

Agency 713

**State Employee Compensation**

**Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2007-09 Expenditure Authority</b>		810	720	1,530
<b>Supplemental Changes</b>				
Remove Pension Allocation		(810)	(720)	(1,530)
Pension Plan 1 COLA Funding		38	6	44
PEBB Rate Reduction		(2,183)	(390)	(2,573)
<b>Subtotal - Supplemental Changes</b>		(2,955)	(1,104)	(4,059)
<b>Total Proposed Budget</b>		(2,145)	(384)	(2,529)
Difference		(2,955)	(1,104)	(4,059)
Percent Change		(364.8)%	(153.3)%	(265.3)%

**SUPPLEMENTAL CHANGES**

**Remove Pension Allocation**

Funding was provided in the 2007-09 budget for the additional employer contributions to retirement systems required by modifications to the eligibility criteria for the uniform cost-of-living adjustment (COLA) in the Public Employees' Retirement System Plan 1 (PERS 1) and the Teachers' Retirement System Plan 1 (TRS 1) made in Chapter 89, Laws of 2007. This item removes that funding from the State Employee Compensation Adjustments agency in order to reflect it in individual agency budgets. (General Fund-State, various other accounts)

**Pension Plan 1 COLA Funding**

Funding was provided in the 2007-09 budget for the additional employer contributions to retirement systems required by modifications to the eligibility criteria for the uniform COLA in the Public Employees' Retirement System Plan 1 (PERS 1) and the Teachers' Retirement System Plan 1 (TRS 1) in Chapter 89, Laws of 2007. This item moves that funding from the State Employee Compensation Adjustments agency into individual agency budgets. Funding for legislative and judicial agencies remains in this State Employee Compensation agency. (General Fund-State, other funds)

**PEBB Rate Reduction**

The state contributes 88 percent of the total weighted average of the employee health care premium and also pays for the cost of dental, life and long-term disability insurance. Total Public Employees Benefit Board (PEBB) expenditures for the 2007-09 Biennium are anticipated to be lower than budgeted because (1) health plan costs for calendar year 2008 are lower than expected, which will benefit both the state and its employees; (2) the Uniform Medical Plan continues to perform better than projected; and (3) funding was removed from the PEBB administrative cost allocation for an information technology system replacement due to the restrictive nature of federal funding. The state employer contribution rate will be reduced from \$732 per month to \$575 per month. This one-time reduction will leave an unrestricted fund balance of \$19.2 million at the end of Fiscal Year 2009. (General Fund-State, various other funds).