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To: General Government Subcommittee
From: John Borden, Legislative Fiscal Office
Date: June 3, 2025
Subject: SB 5534 – Public Employees Retirement System
Work Session Recommendations

Pubilc Employees Retirement System				
Agency Totals				
FUND TYPE	2021-23 ACTUAL	2023-25 LEGISLATIVELY APPROVED	2025-27 CURRENT SERVICE LEVEL	2025-27 LFO RECOMMENDED
General Fund	17,250,000	-	-	-
Lottery Funds	15,091,192	28,527,388	28,527,388	41,287,102
Other Funds	160,709,008	177,462,596	150,788,954	178,846,582
Other Funds NL	12,782,575,667	13,523,120,517	15,243,591,683	15,243,591,683
TOTAL FUNDS	12,975,625,867	13,729,110,501	15,422,908,025	15,463,725,367
Positions	429	466	391	433
FTE	424.68	445.40	391.00	430.84

The Public Employees Retirement System (PERS) administers the retirement system covering employees of state agencies; public universities, public school districts; statutory judges, and participating cities, counties, and special districts in Oregon.

The Legislative Fiscal Office (LFO) recommendation for SB 5534 and the 2025-27 biennium is to fund the Department at \$15.5 billion total funds and 433 positions (430.84 FTE). The LFO recommendation is \$1.7 billion, or 12.6%, more than the 2023-25 legislatively approved budget and \$40.8, or 0.3%, more than the 2025-27 current service level. Of the total funds budget, \$15.2 billion is for estimated benefit payments and \$178.9 million is for agency operations. The

operating budget is \$1.4 million, or 0.8%, more than the 2023-25 legislatively approved budget and \$28.1 million, or 18.6%, more than the 2025-27 current service level.

Major budgetary investments or changes include adjustments to sports betting Lottery Funds to align revenues with projected expenditures for the Employer Incentive Fund; temporary and ongoing support for SB 1049 (2019); information technology investments related to help desk support, the reclassification of positions, and dues and subscriptions; additional actuarial, human resources, communications, and support services staff; additional staff for appeals and contested cases; staff for benefit calculations; and management and administrative support for the Operations Division.

Other major budgetary investments include continued funding for the implementation of HB 4045 (2024), funding to stabilize existing information technology applications, and continued funding of the Modernization Program.

SB 5534 also includes a 2023-25 biennium rebalance for the Modernization Program, which moves \$300,000 Other Funds from the Orion Modernization Project: Independent quality management services to the ORION Modernization Project: Pension Administration System in order to fully fund an independent solutions analysis of replacement alternatives for the current pension administration system.

Adjustments to Current Service Level

See attached “Work Session Presentation Report.”

Note: Statewide adjustments and six-year capital construction expenditures are not included in these recommendations. Any needed adjustments will be made in end of session bills.

Accept LFO Recommendation

MOTION: I move the LFO recommendation to SB 5534. *(vote)*

OR

Modify LFO Recommendation

MOTION: I move the LFO recommendation to SB 5534, with modifications. *(vote)*

Performance Measures

See attached “Legislatively Proposed 2025-27 Key Performance Measures.”

Accept LFO Recommendation

MOTION: I move the LFO recommendation on Key Performance Measures. *(vote)*

OR

Modify LFO Recommendation

MOTION: I move the LFO recommendation on Key Performance Measures, with modifications. *(vote)*

Budget Notes

#1 Budget Note: Modernization Program Plan

The Public Employees Retirement System and the Department of Administrative Services - Enterprise Information Services (DAS-EIS) are directed to jointly report to the Interim Joint Committee on Ways and Means in January 2026, on the progress being made towards modernizing the Oregon Retirement Information Online Network (ORION) pension administration system. The report is to include, but is not limited to, the following:

- (a) status report on the Program's Joint Legislative Fiscal Office and DAS-EIS Stage Gate endorsement(s);
- (b) results of the contracted Solutions Analysis Framework and the agency's recommended path forward for the Modernization Program;
- (c) Independent quality control reviews of the Modernization Program's solutions analysis and any associated business case update;
- (d) summaries of all updated foundational program documentation;
- (e) status on the implementation of 2025 legislative investments in the Modernization program, including the hiring of authorized positions and standing up the Core Retirement System Applications Program Office; and
- (f) any additional information related to the Modernization Program that will assist the Legislature in understanding the agency's revised plan for the Modernization Program.

#2 Budget Note: HB 4045 (2024) Implementation Status Report

The Public Employees Retirement System and the Department of Administrative Services - Enterprise Information Services (DAS-EIS) are directed to jointly report to the Interim Joint Committee on Ways and Means in January 2026 , on the status of the agency's implementation of HB 4045 (2024).

Accept LFO Recommendation

MOTION: I move the LFO recommendation on Budget Notes. *(vote)*

OR

Modify LFO Recommendation

MOTION: I move the LFO recommendation on Budget Notes, with modifications. *(vote)*

Amendment

LFO recommends a budget of \$41,287,102 Lottery Funds, \$178,846,582 Other Funds limited, \$15,243,591,683 Other Funds Nonlimited, and 433 positions (430.84 FTE), which is reflected in the –1 amendment.

