOTAL EXPENDITURES</b>	-	<b>(\$8,165)</b>	<b>(\$8,165)</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	8,165	8,165	100.00%
<b>TOTAL ENDING BALANCE</b>	-	<b>\$8,165</b>	<b>\$8,165</b>	<b>100.00%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Information Services Division

Cross Reference Number: 45900-500-04-00-00000  
Package: Non-PICS Psnl Svc / Vacancy Factor  
Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	747	747	0	0.00%
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**3170 Overtime Payments**

3400 Other Funds Ltd	4,171	4,171	0	0.00%
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**3180 Shift Differential**

3400 Other Funds Ltd	82	82	0	0.00%
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**3190 All Other Differential**

3400 Other Funds Ltd	3,145	3,145	0	0.00%
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**SALARIES & WAGES**

3400 Other Funds Ltd	8,145	8,145	0	0.00%
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**TOTAL SALARIES & WAGES**

	<b>\$8,145</b>	<b>\$8,145</b>	<b>\$0</b>	<b>0.00%</b>
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**OTHER PAYROLL EXPENSES**

**3220 Public Employees Retire Cont**

3400 Other Funds Ltd	1,412	1,412	0	0.00%
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**3221 Pension Obligation Bond**

3400 Other Funds Ltd	37,046	37,046	0	0.00%
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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Information Services Division

Cross Reference Number: 45900-500-04-00-00000  
Package: Non-PICS Psnl Svc / Vacancy Factor  
Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	623	623	0	0.00%
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	(7,443)	(7,443)	0	0.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	31,638	31,638	0	0.00%
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$31,638</b>	<b>\$31,638</b>	<b>\$0</b>	<b>0.00%</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3455 Vacancy Savings</b>				
3400 Other Funds Ltd	140,587	140,587	0	0.00%
<b>P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	140,587	140,587	0	0.00%
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	<b>\$140,587</b>	<b>\$140,587</b>	<b>\$0</b>	<b>0.00%</b>
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	180,370	180,370	0	0.00%
<b>TOTAL PERSONAL SERVICES</b>	<b>\$180,370</b>	<b>\$180,370</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	180,370	180,370	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$180,370</b>	<b>\$180,370</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  
 2017-19 Biennium  
 Information Services Division

Cross Reference Number: 45900-500-04-00-00000  
 Package: Non-PICS Psnl Svc / Vacancy Factor  
 Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(180,370)	(180,370)	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>(\$180,370)</b>	<b>(\$180,370)</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  
2017-19 Biennium  
Information Services Division

Cross Reference Number: 45900-500-04-00-00000  
Package: Phase-out Pgm & One-time Costs  
Pkg Group: ESS Pkg Type: 020 Pkg Number: 022

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**EXPENDITURES**

**PERSONAL SERVICES**

**OTHER PAYROLL EXPENSES**

**3260 Mass Transit Tax**

3400 Other Funds Ltd	(2,455)	(2,455)	0	0.00%
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**OTHER PAYROLL EXPENSES**

3400 Other Funds Ltd	(2,455)	(2,455)	0	0.00%
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<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>(\$2,455)</b>	<b>(\$2,455)</b>	<b>\$0</b>	<b>0.00%</b>
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**PERSONAL SERVICES**

3400 Other Funds Ltd	(2,455)	(2,455)	0	0.00%
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<b>TOTAL PERSONAL SERVICES</b>	<b>(\$2,455)</b>	<b>(\$2,455)</b>	<b>\$0</b>	<b>0.00%</b>
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**SERVICES & SUPPLIES**

**4150 Employee Training**

3400 Other Funds Ltd	(27,075)	(27,075)	0	0.00%
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**4175 Office Expenses**

3400 Other Funds Ltd	(15,000)	(15,000)	0	0.00%
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**4315 IT Professional Services**

3400 Other Funds Ltd	(5,585,033)	(5,585,033)	0	0.00%
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**4700 Expendable Prop 250 - 5000**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Information Services Division

Cross Reference Number: 45900-500-04-00-00000  
Package: Phase-out Pgm & One-time Costs  
Pkg Group: ESS Pkg Type: 020 Pkg Number: 022

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	(3,000)	(3,000)	0	0.00%
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	(12,000)	(12,000)	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	(5,642,108)	(5,642,108)	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>(\$5,642,108)</b>	<b>(\$5,642,108)</b>	<b>\$0</b>	<b>0.00%</b>
<b>CAPITAL OUTLAY</b>				
<b>5550 Data Processing Software</b>				
3400 Other Funds Ltd	(453,500)	(453,500)	0	0.00%
<b>5600 Data Processing Hardware</b>				
3400 Other Funds Ltd	(1,072,500)	(1,072,500)	0	0.00%
<b>CAPITAL OUTLAY</b>				
3400 Other Funds Ltd	(1,526,000)	(1,526,000)	0	0.00%
<b>TOTAL CAPITAL OUTLAY</b>	<b>(\$1,526,000)</b>	<b>(\$1,526,000)</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	(7,170,563)	(7,170,563)	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>(\$7,170,563)</b>	<b>(\$7,170,563)</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	7,170,563	7,170,563	0	0.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Information Services Division

Cross Reference Number: 45900-500-04-00-00000  
Package: Phase-out Pgm & One-time Costs  
Pkg Group: ESS Pkg Type: 020 Pkg Number: 022

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL ENDING BALANCE</b>	\$7,170,563	\$7,170,563	\$0	0.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Information Services Division

Cross Reference Number: 45900-500-04-00-00000  
Package: Standard Inflation  
Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	135	135	0	0.00%
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**4150 Employee Training**

3400 Other Funds Ltd	4,847	4,847	0	0.00%
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**4175 Office Expenses**

3400 Other Funds Ltd	5,328	5,328	0	0.00%
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**4200 Telecommunications**

3400 Other Funds Ltd	21,544	21,544	0	0.00%
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**4250 Data Processing**

3400 Other Funds Ltd	109,838	109,838	0	0.00%
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**4315 IT Professional Services**

3400 Other Funds Ltd	79,829	79,829	0	0.00%
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**4375 Employee Recruitment and Develop**

3400 Other Funds Ltd	78	78	0	0.00%
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**4400 Dues and Subscriptions**

3400 Other Funds Ltd	37,261	37,261	0	0.00%
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**4475 Facilities Maintenance**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Information Services Division

Cross Reference Number: 45900-500-04-00-00000  
Package: Standard Inflation  
Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	117	117	0	0.00%
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	634	634	0	0.00%
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	18,023	18,023	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	277,634	277,634	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$277,634</b>	<b>\$277,634</b>	<b>\$0</b>	<b>0.00%</b>
<b>CAPITAL OUTLAY</b>				
<b>5150 Telecommunications Equipment</b>				
3400 Other Funds Ltd	2,595	2,595	0	0.00%
<b>5550 Data Processing Software</b>				
3400 Other Funds Ltd	3,182	3,182	0	0.00%
<b>5600 Data Processing Hardware</b>				
3400 Other Funds Ltd	14,991	14,991	0	0.00%
<b>CAPITAL OUTLAY</b>				
3400 Other Funds Ltd	20,768	20,768	0	0.00%
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$20,768</b>	<b>\$20,768</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Information Services Division

Cross Reference Number: 45900-500-04-00-00000  
Package: Standard Inflation  
Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	298,402	298,402	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$298,402</b>	<b>\$298,402</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(298,402)	(298,402)	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>(\$298,402)</b>	<b>(\$298,402)</b>	<b>\$0</b>	<b>0.00%</b>

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Information Services Division

Cross Reference Number: 45900-500-04-00-00000  
Package: Technical Adjustments  
Pkg Group: ESS Pkg Type: 060 Pkg Number: 060

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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>4225 State Gov. Service Charges</b>				
3400 Other Funds Ltd	(31,881)	(31,881)	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	(31,881)	(31,881)	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>(\$31,881)</b>	<b>(\$31,881)</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	(31,881)	(31,881)	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>(\$31,881)</b>	<b>(\$31,881)</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	31,881	31,881	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>\$31,881</b>	<b>\$31,881</b>	<b>\$0</b>	<b>0.00%</b>

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Information Services Division

Cross Reference Number: 45900-500-04-00-00000  
Package: Analyst Adjustments  
Pkg Group: POL Pkg Type: 090 Pkg Number: 090

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	-	635,583	635,583	100.00%
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	-	635,583	635,583	100.00%
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<b>TOTAL AVAILABLE REVENUES</b>	<b>-</b>	<b>\$635,583</b>	<b>\$635,583</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	-	(331,752)	(331,752)	100.00%
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**SALARIES & WAGES**

3400 Other Funds Ltd	-	(331,752)	(331,752)	100.00%
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<b>TOTAL SALARIES &amp; WAGES</b>	<b>-</b>	<b>(\$331,752)</b>	<b>(\$331,752)</b>	<b>100.00%</b>
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**OTHER PAYROLL EXPENSES**

**3210 Empl. Rel. Bd. Assessments**

3400 Other Funds Ltd	-	(114)	(114)	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  
2017-19 Biennium  
Information Services Division

