

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2022

Page 1, line 6, remove the second "and"

Page 1, line 6, after "exemption" insert "; to provide a report; and to declare an emergency"

Page 1, replace lines 15 through 19 with:

"Salaries and wages	\$6,785,839	\$2,124,208	\$8,910,047
Operating expenses	1,323,528	1,546,409	2,869,937
Contingencies	<u>100,000</u>	<u>100,000</u>	<u>200,000</u>
Total special funds	\$8,209,367	\$3,770,617	\$11,979,984
Full-time equivalent positions	25.00	9.00	34.00"

Page 2, line 11, after "Investment" insert "and fiscal operations"

Page 2, line 11, after "office" insert "necessary for the management of the investment of funds under the control of the state investment board"

Page 2, line 27, after "**program**" insert "**- Report to legislative management**"

Page 2, line 29, after "investment" insert "and fiscal operations"

Page 2, line 29, replace "related to the internal" with "necessary for the"

Page 3, line 3, after "benchmarks" insert ". Any amounts paid under this program must be considered compensation and not personal profit on behalf of the employee. Each interim, the state retirement and investment office shall provide at least one report to the legislative management regarding the status of the program, including the provisions of the program; the total amount of incentives paid out to employees each year; and the minimum, maximum, and average payout per eligible full-time equivalent position"

Page 3, after line 9, insert:

SECTION 7. REPORT TO BUDGET SECTION. Prior to the implementation of the incentive compensation program under section 5 of this Act and after approval of the program by the state investment board, the state retirement and investment office shall provide a report to the budget section regarding the provisions of the program, during the period beginning with the effective date of this Act and ending June 30, 2025.

SECTION 8. EMERGENCY. Section 7 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2022 - Retirement and Investment Office - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$6,785,839	\$10,550,226	(\$1,640,179)	\$8,910,047

Operating expenses	1,323,528	2,869,937		2,869,937
Contingencies	100,000	200,000		200,000
Total all funds	\$8,209,367	\$13,620,163	(\$1,640,179)	\$11,979,984
Less estimated income	8,209,367	13,620,163	(1,640,179)	11,979,984
General fund	\$0	\$0	\$0	\$0
FTE	25.00	34.00	0.00	34.00

Department 190 - Retirement and Investment Office - Detail of House Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Removes Salary Funding for Funding Pool ²	Total House Changes
Salaries and wages	\$145,897	(\$1,786,076)	(\$1,640,179)
Operating expenses			
Contingencies			
Total all funds	\$145,897	(\$1,786,076)	(\$1,640,179)
Less estimated income	145,897	(1,786,076)	(1,640,179)
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

¹ Salaries and wages funding is adjusted for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	General Fund	Other Funds	Total
Salary increase	\$0	\$148,855	\$148,855
Health insurance adjustment	0	(2,958)	(2,958)
Total	\$0	\$145,897	\$145,897

The Senate provided salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024.

² Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	General Fund	Other Funds	Total
New FTE positions	\$0	(\$1,547,947)	(\$1,547,947)
Vacant FTE positions	0	(238,129)	(238,129)
Total	\$0	(\$1,786,076)	(\$1,786,076)

The Senate did not remove funding for a new and vacant FTE funding pool.

This amendment also:

- Amends two sections allowing fiscal operations positions, along with investment positions, to be exempt from the state employee classification system and to be eligible for a newly created incentive compensation program. The Senate exempted investment positions from the classification system and authorized investment positions to be eligible for a newly created incentive compensation program.
- Adds sections to require the Retirement and Investment Office to provide a report to the Budget Section prior to the implementation of the incentive compensation program and to include an emergency clause related to the report. The Senate did not include any reporting requirements for the program.