MOTION: I move adoption of the –1 amendment to SB 5534. *(vote)*

Final Subcommittee Action

LFO recommends that SB 5534, as amended by the –1 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move SB 5534, as amended, to the Full Committee with a do pass recommendation. *(vote)*

Carriers

Full Committee:

House Floor:

Senate Floor:

LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended

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

Public Employees Retirement System, Oregon

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	-	28,527,388	165,486,496	-	13,523,120,517	-	13,717,134,401	439	436.69
2023-25 Ebds, SS & Admin Act	-	-	11,976,100	-	-	-	11,976,100	27	8.71
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	-	28,527,388	177,462,596	-	13,523,120,517	-	13,729,110,501	466	445.40
2023-25 Leg Approved Budget (Base)	-	28,527,388	177,462,596	-	13,523,120,517	-	13,729,110,501	466	445.40
Summary of Base Adjustments	-	-	(4,437,549)	-	1,720,471,166	-	1,716,033,617	(75)	(54.40)
2025-27 Base Budget	-	28,527,388	173,025,047	-	15,243,591,683	-	15,445,144,118	391	391.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(2,752,722)	-	-	-	(2,752,722)	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(25,132,951)	-	-	-	(25,132,951)	-	-
030: Inflation & Price List Adjustments	-	-	5,649,580	-	-	-	5,649,580	-	-
2025-27 Current Service Level	-	28,527,388	150,788,954	-	15,243,591,683	-	15,422,908,025	391	391.00
Adjusted 2025-27 Current Service Level	-	28,527,388	150,788,954	-	15,243,591,683	-	15,422,908,025	391	391.00
Total LFO Recommended Packages	-	12,759,714	28,057,628	-	-	-	40,817,342	42	39.84
2025-27 Legislative Actions	-	41,287,102	178,846,582	-	15,243,591,683	-	15,463,725,367	433	430.84
Net change from 2023-25 Leg Approved Budget	-	12,759,714	1,383,986	-	1,720,471,166	-	1,734,614,866	(33)	(14.56)
Percent change from 2023-25 Leg Approved Budget	0.0%	44.7%	0.8%	0.0%	12.7%	0.0%	12.6%	(7.1%)	(3.3%)
Net change from 2025-27 Adj Current Service Level	-	12,759,714	28,057,628	-	-	-	40,817,342	42	39.84
Percent change from 2025-27 Adj Current Service Level	0.0%	44.7%	18.6%	0.0%	0.0%	0.0%	0.3%	10.7%	10.2%

LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended

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

Tier One and Tier Two Pension Programs

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	-	-	-	-	11,662,157,523	-	11,662,157,523	-	-
2023-25 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	-	-	-	-	11,662,157,523	-	11,662,157,523	-	-
2023-25 Leg Approved Budget (Base)	-	-	-	-	11,662,157,523	-	11,662,157,523	-	-
Summary of Base Adjustments	-	-	-	-	1,570,266,229	-	1,570,266,229	-	-
2025-27 Base Budget	-	-	-	-	13,232,423,752	-	13,232,423,752	-	-
2025-27 Current Service Level	-	-	-	-	13,232,423,752	-	13,232,423,752	-	-
Adjusted 2025-27 Current Service Level	-	-	-	-	13,232,423,752	-	13,232,423,752	-	-
2025-27 Legislative Actions	-	-	-	-	13,232,423,752	-	13,232,423,752	-	-
Net change from 2023-25 Leg Approved Budget	-	-	-	-	1,570,266,229	-	1,570,266,229	-	-
Percent change from 2023-25 Leg Approved Budget	0.0%	0.0%	0.0%	0.0%	13.5%	0.0%	13.5%	0.0%	0.0%
Net change from 2025-27 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

LFO102 - Work Session Presentation Report
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Version: L - 01 - LFO Analyst Recommended

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

Retirement Health Insurance Programs

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	-	-	-	-	217,258,687	-	217,258,687	-	-
2023-25 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	-	-	-	-	217,258,687	-	217,258,687	-	-
2023-25 Leg Approved Budget (Base)	-	-	-	-	217,258,687	-	217,258,687	-	-
Summary of Base Adjustments	-	-	-	-	(85,400,402)	-	(85,400,402)	-	-
2025-27 Base Budget	-	-	-	-	131,858,285	-	131,858,285	-	-
2025-27 Current Service Level	-	-	-	-	131,858,285	-	131,858,285	-	-
Adjusted 2025-27 Current Service Level	-	-	-	-	131,858,285	-	131,858,285	-	-
2025-27 Legislative Actions	-	-	-	-	131,858,285	-	131,858,285	-	-
Net change from 2023-25 Leg Approved Budget	-	-	-	-	(85,400,402)	-	(85,400,402)	-	-
Percent change from 2023-25 Leg Approved Budget	0.0%	0.0%	0.0%	0.0%	(39.3%)	0.0%	(39.3%)	0.0%	0.0%
Net change from 2025-27 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

LFO102 - Work Session Presentation Report
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Version: L - 01 - LFO Analyst Recommended