Cross Reference Number: 45900-500-04-00-00000  
Package: Analyst Adjustments  
Pkg Group: POL Pkg Type: 090 Pkg Number: 090

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	-	(43,427)	(43,427)	100.00%
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	-	(25,379)	(25,379)	100.00%
<b>3250 Workers Comp. Assess. (WCD)</b>				
3400 Other Funds Ltd	-	(138)	(138)	100.00%
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	-	(1,991)	(1,991)	100.00%
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	-	(66,672)	(66,672)	100.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	-	(137,721)	(137,721)	100.00%
<b>TOTAL OTHER PAYROLL EXPENSES</b>	-	<b>(\$137,721)</b>	<b>(\$137,721)</b>	<b>100.00%</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3465 Reconciliation Adjustment</b>				
3400 Other Funds Ltd	-	(6,318)	(6,318)	100.00%
<b>P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	-	(6,318)	(6,318)	100.00%
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	-	<b>(\$6,318)</b>	<b>(\$6,318)</b>	<b>100.00%</b>
<b>PERSONAL SERVICES</b>				

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Budget Page 599

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Information Services Division

Cross Reference Number: 45900-500-04-00-00000  
Package: Analyst Adjustments  
Pkg Group: POL Pkg Type: 090 Pkg Number: 090

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	-	(475,791)	(475,791)	100.00%
<b>TOTAL PERSONAL SERVICES</b>	-	<b>(\$475,791)</b>	<b>(\$475,791)</b>	<b>100.00%</b>
<b>SERVICES &amp; SUPPLIES</b>				
4150 Employee Training				
3400 Other Funds Ltd	-	(2,110)	(2,110)	100.00%
4175 Office Expenses				
3400 Other Funds Ltd	-	(10,000)	(10,000)	100.00%
4700 Expendable Prop 250 - 5000				
3400 Other Funds Ltd	-	(1,020)	(1,020)	100.00%
4715 IT Expendable Property				
3400 Other Funds Ltd	-	(8,000)	(8,000)	100.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	-	(21,130)	(21,130)	100.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>(\$21,130)</b>	<b>(\$21,130)</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	-	(496,921)	(496,921)	100.00%
<b>TOTAL EXPENDITURES</b>	-	<b>(\$496,921)</b>	<b>(\$496,921)</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	1,132,504	1,132,504	100.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Information Services Division

Cross Reference Number: 45900-500-04-00-00000  
Package: Analyst Adjustments  
Pkg Group: POL Pkg Type: 090 Pkg Number: 090

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL ENDING BALANCE</b>	-	\$1,132,504	\$1,132,504	100.00%
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	-	(2)	(2)	100.00%
<b>AUTHORIZED FTE</b>				
8250 Class/Unclass FTE Positions	-	(2.00)	(2.00)	100.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Information Services Division

Cross Reference Number: 45900-500-04-00-00000  
Package: Statewide Adjustment DAS Chgs  
Pkg Group: POL Pkg Type: 090 Pkg Number: 091

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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>4250 Data Processing</b>				
3400 Other Funds Ltd	-	(15,130)	(15,130)	100.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	-	(15,130)	(15,130)	100.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>(\$15,130)</b>	<b>(\$15,130)</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	-	(15,130)	(15,130)	100.00%
<b>TOTAL EXPENDITURES</b>	-	<b>(\$15,130)</b>	<b>(\$15,130)</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	15,130	15,130	100.00%
<b>TOTAL ENDING BALANCE</b>	-	<b>\$15,130</b>	<b>\$15,130</b>	<b>100.00%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Information Services Division

Cross Reference Number: 45900-500-04-00-00000  
Package: Cybersecurity Program  
Pkg Group: POL Pkg Type: POL Pkg Number: 101

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**EXPENDITURES**

**PERSONAL SERVICES**

**SALARIES & WAGES**

**3110 Class/Unclass Sal. and Per Diem**

3400 Other Funds Ltd	433,752	-	(433,752)	(100.00%)
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**SALARIES & WAGES**

3400 Other Funds Ltd	433,752	-	(433,752)	(100.00%)
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<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$433,752</b>	<b>-</b>	<b>(\$433,752)</b>	<b>(100.00%)</b>
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**OTHER PAYROLL EXPENSES**

**3210 Empl. Rel. Bd. Assessments**

3400 Other Funds Ltd	171	-	(171)	(100.00%)
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**3220 Public Employees Retire Cont**

3400 Other Funds Ltd	66,858	-	(66,858)	(100.00%)
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**3230 Social Security Taxes**

3400 Other Funds Ltd	33,182	-	(33,182)	(100.00%)
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**3250 Workers Comp. Assess. (WCD)**

3400 Other Funds Ltd	207	-	(207)	(100.00%)
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**3260 Mass Transit Tax**

3400 Other Funds Ltd	2,603	-	(2,603)	(100.00%)
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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Information Services Division

Cross Reference Number: 45900-500-04-00-00000  
Package: Cybersecurity Program  
Pkg Group: POL Pkg Type: POL Pkg Number: 101

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	100,008	-	(100,008)	(100.00%)
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	203,029	-	(203,029)	(100.00%)
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$203,029</b>	<b>-</b>	<b>(\$203,029)</b>	<b>(100.00%)</b>
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	636,781	-	(636,781)	(100.00%)
<b>TOTAL PERSONAL SERVICES</b>	<b>\$636,781</b>	<b>-</b>	<b>(\$636,781)</b>	<b>(100.00%)</b>
<b>SERVICES &amp; SUPPLIES</b>				
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	4,385	-	(4,385)	(100.00%)
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	15,000	-	(15,000)	(100.00%)
<b>4250 Data Processing</b>				
3400 Other Funds Ltd	185,300	-	(185,300)	(100.00%)
<b>4315 IT Professional Services</b>				
3400 Other Funds Ltd	710,000	-	(710,000)	(100.00%)
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	5,000	-	(5,000)	(100.00%)

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail

Cross Reference Number: 45900-500-04-00-00000

2017-19 Biennium

Package: Cybersecurity Program

Information Services Division

Pkg Group: POL Pkg Type: POL Pkg Number: 101

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	20,000	-	(20,000)	(100.00%)
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	939,685	-	(939,685)	(100.00%)
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$939,685</b>	<b>-</b>	<b>(\$939,685)</b>	<b>(100.00%)</b>
<b>CAPITAL OUTLAY</b>				
<b>5550 Data Processing Software</b>				
3400 Other Funds Ltd	300,000	-	(300,000)	(100.00%)
<b>5600 Data Processing Hardware</b>				
3400 Other Funds Ltd	376,500	-	(376,500)	(100.00%)
<b>CAPITAL OUTLAY</b>				
3400 Other Funds Ltd	676,500	-	(676,500)	(100.00%)
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$676,500</b>	<b>-</b>	<b>(\$676,500)</b>	<b>(100.00%)</b>
<b>SPECIAL PAYMENTS</b>				
<b>6107 Spc Pmt to Administrative Svcs</b>				
3400 Other Funds Ltd	-	2,252,966	2,252,966	100.00%
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	2,252,966	2,252,966	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$2,252,966</b>	<b>\$2,252,966</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  
2017-19 Biennium  
Information Services Division

Cross Reference Number: 45900-500-04-00-00000  
Package: Cybersecurity Program  
Pkg Group: POL Pkg Type: POL Pkg Number: 101

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(2,252,966)	(2,252,966)	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>(\$2,252,966)</b>	<b>(\$2,252,966)</b>	<b>\$0</b>	<b>0.00%</b>
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	3	-	(3)	(100.00%)
<b>AUTHORIZED FTE</b>				
8250 Class/Unclass FTE Positions	3.00	-	(3.00)	(100.00%)

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Information Services Division

Cross Reference Number: 45900-500-04-00-00000  
Package: Fully Integrating IAP Administration into the PERS ORION System Phae III  
Pkg Group: POL Pkg Type: POL Pkg Number: 102

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**EXPENDITURES**

**PERSONAL SERVICES**

**SALARIES & WAGES**

**3110 Class/Unclass Sal. and Per Diem**

3400 Other Funds Ltd	378,288	378,288	0	0.00%
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**SALARIES & WAGES**

3400 Other Funds Ltd	378,288	378,288	0	0.00%
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<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$378,288</b>	<b>\$378,288</b>	<b>\$0</b>	<b>0.00%</b>
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**OTHER PAYROLL EXPENSES**

**3210 Empl. Rel. Bd. Assessments**

3400 Other Funds Ltd	171	171	0	0.00%
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**3220 Public Employees Retire Cont**

3400 Other Funds Ltd	49,518	49,518	0	0.00%
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**3230 Social Security Taxes**

3400 Other Funds Ltd	28,938	28,938	0	0.00%
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**3250 Workers Comp. Assess. (WCD)**

3400 Other Funds Ltd	207	207	0	0.00%
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**3260 Mass Transit Tax**

3400 Other Funds Ltd	2,270	2,270	0	0.00%
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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Information Services Division

Cross Reference Number: 45900-500-04-00-00000  
Package: Fully Integrating IAP Administration into the PERS ORION System Phae III  
Pkg Group: POL Pkg Type: POL Pkg Number: 102

