

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010					2010-2011						
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
2QV Property Management	284,741	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
2QW Teacher Retirement System-Operations	120,798,830	82	170,859,981	82	170,668,587	82	174,051,349	101	172,529,584	88	172,529,584	88	184,230,541	101	182,630,062	88	182,630,062	88
C26 Teacher Retirement System-Cash	474,001,520	0	741,825,000	0	741,825,000	0	741,868,210	0	741,868,210	0	741,868,210	0	831,068,441	0	831,068,441	0	831,068,441	0
Total	595,085,091	82	913,184,981	82	912,993,587	82	916,419,559	101	914,897,794	88	914,897,794	88	1,015,798,982	101	1,014,198,503	88	1,014,198,503	88

Funding Sources		%		%		%		%		%		%		%		%		%
Cash Fund 4000045	474,001,520	79.7	741,825,000	81.2			741,868,210	81.0	741,868,210	81.1	741,868,210	81.1	831,068,441	81.8	831,068,441	81.9	831,068,441	81.9
Trust Fund 4000050	121,083,571	20.3	171,359,981	18.8			174,551,349	19.0	173,029,584	18.9	173,029,584	18.9	184,730,541	18.2	183,130,062	18.1	183,130,062	18.1
Total Funds	595,085,091	100.0	913,184,981	100.0			916,419,559	100.0	914,897,794	100.0	914,897,794	100.0	1,015,798,982	100.0	1,014,198,503	100.0	1,014,198,503	100.0
Excess Appropriation/(Funding)	0		0				0		0		0		0		0		0	
Grand Total	595,085,091		913,184,981				916,419,559		914,897,794		914,897,794		1,015,798,982		1,014,198,503		1,014,198,503	

The FY09 Budget amount for appropriation 2QW exceeds Authorized amount due to salary and matching rate adjustments during the 2007-2008 biennium.

Analysis of Budget Request

Appropriation: 2QV - Property Management

Funding Sources: TER - Teacher Retirement Fund

The Property Management Program of the Arkansas Teacher Retirement System pays for the necessary expenses to maintain properties that the System holds as investments. These expenses include, but are not limited to, attorney fees, foreclosure expenses, selling expenses, audit costs, appraisal expenses, property management fees, property rehabilitation costs, travel expenses related to property management, property repairs, property maintenance, advertising expenses, and property operating expenses.

The Agency Request is for Base Level.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2QV - Property Management

Funding Sources: TER - Teacher Retirement Fund

Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Property Management	5900046	284,741	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total		284,741	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000

Funding Sources										
Trust Fund	4000050	284,741	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Total Funding		284,741	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		284,741	500,000		500,000	500,000	500,000	500,000	500,000	500,000

Analysis of Budget Request

Appropriation: 2QW - Teacher Retirement System-Operations

Funding Sources: TER - Teacher Retirement Fund

The Arkansas Teacher Retirement System provides age, service, survivor, and disability benefits for public school teachers and other covered employees. This appropriation is funded by trust funds of the Teacher Retirement System.

Base Level salaries for classified positions reflect the recommendations of the Pay Plan Study as well as the recommendation for three positions transitioning from unclassified to classified positions. Unclassified positions reflect similar adjustments in line item salaries. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipends payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency's Change Level request totaling \$2,970,193 in FY10 and \$13,061,535 in FY11 reflects the following:

Regular Salaries and Personal Services Matching increases of \$1,165,251 in FY10 and \$1,189,328 in FY11 to support 19 new positions, including: a Systems Specialist (C124), a Public Information Manager (C123), a Senior Software Support Analyst (C123), a Retirement Section Manager (C123), two (2) Accounting Coordinators (C121), a Retirement Investment Specialist (C119), an Investment Analyst (C117), three (3) Retirement Counselors (C117), three (3) Accountant I (C116), three (3) Administrative Analysts (C115), an Administrative Specialist III (C112), and a Chief Investment Officer (Grade 99). These positions will be used to assure the Agency is sufficiently staffed to accommodate unusually large increases in the number of retired members and the services provided to those members.

Operating Expenses increases of \$646,031 in FY10 and \$709,962 in FY11 for replacement of outdated general ledger software due to discontinued support for current system and in an effort to go paperless; and increased actuarial service costs for income and benefits forecasting that were previously expensed in the Data Processing commitment item.

Conference & Travel Expenses increase of \$44,079 in FY10 and \$41,609 in FY11 to provide for additional travel to conferences and seminars that allow Agency staff to keep current with companies the Trust does business with and to stay abreast of the latest investment and planning strategies.

Benefits-Non-Employee increase of \$8,700,000 in FY11 to provide sufficient appropriation for benefits based on actuarial projections and historical trend analyses.

Investment Counsel decrease of \$500,000 in each year of the biennium to relinquish unused appropriation to help offset increases in member benefits.

Data Processing Services decrease of \$1,000,000 in each year of the biennium to help offset increases in member benefits.

Capital Outlay increases of \$270,800 in FY10 and \$242,500 in FY11 so ATRS can migrate to a paperless technology, improving processing efficiencies and to replace the general ledger software. The software provider, IBM, will no longer support the software with any technical expertise. The request for Capital Outlay is included in the Agency's Information Technology Plan.

Refunds/Reimbursements increases of \$2,344,032 in FY10 and \$3,678,136 in FY11 to ensure sufficient appropriation for payments made to employers and employees who are leaving State employment.

