Prepared by the Legislative Council staff for
Conference Committee
April 20, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2023

That the House recede from its amendments as printed on pages 1529-1531 of the Senate Journal and pages 1739-1741 of the House Journal and that Engrossed Senate Bill No. 2023 be amended as follows:

Page 1, line 2, after the first semicolon insert "and"

Page 1, line 2, remove "; and to provide for a report"

Page 1, replace lines 11 through 16 with:

"Salaries and wages	$7,209,060	$529,419	$7,738,479
Operating expenses	2,396,236	146,476	2,542,712
Contingencies	250,000	0	250,000
Defined benefit plan closure	0	372,027	372,027
Total special funds	$9,855,296	$1,047,922	$10,903,218
Full-time equivalent positions	35.50	5.00	40.50"

Page 2, replace lines 2 and 3 with:

"Staff operating expenses	0	5,000
Total special funds	$362,100	$455,000

The 2023-25 biennium one-time funding amounts are not part of the entity's base budget for the 2025-27 biennium. The public employees retirement system shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 2, line 5, remove "**- ONE-TIME FUNDING**"

Page 2, line 6, replace "$1,006,839" with "$372,027"

Page 2, line 6, replace "$681,839" with "$47,027"

Page 2, line 7, after the first "for" insert "a portion of"

Page 2, line 7, replace "three" with "two"

Page 2, line 11, replace "$328,000" with "$327,000"

Page 2, line 11, replace "considered" with "identified as"

Page 2, line 11, after the second "item" insert "in section 2 of this Act. In addition, the public employees retirement system may request the office of management and budget to transfer up to $479,660 of additional funding from the new and vacant FTE funding pool to this line item for salaries and wages of the full-time equivalent positions identified in this section"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2023 - Public Employees Retirement System - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	$7,209,060	$8,471,928	($733,449)	$7,738,479	$7,718,847	$19,632
Operating expenses	2,396,236	2,543,712	(1,000)	2,542,712	2,540,987	1,725
Contingencies	250,000	250,000		250,000	250,000	
Defined benefit plan closure		1,006,839	(634,812)	372,027	372,027	
Total all funds	$9,855,296	$12,272,479	($1,369,261)	$10,903,218	$10,881,861	$21,357
Less estimated income	9,855,296	12,272,479	(1,369,261)	10,903,218	10,881,861	21,357
General fund	$0	$0	$0	$0	$0	$0
FTE	35.50	41.50	(1.00)	40.50	39.50	1.00

Department 192 - Public Employees Retirement System - Detail of Conference Committee Changes

	Adjusts Funding for Salary and Benefit Increases[1]	Reduces Funding for Salary Equity Increases[2]	Removes Contingent FTE Position[3]	Removes Salary Funding for Funding Pool[4]	Reduces Funding for Temporary Salaries[5]	Removes One-Time Funding for New Position Operating Expenses[6]
Salaries and wages	$116,138	($78,000)		($721,587)	($50,000)	
Operating expenses						($1,000)
Contingencies						
Defined benefit plan closure	8,165		($162,317)	(479,660)		(1,000)
Total all funds	$124,303	($78,000)	($162,317)	($1,201,247)	($50,000)	($2,000)
Less estimated income	124,303	(78,000)	(162,317)	(1,201,247)	(50,000)	(2,000)
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	(1.00)	0.00	0.00	0.00

	Total Conference Committee Changes
Salaries and wages	($733,449)
Operating expenses	(1,000)
Contingencies	
Defined benefit plan closure	(634,812)
Total all funds	($1,369,261)
Less estimated income	(1,369,261)
General fund	$0
FTE	(1.00)

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[1] Salaries and wages funding is adjusted to provide 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:

	Special Funds
Salary increase	$129,155
Health insurance adjustment	(4,852)
Total	$124,303

The funding adjusted by the conference committee is the same as adjusted by House. The Senate provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

[2] Funding for salary equity increases is reduced by $78,000 to provide a total of $180,000 from special funds. The Senate provided $258,000. The House did not provide funding for salary equity increases.

[3] One contingent FTE member services representative position and funding of $162,317 from special funds, of which $161,592 is for salaries and wages and $725 is for operating expenses, is removed. The House also removed this position. The Senate added 3 contingent FTE positions, including the FTE member services representative position, an FTE benefit manager position, and an FTE counselor position. The contingent FTE positions are available to the Public Employees Retirement System only if the 2023 Legislative Assembly closes the main system defined benefit retirement plan to new hires.

[4] 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.

	Special Funds
New FTE positions	($980,870)
Vacant FTE positions	(220,377)
Total	($1,201,247)

[5] Funding from special funds for temporary salaries is reduced from the Senate version by $50,000 to provide a total of $100,000. The Senate reduced the base level of $260,368 by $110,368 to provide a total of $150,000. The House restored the $110,368 to the base level of $260,368.

[6] One-time funding of $2,000 from special funds for chairs for new FTE positions is removed to provide a total of $5,000. The Senate added $7,000 from special funds for this purpose. The House removed $3,000 to provide a total of $4,000 from special funds.

The Conference Committee version:

- Restores 1 FTE member services representative position and funding of $162,317 from special funds, of which $161,592 is for salaries and wages and $725 is for operating expenses, which was added by the Senate but removed by the House. The Senate, House, and Conference Committee also added an FTE retirement processing lead position and an FTE receptionist position.
- Amends a section identifying the amount of funding that is appropriated in Section 1 that 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, the same as amended by the House.