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	100,008	100,008	0	0.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	181,112	181,112	0	0.00%
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$181,112</b>	<b>\$181,112</b>	<b>\$0</b>	<b>0.00%</b>
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	559,400	559,400	0	0.00%
<b>TOTAL PERSONAL SERVICES</b>	<b>\$559,400</b>	<b>\$559,400</b>	<b>\$0</b>	<b>0.00%</b>
<b>SERVICES &amp; SUPPLIES</b>				
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	3,195	3,195	0	0.00%
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	15,000	15,000	0	0.00%
<b>4315 IT Professional Services</b>				
3400 Other Funds Ltd	2,180,000	2,180,000	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	2,198,195	2,198,195	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$2,198,195</b>	<b>\$2,198,195</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  
2017-19 Biennium  
Information Services Division

Cross Reference Number: 45900-500-04-00-00000  
Package: Fully Integrating IAP Administration into the PERS ORION System Phae III  
Pkg Group: POL Pkg Type: POL Pkg Number: 102

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	2,757,595	2,757,595	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$2,757,595</b>	<b>\$2,757,595</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(2,757,595)	(2,757,595)	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>(\$2,757,595)</b>	<b>(\$2,757,595)</b>	<b>\$0</b>	<b>0.00%</b>
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	3	3	0	0.00%
<b>AUTHORIZED FTE</b>				
8250 Class/Unclass FTE Positions	3.00	3.00	0.00	0.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Information Services Division

Cross Reference Number: 45900-500-04-00-00000  
Package: Business Modernization  
Pkg Group: POL Pkg Type: POL Pkg Number: 103

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**EXPENDITURES**

**PERSONAL SERVICES**

**SALARIES & WAGES**

**3110 Class/Unclass Sal. and Per Diem**

3400 Other Funds Ltd	417,888	-	(417,888)	(100.00%)
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**SALARIES & WAGES**

3400 Other Funds Ltd	417,888	-	(417,888)	(100.00%)
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<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$417,888</b>	<b>-</b>	<b>(\$417,888)</b>	<b>(100.00%)</b>
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**OTHER PAYROLL EXPENSES**

**3210 Empl. Rel. Bd. Assessments**

3400 Other Funds Ltd	171	-	(171)	(100.00%)
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**3220 Public Employees Retire Cont**

3400 Other Funds Ltd	54,702	-	(54,702)	(100.00%)
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**3230 Social Security Taxes**

3400 Other Funds Ltd	31,968	-	(31,968)	(100.00%)
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**3250 Workers Comp. Assess. (WCD)**

3400 Other Funds Ltd	207	-	(207)	(100.00%)
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**3260 Mass Transit Tax**

3400 Other Funds Ltd	2,507	-	(2,507)	(100.00%)
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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Information Services Division

Cross Reference Number: 45900-500-04-00-00000  
Package: Business Modernization  
Pkg Group: POL Pkg Type: POL Pkg Number: 103

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	100,008	-	(100,008)	(100.00%)
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	189,563	-	(189,563)	(100.00%)
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$189,563</b>	<b>-</b>	<b>(\$189,563)</b>	<b>(100.00%)</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3465 Reconciliation Adjustment</b>				
3400 Other Funds Ltd	-	607,451	607,451	100.00%
<b>P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	-	607,451	607,451	100.00%
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	<b>-</b>	<b>\$607,451</b>	<b>\$607,451</b>	<b>100.00%</b>
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	607,451	607,451	0	0.00%
<b>TOTAL PERSONAL SERVICES</b>	<b>\$607,451</b>	<b>\$607,451</b>	<b>\$0</b>	<b>0.00%</b>
<b>SERVICES &amp; SUPPLIES</b>				
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	3,195	3,195	0	0.00%
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	15,000	15,000	0	0.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Information Services Division

Cross Reference Number: 45900-500-04-00-00000  
Package: Business Modernization  
Pkg Group: POL Pkg Type: POL Pkg Number: 103

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>4250 Data Processing</b>				
3400 Other Funds Ltd	44,630	44,630	0	0.00%
<b>4315 IT Professional Services</b>				
3400 Other Funds Ltd	5,492,581	5,492,581	0	0.00%
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	3,000	3,000	0	0.00%
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	12,000	12,000	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	5,570,406	5,570,406	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$5,570,406</b>	<b>\$5,570,406</b>	<b>\$0</b>	<b>0.00%</b>
<b>CAPITAL OUTLAY</b>				
<b>5550 Data Processing Software</b>				
3400 Other Funds Ltd	223,150	223,150	0	0.00%
<b>CAPITAL OUTLAY</b>				
3400 Other Funds Ltd	223,150	223,150	0	0.00%
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$223,150</b>	<b>\$223,150</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	6,401,007	6,401,007	0	0.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Information Services Division

Cross Reference Number: 45900-500-04-00-00000  
Package: Business Modernization  
Pkg Group: POL Pkg Type: POL Pkg Number: 103

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL EXPENDITURES</b>	\$6,401,007	\$6,401,007	\$0	0.00%
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(6,401,007)	(6,401,007)	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>(\$6,401,007)</b>	<b>(\$6,401,007)</b>	<b>\$0</b>	<b>0.00%</b>
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	3	-	(3)	(100.00%)
<b>AUTHORIZED FTE</b>				
8250 Class/Unclass FTE Positions	3.00	-	(3.00)	(100.00%)

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Information Services Division

Cross Reference Number: 45900-500-04-00-00000  
Package: Data Center Migration  
Pkg Group: POL Pkg Type: POL Pkg Number: 200

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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>4250 Data Processing</b>				
3400 Other Funds Ltd	-	609,650	609,650	100.00%
<b>4315 IT Professional Services</b>				
3400 Other Funds Ltd	-	537,984	537,984	100.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	-	1,147,634	1,147,634	100.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>\$1,147,634</b>	<b>\$1,147,634</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	-	1,147,634	1,147,634	100.00%
<b>TOTAL EXPENDITURES</b>	-	<b>\$1,147,634</b>	<b>\$1,147,634</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	(1,147,634)	(1,147,634)	100.00%
<b>TOTAL ENDING BALANCE</b>	-	<b>(\$1,147,634)</b>	<b>(\$1,147,634)</b>	<b>100.00%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Customer Services Division

Cross Reference Number: 45900-500-05-00-00000  
Package: Non-PICS Psnl Svc / Vacancy Factor  
Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	1,671	1,671	0	0.00%
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**3170 Overtime Payments**

3400 Other Funds Ltd	10,178	10,178	0	0.00%
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**3190 All Other Differential**

3400 Other Funds Ltd	1,225	1,225	0	0.00%
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**SALARIES & WAGES**

3400 Other Funds Ltd	13,074	13,074	0	0.00%
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<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$13,074</b>	<b>\$13,074</b>	<b>\$0</b>	<b>0.00%</b>
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**OTHER PAYROLL EXPENSES**

**3220 Public Employees Retire Cont**

3400 Other Funds Ltd	2,177	2,177	0	0.00%
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**3221 Pension Obligation Bond**

3400 Other Funds Ltd	92,464	92,464	0	0.00%
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**3230 Social Security Taxes**

3400 Other Funds Ltd	1,001	1,001	0	0.00%
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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2017-19 Biennium  
Customer Services Division

Cross Reference Number: 45900-500-05-00-00000  
Package: Non-PICS Psnl Svc / Vacancy Factor  
Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	(10,112)	(10,112)	0	0.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	85,530	85,530	0	0.00%
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$85,530</b>	<b>\$85,530</b>	<b>\$0</b>	<b>0.00%</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3455 Vacancy Savings</b>				
3400 Other Funds Ltd	196,086	196,086	0	0.00%
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	294,690	294,690	0	0.00%
<b>TOTAL PERSONAL SERVICES</b>	<b>\$294,690</b>	<b>\$294,690</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	294,690	294,690	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$294,690</b>	<b>\$294,690</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(294,690)	(294,690)	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>(\$294,690)</b>	<b>(\$294,690)</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  
2017-19 Biennium  
Customer Services Division

Cross Reference Number: 45900-500-05-00-00000  
Package: Phase-out Pgm & One-time Costs  
Pkg Group: ESS Pkg Type: 020 Pkg Number: 022

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	(30,460)	(30,460)	0	0.00%
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	(7,000)	(7,000)	0	0.00%
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	(28,000)	(28,000)	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	(65,460)	(65,460)	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>(\$65,460)</b>	<b>(\$65,460)</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	(65,460)	(65,460)	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>(\$65,460)</b>	<b>(\$65,460)</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	65,460	65,460	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>\$65,460</b>	<b>\$65,460</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: 45900-500-05-00-00000

2017-19 Biennium

Package: Standard Inflation

Customer Services Division

Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	4,329	4,329	0	0.00%
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**4125 Out of State Travel**

3400 Other Funds Ltd	60	60	0	0.00%
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**4150 Employee Training**

3400 Other Funds Ltd	5,199	5,199	0	0.00%
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**4175 Office Expenses**

3400 Other Funds Ltd	10,250	10,250	0	0.00%
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**4300 Professional Services**

3400 Other Funds Ltd	6,136	6,136	0	0.00%
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**4400 Dues and Subscriptions**

