

Agency Expenditure Summary

	<u>FY 2017</u>		<u>FY 2018</u>		<u>FY 2019</u>	
	<u>Approp</u>	<u>Actual</u>	<u>Approp</u>	<u>Estimate</u>	<u>Request</u>	<u>Gov Rec</u>
By Function						
Administration	6,856,700	6,402,200	6,926,900	6,926,900	7,129,100	7,218,300
Portfolio Investment	969,100	924,300	1,021,000	1,021,000	882,400	893,400
Total	7,825,800	7,326,500	7,947,900	7,947,900	8,011,500	8,111,700
By Fund Source						
Dedicated	7,825,800	7,326,500	7,947,900	7,947,900	8,011,500	8,111,700
Total	7,825,800	7,326,500	7,947,900	7,947,900	8,011,500	8,111,700
By Object						
Personnel Costs	4,879,300	4,546,000	5,027,600	5,027,600	5,035,300	5,135,500
Operating Expenditures	2,723,600	2,549,300	2,733,800	2,733,800	2,805,700	2,805,700
Capital Outlay	222,900	231,200	186,500	186,500	170,500	170,500
Trustee/Benefit Payments	0	0	0	0	0	0
Lump Sum	0	0	0	0	0	0
Total	7,825,800	7,326,500	7,947,900	7,947,900	8,011,500	8,111,700
FTP Positions	66.00	66.00	67.00	67.00	68.00	68.00

	<u>FTP</u>	<u>Personnel Cost</u>	<u>Operating Expense</u>	<u>Capital Outlay</u>	<u>Trustee/Benefit</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
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Description: The Administration Program administers the Public Employee Retirement System of Idaho (PERSI) Base Plan, a defined benefit retirement plan that also provides separation, disability, death, and survivor benefits for all eligible state and school district employees. PERSI also administers the Sick Leave Reserve Fund for state and school district retirees, the Firefighters' Retirement Fund, the Judges' Retirement Fund, and the Idaho Falls and Boise City Police Retirement Funds. In addition to a defined benefit plan, the PERSI Administration Program oversees the PERSI Choice Plan, a defined contribution retirement plan that provides a 401(k) plan option to all eligible active PERSI members, but separate from the defined benefit plan.

FY 2018 Original Appropriation

3.00 FY 2018 Original Appropriation: HB 225

Dedicated	62.00	4,230,100	2,528,300	168,500	0	0	6,926,900
Total	62.00	4,230,100	2,528,300	168,500	0	0	6,926,900

FY 2018 Total Appropriation

Dedicated	62.00	4,230,100	2,528,300	168,500	0	0	6,926,900
Total	62.00	4,230,100	2,528,300	168,500	0	0	6,926,900

FY 2018 Estimated Expenditures

Dedicated	62.00	4,230,100	2,528,300	168,500	0	0	6,926,900
Total	62.00	4,230,100	2,528,300	168,500	0	0	6,926,900

Base Adjustments

8.31 Transfer Between Programs: This decision unit makes a program transfer of 2.0 FTP and dedicated fund spending authority from the Portfolio Investment Program to better align the organizational structure for employee reporting purposes.

Dedicated	2.00	150,000	0	0	0	0	150,000
Total	2.00	150,000	0	0	0	0	150,000

8.41 Removal of One-Time Expenditures: This decision unit removes one-time appropriation for FY 2018.

Dedicated	0.00	0	(117,000)	(168,500)	0	0	(285,500)
Total	0.00	0	(117,000)	(168,500)	0	0	(285,500)

FY 2019 Base

Dedicated	64.00	4,380,100	2,411,300	0	0	0	6,791,400
Total	64.00	4,380,100	2,411,300	0	0	0	6,791,400