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

Oregon Public Service Retirement Pension Pgm

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	-	-	-	-	160,874,644	-	160,874,644	-	-
2023-25 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	-	-	-	-	160,874,644	-	160,874,644	-	-
2023-25 Leg Approved Budget (Base)	-	-	-	-	160,874,644	-	160,874,644	-	-
Summary of Base Adjustments	-	-	-	-	113,592,116	-	113,592,116	-	-
2025-27 Base Budget	-	-	-	-	274,466,760	-	274,466,760	-	-
2025-27 Current Service Level	-	-	-	-	274,466,760	-	274,466,760	-	-
Adjusted 2025-27 Current Service Level	-	-	-	-	274,466,760	-	274,466,760	-	-
2025-27 Legislative Actions	-	-	-	-	274,466,760	-	274,466,760	-	-
Net change from 2023-25 Leg Approved Budget	-	-	-	-	113,592,116	-	113,592,116	-	-
Percent change from 2023-25 Leg Approved Budget	0.0%	0.0%	0.0%	0.0%	70.6%	0.0%	70.6%	0.0%	0.0%
Net change from 2025-27 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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Version: L - 01 - LFO Analyst Recommended

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

Individual Account Program (IAP)

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	-	-	-	-	1,482,829,663	-	1,482,829,663	-	-
2023-25 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	-	-	-	-	1,482,829,663	-	1,482,829,663	-	-
2023-25 Leg Approved Budget (Base)	-	-	-	-	1,482,829,663	-	1,482,829,663	-	-
Summary of Base Adjustments	-	-	-	-	122,013,223	-	122,013,223	-	-
2025-27 Base Budget	-	-	-	-	1,604,842,886	-	1,604,842,886	-	-
2025-27 Current Service Level	-	-	-	-	1,604,842,886	-	1,604,842,886	-	-
Adjusted 2025-27 Current Service Level	-	-	-	-	1,604,842,886	-	1,604,842,886	-	-
2025-27 Legislative Actions	-	-	-	-	1,604,842,886	-	1,604,842,886	-	-
Net change from 2023-25 Leg Approved Budget	-	-	-	-	122,013,223	-	122,013,223	-	-
Percent change from 2023-25 Leg Approved Budget	0.0%	0.0%	0.0%	0.0%	8.2%	0.0%	8.2%	0.0%	0.0%
Net change from 2025-27 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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Cross Reference: 45900-200-01-00-00000

Employer Incentive Fund

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	-	28,527,388	1	-	-	-	28,527,389	-	-
2023-25 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	-	28,527,388	1	-	-	-	28,527,389	-	-
2023-25 Leg Approved Budget (Base)	-	28,527,388	1	-	-	-	28,527,389	-	-
Summary of Base Adjustments	-	-	-	-	-	-	-	-	-
2025-27 Base Budget	-	28,527,388	1	-	-	-	28,527,389	-	-
2025-27 Current Service Level	-	28,527,388	1	-	-	-	28,527,389	-	-
Adjusted 2025-27 Current Service Level	-	28,527,388	1	-	-	-	28,527,389	-	-
Total LFO Recommended Packages	-	12,759,714	-	-	-	-	12,759,714	-	-
2025-27 Legislative Actions	-	41,287,102	1	-	-	-	41,287,103	-	-
Net change from 2023-25 Leg Approved Budget	-	12,759,714	-	-	-	-	12,759,714	-	-
Percent change from 2023-25 Leg Approved Budget	0.0%	44.7%	0.0%	0.0%	0.0%	0.0%	44.7%	0.0%	0.0%
Net change from 2025-27 Adj Current Service Level	-	12,759,714	-	-	-	-	12,759,714	-	-
Percent change from 2025-27 Adj Current Service Level	0.0%	44.7%	0.0%	0.0%	0.0%	0.0%	44.7%	0.0%	0.0%

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Cross Reference: 45900-200-01-00-00000

Employer Incentive Fund

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

Package Description This package makes the following modifications to Lottery Funds (sports betting) revenue and expenditure limitation for the Employer Incentive Fund (EIF):

(1) revenue changes include a beginning balance adjustment to account for the projected balance carried forward from the prior 2023-25 biennium and the addition of \$2.3 million in interest earnings that is projected to be earned during the 2025-27 biennium.

(2) Lottery Funds expenditure limitation was increased by \$12,759,714 to align projected expenditures with available revenues. Available revenues are sufficient to meet projected 25% state matching funds requirements for the 2025-27 biennium and no additional allocation of Lottery Funds is anticipated for the 2025-27 biennium.

LFO Recommendation Approve the request.

LFO Analyst Notes SB 5534 (2025)

LFO Recommended	-	12,759,714	-	-	-	-	12,759,714	-	-
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LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 45900-200-02-00-00000

School Districts Unfunded Liability Fund

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	-	-	1	-	-	-	1	-	-
2023-25 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	-	-	1	-	-	-	1	-	-
2023-25 Leg Approved Budget (Base)	-	-	1	-	-	-	1	-	-
Summary of Base Adjustments	-	-	-	-	-	-	-	-	-
2025-27 Base Budget	-	-	1	-	-	-	1	-	-
2025-27 Current Service Level	-	-	1	-	-	-	1	-	-
Adjusted 2025-27 Current Service Level	-	-	1	-	-	-	1	-	-
Total LFO Recommended Packages	-	-	(1)	-	-	-	(1)	-	-
2025-27 Legislative Actions	-	-	-	-	-	-	-	-	-
Net change from 2023-25 Leg Approved Budget	-	-	(1)	-	-	-	(1)	-	-
Percent change from 2023-25 Leg Approved Budget	0.0%	0.0%	(100.0%)	0.0%	0.0%	0.0%	(100.0%)	0.0%	0.0%
Net change from 2025-27 Adj Current Service Level	-	-	(1)	-	-	-	(1)	-	-
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	(100.0%)	0.0%	0.0%	0.0%	(100.0%)	0.0%	0.0%

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

Package Description This package reduces Other Funds expenditure limitation by \$1 for the School Districts Unfunded Liability Fund and based on the enactment of SB 849 (2025), which permitted to use the monies in the Fund to be applied against school district's individual 2025-27 employer contribution rates by no later than June 30, 2025 based on the balance in the fund on February 28, 2025.