3400 Other Funds Ltd	66	66	0	0.00%
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**4700 Expendable Prop 250 - 5000**

3400 Other Funds Ltd	840	840	0	0.00%
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**4715 IT Expendable Property**

3400 Other Funds Ltd	1,587	1,587	0	0.00%
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**SERVICES & SUPPLIES**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail

Cross Reference Number: 45900-500-05-00-00000

2017-19 Biennium

Package: Standard Inflation

Customer Services Division

Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	28,467	28,467	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$28,467</b>	<b>\$28,467</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	28,467	28,467	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$28,467</b>	<b>\$28,467</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(28,467)	(28,467)	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>(\$28,467)</b>	<b>(\$28,467)</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  
2017-19 Biennium  
Customer Services Division

Cross Reference Number: 45900-500-05-00-00000  
Package: Statewide Adjustment DAS Chgs  
Pkg Group: POL Pkg Type: 090 Pkg Number: 091

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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>4175 Office Expenses</b>				
3400 Other Funds Ltd	-	(1,562)	(1,562)	100.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	-	(1,562)	(1,562)	100.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>(\$1,562)</b>	<b>(\$1,562)</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	-	(1,562)	(1,562)	100.00%
<b>TOTAL EXPENDITURES</b>	-	<b>(\$1,562)</b>	<b>(\$1,562)</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	1,562	1,562	100.00%
<b>TOTAL ENDING BALANCE</b>	-	<b>\$1,562</b>	<b>\$1,562</b>	<b>100.00%</b>

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail

Cross Reference Number: 45900-500-07-00-00000

2017-19 Biennium

Package: Non-PICS Psnl Svc / Vacancy Factor

Policy, Planning & Communications Division

Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	1,066	1,066	0	0.00%
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**3170 Overtime Payments**

3400 Other Funds Ltd	241	241	0	0.00%
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**3190 All Other Differential**

3400 Other Funds Ltd	367	367	0	0.00%
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**SALARIES & WAGES**

3400 Other Funds Ltd	1,674	1,674	0	0.00%
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<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$1,674</b>	<b>\$1,674</b>	<b>\$0</b>	<b>0.00%</b>
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**OTHER PAYROLL EXPENSES**

**3220 Public Employees Retire Cont**

3400 Other Funds Ltd	116	116	0	0.00%
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**3221 Pension Obligation Bond**

3400 Other Funds Ltd	16,356	16,356	0	0.00%
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**3230 Social Security Taxes**

3400 Other Funds Ltd	128	128	0	0.00%
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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail

Cross Reference Number: 45900-500-07-00-00000

2017-19 Biennium

Package: Non-PICS Psnl Svc / Vacancy Factor

Policy, Planning & Communications Division

Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	(3,390)	(3,390)	0	0.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	13,210	13,210	0	0.00%
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$13,210</b>	<b>\$13,210</b>	<b>\$0</b>	<b>0.00%</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3455 Vacancy Savings</b>				
3400 Other Funds Ltd	48,887	48,887	0	0.00%
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	63,771	63,771	0	0.00%
<b>TOTAL PERSONAL SERVICES</b>	<b>\$63,771</b>	<b>\$63,771</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	63,771	63,771	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$63,771</b>	<b>\$63,771</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(63,771)	(63,771)	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>(\$63,771)</b>	<b>(\$63,771)</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: 45900-500-07-00-00000

2017-19 Biennium

Package: Standard Inflation

Policy, Planning & Communications Division

Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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	49	49	0	0.00%
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**4125 Out of State Travel**

3400 Other Funds Ltd	21	21	0	0.00%
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**4150 Employee Training**

3400 Other Funds Ltd	1,454	1,454	0	0.00%
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**4175 Office Expenses**

3400 Other Funds Ltd	1,924	1,924	0	0.00%
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**4275 Publicity and Publications**

3400 Other Funds Ltd	8,423	8,423	0	0.00%
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**4300 Professional Services**

3400 Other Funds Ltd	6,659	6,659	0	0.00%
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**4325 Attorney General**

3400 Other Funds Ltd	126,299	126,299	0	0.00%
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**4350 Dispute Resolution Services**

3400 Other Funds Ltd	6,678	6,678	0	0.00%
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**4375 Employee Recruitment and Develop**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail

Cross Reference Number: 45900-500-07-00-00000

2017-19 Biennium

Package: Standard Inflation

Policy, Planning & Communications Division

Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	100	100	0	0.00%
<b>4400 Dues and Subscriptions</b>				
3400 Other Funds Ltd	394	394	0	0.00%
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	264	264	0	0.00%
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	385	385	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	152,650	152,650	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$152,650</b>	<b>\$152,650</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	152,650	152,650	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$152,650</b>	<b>\$152,650</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(152,650)	(152,650)	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>(\$152,650)</b>	<b>(\$152,650)</b>	<b>\$0</b>	<b>0.00%</b>

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail

Cross Reference Number: 45900-500-07-00-00000

2017-19 Biennium

Package: Above Standard Inflation

Policy, Planning & Communications Division

Pkg Group: ESS Pkg Type: 030 Pkg Number: 032

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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>				
4350 Dispute Resolution Services				
3400 Other Funds Ltd	110,522	110,522	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	110,522	110,522	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$110,522</b>	<b>\$110,522</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	110,522	110,522	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$110,522</b>	<b>\$110,522</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(110,522)	(110,522)	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>(\$110,522)</b>	<b>(\$110,522)</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: 45900-500-07-00-00000

2017-19 Biennium

Package: Statewide Adjustment DAS Chgs

Policy, Planning & Communications Division

Pkg Group: POL Pkg Type: 090 Pkg Number: 091

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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>4175 Office Expenses</b>				
3400 Other Funds Ltd	-	(3,835)	(3,835)	100.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	-	(3,835)	(3,835)	100.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>(\$3,835)</b>	<b>(\$3,835)</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	-	(3,835)	(3,835)	100.00%
<b>TOTAL EXPENDITURES</b>	-	<b>(\$3,835)</b>	<b>(\$3,835)</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	3,835	3,835	100.00%
<b>TOTAL ENDING BALANCE</b>	-	<b>\$3,835</b>	<b>\$3,835</b>	<b>100.00%</b>

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2:03 PM

ANA101A

\_\_\_ Agency Request

  X   Governor's

\_\_\_ Legislatively Adopted

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail

Cross Reference Number: 45900-500-07-00-00000

2017-19 Biennium

Package: Statewide AG Adjustment

Policy, Planning & Communications Division

Pkg Group: POL Pkg Type: 090 Pkg Number: 092

Description	Agency Request Budget (V-01)	Governor's Budget (Y-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>4325 Attorney General</b>				
3400 Other Funds Ltd	-	(71,447)	(71,447)	100.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	-	(71,447)	(71,447)	100.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>(\$71,447)</b>	<b>(\$71,447)</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	-	(71,447)	(71,447)	100.00%
<b>TOTAL EXPENDITURES</b>	-	<b>(\$71,447)</b>	<b>(\$71,447)</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	71,447	71,447	100.00%
<b>TOTAL ENDING BALANCE</b>	-	<b>\$71,447</b>	<b>\$71,447</b>	<b>100.00%</b>

# BUDGET NARRATIVE

01/12/17 REPORT NO.: PPDPLBUDCI  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:49900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:500 01 00 000 Central Administrati

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 PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	GF SAL	PF SAL	LP SAL	AF SAL
000	B	Y7500	AE BOARD AND COMMISSION MEMBER		.00	.00	0.00					
000	MEANZ7014	HA	PRINCIPAL EXECUTIVE/MANAGER H	1	1.00	24.00	12,721.00		305,304			305,304
000	MENN20119	AA	EXECUTIVE SUPPORT SPECIALIST 2	1	1.00	24.00	4,320.00		103,680			103,680
000	MENN20830	AA	EXECUTIVE ASSISTANT	1	1.00	24.00	5,770.00		138,480			138,480
000	MENN27012	AA	PRINCIPAL EXECUTIVE/MANAGER G	1	1.00	24.00	7,714.00		185,136			185,136
000	MMN X0872	AA	OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	7,000.00		168,000			168,000
000	MMN X0873	AA	OPERATIONS & POLICY ANALYST 4	1	1.00	24.00	8,091.00		194,184			194,184
000	MMN X5617	AA	INTERNAL AUDITOR 2	1	1.00	24.00	5,231.00		125,544			125,544
000	MMN X5618	AA	INTERNAL AUDITOR 3	2	2.00	48.00	7,714.00		370,272			370,272
000	MNS X7010	AA	PRINCIPAL EXECUTIVE/MANAGER F	1	1.00	24.00	9,369.00		224,856			224,856
000	OAS C5247	AF	COMPLIANCE SPECIALIST 2	1	1.00	24.00	5,884.00		141,216			141,216
000				11	11.00	264.00	5,095.50		1,956,672			1,956,672
				11	11.00	264.00	5,095.50		1,956,672			1,956,672

# BUDGET NARRATIVE

02/12/17 REPORT NO.: PPDPLBUDCI  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:49900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:500 02:00 000 Benefit Payments Div

