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Title.

Fiscal No. 1

Prepared by the Legislative Council staff for
the House Appropriations - Government
Operations Division Committee
March 27, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2023

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	\$509,787	\$7,718,847
Operating expenses	2,396,236	144,751	2,540,987
Contingencies	250,000	0	250,000
Defined benefit plan closure	<u>0</u>	<u>372,027</u>	<u>372,027</u>
Total special funds	\$9,855,296	\$1,026,565	\$10,881,861
Full-time equivalent positions	35.50	6.00	39.50"

Page 2, replace lines 2 and 3 with:

"Staff operating expenses	<u>0</u>	<u>4,000</u>
Total special funds	\$362,100	\$454,000

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"

Page 2, line 11, after the second period insert "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 for 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 - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$7,209,060	\$8,471,928	(\$753,081)	\$7,718,847
Operating expenses	2,396,236	2,543,712	(2,725)	2,540,987
Contingencies	250,000	250,000		250,000
Defined benefit plan closure		1,006,839	(634,812)	372,027
Total all funds	\$9,855,296	\$12,272,479	(\$1,390,618)	\$10,881,861
Less estimated income	9,855,296	12,272,479	(1,390,618)	10,881,861
General fund	\$0	\$0	\$0	\$0
FTE	35.50	41.50	(2.00)	39.50

Department 192 - Public Employees Retirement System - Detail of House Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Removes Funding for Salary Equity Increases ²	Removes FTE Position ³	Removes Contingent FTE Position ⁴	Restores Funding for Temporary Salaries ⁵	Removes One-Time Funding for New Position Operating Expenses ⁶
Salaries and wages	\$116,138	(\$258,000)	(\$161,592)		\$110,368	
Operating expenses			(725)			(\$2,000)
Contingencies						
Defined benefit plan closure	8,165			(\$162,317)		(1,000)
Total all funds	\$124,303	(\$258,000)	(\$162,317)	(\$162,317)	\$110,368	(\$3,000)
Less estimated income	124,303	(258,000)	(162,317)	(162,317)	110,368	(3,000)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	(1.00)	(1.00)	0.00	0.00

	Removes Salary Funding for Funding Pool ²	Total House Changes
Salaries and wages	(\$559,995)	(\$753,081)
Operating expenses		(2,725)
Contingencies		
Defined benefit plan closure	(479,660)	(634,812)
Total all funds	(\$1,039,655)	(\$1,390,618)
Less estimated income	(1,039,655)	(1,390,618)
General fund	\$0	\$0
FTE	0.00	(2.00)

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 increase	(4,852)
Total	\$124,303

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

² Funding is removed for salary equity increases. The Senate added \$258,000 from special funds.

³ One 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 Senate added 3 FTE positions, including the FTE member services representative position, an FTE retirement processing lead position, and an FTE receptionist position.

⁴ 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 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.

⁵ Funding of \$110,368 from special funds for temporary salaries is restored by the House to provide a total of \$260,368 for temporary salaries. The Senate reduced \$110,368 of temporary salaries to provide a total of \$150,000 from special funds.

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

⁷ 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	(\$819,278)
Vacant FTE positions	<u>(220,377)</u>
Total	(\$1,039,655)

This amendment also changes 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.