LFO Recommendation Approve the request.

LFO Analyst Notes SB 5534 (2025)

LFO Recommended	-	-	(1)	-	-	-	(1)	-	-
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LFO102 - Work Session Presentation Report
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Version: L - 01 - LFO Analyst Recommended

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

Central Administration

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	-	-	19,641,032	-	-	-	19,641,032	54	54.00
2023-25 Ebds, SS & Admin Act	-	-	4,109,166	-	-	-	4,109,166	7	1.24
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	-	-	23,750,198	-	-	-	23,750,198	61	55.24
2023-25 Leg Approved Budget (Base)	-	-	23,750,198	-	-	-	23,750,198	61	55.24
Summary of Base Adjustments	-	-	486,572	-	-	-	486,572	4	9.76
2025-27 Base Budget	-	-	24,236,770	-	-	-	24,236,770	65	65.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(481,711)	-	-	-	(481,711)	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(14,375)	-	-	-	(14,375)	-	-
030: Inflation & Price List Adjustments	-	-	259,292	-	-	-	259,292	-	-
2025-27 Current Service Level	-	-	23,999,976	-	-	-	23,999,976	65	65.00
Adjusted 2025-27 Current Service Level	-	-	23,999,976	-	-	-	23,999,976	65	65.00
Total LFO Recommended Packages	-	-	547,020	-	-	-	547,020	4	3.76
2025-27 Legislative Actions	-	-	24,546,996	-	-	-	24,546,996	69	68.76
Net change from 2023-25 Leg Approved Budget	-	-	796,798	-	-	-	796,798	8	13.52
Percent change from 2023-25 Leg Approved Budget	0.0%	0.0%	3.4%	0.0%	0.0%	0.0%	3.4%	13.1%	24.5%
Net change from 2025-27 Adj Current Service Level	-	-	547,020	-	-	-	547,020	4	3.76
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	2.3%	0.0%	0.0%	0.0%	2.3%	6.2%	5.8%

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

Central Administration

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 107 Human Resources

Package Description This package increases Other Funds expenditure limitation by \$252,760 and establishes one permanent full-time Human Resources Analyst 3 (0.88 FTE) and includes \$11,563 in associated services and supplies, for the Human Resources Section for Diversity, Equity, and Inclusion initiatives, succession planning, intern program evolution, and training content.

The revenue to support this package falls under ORS 238.610, which directs that the administrative operations expenses for the agency are to be 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.

LFO Recommendation Approve the request.

LFO Analyst Notes SB 5534 (2025)

LFO Recommended	-	-	252,760	-	-	-	252,760	1	0.88
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LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended

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

Central Administration

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 109 Procurement, Facilities & Logistics

Package Description This package increases Other Funds expenditure limitation by \$193,741 and establishes one permanent full-time Office Manager 2 position (0.88 FTE) and includes \$11,563 in associated services and supplies, for the Logistics and Facilities Section.

The revenue to support this package falls under ORS 238.610, which directs that the administrative operations expenses for the agency are to be 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.

LFO Recommendation Approve the request.

LFO Analyst Notes SB 5534 (2025)

LFO Recommended	-	-	193,741	-	-	-	193,741	1	0.88
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LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended

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

Central Administration

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 111 Communications

Package Description This package increases Other Funds expenditure limitation by \$500,519 and establishes two permanent full-time positions (2.00 FTE) and includes \$70,000 in associated services and supplies (\$60,000 for employee training and \$10,000 for Office Expenses), and reclassifies one existing Electronic Publication Design Specialist 1 to a electronic Publication Design Specialist 2, for the Communication Section. The package adds the following two new positions: two Electronic Publication Design Specialist 3 positions (2.00 FTE).

The revenue to support this package falls under ORS 238.610, which directs that the administrative operations expenses for the agency are to be 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.

LFO Recommendation Approve the request.

LFO Analyst Notes SB 5534 (2025)

LFO Recommended	-	-	500,519	-	-	-	500,519	2	2.00
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LFO102 - Work Session Presentation Report
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Version: L - 01 - LFO Analyst Recommended

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

Central Administration

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

Package Description This package reduces Other Funds expenditure limitation by \$400,000 for services and supplies (formerly Facilities Rental and Taxes line-item).

The revenue to savings from this package falls under ORS 238.610, which directs that the administrative operations expenses for the agency are to be 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.

LFO Recommendation Approve the reduction.