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 PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	GF SAL	PF SAL	LF SAL	AF SAL
000	MRENZ7310	AA	PRINCIPAL EXECUTIVE/MANAGER F	1	1.00	24.00	9,359.00		224,856			224,856
000	MMK X0872	AA	OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	5,496.00		131,904			131,904
000	MNS X7002	AA	PRINCIPAL EXECUTIVE/MANAGER B	3	3.00	72.00	5,148.00		370,656			370,656
000	MNS X7806	AA	PRINCIPAL EXECUTIVE/MANAGER D	3	3.00	72.00	7,020.00		505,440			505,440
000	OAS C0104	AP	OFFICE SPECIALIST 2	15	15.00	160.00	3,463.53		1,246,872			1,246,872
000	OAS C0107	AP	ADMINISTRATIVE SPECIALIST 1	2	2.00	48.00	3,761.00		180,528			180,528
000	OAS C0108	AP	ADMINISTRATIVE SPECIALIST 2	1	1.00	24.00	4,432.00		106,368			106,368
000	OAS C0323	AP	PUBLIC SERVICE REP 3	1	1.00	24.00	2,716.00		65,184			65,184
000	OAS C0941	AP	RETIREMENT COUNSELOR 1	19	19.00	456.00	4,135.47		1,889,776			1,889,776
000	OAS C0842	AP	RETIREMENT COUNSELOR 2	13	13.00	312.00	4,698.15		1,465,824			1,465,824
000	OAS C0854	AP	PROJECT MANAGER 1	1	1.00	24.00	5,343.00		128,232			128,232
000	OAS C0870	AP	OPERATIONS & POLICY ANALYST 1	10	10.00	240.00	5,019.50		1,204,680			1,204,680
000	OAS C0871	AP	OPERATIONS & POLICY ANALYST 2	8	8.00	192.00	6,077.00		1,166,784			1,166,784
000	OAS EI484	IP	INFO SYSTEMS SPECIALIST 4	2	2.00	48.00	5,069.00		243,312			243,312
000				80	80.00	1920.00	4,649.17		8,926,416			8,926,416
				80	80.00	1920.00	4,649.17		8,926,416			8,926,416

# BUDGET NARRATIVE

01/12/17 REPORT NO.: PPDPLBUDCI  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:500 03 00 000 Financial & Admin Sv

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 PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	DF SAL	PF SAL	LF SAL	AF SAL
000	MRNZ7010	AA	PRINCIPAL EXECUTIVE/MANAGER F	1	1.00	24.00	9,359.00		224,856			224,856
000	MMC	X1319	AA HUMAN RESOURCE ASSISTANT	1	1.00	24.00	4,113.00		98,712			98,712
000	MMN	X0863	AA PROGRAM ANALYST 4	1	1.00	24.00	6,352.00		152,448			152,448
000	MMN	X0871	AA OPERATIONS & POLICY ANALYST 2	2	2.00	48.00	5,776.00		277,248			277,248
000	MMN	X0872	AA OPERATIONS & POLICY ANALYST 3	2	2.00	48.00	7,352.00		352,896			352,896
000	MMN	X1320	AA HUMAN RESOURCE ANALYST 1	2	2.00	48.00	4,368.50		219,288			219,288
000	MMN	X1321	AA HUMAN RESOURCE ANALYST 2	1	1.00	24.00	6,056.00		145,344			145,344
000	MMN	X1322	AA HUMAN RESOURCE ANALYST 3	1	1.00	24.00	7,000.00		168,000			168,000
000	MMN	X1339	AA TRAINING & DEVELOPMENT SPEC 2	1	1.00	24.00	4,747.00		113,928			113,928
000	MMN	X7002	AA PRINCIPAL EXECUTIVE/MANAGER B	1	1.00	24.00	4,982.00		119,568			119,568
000	MNS	X0873	AA OPERATIONS & POLICY ANALYST 4	1	1.00	24.00	6,056.00		145,344			145,344
000	MNS	X7002	AA PRINCIPAL EXECUTIVE/MANAGER B	1	1.00	24.00	6,056.00		145,344			145,344
000	MNS	X7006	AA PRINCIPAL EXECUTIVE/MANAGER D	2	2.00	48.00	7,714.00		370,272			370,272
000	MNS	X7008	AA PRINCIPAL EXECUTIVE/MANAGER E	3	3.00	72.00	8,496.00		611,712			611,712
000	OAS	C0108	AP ADMINISTRATIVE SPECIALIST 2	3	3.00	72.00	3,828.00		275,616			275,616
000	OAS	C0118	AP EXECUTIVE SUPPORT SPECIALIST 1	1	1.00	24.00	3,500.00		84,000			84,000
000	OAS	C0211	AP ACCOUNTING TECHNICIAN 2	1	1.00	24.00	3,669.00		88,056			88,056
000	OAS	C0212	AP ACCOUNTING TECHNICIAN 3	3	3.00	72.00	4,432.00		319,104			319,104
000	OAS	C0323	AP PUBLIC SERVICE REP 3	1	1.00	24.00	3,689.00		88,056			88,056
000	OAS	D0405	AP MAIL SERVICES ASSISTANT	2	2.00	48.00	2,918.00		140,864			140,864
000	OAS	C0435	AP PROCUREMENT AND CONTRACT ASST	1	1.00	24.00	4,432.00		106,368			106,368
000	OAS	C0436	AP PROCUREMENT & CONTRACT SPEC 1	1	1.00	24.00	4,217.00		101,208			101,208
000	OAS	C0438	AP PROCUREMENT & CONTRACT SPEC 3	2	2.00	48.00	6,360.50		305,304			305,304

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01/12/17 REPORT NO.: PPDPLBUDCI  
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 AGENCY:49900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:500 03 00 000 Financial & Admin Sv

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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	GF SAL	PF SAL	LF SAL	AF SAL
000	OAS	C0871	AP OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	6,470.00		155,280			155,280
000	OAS	C1117	AP RESEARCH ANALYST 1	1	1.00	24.00	5,343.00		128,232			128,232
000	OAS	C1215	AP ACCOUNTANT 1	3	3.00	72.00	4,507.66		324,552			324,552
000	OAS	C1216	AP ACCOUNTANT 2	4	4.00	96.00	4,563.90		438,096			438,096
000	OAS	C1217	AP ACCOUNTANT 3	6	6.00	144.00	6,231.50		897,336			897,336
000	OAS	C1218	AP ACCOUNTANT 4	1	1.00	24.00	7,462.00		179,088			179,088
000	OAS	C1244	AP FISCAL ANALYST 2	1	1.00	24.00	6,166.00		147,984			147,984
000	OAS	C1245	AP FISCAL ANALYST 3	1	1.00	24.00	6,470.00		155,280			155,280
000	OAS	C1318	AP TRAINING & DEVELOPMENT SPEC 1	2	2.00	48.00	4,977.50		238,920			238,920
000	OAS	C4101	AP CUSTODIAN	1	1.00	24.00	2,940.00		70,560			70,560
000				59	59.00	1416.00	5,515.54		7,810,008			7,810,008

# BUDGET NARRATIVE

01/12/17 REPORT NO.: PPDPLBUDCI  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:46900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:500 03 00 021 Financial & Admin Sv

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 PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP.	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	DF SAL	PF SAL	LF SAL	AF SAL
001	OAS	00212	AP ACCOUNTING TECHNICIAN I	3	3.00	72.00	3,728.33		268,440			268,440
001				3	3.00	72.00	3,728.33		268,440			268,440
				62	62.00	1488.00	5,429.06		8,078,448			8,078,448

# BUDGET NARRATIVE

01/12/17 REPORT NO.: PPDPLBUDCI  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:500-04-00 000 Information Services

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 PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	GF SAL	PF SAL	LP SAL	AF SAL
000	MRENZ7310	IA	PRINCIPAL EXECUTIVE/MANAGER F	1	1.00	24.00	10,828.00		259,872			259,872
000	MMS X7004	AA	PRINCIPAL EXECUTIVE/MANAGER C	1	1.00	24.00	6,673.00		160,152			160,152
000	MMS X7008	IA	PRINCIPAL EXECUTIVE/MANAGER E	2	2.00	48.00	9,827.00		471,696			471,696
000	OAS C0103	AP	OFFICE SPECIALIST 1	16	16.00	384.00	2,988.50		1,116,864			1,116,864
000	OAS C0104	AP	OFFICE SPECIALIST 2	1	1.00	24.00	3,659.00		88,056			88,056
000	OAS C0118	AP	EXECUTIVE SUPPORT SPECIALIST 1	1	1.00	24.00	3,347.00		80,328			80,328
000	OAS C0855	AP	PROJECT MANAGER 2	1	1.00	24.00	7,114.00		170,736			170,736
000	OAS C0870	AP	OPERATIONS & POLICY ANALYST 1	1	1.00	24.00	4,860.00		116,640			116,640
000	OAS C0871	AP	OPERATIONS & POLICY ANALYST 2	5	5.00	120.00	6,003.20		720,384			720,384
000	OAS C1482	IP	INFO SYSTEMS SPECIALIST 2	4	4.00	96.00	4,728.25		453,912			453,912
000	OAS C1484	IP	INFO SYSTEMS SPECIALIST 4	6	6.00	144.00	5,322.56		767,904			767,904
000	OAS C1485	IP	INFO SYSTEMS SPECIALIST 5	9	9.00	192.00	6,470.25		1,242,288			1,242,288
000	OAS C1486	IP	INFO SYSTEMS SPECIALIST 6	7	7.00	168.00	6,336.00		1,064,448			1,064,448
000	OAS E1487	IP	INFO SYSTEMS SPECIALIST 7	11	11.00	264.00	8,027.00		2,119,138			2,119,138
000	OAS C1488	IP	INFO SYSTEMS SPECIALIST 8	7	7.00	168.00	8,352.71		1,403,256			1,403,256
000				73	72.00	1728.00	5,923.41		10,235,664			10,235,664

