

Department Appropriation Summary

Historical Data

Agency Request and Executive/Legislative Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014						2014-2015					
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Legislative	Pos	Agency	Pos	Executive	Pos	Legislative	Pos
2QV Property Management	0	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	134,091,953	88	182,640,918	92	182,904,257	92	326,708,516	102	326,765,321	101	326,765,321	101	378,850,808	105	378,907,612	104	378,907,612	104
C26 Teacher Retirement System-Cash	669,687,937	0	831,068,441	0	831,068,441	0	905,400,000	0	905,400,000	0	905,400,000	0	906,000,000	0	906,000,000	0	906,000,000	0
Total	803,779,890	88	1,014,209,359	92	1,014,472,698	92	1,232,608,516	102	1,232,665,321	101	1,232,665,321	101	1,285,350,808	105	1,285,407,612	104	1,285,407,612	104

Funding Sources		%		%		%		%		%		%		%		%		%
Cash Fund 4000045	669,687,937	83.3	831,068,441	81.9			905,400,000	73.5	905,400,000	73.5	905,400,000	73.5	906,000,000	70.5	906,000,000	70.5	906,000,000	70.5
Trust Fund 4000050	134,091,953	16.7	183,140,918	18.1			327,208,516	26.5	327,265,321	26.5	327,265,321	26.5	379,350,808	29.5	379,407,612	29.5	379,407,612	29.5
Total Funds	803,779,890	100.0	1,014,209,359	100.0			1,232,608,516	100.0	1,232,665,321	100.0	1,232,665,321	100.0	1,285,350,808	100.0	1,285,407,612	100.0	1,285,407,612	100.0
Excess Appropriation/(Funding)	0		0				0		0		0		0		0		0	
Grand Total	803,779,890		1,014,209,359				1,232,608,516		1,232,665,321		1,232,665,321		1,285,350,808		1,285,407,612		1,285,407,612	

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 of \$500,000 each year.

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		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Property Management	5900046	0	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total		0	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000

Funding Sources										
Trust Fund	4000050	0	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Total Funding		0	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		0	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 Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY13 line item maximum.

In addition to Base Level of \$182,794,025 in FY14 and \$182,799,685 in FY15, the Agency Change Level requests of \$143,914,491 in FY14 and \$196,051,123 in FY15 reflects the following:

- Regular Salaries and Personal Services Matching of \$541,381 in FY14 to support ten (10) positions: one (1) ATRS Associate Director of Information Technology, one (1) Senior Investment Manager, three (3) Retirement Coordinators, two (2) Retirement Counselors, one (1) Human Resources Recruiter, one (1) Administrative Analyst and one (1) Administrative Analyst II; and \$678,013 in FY15 to support thirteen (13) positions - one (1) ATRS Associate Director of Information Technology, one (1) Senior Investment Manager, four (4) Retirement Coordinators, three (3) Retirement Counselors, one (1) Human Resources Recruiter, two (2) Administrative Analyst and one (1) Administrative Analyst II. These positions will be used to provide high quality member services to an increasing number of retirees.
- Reclassification of two (2) positions: Reclassify an Accounting Coordinator to a Public Information Coordinator and a Fiscal Support Supervisor to an Accountant II.
- Professional Fees of \$214,465 each year to provide for a potential increase in legal fees due to legislative changes and fluctuating market performance.
- Benefits Non-employee of \$135,300,000 in FY14 and \$185,300,000 in FY15 to implement the new Cash Balance Account (CBA) Program which offers enhanced investment options to retiring T-Drop members; to provide for (CBA) quarterly withdrawals and to respond to potential legislative and market changes.
- Refunds/Reimbursements of \$7,858,645 in FY14 and \$9,858,645 in FY15 to address increases in disbursements for taxes and refunds of contributions to terminating active members.

The Executive Recommendation provides for the Agency Request with the exception of the request for the Human Resources Recruiter (C116).

The Legislative Recommendation concurs with the Executive Recommendation.

Appropriation Summary

Appropriation: 2QW - Teacher Retirement System-Operations

Funding Sources: TER - Teacher Retirement Fund

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Regular Salaries	5010000	3,811,082	4,003,345	4,255,441	4,434,546	4,473,738	4,473,738	4,535,900	4,575,092	4,575,092
#Positions		88	92	92	102	101	101	105	104	104
Extra Help	5010001	160,999	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
#Extra Help		14	16	16	16	16	16	16	16	16
Personal Services Matching	5010003	1,332,939	1,400,139	1,411,382	1,663,426	1,681,039	1,681,039	1,704,364	1,721,976	1,721,976
Overtime	5010006	2,691	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Operating Expenses	5020002	2,032,444	2,934,889	2,934,889	2,934,889	2,934,889	2,934,889	2,934,889	2,934,889	2,934,889
Conference & Travel Expenses	5050009	9,796	30,759	30,759	30,759	30,759	30,759	30,759	30,759	30,759
Professional Fees	5060010	292,229	343,650	343,650	558,115	558,115	558,115	558,115	558,115	558,115
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Benefits-Non Employee	5100023	116,414,863	158,700,000	158,700,000	294,000,000	294,000,000	294,000,000	344,000,000	344,000,000	344,000,000
Refunds/Reimbursements	5110014	7,608,928	10,228,136	10,228,136	18,086,781	18,086,781	18,086,781	20,086,781	20,086,781	20,086,781
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Professional Sevices	5900043	0	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Data Processing Services	5900044	0	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Investment Counsel	5900046	2,425,982	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Total		134,091,953	182,640,918	182,904,257	326,708,516	326,765,321	326,765,321	378,850,808	378,907,612	378,907,612

Funding Sources										
Trust Fund	4000050	134,091,953	182,640,918		326,708,516	326,765,321	326,765,321	378,850,808	378,907,612	378,907,612
Total Funding		134,091,953	182,640,918		326,708,516	326,765,321	326,765,321	378,850,808	378,907,612	378,907,612
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		134,091,953	182,640,918		326,708,516	326,765,321	326,765,321	378,850,808	378,907,612	378,907,612

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.

In addition to Base Level of \$831,068,441 each year, the Agency is requesting the following Change Levels:

- Benefits Non-employee of \$72,000,000 each year to address the growth in the number of retirees and to respond to potential legislative and market changes.
- Refunds/Reimbursements of \$2,331,559 in FY14 and \$2,931,559 in FY15 each year to address increases in disbursements for taxes and refunds of contributions to terminating active members.

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	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Agency	Executive	Legislative	Agency	Executive	Legislative
Benefits-Non Employee 5100023	668,062,855	828,000,000	828,000,000	900,000,000	900,000,000	900,000,000	900,000,000	900,000,000	900,000,000
Refunds/Reimbursements 5110014	1,625,082	3,068,441	3,068,441	5,400,000	5,400,000	5,400,000	6,000,000	6,000,000	6,000,000
Total	669,687,937	831,068,441	831,068,441	905,400,000	905,400,000	905,400,000	906,000,000	906,000,000	906,000,000
Funding Sources									
Cash Fund 4000045	669,687,937	831,068,441		905,400,000	905,400,000	905,400,000	906,000,000	906,000,000	906,000,000
Total Funding	669,687,937	831,068,441		905,400,000	905,400,000	905,400,000	906,000,000	906,000,000	906,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	669,687,937	831,068,441		905,400,000	905,400,000	905,400,000	906,000,000	906,000,000	906,000,000