LFO Analyst Notes SB 5534 (2025)

LFO Recommended	-	-	(400,000)	-	-	-	(400,000)	-	-
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LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended

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

Financial Services Division (FSD)

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	-	-	22,679,994	-	-	-	22,679,994	34	34.00
2023-25 Ebds, SS & Admin Act	-	-	790,509	-	-	-	790,509	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	-	-	23,470,503	-	-	-	23,470,503	34	34.00
2023-25 Leg Approved Budget (Base)	-	-	23,470,503	-	-	-	23,470,503	34	34.00
Summary of Base Adjustments	-	-	919,589	-	-	-	919,589	-	-
2025-27 Base Budget	-	-	24,390,092	-	-	-	24,390,092	34	34.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(249,324)	-	-	-	(249,324)	-	-
030: Inflation & Price List Adjustments	-	-	4,229,489	-	-	-	4,229,489	-	-
2025-27 Current Service Level	-	-	28,370,257	-	-	-	28,370,257	34	34.00
Adjusted 2025-27 Current Service Level	-	-	28,370,257	-	-	-	28,370,257	34	34.00
Total LFO Recommended Packages	-	-	188,672	-	-	-	188,672	1	0.88
2025-27 Legislative Actions	-	-	28,558,929	-	-	-	28,558,929	35	34.88
Net change from 2023-25 Leg Approved Budget	-	-	5,088,426	-	-	-	5,088,426	1	0.88
Percent change from 2023-25 Leg Approved Budget	0.0%	0.0%	21.7%	0.0%	0.0%	0.0%	21.7%	2.9%	2.6%
Net change from 2025-27 Adj Current Service Level	-	-	188,672	-	-	-	188,672	1	0.88
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	0.7%	0.0%	0.0%	0.0%	0.7%	2.9%	2.6%

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Version: L - 01 - LFO Analyst Recommended

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

Financial Services Division (FSD)

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 113 Actuarial Staff

Package Description This package increases Other Funds expenditure limitation by \$118,672 and establishes one permanent full-time Operations and Policy Analyst-1 position (0.88 FTE) and includes \$10,688 in associated services and supplies, for the Actuarial Services Section to perform lower level, routine data collection and validation.

The revenue to support this package falls under ORS 238.610, which directs that the administrative operations expenses for the agency are to be 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.

LFO Recommendation Approve the request.

LFO Analyst Notes SB 5534 (2025)

LFO Recommended	-	-	188,672	-	-	-	188,672	1	0.88
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LFO102 - Work Session Presentation Report
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Version: L - 01 - LFO Analyst Recommended

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

Information Services Division

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	-	-	34,206,928	-	-	-	34,206,928	89	88.40
2023-25 Ebds, SS & Admin Act	-	-	873,701	-	-	-	873,701	4	1.52
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	-	-	35,080,629	-	-	-	35,080,629	93	89.92
2023-25 Leg Approved Budget (Base)	-	-	35,080,629	-	-	-	35,080,629	93	89.92
Summary of Base Adjustments	-	-	(1,731,675)	-	-	-	(1,731,675)	(24)	(20.92)
2025-27 Base Budget	-	-	33,348,954	-	-	-	33,348,954	69	69.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(649,899)	-	-	-	(649,899)	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(2,008,032)	-	-	-	(2,008,032)	-	-
030: Inflation & Price List Adjustments	-	-	360,259	-	-	-	360,259	-	-
2025-27 Current Service Level	-	-	31,051,282	-	-	-	31,051,282	69	69.00
Adjusted 2025-27 Current Service Level	-	-	31,051,282	-	-	-	31,051,282	69	69.00
Total LFO Recommended Packages	-	-	2,780,928	-	-	-	2,780,928	4	3.88
2025-27 Legislative Actions	-	-	33,832,210	-	-	-	33,832,210	73	72.88
Net change from 2023-25 Leg Approved Budget	-	-	(1,248,419)	-	-	-	(1,248,419)	(20)	(17.04)
Percent change from 2023-25 Leg Approved Budget	0.0%	0.0%	(3.6%)	0.0%	0.0%	0.0%	(3.6%)	(21.5%)	(19.0%)
Net change from 2025-27 Adj Current Service Level	-	-	2,780,928	-	-	-	2,780,928	4	3.88
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	9.0%	0.0%	0.0%	0.0%	9.0%	5.8%	5.6%

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

Information Services Division

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 102 Managed Services

Package Description This package increases Other Funds expenditure limitation by \$262,918 and establishes one permanent full-time Information Supervisor 2 (Help Desk Supervisor)(0.88 FTE) and includes \$11,563 in associated services and supplies to be added to Technology Operations Section to supervise the Help Desk team.

The revenue to support this package falls under ORS 238.610, which directs that the administrative operations expenses for the agency are to be 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.

LFO Recommendation Approve the request.

LFO Analyst Notes SB 5534 (2025)

LFO Recommended	-	-	262,918	-	-	-	262,918	1	0.88
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Information Services Division

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 103 SB 1049 Permanant Positions

Package Description This package increases Other Funds expenditure limitation by \$818,474 and establishes three permanent full-time positions (3.00 FTE) for system support for the Employee Pension Stability Account clean-up. The positions are: one Information Support Specialist 4 position for desktop support, one Information Support Specialist 7 position for development and operations engineering, and one Information Support Specialist 7 position for jClarety software engineer.

The revenue to support this package falls under ORS 238.610, which directs that the administrative operations expenses for the agency are to be 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.

LFO Recommendation Approve the request.

