

PROPOSED AMENDMENTS TO SENATE BILL NO. 2023

Page 1, line 2, after "system" insert "; to provide a contingent appropriation; and to provide for a report"

Page 1, line 4, after the boldfaced period insert "**APPROPRIATION.**"

Page 1, replace lines 9 through 15 with:

"	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$7,209,060	\$1,262,868	\$8,471,928
Operating expenses	2,396,236	147,476	2,543,712
Contingencies	250,000	0	250,000
Defined benefit plan closure	0	1,006,839	1,006,839
Total special funds	\$9,855,296	\$2,417,183	\$12,272,479
Full-time equivalent positions	35.50	6.00	41.50"

Page 1, line 16, after the boldfaced period insert "**ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.**"

Page 1, line 17, after "biennium" insert "and the one-time funding items included in the appropriation in section 1 of this Act"

Page 1, replace lines 19 through 21 with:

"Upgrade benefit enrollment system	\$104,500	\$0
Upgrade PERSLink business system	257,600	125,000
Modify PERSLink business system	0	125,000
Temporary salaries	0	200,000
Staff operating expenses	0	7,000
Total special funds	\$362,100	\$457,000

**SECTION 3. DEFINED BENEFIT PLAN CLOSURE LINE ITEM - CONTINGENT FUNDING AND FULL-TIME EQUIVALENT POSITIONS - ONE-TIME FUNDING.** The defined benefit plan closure line item in section 1 of this Act includes the sum of \$1,006,839, of which \$681,839 is for salaries and wages and related operating expenses for three full-time equivalent positions, \$200,000 is for temporary salaries, and \$125,000 is for modification of the PERSLink business system. The public employees retirement system may spend funding from this line item only if the sixty-eight legislative assembly closes the main system defined benefit retirement plan to new hires. Of the funding in this line item, \$328,000 is considered a one-time funding item.

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2023 - Public Employees Retirement System - Senate Action**

Base Budget	Senate Changes	Senate Version
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Salaries and wages	\$7,209,060	\$1,262,868	\$8,471,928
Operating expenses	2,396,236	147,476	2,543,712
Contingencies	250,000		250,000
Defined benefit plan closure		1,006,839	1,006,839
<b>Total all funds</b>	<b>\$9,855,296</b>	<b>\$2,417,183</b>	<b>\$12,272,479</b>
Less estimated income	9,855,296	2,417,183	12,272,479
General fund	\$0	\$0	\$0
<b>FTE</b>	<b>35.50</b>	<b>6.00</b>	<b>41.50</b>

**Department 192 - Public Employees Retirement System - Detail of Senate Changes**

	<b>Adds Funding for Costs to Continue Salaries<sup>1</sup></b>	<b>Adds Funding for Salary and Benefit Increases<sup>2</sup></b>	<b>Adds Funding for Salary Equity Increases<sup>3</sup></b>	<b>Adds Funding for FTE Positions<sup>4</sup></b>	<b>Adds Funding for Contingent FTE Positions<sup>5</sup></b>	<b>Adjusts Base Level Funding<sup>6</sup></b>
Salaries and wages	\$53,963	\$560,063	\$258,000	\$501,210		(\$110,368)
Operating expenses				2,175		16,301
Contingencies						
Defined benefit plan closure		35,412			\$643,427	
<b>Total all funds</b>	<b>\$53,963</b>	<b>\$595,475</b>	<b>\$258,000</b>	<b>\$503,385</b>	<b>\$643,427</b>	<b>(\$94,067)</b>
Less estimated income	53,963	595,475	258,000	503,385	643,427	(94,067)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
<b>FTE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3.00</b>	<b>3.00</b>	<b>0.00</b>

	<b>Adds One-Time Funding for Contingent Temporary Staff<sup>7</sup></b>	<b>Adds Contingent One-Time Funding for the PERSLink Business System<sup>8</sup></b>	<b>Adds One-Time Funding to Upgrade the PERSLink Business System<sup>9</sup></b>	<b>Adds One-Time Funding for New FTE Position Operating Expenses<sup>10</sup></b>	<b>Total Senate Changes</b>
Salaries and wages					\$1,262,868
Operating expenses			\$125,000	\$4,000	147,476
Contingencies					
Defined benefit plan closure	\$200,000	\$125,000		3,000	1,006,839
<b>Total all funds</b>	<b>\$200,000</b>	<b>\$125,000</b>	<b>\$125,000</b>	<b>\$7,000</b>	<b>\$2,417,183</b>
Less estimated income	200,000	125,000	125,000	7,000	2,417,183
General fund	\$0	\$0	\$0	\$0	\$0
<b>FTE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6.00</b>

<sup>1</sup> Funding is added for the cost to continue salary increases.

<sup>2</sup> The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from \$1,429 to \$1,648 per month:

<b>Other Funds</b>	
Salary increase	\$379,719
Health insurance increase	<u>215,756</u>
<b>Total</b>	<b>\$595,475</b>

<sup>3</sup> Funding is added for salary equity increases.

<sup>4</sup> Funding is added for the following FTE positions:

**Other Funds**

One FTE retirement processing position	\$215,357
One FTE receptionist position	125,711
One FTE member services representative position	<u>162,317</u>
Total	503,385

<sup>5</sup> Funding is added for the following FTE positions, including \$640,352 for salaries and \$3,075 of related ongoing operating expenses. This funding is available to the Public Employees Retirement System only if the 2023 Legislative Assembly closes the main system defined benefit retirement plan to new hires.

**Other Funds**

One FTE benefit manager position	\$294,451
One FTE counselor position	186,359
One FTE member services representative position	<u>162,617</u>
Total	\$643,427

<sup>6</sup> Base level funding is adjusted to add \$16,301 for Information Technology Department rate increases and to reduce temporary salaries by \$110,368 to provide a total of \$150,000 of ongoing funding for temporary salaries during the 2023-25 biennium.

<sup>7</sup> One-time funding of \$200,000 is added for temporary salaries, which is available to the Public Employees Retirement System only if the 2023 Legislative Assembly closes the main system defined benefit retirement plan to new hires.

<sup>8</sup> One-time funding of \$125,000 is added to hire a third-party developer to modify the PERSLink business system software, which is available to the Public Employees Retirement System only if the 2023 Legislative Assembly closes the main system defined benefit retirement plan to new hires.

<sup>9</sup> One-time funding of \$125,000 is added to hire a third-party developer to upgrade the PERSLink business system software.

<sup>10</sup> One-time funding of \$7,000 purchasing is added for chairs for new FTE positions. Of this amount, \$3,000 is available to the Public Employees Retirement System only if the 2023 Legislative Assembly closes the main system defined benefit retirement plan to new hires.

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This amendment also adds a section to identify \$1,006,839 appropriated in the defined benefit plan closure line item in Section 1 is available to the Public Employees Retirement System only if the 2023 Legislative Assembly closes the main system defined benefit retirement plan to new hires.