# BUDGET NARRATIVE

01/12/17 REPORT NO.: PPDPLBUDCI  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:46900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:500-04-00 090 Information Services

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 PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP.	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	GF SAL	PF SAL	LP SAL	AF SAL
090	OAS	CI484	IF INFO SYSTEMS SPECIALIST 4	1-	1.00-	24.00+	5,796.00		139,104+			139,104-
090	OAS	CI487	IF INFO SYSTEMS SPECIALIST 7	1-	1.00-	24.00+	8,027.00		192,648+			192,648-
090				2-	2.00-	48.00+	6,911.50		332,752+			331,752-

# BUDGET NARRATIVE

02/12/17 REPORT NO.: PPDPLBUDCI  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:46900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:500-04-00 101 Information Services

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 PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	NOS	AVERAGE RATE	GF SAL	GF SAL	PF SAL	LP SAL	AF SAL
101	MMS	X7008	IA PRINCIPAL EXECUTIVE/MANAGER E		.00	.00	7,000.00					
101	OAS	CI486	IF INFO SYSTEMS SPECIALIST 5		.00	.00	5,354.00					
101	OAS	CI487	IF INFO SYSTEMS SPECIALIST 7		.00	.00	5,819.00					
101					.00	.00	6,024.33					

# BUDGET NARRATIVE

01/12/17 REPORT NO.: PPDPLBUDCI  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:46900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:500-04-00 102 Information Services

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 PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	GF SAL	PF SAL	LP SAL	AF SAL
102	OAS	C1486	IP INFO SYSTEMS SPECIALIST 5	3	3.00	72.00	5,254.00		376,288			378,288
102				3	3.00	72.00	5,254.00		378,288			378,288

# BUDGET NARRATIVE

01/12/17 REPORT NO.: PPDPLBUDCI  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:46900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:500-04-00 103 Information Services

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 PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	GF SAL	PF SAL	LP SAL	AF SAL
103	OAS	CI486	IF INFO SYSTEMS SPECIALIST 6		.00	.00	5,254.00					
103	OAS	CI487	IF INFO SYSTEMS SPECIALIST 7		.00	.00	5,819.00					
103	OAS	CI488	IF INFO SYSTEMS SPECIALIST 8		.00	.00	6,339.00					
103					.00	.00	5,804.00					
				73	73.00	1752.00	5,922.36		10,282,200			10,282,200

# BUDGET NARRATIVE

01/12/17 REPORT NO.: PPDPLBUDCI  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:500 05-00 000 Customer Services Di

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 PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	GF SAL	PF SAL	LF SAL	AF SAL
000	MRENZ7010	AA	PRINCIPAL EXECUTIVE/MANAGER F	1	1.00	24.00	8,926.00		214,224			214,224
000	MMK X0872	AA	OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	6,673.00		160,152			160,152
000	MNS X7002	AA	PRINCIPAL EXECUTIVE/MANAGER B	4	4.00	96.00	5,221.00		502,176			502,176
000	MNS X7006	AA	PRINCIPAL EXECUTIVE/MANAGER D	3	3.00	72.00	6,802.66		489,792			489,792
000	OAS C0104	AP	OFFICE SPECIALIST 2	6	6.00	144.00	2,813.83		405,192			405,192
000	OAS C0107	AP	ADMINISTRATIVE SPECIALIST 1	1	1.00	24.00	2,940.00		70,560			70,560
000	OAS C0841	AP	RETIREMENT COUNSELOR 1	52	52.00	1248.00	3,988.40		4,977,528			4,977,528
000	OAS C0842	AP	RETIREMENT COUNSELOR 2	32	32.00	768.00	4,710.62		3,617,760			3,617,760
000	OAS C0860	AP	PROGRAM ANALYST 1	1	1.00	24.00	5,303.00		128,232			128,232
000	OAS C0870	AP	OPERATIONS & POLICY ANALYST 1	7	7.00	168.00	4,775.71		802,320			802,320
000	OAS C0871	AP	OPERATIONS & POLICY ANALYST 2	18	18.00	336.00	6,075.50		2,041,368			2,041,368
000	OAS C1338	AP	TRAINING & DEVELOPMENT SPEC 1	2	2.00	48.00	4,887.50		234,600			234,600
000	OAS C1484	IP	INFO SYSTEMS SPECIALIST 4	3	3.00	72.00	5,891.33		424,176			424,176
000				127	127.00	3048.00	4,615.51		14,068,080			14,068,080
				127	127.00	3048.00	4,615.51		14,068,080			14,068,080

# BUDGET NARRATIVE

01/12/17 REPORT NO.: PPDPLBUDCI  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:500 07 00 000 Policy, Planning & P

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 PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	GF SAL	PF SAL	LF SAL	AF SAL
000	MMN	X0871	AA OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	5,152.00		152,448			152,448
000	MMN	X0872	AA OPERATIONS & POLICY ANALYST 3	5	5.00	120.00	6,845.00		823,400			823,400
000	MMN	X7002	AA PRINCIPAL EXECUTIVE/MANAGER B	1	1.00	24.00	6,056.00		145,344			145,344
000	MMS	X7006	AA PRINCIPAL EXECUTIVE/MANAGER D	2	2.00	48.00	7,714.00		370,272			370,272
000	MMS	X7008	AA PRINCIPAL EXECUTIVE/MANAGER E	1	1.00	24.00	7,714.00		185,136			185,136
000	OAS	C0108	AP ADMINISTRATIVE SPECIALIST 2	1	1.00	24.00	4,432.00		106,368			106,368
000	OAS	C0855	AP PROJECT MANAGER 2	4	4.00	96.00	6,071.50		582,864			582,864
000	OAS	C0870	AP OPERATIONS & POLICY ANALYST 1	2	2.00	48.00	4,595.00		220,560			220,560
000	OAS	C0871	AP OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	5,303.00		128,232			128,232
000	OAS	C2510	AP ELECTRONIC PUB DESIGN SPEC 1	3	3.00	72.00	4,022.00		289,584			289,584
000	OAS	C5246	AP COMPLIANCE SPECIALIST 1	1	1.00	24.00	3,500.00		84,000			84,000
000	OAS	C5247	AP COMPLIANCE SPECIALIST 2	3	3.00	72.00	5,528.66		398,064			398,064
000				25	25.00	600.00	5,807.12		3,484,272			3,484,272
				25	25.00	600.00	5,807.12		3,484,272			3,484,272
				378	378.00	9072.00	5,128.05		45,795,088			45,795,088

# BUDGET NARRATIVE

01/12/17 REPORT NO.: PPDPLBUDCI  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:46900 PUB EMPLOYERS RETIREMNT SYSTEM  
 SUMMARY XREF:500 07 00 000 Policy, Planning & P

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PKG	CLASS	COND.	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	OF SAL	OF SAL	PP SAL	LP SAL	AF SAL
				378	378.00	3072.00	5,122.05		46,796,088			46,796,088