	<u>FTP</u>	<u>Personnel Cost</u>	<u>Operating Expense</u>	<u>Capital Outlay</u>	<u>Trustee/Benefit</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
Program Maintenance							
10.11	Change in Health Benefit Costs: This decision unit reflects a one-time reduction in the employer health benefit cost based on the November Milliman projection, which showed a decrease from the June estimate. Employer costs are projected to return to the current level in FY 2020.						
	While the total cost of the plan continues to grow, prices and utilization are growing at a slower rate than projected for FY 2018. This has led to growth in reserves. To address this one-time overfunding of reserves, the Governor proposes a transfer of \$13,140,000 from the Group Insurance Account to the General Fund. These funds were transferred from the General Fund in FY 2016 to maintain the contractually required minimum and can now be repaid. In addition, the Governor proposes using reserve funds for a two-month premium holiday for both the employer and the employee. This will reduce overfunding of reserves and reward employees for their prudent use of plan benefits.						
Dedicated	0.00	(90,000)	0	0	0	0	(90,000)
Total	0.00	(90,000)	0	0	0	0	(90,000)
10.12	Change in Variable Benefit Costs: This decision unit reflects the scheduled changes in the employer variable benefits cost, including the October 2017 vote of the Public Employee Retirement System of Idaho Retirement Board to delay the scheduled employer contribution increase.						
Dedicated	0.00	2,400	0	0	0	0	2,400
Total	0.00	2,400	0	0	0	0	2,400
10.31	Repair, Replacement Items/Alterations: The Governor recommends \$297,500 in dedicated fund spending authority for repair and replacement items.						
Dedicated	0.00	0	150,000	147,500	0	0	297,500
Total	0.00	0	150,000	147,500	0	0	297,500
10.41	Attorney General Fees: Adjustments to the costs of legal services provided by the Office of the Attorney General are reflected here.						
Dedicated	0.00	0	29,700	0	0	0	29,700
Total	0.00	0	29,700	0	0	0	29,700
10.45	Risk Management Cost Increases: Adjustments to the costs of insurance coverage as projected by a third-party actuary and billed by the Office of Insurance Management are reflected here.						
Dedicated	0.00	0	(1,400)	0	0	0	(1,400)
Total	0.00	0	(1,400)	0	0	0	(1,400)
10.46	Controller's Fee Charge: Adjustments to the costs of statewide accounting and statewide payroll processing provided by the Office of the State Controller are reflected here.						
Dedicated	0.00	0	2,200	0	0	0	2,200
Total	0.00	0	2,200	0	0	0	2,200
10.47	Treasurer's Fee Charge: Adjustments to the costs of cash management and warrant processing by the Office of the State Treasurer are reflected here.						
Dedicated	0.00	0	(1,600)	0	0	0	(1,600)
Total	0.00	0	(1,600)	0	0	0	(1,600)
10.61	Salary Multiplier - Regular Employees: The Governor recommends a 3% increase in employee compensation, to be distributed on a merit basis.						
Dedicated	0.00	105,600	0	0	0	0	105,600
Total	0.00	105,600	0	0	0	0	105,600

	<u>FTP</u>	<u>Personnel Cost</u>	<u>Operating Expense</u>	<u>Capital Outlay</u>	<u>Trustee/Benefit</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
10.62 Salary Multiplier - Group and Temporary: The Governor does not recommend a compensation increase for group and temporary positions.							
Dedicated	0.00	0	0	0	0	0	0
Total	0.00	0	0	0	0	0	0

10.67 Compensation Schedule Changes: The Governor recommends the pay structure for state employees be moved 3%. As this will result in employees being below the minimum of their pay grade, he recommends additional funding to adjust that pay to the minimum.							
Dedicated	0.00	6,200	0	0	0	0	6,200
Total	0.00	6,200	0	0	0	0	6,200

FY 2019 Total Maintenance

Dedicated	64.00	4,404,300	2,590,200	147,500	0	0	7,142,000
Total	64.00	4,404,300	2,590,200	147,500	0	0	7,142,000

Line Items

12.01 Purchasing Agent : The Governor recommends 1.0 FTP, ongoing dedicated fund spending authority, and one-time Capital Outlay for a purchasing agent to make the review and monitoring of contracts more efficient and effective and to ensure compliance with Idaho Code.							
Dedicated	1.00	71,300	0	5,000	0	0	76,300
Total	1.00	71,300	0	5,000	0	0	76,300

FY 2019 Gov's Recommendation

Dedicated	65.00	4,475,600	2,590,200	152,500	0	0	7,218,300
Total	65.00	4,475,600	2,590,200	152,500	0	0	7,218,300

	<u>FTP</u>	<u>Personnel Cost</u>	<u>Operating Expense</u>	<u>Capital Outlay</u>	<u>Trustee/ Benefit</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
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Description: The Portfolio Investment Program is responsible for managing the investments and beneficiary distributions of the Public Employee Retirement System of Idaho (PERSI).

FY 2018 Original Appropriation

3.00 FY 2018 Original Appropriation: HB 225

Dedicated	5.00	797,500	205,500	18,000	0	0	1,021,000
Total	5.00	797,500	205,500	18,000	0	0	1,021,000

FY 2018 Total Appropriation

Dedicated	5.00	797,500	205,500	18,000	0	0	1,021,000
Total	5.00	797,500	205,500	18,000	0	0	1,021,000

FY 2018 Estimated Expenditures

Dedicated	5.00	797,500	205,500	18,000	0	0	1,021,000
Total	5.00	797,500	205,500	18,000	0	0	1,021,000

Base Adjustments

8.11 FTP or Fund Adjustments: This decision unit aligns the agency's FTP allocation by fund and makes a fund shift from the Public Employees Retirement System of Idaho (PERSI) Special Fund to the PERSI Administrative Fund.