The Executive Recommendation provides for Base Level and an additional \$1,448,428 in FY10 and \$11,461,056 in FY11 to support the following:

Regular Salaries and Personal Services Matching increases of \$333,596 in FY10 and \$340,420 in FY11 for a Systems Specialist, a Senior Software Support Analyst, a Retirement Section Manager, and (3) Retirement Counselors to support an increased number of retirees projected by the Agency.

Data Processing/Investment Counsel decreases of \$1,500,000 each year.

Capital Outlay increase of \$270,800 in FY10 and \$242,500 in FY11.

Benefits-Non-Employee increase of \$8,700,000 in FY11.

Refunds/Reimbursements increase of \$2,344,032 in FY10 and \$3,678,136 in FY11.

The Legislative Recommendation concurs with the Executive Recommendation.

Due to the passage of Amendment 86 requiring annual sessions, the Legislative Recommendation is to discontinue Special Language provisions for carry forward of appropriation.

Appropriation Summary

Appropriation: 2QW - Teacher Retirement System-Operations

Funding Sources: TER - Teacher Retirement Fund

Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	2,775,130	3,252,755	3,096,986	4,280,909	3,636,331	3,636,331	4,372,893	3,713,497	3,713,497
	#Positions	82	82	82	101	88	88	101	88	88
Extra Help	5010001	94,332	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
	#Extra Help	14	14	14	14	14	14	14	14	14
Personal Services Matching	5010003	954,360	1,097,928	1,062,303	1,506,200	1,319,123	1,319,123	1,526,143	1,336,631	1,336,631
Overtime	5010006	17,350	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Operating Expenses	5020002	1,909,760	2,934,889	2,934,889	3,580,920	2,934,889	2,934,889	3,644,851	2,934,889	2,934,889
Conference & Travel Expenses	5050009	28,337	30,759	30,759	74,838	30,759	30,759	72,368	30,759	30,759
Professional Fees	5060010	166,671	343,650	343,650	343,650	343,650	343,650	343,650	343,650	343,650
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Benefits-Non Employee	5100023	107,845,617	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	158,700,000	158,700,000	158,700,000
Refunds/Reimbursements	5110014	5,510,949	6,550,000	6,550,000	8,894,032	8,894,032	8,894,032	10,228,136	10,228,136	10,228,136
Capital Outlay	5120011	13,687	50,000	50,000	270,800	270,800	270,800	242,500	242,500	242,500
Professional Sevices	5900043	158,100	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Data Processing Services	5900044	74,031	3,000,000	3,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Investment Counsel	5900046	1,250,506	3,000,000	3,000,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Total		120,798,830	170,859,981	170,668,587	174,051,349	172,529,584	172,529,584	184,230,541	182,630,062	182,630,062
Funding Sources										
Trust Fund	4000050	120,798,830	170,859,981		174,051,349	172,529,584	172,529,584	184,230,541	182,630,062	182,630,062
Total Funding		120,798,830	170,859,981		174,051,349	172,529,584	172,529,584	184,230,541	182,630,062	182,630,062
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		120,798,830	170,859,981		174,051,349	172,529,584	172,529,584	184,230,541	182,630,062	182,630,062

The FY09 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2007-2009 biennium.

Special Language provides carry forward of appropriation. For FY09, the Agency did not request to carry forward appropriation.

Due to the passage of Amendment 86 requiring annual sessions, the Legislative Recommendation is to discontinue Special Language provisions for carry forward of appropriation.

Analysis of Budget Request

Appropriation: C26 - Teacher Retirement System-Cash

Funding Sources: 375 - Arkansas Teacher Retirement Fund-Cash

The Arkansas Teacher Retirement System cash fund allows the Agency to make payments to beneficiaries by check or direct deposit.

The Agency's Change Level Request totaling \$43,210 in FY10 and \$89,243,441 in FY11 reflects the following:

Benefits-Non Employee increase in FY11 of \$88,800,000 to cover the expected growth in the number of retirees in the biennium.

Refunds/Reimbursements increase of \$43,210 in FY10 and \$443,441 in FY11 to cover anticipated retirement benefits increases based on actuarial projections and historical analyses.

The Executive Recommendation provides for the Agency Request.

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: C26 - Teacher Retirement System-Cash

Funding Sources: 375 - Arkansas Teacher Retirement Fund-Cash

Commitment Item		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Benefits-Non Employee	5100023	473,047,035	739,200,000	739,200,000	739,200,000	739,200,000	739,200,000	828,000,000	828,000,000	828,000,000
Refunds/Reimbursements	5110014	954,485	2,625,000	2,625,000	2,668,210	2,668,210	2,668,210	3,068,441	3,068,441	3,068,441
Total		474,001,520	741,825,000	741,825,000	741,868,210	741,868,210	741,868,210	831,068,441	831,068,441	831,068,441
Funding Sources										
Cash Fund	4000045	474,001,520	741,825,000		741,868,210	741,868,210	741,868,210	831,068,441	831,068,441	831,068,441
Total Funding		474,001,520	741,825,000		741,868,210	741,868,210	741,868,210	831,068,441	831,068,441	831,068,441
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		474,001,520	741,825,000		741,868,210	741,868,210	741,868,210	831,068,441	831,068,441	831,068,441