

**Retirement and Investment Office
Budget 190
Senate Bill Nos. 2022, 2046; House Bill No. 1014**

	FTE Positions	General Fund	Other Funds	Total
2007-09 legislative appropriation	17.00		\$3,371,136	\$3,371,136
2005-07 legislative appropriation	<u>17.00</u>		<u>2,975,028</u>	<u>2,975,028</u>
2007-09 appropriation increase (decrease) to 2005-07 appropriation	0.00	\$0	\$396,108	\$396,108

NOTE: The 2007-09 legislative appropriation amounts include \$18,228 from other funds for the agency's share of the \$10 million funding pool appropriated to the Office of Management and Budget for special market equity adjustments for classified employees.

Item Description

Appropriation line item transfers - Section 4 of Senate Bill No. 2022 provides that the Retirement and Investment Office may transfer funds from the contingencies line item to all other line items and provides that the agency notify the Office of Management and Budget of each transfer made.

Membership transfer - House Bill No. 1078 allows employees of the Department of Career and Technical Education to transfer retirement plan membership from the Teachers' Fund for Retirement to the Public Employees Retirement System.

Increase in Teachers' Fund for Retirement employer contributions - Senate Bill No. 2046 increases Teachers' Fund for Retirement employer contributions by .50 percent, from 7.75 percent to 8.25 percent for all active members beginning July 1, 2008; requires employer contributions of 7.75 percent on reemployed retirees beginning on July 1, 2007, and 8.25 percent beginning on July 1, 2008; and reduces benefits for new hires.

Salary equity adjustments - The Legislative Assembly provided \$65,301 of special funds for salary equity adjustments.

Status/Result

As of March 31, 2008, the Retirement and Investment Office has made one transfer from the contingencies line item to the capital assets line item for \$11,441 to purchase a copier. The agency had originally budgeted funds to enter into a capital lease for the copier, but determined that a new state contract made purchasing more economical than leasing. The agency received State Investment Board approval to use the contingencies funds.

All 17 Department of Career and Technical Education employees elected to transfer to the Public Employees Retirement System. Member account data was moved and approximately \$3.1 million was transferred from the Teachers' Fund for Retirement to the Public Employees Retirement System in September 2007.

The Retirement and Investment Office is currently implementing the changes by notifying members and employers, updating forms and publications, developing or modifying computer programs and reports, and changing appropriate processes and procedures. The agency was provided a \$5,000 special funds appropriation to implement the changes, but to date the agency has not spent any of the funds. The agency may be able to pay for costs associated with the changes within its base operating expenses budget.

The Retirement and Investment Office provided salary equity adjustments to 13 FTE positions effective July 1, 2007. The salary equity adjustments, which ranged from \$48 to \$408 per month or from 2.5 percent to 15.5 percent, were in addition to the 4 percent salary increase for state employees effective July 1, 2007.