

**Department 192 - Public Employees Retirement System
 House Bill No. 1025**

	FTE Positions	General Fund	Other Funds	Total
2001-03 Schafer Executive Budget	27.00		\$3,859,480	\$3,859,480
1999-2001 Legislative Appropriations	<u>26.00</u>		<u>3,399,952</u>	<u>3,399,952</u> ¹
Increase (Decrease)	<u>1.00</u>	<u>\$0</u>	<u>\$459,528</u>	<u>\$459,528</u>

2001-03 Hoeven Executive Budget	<u>27.00</u>		<u>\$3,859,480</u>	<u>\$3,859,480</u>
Hoeven Increase (Decrease) to Schafer	<u>0.00</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

¹ The 1999-2001 appropriation amount includes \$40,517 of other funds for the agency's share of the \$5.4 million funding pool appropriated to the Office of Management and Budget (OMB) for special market equity adjustments for classified employees and \$2,526 of other funds for the agency's share of the \$1.4 million funding pool appropriated to OMB for assisting agencies in providing \$35 per month minimum salary increases in July 1999 and July 2000.

Major Schafer Recommendations Affecting the Public Employees Retirement System 2001-03 Budget

	General Fund	Other Funds	Total
1. Increases funding for operating expenses by 23.4 percent, from \$1,222,052 to \$1,507,730 to reflect the following changes:			
Inflationary increases		\$62,985	\$62,985
Establishment of interactive voice response and Internet-based systems to allow members to access information or complete benefit forms 24-hours per day		190,056	190,056
Other		<u>32,637</u>	<u>32,637</u>
Total recommended changes		<u>\$285,678</u>	<u>\$285,678</u>
2. Adds 1 FTE employee benefits programs specialist and provides the following amounts to conduct member education programs:			
Salaries and wages		\$77,678	\$77,678
Operating expenses		6,732	6,732
Equipment		<u>4,500</u>	<u>4,500</u>
Total recommended appropriation		<u>\$88,910</u>	<u>\$88,910</u>

**Major Hoeven Recommendations Affecting the Public Employees Retirement System 2001-03 Budget
 Compared to the Bill as Introduced (Schafer Budget)**

The Hoeven budget recommendation does not change the Schafer executive budget recommendation for this agency.

Major Legislation Affecting the Public Employees Retirement System

Senate Bill No. 2082 - This bill increases the Public Employees Retirement System defined benefits plan benefits multiplier from 1.89 to 2 percent and provides a postretirement benefit increase for retired members.

House Bill No. 1216 - This bill extends until December 31, 2001, the time period within which state employees eligible to participate in the defined contribution plan may elect to do so.

House Bill No. 1217 - This bill expands eligibility to participate in the defined contribution plan to include all state employees except Supreme Court and district court judges or higher education employees eligible to participate in TIAA-CREF.