# BUDGET NARRATIVE

01/12/17 REPORT NO.: PDDPLAGYCL  
 REPORT: SUMMARY LIST BY PKG BY AGENCY  
 AGENCY:45900 PUB EMPLOYEES RETIREMENT SYSTEM

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 PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOB	AVERAGE RATE	GP SAL	OF SAL	PP SAL	LF SAL	AP SAL
000	B	Y7500	AE BOARD AND COMMISSION MEMBER		.00	.00	0.00					
000	NEAHZ7034	HA	PRINCIPAL EXECUTIVE/MANAGER H	1	1.00	24.00	12,721.00		305,304			305,304
000	MENN20189	AA	EXECUTIVE SUPPORT SPECIALIST 2	2	1.00	24.00	4,320.00		103,680			103,680
000	MENN20810	AA	EXECUTIVE ASSISTANT	3	1.00	24.00	5,770.00		139,480			139,480
000	MESNZ7010	AA	PRINCIPAL EXECUTIVE/MANAGER F	3	3.00	72.00	9,221.33		663,936			663,936
000	MESNZ7010	IA	PRINCIPAL EXECUTIVE/MANAGER F	1	1.00	24.00	10,828.00		259,872			259,872
000	MESNZ7012	AA	PRINCIPAL EXECUTIVE/MANAGER G	1	1.00	24.00	7,714.00		185,136			185,136
000	MHC X1119	AA	HUMAN RESOURCE ASSISTANT	1	1.00	24.00	4,113.00		98,712			98,712
000	MMN X0863	AA	PROGRAM ANALYST 4	1	1.00	24.00	6,352.00		152,448			152,448
000	MMN X0871	AA	OPERATIONS & POLICY ANALYST 2	3	3.00	72.00	5,968.00		429,696			429,696
000	MMN X0872	AA	OPERATIONS & POLICY ANALYST 3	10	10.00	240.00	6,809.80		1,634,352			1,634,352
000	MMN X0873	AA	OPERATIONS & POLICY ANALYST 4	1	1.00	24.00	8,091.00		194,184			194,184
000	MMN X1320	AA	HUMAN RESOURCE ANALYST 1	2	2.00	48.00	4,968.50		319,288			319,288
000	MMN X1321	AA	HUMAN RESOURCE ANALYST 2	1	1.00	24.00	6,036.00		145,344			145,344
000	MMN X1322	AA	HUMAN RESOURCE ANALYST 3	1	1.00	24.00	7,000.00		168,000			168,000
000	MMN X1339	AA	TRAINING & DEVELOPMENT SPEC 2	1	1.00	24.00	4,747.00		113,928			113,928
000	MMN X5637	AA	INTERNAL AUDITOR 2	1	1.00	24.00	5,231.00		125,544			125,544
000	MMN X5618	AA	INTERNAL AUDITOR 1	2	2.00	48.00	7,714.00		370,272			370,272
000	MMN X7002	AA	PRINCIPAL EXECUTIVE/MANAGER B	2	2.00	48.00	5,510.00		264,912			264,912
000	MMS X0873	AA	OPERATIONS & POLICY ANALYST 4	1	1.00	24.00	6,056.00		145,344			145,344
000	MMS X7002	AA	PRINCIPAL EXECUTIVE/MANAGER B	8	8.00	192.00	5,303.00		1,018,176			1,018,176
000	MMS X7004	AA	PRINCIPAL EXECUTIVE/MANAGER C	1	1.00	24.00	6,673.00		160,152			160,152
000	MMS X7006	AA	PRINCIPAL EXECUTIVE/MANAGER D	10	10.00	240.00	7,232.40		1,735,776			1,735,776
000	MMS X7008	AA	PRINCIPAL EXECUTIVE/MANAGER E	4	4.00	96.00	8,300.50		796,848			796,848
101	MMS X7008	IA	PRINCIPAL EXECUTIVE/MANAGER E	2	2.00	48.00	8,684.66		471,696			471,696

# BUDGET NARRATIVE

01/12/17 REPORT NO.: PDDPLAGYCL  
 REPORT: SUMMARY LIST BY PKG BY AGENCY  
 AGENCY:45900 PUB EMPLOYEES RETIREMENT SYSTEM

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 PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOB	AVERAGE RATE	GP SAL	OF SAL	PP SAL	LF SAL	AF SAL
000	MMS	X7010	AA PRINCIPAL EXECUTIVE/MANAGER F	1	1.00	24.00	9,369.00		124,856			224,856
000	OAS	C0102	AP OFFICE SPECIALIST 1	16	16.00	384.00	2,908.50		1,115,864			1,116,864
000	OAS	C0104	AP OFFICE SPECIALIST 2	22	22.00	528.00	3,295.68		1,740,120			1,740,120
000	OAS	C0107	AP ADMINISTRATIVE SPECIALIST 1	3	3.00	72.00	3,487.33		251,088			251,088
000	OAS	C0108	AP ADMINISTRATIVE SPECIALIST 2	5	5.00	120.00	4,069.60		989,352			489,352
000	OAS	C0118	AP EXECUTIVE SUPPORT SPECIALIST 1	2	2.00	48.00	3,423.50		164,328			164,328
000	OAS	C0211	AP ACCOUNTING TECHNICIAN 1	1	1.00	24.00	3,649.00		88,056			88,056
021	OAS	C0212	AP ACCOUNTING TECHNICIAN 2	6	6.00	144.00	4,080.16		587,544			587,544
000	OAS	C0323	AP PUBLIC SERVICE REP 3	2	2.00	48.00	3,182.50		153,240			153,240
000	OAS	C0405	AP MAIL SERVICES ASSISTANT	2	2.00	48.00	2,918.00		140,064			140,064
000	OAS	C0435	AP PROCUREMENT AND CONTRACT ASST	1	1.00	24.00	4,432.00		106,368			106,368
000	OAS	C0436	AP PROCUREMENT & CONTRACT SPEC 1	1	1.00	24.00	4,217.00		101,208			101,208
000	OAS	C0438	AP PROCUREMENT & CONTRACT SPEC 3	2	2.00	48.00	6,360.50		305,304			305,304
000	OAS	C0841	AP RETIREMENT COUNSELOR 1	72	72.00	1728.00	4,036.27		6,974,688			6,974,688
000	OAS	C0842	AP RETIREMENT COUNSELOR 2	45	45.00	1080.00	4,787.01		5,083,584			5,083,584
000	OAS	C0854	AP PROJECT MANAGER 1	1	1.00	24.00	5,343.00		128,232			128,232
000	OAS	C0855	AP PROJECT MANAGER 2	5	5.00	120.00	6,280.00		753,600			753,600
000	OAS	C0860	AP PROGRAM ANALYST 1	1	1.00	24.00	5,343.00		128,232			128,232
000	OAS	C0861	AP PROGRAM ANALYST 2	2	2.00	48.00	6,470.00		310,560			310,560
000	OAS	C0870	AP OPERATIONS & POLICY ANALYST 1	20	20.00	480.00	4,883.75		2,344,200			2,344,200
000	OAS	C0871	AP OPERATIONS & POLICY ANALYST 2	29	29.00	696.00	6,051.79		4,212,048			4,212,048
000	OAS	C1117	AP RESEARCH ANALYST 1	1	1.00	24.00	5,343.00		128,232			128,232
000	OAS	C1215	AP ACCOUNTANT 1	3	3.00	72.00	4,587.66		324,552			324,552
000	OAS	C1216	AP ACCOUNTANT 2	4	4.00	96.00	4,593.50		438,096			438,096
000	OAS	C1217	AP ACCOUNTANT 3	6	6.00	144.00	6,231.50		897,336			897,336

# BUDGET NARRATIVE

01/12/17 REPORT NO.: PDDPLAGYCL  
 REPORT: SUMMARY LIST BY PKG BY AGENCY  
 AGENCY:45900 PUB EMPLOYEES RETIREMENT SYSTEM

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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
000	OAS	C1218	AP ACCOUNTANT 4	1	1.00	24.00	7,462.00		179,688			179,688
000	OAS	C1244	AP FISCAL ANALYST 2	1	1.00	24.00	6,156.00		147,984			147,984
000	OAS	C1245	AP FISCAL ANALYST 3	1	1.00	24.00	6,476.00		155,280			155,280
000	OAS	C1338	AP TRAINING & DEVELOPMENT SPEC 1	4	4.00	96.00	4,932.50		473,520			473,520
000	OAS	C1462	IP INFO SYSTEMS SPECIALIST 2	4	4.00	96.00	4,728.29		353,512			353,512
000	OAS	C1484	IP INFO SYSTEMS SPECIALIST 4	10	10.00	240.00	5,467.00		1,296,288			1,296,288
000	OAS	C1485	IP INFO SYSTEMS SPECIALIST 5	8	8.00	192.00	6,470.25		1,242,288			1,242,288
103	OAS	C1486	IP INFO SYSTEMS SPECIALIST 6	10	10.00	240.00	5,885.16		1,442,736			1,442,736
103	OAS	C1487	IP INFO SYSTEMS SPECIALIST 7	10	10.00	240.00	7,711.57		1,926,480			1,926,480
103	OAS	C1488	IP INFO SYSTEMS SPECIALIST 8	7	7.00	168.00	6,101.00		1,403,256			1,403,256
000	OAS	C2510	AP ELECTRONIC PUB DESIGN SPEC 1	3	3.00	72.00	4,022.00		289,584			289,584
000	OAS	C4101	AP CUSTODIAN	1	1.00	24.00	1,940.00		70,560			70,560
000	OAS	CS246	AP COMPLIANCE SPECIALIST 1	1	1.00	24.00	3,500.00		84,000			84,000
000	OAS	CS247	AP COMPLIANCE SPECIALIST 2	4	4.00	96.00	5,617.50		539,280			539,280
				375	375.00	4072.00	5,122.09		46,796,088			46,796,088

# BUDGET NARRATIVE

01/12/17 REPORT NO.: P00ELAGYCL  
 REPORT: SUMMARY LIST BY PKG BY AGENCY  
 AGENCY:45900 FOR EMPLOYEES RETIREMENT SYSTEM

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PKG	CLASS	COMP	DESCRIPTION	POS CITY	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	GF SAL	AP SAL
					378		378.00	3072.00	5,122.05		46,796,088	46,796,088

# BUDGET NARRATIVE

01/12/17 REPORT NO.: PF0PLW880D  
 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY  
 AGENCY: 45900 PUB EMPLOYEES RETIREMENT SYSTEM  
 SUMMARY XREF: 500-03-00-021 Financial & Admin Sv