LFO Analyst Notes SB 5534 (2025)

LFO Recommended	-	-	818,474	-	-	-	818,474	3	3.00
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Information Services Division

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 105 Dues and Subscriptions

Package Description This package increases Other Funds expenditure limitation by \$1.6 million for services and supplies for licensing, service renewals, and product cost. The request is to fund the increased cost of on-going information technology software renewals such as Azure, Microsoft 365 licensing, COVID remote response and reconstitution, increase in Microsoft support plan, increase in Articulate 360 software and renewal, Zerto, and firewall support renewals.

The revenue to support this package falls under ORS 238.610, which directs that the administrative operations expenses for the agency are to be 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.

LFO Recommendation Approve the request, as modified.

LFO Analyst Notes SB 5524 (2025)

LFO Recommended	-	-	1,639,000	-	-	-	1,639,000	-	-
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Cross Reference: 45900-500-04-00-00000

Information Services Division

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 112 ISD Re-classes

Package Description This package increases Other Funds expenditure limitation by \$60,536 in personal service costs for the reclassification of three positions. The package would reclassify upward two Information Services Specialist 4 positions to Information Services Specialist 6 positions and one Information Services Specialist 5 position to an Information Services Specialist 6.

The revenue to support this package falls under ORS 238.610, which directs that the administrative operations expenses for the agency are to be 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.

LFO Recommendation Approve the request.

LFO Analyst Notes SB 5534 (2025)

LFO Recommended	-	-	60,536	-	-	-	60,536	-	-
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LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 45900-500-08-00-00000

Operations Division

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	-	-	48,866,552	-	-	-	48,866,552	205	204.88
2023-25 Ebds, SS & Admin Act	-	-	4,893,093	-	-	-	4,893,093	16	5.95
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	-	-	53,759,645	-	-	-	53,759,645	221	210.83
2023-25 Leg Approved Budget (Base)	-	-	53,759,645	-	-	-	53,759,645	221	210.83
Summary of Base Adjustments	-	-	2,532,917	-	-	-	2,532,917	(20)	(9.83)
2025-27 Base Budget	-	-	56,292,562	-	-	-	56,292,562	201	201.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(1,193,976)	-	-	-	(1,193,976)	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(28,396)	-	-	-	(28,396)	-	-
030: Inflation & Price List Adjustments	-	-	338,821	-	-	-	338,821	-	-
2025-27 Current Service Level	-	-	55,409,011	-	-	-	55,409,011	201	201.00
Adjusted 2025-27 Current Service Level	-	-	55,409,011	-	-	-	55,409,011	201	201.00
Total LFO Recommended Packages	-	-	1,935,621	-	-	-	1,935,621	10	9.52
2025-27 Legislative Actions	-	-	57,344,632	-	-	-	57,344,632	211	210.52
Net change from 2023-25 Leg Approved Budget	-	-	3,584,987	-	-	-	3,584,987	(10)	(0.31)
Percent change from 2023-25 Leg Approved Budget	0.0%	0.0%	6.7%	0.0%	0.0%	0.0%	6.7%	(4.5%)	(0.2%)
Net change from 2025-27 Adj Current Service Level	-	-	1,935,621	-	-	-	1,935,621	10	9.52
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	3.5%	0.0%	0.0%	0.0%	3.5%	5.0%	4.7%

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Operations Division

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 103 SB 1049 Permanant Positions

Package Description This package increases Other Funds expenditure limitation by \$1.2 million and authorizes the establishment of six full-time limited-duration positions (6.00 FTE) for the Employee Pension Stability Account clean-up in the Operations Division.

The revenue to support this package falls under ORS 238.610, which directs that the administrative operations expenses for the agency are to be 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.

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

LFO Analyst Notes SB 5534 (2025)

LFO Recommended	-	-	1,161,975	-	-	-	1,161,975	6	6.00
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Cross Reference: 45900-500-08-00-00000

Operations Division

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

Package Description This package increases Other Funds expenditure limitation by \$773,646 and authorizes the establishment of four permanent full-time positions (3.52 FTE) and includes \$48,626 in position-related associated services and supplies and reclassifies one existing Retirement Counselor 1 position to a Retirement Counselor 2. The reclassification is for the Data Analysis and Reconstruction Team. The package adds two Office Specialist 2s (1.76 FTE), one Office Assistant 1 (0.88 FTE), and one Business Operations Manager 3 (Deputy Program Director)(0.88 FTE) to address increased workload in the Operations Division.

The revenue to support this package falls under ORS 238.610, which directs that the administrative operations expenses for the agency are to be 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.

LFO Recommendation Approve the request.

LFO Analyst Notes SB 5534 (2025)

LFO Recommended	-	-	773,646	-	-	-	773,646	4	3.52
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Version: L - 01 - LFO Analyst Recommended

