

## Department Appropriation Summary

### Historical Data

### Agency Request and Executive/Legislative Recommendation

| Appropriation                            | 2013-2014          |           | 2014-2015            |           | 2014-2015            |            | 2015-2016            |            |                      |            |                      | 2016-2017  |                      |            |                      |            |                      |            |
|--|--------------------|-----------|----------------------|-----------|----------------------|------------|----------------------|------------|----------------------|------------|----------------------|------------|----------------------|------------|----------------------|------------|----------------------|------------|
|  | 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 | 138,840,493        | 95        | 453,434,311          | 98        | 453,907,612          | 104        | 453,791,616          | 104        | 453,594,897          | 101        | 453,594,897          | 101        | 453,795,672          | 104        | 453,598,953          | 101        | 453,598,953          | 101        |
| C26 Teacher Retirement System-Cash       | 788,511,892        | 0         | 906,000,000          | 0         | 906,000,000          | 0          | 906,000,000          | 0          | 906,000,000          | 0          | 906,000,000          | 0          | 906,000,000          | 0          | 906,000,000          | 0          | 906,000,000          | 0          |
| <b>Total</b>                             | <b>927,352,385</b> | <b>95</b> | <b>1,359,934,311</b> | <b>98</b> | <b>1,360,407,612</b> | <b>104</b> | <b>1,360,291,616</b> | <b>104</b> | <b>1,360,094,897</b> | <b>101</b> | <b>1,360,094,897</b> | <b>101</b> | <b>1,360,295,672</b> | <b>104</b> | <b>1,360,098,953</b> | <b>101</b> | <b>1,360,098,953</b> | <b>101</b> |

| Funding Sources                |                    | %            |                      | %            |  | % |                      | %            |                      | %            |                      | %            |                      | %            |                      | %            |                      | %            |
|--------------------------------|--------------------|--------------|----------------------|--------------|--|---|----------------------|--------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|
| Cash Fund 4000045              | 788,511,892        | 85.0         | 906,000,000          | 66.6         |  |   | 906,000,000          | 66.6         | 906,000,000          | 66.6         | 906,000,000          | 66.6         | 906,000,000          | 66.6         | 906,000,000          | 66.6         | 906,000,000          | 66.6         |
| Trust Fund 4000050             | 138,840,493        | 15.0         | 453,934,311          | 33.4         |  |   | 454,291,616          | 33.4         | 454,094,897          | 33.4         | 454,094,897          | 33.4         | 454,295,672          | 33.4         | 454,098,953          | 33.4         | 454,098,953          | 33.4         |
| <b>Total Funds</b>             | <b>927,352,385</b> | <b>100.0</b> | <b>1,359,934,311</b> | <b>100.0</b> |  |   | <b>1,360,291,616</b> | <b>100.0</b> | <b>1,360,094,897</b> | <b>100.0</b> | <b>1,360,094,897</b> | <b>100.0</b> | <b>1,360,295,672</b> | <b>100.0</b> | <b>1,360,098,953</b> | <b>100.0</b> | <b>1,360,098,953</b> | <b>100.0</b> |
| Excess Appropriation/(Funding) | 0                  |              | 0                    |              |  |   | 0                    |              | 0                    |              | 0                    |              | 0                    |              | 0                    |              | 0                    |              |
| <b>Grand Total</b>             | <b>927,352,385</b> |              | <b>1,359,934,311</b> |              |  |   | <b>1,360,291,616</b> |              | <b>1,360,094,897</b> |              | <b>1,360,094,897</b> |              | <b>1,360,295,672</b> |              | <b>1,360,098,953</b> |              | <b>1,360,098,953</b> |              |

## **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 of the 2015-17 Biennium.

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             | 2013-2014<br>Actual | 2014-2015<br>Budget | 2014-2015<br>Authorized | 2015-2016 |           |             | 2016-2017 |           |             |
|-----------------------------|---------------------|---------------------|-------------------------|-----------|-----------|-------------|-----------|-----------|-------------|
|                             |                     |                     |                         | 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 include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY15 line item maximum plus the previously authorized 2015 1% Cost of Living Adjustment.

