January 15, 2001

## Department 192 - Public Employees Retirement System House Bill No. 1025

2001-03 Schafer Executive Budget 1999-2001 Legislative Appropriations Increase (Decrease)	FTE Positions 27.00 26.00 1.00	General Fund	Other Funds \$3,859,480 3,399,952 \$459,528	Total \$3,859,480 3,399,952 <sup>1</sup> \$459,528
2001-03 Hoeven Executive Budget Hoeven Increase (Decrease) to Schafer	27.00	\$0	\$3,859,480 \$0	\$3,859,480 \$0

<sup>&</sup>lt;sup>1</sup>The 1999-2001 appropriation amount includes \$40,517 of other funds for the agency's share of the \$5.4 million funding pool appropriated to the Office of Management and Budget (OMB) for special market equity adjustments for classified employees and \$2,526 of other funds for the agency's share of the \$1.4 million funding pool appropriated to OMB for assisting agencies in providing \$35 per month minimum salary increases in July 1999 and July 2000.

## Major Schafer Recommendations Affecting the Public Employees Retirement System 2001-03 Budget

	General Fund	Other Funds	Total
<ol> <li>Increases funding for operating expenses by 23.4 percent, from \$1,222,052 to \$1,507,730 to reflect the following changes:</li> </ol>			
Inflationary increases		\$62,985	\$62,985
Establishment of interactive voice response and Internet-based systems to allow members to access information or complete benefit forms 24-hours per day		190,056	190,056
Other		32,637	32,637
Total recommended changes		\$285,678	\$285,678
<ol><li>Adds 1 FTE employee benefits programs specialist and provides the following amounts to conduct member education programs:</li></ol>			
Salaries and wages		\$77,678	\$77,678
Operating expenses		6,732	6,732
Equipment		4,500	4,500
Total recommended appropriation		\$88,910	\$88,910

## Major Hoeven Recommendations Affecting the Public Employees Retirement System 2001-03 Budget Compared to the Bill as Introduced (Schafer Budget)

The Hoeven budget recommendation does not change the Schafer executive budget recommendation for this agency.

## Major Legislation Affecting the Public Employees Retirement System

**Senate Bill No. 2082** - This bill increases the Public Employees Retirement System defined benefits plan benefits multiplier from 1.89 to 2 percent and provides a postretirement benefit increase for retired members.

**House Bill No. 1216** - This bill extends until December 31, 2001, the time period within which state employees eligible to participate in the defined contribution plan may elect to do so.

**House Bill No. 1217** - This bill expands eligibility to participate in the defined contribution plan to include all state employees except Supreme Court and district court judges or higher education employees eligible to participate in TIAA-CREF.