

**Public Employees Retirement System
Budget No. 192
Senate Bill No. 2022, House Bill Nos. 1014, 1078**

	FTE Positions	General Fund	Other Funds	Total
2007-09 executive budget (bills as introduced)	33.00	\$0	\$14,549,864	\$14,549,864
2007-09 legislative appropriations	33.00		15,243,302	15,243,302
Legislative increase (decrease) to executive budget	0.00	\$0	\$693,438	\$693,438
Legislative increase (decrease) to 2005-07 appropriations	4.00	(\$19,000)	\$10,543,065	\$10,524,065

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Public Employees Retirement System is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2189.

	Major Items			
	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for the agency's Legacy application computer system project providing a total of \$10,056,494 for the project			\$694,000	\$694,000
Reduced funding recommended in the executive budget relating to retiree health credit contributions			(3,562)	(3,562)
Provides funding in House Bill No. 1078 for system programming modifications associated with Department of Career and Technical Education employees transferring retirement plan memberships from the Teachers' Fund for Retirement to the Public Employees Retirement System			3,000	3,000
Total	0.00	\$0	\$693,438	\$693,438

FTE Changes

The 2007-09 biennium appropriation includes funding for 33 FTE positions, an increase of 4 FTE positions from the 2005-07 biennium authorized level of 29 FTE positions. The Legislative Assembly did not change the executive recommendation to add 4 FTE positions for the Legacy application computer system.

Other Sections in Senate Bill No. 2022

Appropriation line item transfers - Section 4 provides that the Public Employees Retirement System may transfer funds from the contingencies line item in subdivision 2 of Section 3 of the bill to all other line items and provides that the agency notify the Office of Management and Budget of each transfer made.

Additional spending authority - Section 5 provides that the Public Employees Retirement System may seek Emergency Commission approval for additional spending authority required to complete implementation of the Legacy application computer system replacement project.

Related Legislation

House Bill No. 1432 allows the Public Employees Retirement System Board to establish a collaborative drug therapy system and provides a continuing appropriation to the board for any funds that become available through private contributions, gifts, grants-in-aid, or other sources.

Senate Bill No. 2044 allows a one-time payment of 75 percent of the monthly retirement benefit in January of either 2008 or 2009 if the fund's return for either year is at least 9.06 percent and increases retired judges' benefits by 2 percent beginning January 1, 2008, and January 1, 2009, if the Public Employees Retirement System Board determines there is actuarial margin sufficient to pay the increase.

Senate Bill No. 2045 establishes a separate retiree Medicare-eligible prescription drug plan, allows the retiree credit for married couples, and establishes eligibility for temporary employees.

Senate Bill No. 2047 provides that employees first employed with the state on or after August 1, 2007, would be automatically enrolled in the deferred compensation program effective the first day of the month following the employee's first full month of employment with the state, unless the employee files with the Public Employees Retirement System Board a prescribed form for opting out of the automatic enrollment within 30 days of beginning employment. **The Governor vetoed this bill.**

Senate Bill No. 2048 changes the calculation of the final average salary for retirement benefits under the Highway Patrolmen's retirement system and the Public Employees Retirement System.