In addition to Base Level of \$453,440,386 in FY16 and \$453,444,442 in FY17, the Agency Change Level requests of \$351,230 in each year of the biennium reflect the following:

- Regular Salaries and Personal Services Matching of \$351,230 in each year of the biennium to support six (6) new positions: one (1) Assistant Chief Fiscal Officer (Grade N904), one (1) Attorney Specialist (Grade C126), two (2) Retirement Counselors (Grade C117), one (1) Assistant Controller (Grade C124) and one (1) Scanning Department Manager (Grade C116). These positions will be used to provide high quality member services to an increasing number of retirees.
- Reclassification of six (6) positions: one (1) Retirement Section Manager (Grade C123) to one (1) Fiscal Support Manager (Grade C123); one (1) Retirement Investment Specialist (Grade C119) to one (1) Retirement Coordinator; one (1) Internal Auditor (Grade C119) to one (1) Retirement Investment Specialist (Grade C119); one (1) Information Systems Analyst (Grade C117) to one (1) Computer Support Specialist (C117); and two (2) Accountant I (Grade C116) positions to two (2) Retirement Analyst (Grade C116) positions.

The Executive Recommendation provides for the Agency Request, with the exception of the new Assistant Chief Fiscal Officer, Assistant Controller, and the Scanning Department Manager positions.

In addition to the Executive Recommendation, the Legislative Recommendation also provides for the restoration of six (6) positions and the discontinuation of six (6) positions.

## Appropriation Summary

**Appropriation:** 2QW - Teacher Retirement System-Operations

**Funding Sources:** TER - Teacher Retirement Fund

| Commitment Item              |         | 2013-2014          | 2014-2015          | 2014-2015          | 2015-2016          |                    |                    | 2016-2017          |                    |                    |
|------------------------------|---------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                              |         | Actual             | Budget             | Authorized         | Agency             | Executive          | Legislative        | Agency             | Executive          | Legislative        |
| Regular Salaries             | 5010000 | 3,844,520          | 4,373,155          | 4,575,092          | 4,629,695          | 4,480,489          | 4,480,489          | 4,632,795          | 4,483,589          | 4,483,589          |
| <b>#Positions</b>            |         | <b>95</b>          | <b>98</b>          | <b>104</b>         | <b>104</b>         | <b>101</b>         | <b>101</b>         | <b>104</b>         | <b>101</b>         | <b>101</b>         |
| Extra Help                   | 5010001 | 176,328            | 200,000            | 200,000            | 200,000            | 200,000            | 200,000            | 200,000            | 200,000            | 200,000            |
| <b>#Extra Help</b>           |         | <b>14</b>          | <b>16</b>          | <b>16</b>          | <b>16</b>          | <b>16</b>          | <b>16</b>          | <b>16</b>          | <b>16</b>          | <b>16</b>          |
| Personal Services Matching   | 5010003 | 1,357,490          | 1,450,612          | 1,721,976          | 1,551,377          | 1,503,864          | 1,503,864          | 1,552,333          | 1,504,820          | 1,504,820          |
| Overtime                     | 5010006 | 0                  | 50,000             | 50,000             | 50,000             | 50,000             | 50,000             | 50,000             | 50,000             | 50,000             |
| Operating Expenses           | 5020002 | 1,843,472          | 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 | 13,701             | 30,759             | 30,759             | 30,759             | 30,759             | 30,759             | 30,759             | 30,759             | 30,759             |
| Professional Fees            | 5060010 | 256,228            | 558,115            | 558,115            | 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 | 120,425,813        | 344,000,000        | 344,000,000        | 344,000,000        | 344,000,000        | 344,000,000        | 344,000,000        | 344,000,000        | 344,000,000        |
| Refunds/Reimbursements       | 5110014 | 8,569,405          | 20,086,781         | 20,086,781         | 20,086,781         | 20,086,781         | 20,086,781         | 20,086,781         | 20,086,781         | 20,086,781         |
| Capital Outlay               | 5120011 | 52,286             | 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 | 2,301,250          | 2,500,000          | 2,500,000          | 2,500,000          | 2,500,000          | 2,500,000          | 2,500,000          | 2,500,000          | 2,500,000          |
| Discount Buyout Plan         | 5900047 | 0                  | 75,000,000         | 75,000,000         | 75,000,000         | 75,000,000         | 75,000,000         | 75,000,000         | 75,000,000         | 75,000,000         |
| <b>Total</b>                 |         | <b>138,840,493</b> | <b>453,434,311</b> | <b>453,907,612</b> | <b>453,791,616</b> | <b>453,594,897</b> | <b>453,594,897</b> | <b>453,795,672</b> | <b>453,598,953</b> | <b>453,598,953</b> |