Cross Reference: 45900-500-09-00-00000

Compliance, Audit, and Risk Division

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	-	-	10,387,143	-	-	-	10,387,143	21	21.00
2023-25 Ebds, SS & Admin Act	-	-	617,049	-	-	-	617,049	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	-	-	11,004,192	-	-	-	11,004,192	21	21.00
2023-25 Leg Approved Budget (Base)	-	-	11,004,192	-	-	-	11,004,192	21	21.00
Summary of Base Adjustments	-	-	670,327	-	-	-	670,327	1	1.00
2025-27 Base Budget	-	-	11,674,519	-	-	-	11,674,519	22	22.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(177,812)	-	-	-	(177,812)	-	-
030: Inflation & Price List Adjustments	-	-	461,719	-	-	-	461,719	-	-
2025-27 Current Service Level	-	-	11,958,426	-	-	-	11,958,426	22	22.00
Adjusted 2025-27 Current Service Level	-	-	11,958,426	-	-	-	11,958,426	22	22.00
Total LFO Recommended Packages	-	-	1,046,908	-	-	-	1,046,908	5	4.40
2025-27 Legislative Actions	-	-	13,005,334	-	-	-	13,005,334	27	26.40
Net change from 2023-25 Leg Approved Budget	-	-	2,001,142	-	-	-	2,001,142	6	5.40
Percent change from 2023-25 Leg Approved Budget	0.0%	0.0%	18.2%	0.0%	0.0%	0.0%	18.2%	28.6%	25.7%
Net change from 2025-27 Adj Current Service Level	-	-	1,046,908	-	-	-	1,046,908	5	4.40
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	8.8%	0.0%	0.0%	0.0%	8.8%	22.7%	20.0%

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Cross Reference: 45900-500-09-00-00000

Compliance, Audit, and Risk Division

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 110 PACS CSL

Package Description This package increases Other Funds expenditure limitation by \$1,046,908 and authorizes the establishment of three permanent full-time positions (2.64 FTE), two limited duration positions (1.76 FTE), and includes \$54,313 in associated services and supplies, for the Policy Analysis and Compliance Section for the daily administration of appeals and contested cases and to augment benefit appeals, contested cases, and disputes team.

The package adds the following five positions: one permanent full-time position Administrative Specialist 2 (0.88 FTE); one permanent full-time position Compliance Specialist 2 (0.88 FTE); two limited duration Operations and Policy Analyst 1 (1.76 FTE); and one permanent full-time Compliance and Regulatory Supervisor 2 (0.88 FTE).

The revenue to support this package falls under ORS 238.610, which directs that the administrative operations expenses for the agency are to be 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.

LFO Recommendation Approve the request.

LFO Analyst Notes SB 5534 (2025)

LFO Recommended	-	-	1,046,908	-	-	-	1,046,908	5	4.40
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Cross Reference: 45900-900-00-00-00000

Core Retirement System Applications

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	-	-	29,704,845	-	-	-	29,704,845	36	34.41
2023-25 Ebds, SS & Admin Act	-	-	692,582	-	-	-	692,582	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	-	-	30,397,427	-	-	-	30,397,427	36	34.41
2023-25 Leg Approved Budget (Base)	-	-	30,397,427	-	-	-	30,397,427	36	34.41
Summary of Base Adjustments	-	-	(7,315,279)	-	-	-	(7,315,279)	(36)	(34.41)
2025-27 Base Budget	-	-	23,082,148	-	-	-	23,082,148	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(23,082,148)	-	-	-	(23,082,148)	-	-
2025-27 Current Service Level	-	-	-	-	-	-	-	-	-
Adjusted 2025-27 Current Service Level	-	-	-	-	-	-	-	-	-
Total LFO Recommended Packages	-	-	21,558,480	-	-	-	21,558,480	18	17.40
2025-27 Legislative Actions	-	-	21,558,480	-	-	-	21,558,480	18	17.40
Net change from 2023-25 Leg Approved Budget	-	-	(8,838,947)	-	-	-	(8,838,947)	(18)	(17.01)
Percent change from 2023-25 Leg Approved Budget	0.0%	0.0%	(29.1%)	0.0%	0.0%	0.0%	(29.1%)	(50.0%)	(49.4%)
Net change from 2025-27 Adj Current Service Level	-	-	21,558,480	-	-	-	21,558,480	18	17.40
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%

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Core Retirement System Applications

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 101 HB 4045 Implementation

Package Description This package increases Other Funds expenditure limitation by \$7 million for the implementation of HB 4045 (2024). The package has the following three components:

- (1) One permanent full-time Project Manager-3 (0.88 FTE) for continuous and consistent program planning, coordination, and oversight. Included is \$20,000 of services and supplies. This position will supplement existing project management staff in the PERS Project Management Office to manage activities to support pension administration system changes within the Oregon Retirement Information On-Line Network (ORION) that are needed to comply with HB 4045 (2024).
- (2) Three limited duration positions (3.00 FTE) to support the implementation of HB 4045 (2024) and in particular the Oregon Public Service Retirement Plan changes to select Police & Fire retirement pension benefits. The positions include: one Retirement Counselor 2 (1.00 FTE) and two Office Specialist 2s (2.00 FTE).
- (3) \$3.2 million for planning, analysis, and design.
- (4) \$2.2 million for contractor services needed to implement HB 4045 (2024) and in particular the Oregon Public Service Retirement Plan changes to select Police & Fire retirement pension benefits in Oregon Retirement Information On-Line Network (ORION).
- (5) \$500,000 for Independent Quality Management Services.
- (6) \$335,000 for a contingency.

The revenue to support this package falls under ORS 238.610, which directs that the administrative operations expenses for the agency are to be 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.

LFO Recommendation Approve the request, as modified.

Budget Notes #2 Budget Note: HB 4045 (2024) Implementation Status Report

The Public Employees Retirement System and the Department of Administrative Services - Enterprise Information Services (DAS-EIS) are directed to jointly report to the Interim Joint Committee on Ways and Means in January 2026 , on the status of the agency's implementation of HB 4045 (2024).

