

**Public Employees Retirement System
Budget 192
Senate Bill No. 2022; House Bill No. 1021**

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriation (original)	34.50	\$0	\$9,496,373	\$9,496,373
2013-15 legislative appropriation	<u>33.00</u>	<u>0</u>	<u>7,650,450</u>	<u>7,650,450</u>
2015-17 appropriation increase (decrease) to 2013-15 appropriation	1.50	\$0	\$1,845,923	\$1,845,923
2015-17 general fund budget allotment (4.05 percent)	<u>0.00</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Adjusted 2015-17 appropriation after budget allotment	34.50	\$0	\$1,845,923	\$1,845,923

Item Description

General fund budget allotment - In February 2016 the Governor ordered a 4.05 percent general fund budget allotment for state agencies.

Appropriation line item transfers - Section 3 of 2015 Senate Bill No. 2022 authorizes PERS to transfer funds from its contingencies line item to other line items and provides that the agency notify the Office of Management and Budget of each transfer made.

Desktop support services - Section 7 of 2015 House Bill No. 1021 requires certain agencies, including the Public Employees Retirement System to obtain desktop support services from the Information Technology Department. Section 8 of the bill appropriated \$152,950 from other funds, of which \$77,370 is considered one-time funding, for desktop support services for PERS.

Public Employees Retirement System fund status - Provided below is a summary of the actuarial value of the PERS main fund:

Actuarial Value (Amounts Shown in Billions)				
	Actuarial Accrued Liability	Actuarial Value of Assets	Actuarial Funded Ratio	
June 30, 2009	\$1.86	\$1.58	85%	
June 30, 2010	\$2.16	\$1.58	73%	
June 30, 2011	\$2.28	\$1.60	70%	
June 30, 2012	\$2.44	\$1.58	65%	
June 30, 2013	\$2.65	\$1.63	62%	
June 30, 2014	\$2.87	\$1.84	64%	
June 30, 2015	\$2.98	\$2.03	68%	

Status/Result

The budget allotment did not reduce the appropriation authority for the Public Employees Retirement System (PERS) because the agency did not receive an appropriation from the general fund.

The Public Employees Retirement System does not anticipate transferring any funds from the \$250,000 contingencies line item. The agency may review its budget prior to the end of the biennium to determine if a portion of the funds are needed for additional projects.

The Information Technology Department implemented desktop support services for PERS in February 2016. The agency anticipates spending all funding appropriated for desktop support services by the end of the biennium.

A decline in the market value of fund investments caused actuarial funded levels to decrease from 85 percent as of June 2009 to 68 percent as of June 2015.

Provided below is a status summary of the market value of the PERS main fund:

Market Value of Assets (Amounts Shown in Billions)		
	Market Value of Assets	Annual Percentage Change in Market Value
June 30, 2009	\$1.29	N/A
June 30, 2010	\$1.43	10.85%
June 30, 2011	\$1.71	19.58%
June 30, 2012	\$1.68	(1.75%)
June 30, 2013	\$1.90	13.10%
June 30, 2014	\$2.21	16.32%
June 30, 2015	\$2.30	4.07%
February 29, 2016, preliminary market value of assets	\$2.24	(2.61%)