| Funding Sources                |         |                    |                    |  |                    |                    |                    |                    |                    |                    |
|--------------------------------|---------|--------------------|--------------------|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Trust Fund                     | 4000050 | 138,840,493        | 453,434,311        |  | 453,791,616        | 453,594,897        | 453,594,897        | 453,795,672        | 453,598,953        | 453,598,953        |
| <b>Total Funding</b>           |         | <b>138,840,493</b> | <b>453,434,311</b> |  | <b>453,791,616</b> | <b>453,594,897</b> | <b>453,594,897</b> | <b>453,795,672</b> | <b>453,598,953</b> | <b>453,598,953</b> |
| Excess Appropriation/(Funding) |         | 0                  | 0                  |  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| <b>Grand Total</b>             |         | <b>138,840,493</b> | <b>453,434,311</b> |  | <b>453,791,616</b> | <b>453,594,897</b> | <b>453,594,897</b> | <b>453,795,672</b> | <b>453,598,953</b> | <b>453,598,953</b> |

## **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 Request is for Base Level of \$906,000,000 in both years of the the 2015-17 Biennium.

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                | 2013-2014          | 2014-2015          | 2014-2015          | 2015-2016          |                    |                    | 2016-2017          |                    |                    |  |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--|
|                                | Actual             | Budget             | Authorized         | Agency             | Executive          | Legislative        | Agency             | Executive          | Legislative        |  |
| Benefits-Non Employee 5100023  | 786,601,954        | 900,000,000        | 900,000,000        | 900,000,000        | 900,000,000        | 900,000,000        | 900,000,000        | 900,000,000        | 900,000,000        |  |
| Refunds/Reimbursements 5110014 | 1,909,938          | 6,000,000          | 6,000,000          | 6,000,000          | 6,000,000          | 6,000,000          | 6,000,000          | 6,000,000          | 6,000,000          |  |
| <b>Total</b>                   | <b>788,511,892</b> | <b>906,000,000</b> | <b>906,000,000</b> | <b>906,000,000</b> | <b>906,000,000</b> | <b>906,000,000</b> | <b>906,000,000</b> | <b>906,000,000</b> | <b>906,000,000</b> |  |
| <b>Funding Sources</b>         |                    |                    |                    |                    |                    |                    |                    |                    |                    |  |
| Cash Fund 4000045              | 788,511,892        | 906,000,000        |                    | 906,000,000        | 906,000,000        | 906,000,000        | 906,000,000        | 906,000,000        | 906,000,000        |  |
| <b>Total Funding</b>           | <b>788,511,892</b> | <b>906,000,000</b> |                    | <b>906,000,000</b> | <b>906,000,000</b> | <b>906,000,000</b> | <b>906,000,000</b> | <b>906,000,000</b> | <b>906,000,000</b> |  |
| Excess Appropriation/(Funding) | 0                  | 0                  |                    | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |  |
| <b>Grand Total</b>             | <b>788,511,892</b> | <b>906,000,000</b> |                    | <b>906,000,000</b> | <b>906,000,000</b> | <b>906,000,000</b> | <b>906,000,000</b> | <b>906,000,000</b> | <b>906,000,000</b> |  |