LFO Analyst Notes SB 5534 (2025)

LFO Recommended	-	-	7,036,629	-	-	-	7,036,629	4	3.88
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LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 45900-900-00-00-00000

Core Retirement System Applications

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 104 Modernization

Package Description This package increases Other Funds expenditure limitation by \$7.8 million and authorizes the establishment of 14 positions (13.52 FTE) for the planning and implementation of a modernization program related to the PERS pension administration system. The package has the following two components:

(1) Core Retirement System Applications Program Office for project management and administration. This component creates Program execution capacity for the PERS Modernization Program Office and continues on-going investments towards the modernization of the Oregon Retirement Information On-Line Network (ORION) pension administration system. The position request includes: one permanent full-time Business Operations Manager (1.00 FTE), two permanent Information Systems Specialist 8 (1.76 FTE); two permanent Operations & Policy Analyst 3s (1.88 FTE), three permanent Project Manager 3s (3.00 FTE), two permanent Project Manager 2s (2.00 FTE), one permanent Program Analyst 4 (0.88 FTE), one permanent Procurement and Contract Specialist 3 (1.00 FTE), and two limited duration Operations & Policy Analyst 2s (2.00 FTE). The associated services and supplies total \$280,000.

(2) ORION Modernization Program Costs are for contract services for the following: Comprehensive Solutions and Total Cost of Ownership Analysis (\$25,000), Independent Quality Management Services (\$1 million), Telephony Technology Implementation (\$1.5 million), Member Identity and Access Management solution improvements (\$530,000), Hybrid Integration Platform Architecture Design (\$500,000), and \$178,000 in contingency funding.

The revenue to support this package falls under ORS 238.610, which directs that the administrative operations expenses for the agency are to be 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.

LFO Recommendation Approve the request, as modified.

Budget Notes #1 Budget Note: Modernization Program Plan

The Public Employees Retirement System and the Department of Administrative Services - Enterprise Information Services (DAS-EIS) are directed to jointly report to the Interim Joint Committee on Ways and Means in January 2026, on the progress being made towards modernizing the Oregon Retirement Information Online Network (ORION) pension administration system. The report is to include, but is not limited to, the following:

- (a) status report on the Program's Joint Legislative Fiscal Office and DAS-EIS Stage Gate endorsement(s);
- (b) results of the contracted Solutions Analysis Framework and the agency's recommended path forward for the Modernization Program;
- (c) Independent quality control reviews of the Modernization Program's solutions analysis and any associated business case update;
- (d) summaries of all updated foundational program documentation;
- (e) status on the implementation of 2025 legislative investments in the Modernization program, including the hiring of authorized positions and standing up the Core Retirement System Applications Program Office; and
- (f) any additional information related to the Modernization Program for which will assist the Legislature in understanding the agency's revised plan for the Modernization Program.

LFO Analyst Notes SB 5534 (2025)

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
LFO Recommended	-	-	7,833,071	-	-	-	7,833,071	14	13.52

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

Package Description This package increases Other Funds expenditure limitation by \$6.7 million for a Legacy Stabilization and Technology Readiness initiative which includes: \$3.7 million for a User Interface and User Experience design effort; \$1.9 million to complete Foundational Architecture Documentation; \$735,280 for Member Identity and Access Management solution subscription costs (originally budgeted under Policy Package #105); and \$318,500 in contingency funding.

The revenue to support this package falls under ORS 238.610, which directs that the administrative operations expenses for the agency are to be 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.

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

LFO Analyst Notes SB 5534 (2025)

LFO Recommended	-	-	6,688,780	-	-	-	6,688,780	-	-
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Legislatively Proposed 2025 - 2027 Key Performance Measures

Published: 5/2/2025 1:46:04 PM

Agency: Public Employees Retirement System

Mission Statement:

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

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2026	Target 2027
1. TIMELY RETIREMENT PAYMENTS - Percent of initial service retirements paid within 45 days from retirement date.		Approved	60%	80%	80%
2. TOTAL BENEFIT ADMIN COSTS - Total benefit administration costs per member.		Approved	\$215.00	\$225.00	\$225.00
3. MEMBER TO STAFF RATIO - Ratio of members to FTE staff.		Approved	986	1,000	1,000
4. ACCURATE BENEFIT CALCULATIONS - Percent of service retirement monthly benefits accurately calculated to within \$5 per month.		Approved	99%	100%	100%
5. LEVEL OF PARTICIPATION - Percent of state employees participating in the deferred compensation program.		Approved	46%	60%	60%
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	88%	90%	90%
	Overall		88%	90%	90%
	Availability of Information		82%	90%	90%
	Timeliness		89%	92%	92%
	Accuracy		89%	92%	92%
	Expertise		89%	92%	92%
7. TIMELY BENEFIT ESTIMATES - Percent of benefit estimates processed within 30 days.		Approved	97%	100%	100%
8. BOARD OF DIRECTORS BEST PRACTICES - Percent of total best practices criteria met by the PERS board.		Approved	100%	100%	100%

LFO Recommendation:

The Legislative Fiscal Office recommends approval of the Public Employees Retirement System's 2025-27 Key Performance Measures and targets.

SubCommittee Action: