

SUBCOMMITTEE RECOMMENDATION

SB 5534

Public Employees Retirement System

To: Ways and Means Full Committee
From: General Government Subcommittee
Carrier: Representative Smith

SB 5534 is the budget bill for the Public Employees Retirement System, which 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 General Government Subcommittee recommends a total funds budget of \$15.5 billion and 433 positions. The budget is 12.6% more than the 2023-25 legislatively approved budget and 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.

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; information technology investments related to help desk support and the reclassification of positions; additional actuarial, human resources, communications, and support services staff; additional staff for appeals and contested cases; and staff for benefit calculations.

Other investments include continued funding for the implementation of HB 4045 from the 2024 session, funding to stabilize existing information technology

applications, and continued funding of the Modernization Program. The measure also includes a 2023-25 biennium rebalance for the Modernization Program.

Two budget notes are included related to reporting to the 2026 Legislature on the implementation of HB 4045 and the Modernization Program.

The General Government Subcommittee recommends SB 5534 be amended by the –1 amendment and be reported out do pass, as amended.