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POSITION NUMBER	SUTH NO.	ORG STRUC	PKG Y	POS TYP	CLASS COMP	RNG P	POS CMT	FTR	BUDGET RATE	MOS	GF SAL	GF SAL	PF SAL	LF SAL	T R F
1902101	001267190	500-03-01-00000	021	0 LF	OAS C0212 AP	19	05	1	1,000	3,669.00	24.00		88,096		
EST DATE: 2017/07/01 EXP DATE: 2019/06/30															
1902102	001267200	500-03-01-00000	021	0 LF	OAS C0212 AP	19	05	1	1,000	3,669.00	24.00		88,096		
EST DATE: 2017/07/01 EXP DATE: 2019/06/30															
1902101	001267210	500-03-01-00000	021	0 LF	OAS C0212 AP	19	05	1	1,000	3,847.00	24.00		92,328		
EST DATE: 2017/07/01 EXP DATE: 2019/06/30															
								3	3.00		72.00		268,440		
								3	3.00		72.00		268,440		

# BUDGET NARRATIVE

01/12/17 REPORT NO.: PF0PLW880D  
 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY  
 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF: 500-04-00 090 Information Services

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POSITION NUMBER	SUTH NO.	ORG STRUC	PKG Y	POS TYP	CLASS COMP	RNG P	POS CNT	FTR	BUDGET RATE	MOS	GF SAL	GF SAL	PF SAL	LF SAL	T R F	
0137000	000231640	500-04-01-00000	090	0	PF	DAS	C1487	IE	31	09	1-	1.00-	8,027.00	24.00-	192,648-	
EST DATE: 2017/07/01 EXP DATE: 9999/01/01																
9900200	000669170	500-04-01-00000	090	0	PF	DAS	C1484	IE	25	08	1-	1.00-	5,796.00	24.00-	139,104-	
EST DATE: 2017/07/01 EXP DATE: 9999/01/01																
090																
2-																
2.00-																
48.00-																
331,752-																

# BUDGET NARRATIVE

01/12/17 REPORT NO.: PF0PLWSHUB  
 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY  
 AGENCY: 45900 PUB EMPLOYEES RETIREMENT SYSTEM  
 SUMMARY XREF: 500-04-00 101 Information Services

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POSITION NUMBER	AUTH NO	ORG STRUC	PRG Y TYE	F POS CLASS COMP	RNG P	POS CNT	ETE	BUDGET RATE	WGS	GF SAL	OF SAL	PF SAL	LF SAL	Y E F
1910101	001282390	500-04-01-00000	101 0 PF	RMS X1008 IA	33X	02	.00	7,000.00	.00					
EST DATE: 2017/07/01 EXP DATE: 9999/01/01														
1910102	001282410	500-04-01-00000	101 0 PF	CAS C1487 IP	31	02	.00	5,815.00	.00					
EST DATE: 2017/07/01 EXP DATE: 9999/01/01														
1910103	001282420	500-04-01-00000	101 0 PF	CAS C1486 IP	29	02	.00	5,254.00	.00					
EST DATE: 2017/07/01 EXP DATE: 9999/01/01														
101							.00		.00					

# BUDGET NARRATIVE

01/12/17 REPORT NO.: PF0PLWSHUB  
 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY  
 AGENCY: 45900 PUB EMPLOYEES RETIREMENT SYSTEM  
 SUMMARY XREF: 500-04-00 102 Information Services

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 PICS SYSTEM: BUDGET PREPARATION

POSITION NUMBER	AUTH NO	ORG STRUC	PRG Y TYE	F POS CLASS COMP	RNG P	POS CNT	ETE	BUDGET RATE	WDE	GF SAL	OF SAL	PF SAL	LF SAL	Y E F
1910201	001282430	500-04-01-00000	102 0 LE	OAS C1486 IP	29 02	1	1.00	5,254.00	24.00		126,096			
EST DATE: 2017/07/01 EXP DATE: 2019/06/30														
1910202	001282440	500-04-01-00000	102 0 LF	OAS C1486 IP	29 02	1	1.00	5,254.00	24.00		126,096			
EST DATE: 2017/07/01 EXP DATE: 2019/06/30														
1910203	001282450	500-04-01-00000	102 0 LF	OAS C1486 IP	29 02	1	1.00	5,254.00	24.00		126,096			
EST DATE: 2017/07/01 EXP DATE: 2019/06/30														
102							3	3.00		72.00	378,288			

# BUDGET NARRATIVE

01/12/17 REPORT NO.: PPDLWSSUD  
 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY  
 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF: 500-04-00 101 Information Services

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 PICS SYSTEM: BUDGET PREPARATION

POSITION NUMBER	AUTH NO	ORG STRUC	PKG Y	TYP	CLASS	COMP	RNG	P	CHT	FTE	BUDGET RATE	RGE	OP SAL	PF SAL	LP SAL	TOTAL	
1910301	001284130	500-04-01-00000	103	0	PP	DAS C1488	IP	33	01	.00	6,339.00	.00					
EST DATE: 2017/07/01 EXP DATE: 9999/01/01																	
1910302	001284140	500-04-01-00000	103	0	PP	DAS C1487	IP	31	02	.00	5,819.00	.00					
EST DATE: 2017/07/01 EXP DATE: 9999/01/01																	
1910303	001284150	500-04-01-00000	103	0	PP	DAS C1486	IP	29	02	.00	5,254.00	.00					
EST DATE: 2017/07/01 EXP DATE: 9999/01/01																	
										103	.00	.00					
										1	1.00	34.00	46,836				
										4	4.00	36.00	314,876				

# BUDGET NARRATIVE

01/12/17 REPORT NO.: SPDP1WSHSD  
 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY  
 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF: 500-04-00 103 Information Services

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 PICS SYSTEM: BUDGET PREPARATION

POSITION NUMBER	AUTH NO	ORG STRUC	PRG Y	POS TYD	CLASS	COMP	RNG P	POS CNT	FTE	BUDGET RATE	WDS	GF SAL	GF SAL	PF SAL	LF SAL	I B
								4	4.00		36.00			314,576		

# BUDGET NARRATIVE

01/22/17 REPORT NO.: PPDFFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY: 45900 PUB EMPLOYEES RETIREMENT SYSTEM  
 SUMMARY XREF: 500-01-00 Financial & Admin Services Div

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 PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 021 - Phase - In

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPB	OF SAL/OPB	FF SAL/OPB	LF SAL/OPB	AF SAL/OPB	
1902101	DAS C0212 AP	ACCOUNTING TECHNICIAN 3	1	1.00	24.00	05	3,669.00		88,056 51,724			88,056 51,724	
1902102	DAS C0212 AP	ACCOUNTING TECHNICIAN 3	1	1.00	24.00	05	3,669.00		88,056 51,724			88,056 51,724	
1902103	DAS C0212 AP	ACCOUNTING TECHNICIAN 3	1	1.00	24.00	06	3,847.00		92,328 52,611			92,328 52,611	
TOTAL PICS SALARY											268,440		268,440
TOTAL PICS OPB											156,059		156,059
TOTAL PICS PERSONAL SERVICES =			1	3.00	72.00				424,499		424,499		

# BUDGET NARRATIVE

01/22/17 REPORT NO.: PDDPFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:500-04-00 Information Services Division

DEPT: OF ADMIN. SVCS. -- EPDB PICS SYSTEM

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PACKAGE: 090 - Analyst Adjustments

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	DF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
0137000	CAS E1487	IP INFO SYSTEMS SPECIALIST 7	1-	1.00-	24.00-	09	8,027.00		192,648-			192,648-
									73,418-			73,418-
2960200	CAS E1484	IP INFO SYSTEMS SPECIALIST 4	1-	1.00-	24.00-	08	5,796.00		139,104-			139,104-
									62,312-			62,312-
TOTAL PICS SALARY									331,752-			331,752-
TOTAL PICS OPE									135,730-			135,730-
TOTAL PICS PERSONAL SERVICES -												
			2-	2.00-	48.00-				467,482-			467,482-

# BUDGET NARRATIVE

01/12/17 REPORT NO.: PDDPFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY: 45900 DJB EMPLOYEES RETIREMENT SYSTEM  
 SUMMARY XREF: 500-04-00 Information Services Division

DEPT: CIV ADMIN, SVCS. -- EPDB PICS SYSTEM  
 PACKAGE: 102 - Fully Integrating IAP Administ

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 PICS SYSTEM: BUDGET PREPARATION

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FP SAL/OPE	LP SAL/OPE	AF SAL/OPE
1910201	OAS C1486	IP INFO SYSTEMS SPECIALIST 5	1	1.00	24.00	02	5,354.00		126,096			126,096
									59,614			59,614
1910202	OAS C1486	IP INFO SYSTEMS SPECIALIST 6	1	1.00	24.00	02	5,354.00		126,096			126,096
									59,614			59,614
1910203	OAS C1486	IP INFO SYSTEMS SPECIALIST 6	1	1.00	24.00	03	5,354.00		126,096			126,096
									59,614			59,614
TOTAL PICS SALARY									378,288			378,288
TOTAL PICS OPE									178,842			178,842
TOTAL PICS PERSONAL SERVICES =			3	3.00	72.00				557,130			557,130