Dedicated	0.00	0	0	0	0	0	0
Total	0.00	0	0	0	0	0	0

8.31 Transfer Between Programs: This decision unit makes a program transfer of 2.0 FTP and dedicated fund spending authority to the Administration Program from the Portfolio Investment Program to better align the organizational structure for employee reporting purposes.

Dedicated	(2.00)	(150,000)	0	0	0	0	(150,000)
Total	(2.00)	(150,000)	0	0	0	0	(150,000)

8.41 Removal of One-Time Expenditures: This decision unit removes one-time appropriation for FY 2018.

Dedicated	0.00	0	(2,200)	(18,000)	0	0	(20,200)
Total	0.00	0	(2,200)	(18,000)	0	0	(20,200)

FY 2019 Base

Dedicated	3.00	647,500	203,300	0	0	0	850,800
Total	3.00	647,500	203,300	0	0	0	850,800

	<u>FTP</u>	<u>Personnel Cost</u>	<u>Operating Expense</u>	<u>Capital Outlay</u>	<u>Trustee/Benefit</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
Program Maintenance							
10.11	Change in Health Benefit Costs: This decision unit reflects a one-time reduction in the employer health benefit cost based on the November Milliman projection, which showed a decrease from the June estimate. Employer costs are projected to return to the current level in FY 2020.						
	While the total cost of the plan continues to grow, prices and utilization are growing at a slower rate than projected for FY 2018. This has led to growth in reserves. To address this one-time overfunding of reserves, the Governor proposes a transfer of \$13,140,000 from the Group Insurance Account to the General Fund. These funds were transferred from the General Fund in FY 2016 to maintain the contractually required minimum and can now be repaid. In addition, the Governor proposes using reserve funds for a two-month premium holiday for both the employer and the employee. This will reduce overfunding of reserves and reward employees for their prudent use of plan benefits.						
Dedicated	0.00	(7,300)	0	0	0	0	(7,300)
Total	0.00	(7,300)	0	0	0	0	(7,300)
10.12	Change in Variable Benefit Costs: This decision unit reflects the scheduled changes in the employer variable benefits cost, including the October 2017 vote of the Public Employee Retirement System of Idaho Retirement Board to delay the scheduled employer contribution increase.						
Dedicated	0.00	1,200	0	0	0	0	1,200
Total	0.00	1,200	0	0	0	0	1,200
10.31	Repair, Replacement Items/Alterations: The Governor recommends \$20,200 in dedicated fund spending authority for repair and replacement items.						
Dedicated	0.00	0	2,200	18,000	0	0	20,200
Total	0.00	0	2,200	18,000	0	0	20,200
10.41	Attorney General Fees: Adjustments to the costs of legal services provided by the Office of the Attorney General are reflected here.						
Dedicated	0.00	0	9,900	0	0	0	9,900
Total	0.00	0	9,900	0	0	0	9,900
10.46	Controller's Fee Charge: Adjustments to the costs of statewide accounting and statewide payroll processing provided by the Office of the State Controller are reflected here.						
Dedicated	0.00	0	200	0	0	0	200
Total	0.00	0	200	0	0	0	200
10.47	Treasurer's Fee Charge: Adjustments to the costs of cash management and warrant processing by the Office of the State Treasurer are reflected here.						
Dedicated	0.00	0	(100)	0	0	0	(100)
Total	0.00	0	(100)	0	0	0	(100)
10.61	Salary Multiplier - Regular Employees: The Governor recommends a 3% increase in employee compensation, to be distributed on a merit basis.						
Dedicated	0.00	18,500	0	0	0	0	18,500
Total	0.00	18,500	0	0	0	0	18,500
FY 2019 Total Maintenance							
Dedicated	3.00	659,900	215,500	18,000	0	0	893,400
Total	3.00	659,900	215,500	18,000	0	0	893,400

Executive Budget Detail

Public Employee Retirement System
Portfolio Investment

	<u>FTP</u>	<u>Personnel Cost</u>	<u>Operating Expense</u>	<u>Capital Outlay</u>	<u>Trustee/ Benefit</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
FY 2019 Gov's Recommendation							
Dedicated	3.00	659,900	215,500	18,000	0	0	893,400
Total	3.00	659,900	215,500	18,000	0	0	893,400