

Stricken language will be deleted and underlined language will be added.

State of Arkansas  
90th General Assembly  
Fiscal Session, 2016

# A Bill

HOUSE BILL 1028

By: Joint Budget Committee

## For An Act To Be Entitled

AN ACT TO MAKE AN APPROPRIATION FOR PERSONAL SERVICES  
AND OPERATING EXPENSES FOR THE ARKANSAS PUBLIC  
EMPLOYEES RETIREMENT SYSTEM FOR THE FISCAL YEAR  
ENDING JUNE 30, 2017; AND FOR OTHER PURPOSES.

## Subtitle

AN ACT FOR THE ARKANSAS PUBLIC EMPLOYEES  
RETIREMENT SYSTEM APPROPRIATION FOR THE  
2016-2017 FISCAL YEAR.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. REGULAR SALARIES. There is hereby established for the Arkansas Public Employees Retirement System for the 2016-2017 fiscal year, the following maximum number of regular employees.

Item No.	Class Code	Title	Maximum No. of Employees	Maximum Annual Salary Rate Fiscal Year 2016-2017
(1)	U014U	APERS DIRECTOR	1	\$176,560
(2)	U078U	APERS DEPUTY DIRECTOR	1	\$112,900
(3)	A003N	SENIOR INVESTMENT ANALYST	1	GRADE N910
(4)	N096N	APERS ASST DIRECTOR OF FINANCE	1	GRADE N906
(5)	G042N	APERS CHIEF LEGAL COUNSEL	1	GRADE N906
(6)	R003N	APERS DIRECTOR OF BENEFITS ADMIN	1	GRADE N906
(7)	D015N	APERS DIRECTOR OF INFO TECHNOLOGY	1	GRADE N906



(8)	G037N	APERS DIRECTOR OF OPERATIONS	1	GRADE N906
(9)	N159N	APERS INVESTMENT OPERATIONS MANAGER	1	GRADE N901
(10)	A027C	ACCOUNTING OPERATIONS MANAGER	1	GRADE C125
(11)	D030C	INFORMATION SYSTEMS COORDINATOR	1	GRADE C124
(12)	A034C	RETIREMENT SECTION MANAGER	3	GRADE C123
(13)	D044C	SYSTEMS ANALYST	1	GRADE C122
(14)	A052C	ACCOUNTING COORDINATOR	1	GRADE C121
(15)	A066C	INTERNAL AUDITOR	1	GRADE C119
(16)	A062C	RETIREMENT COORDINATOR	5	GRADE C119
(17)	R024C	ASSISTANT PERSONNEL MANAGER	1	GRADE C118
(18)	A082C	ACCOUNTANT II	9	GRADE C117
(19)	A079C	INVESTMENT ANALYST	4	GRADE C117
(20)	A078C	RETIREMENT COUNSELOR	15	GRADE C117
(21)	C022C	BUSINESS OPERATIONS SPECIALIST	1	GRADE C116
(22)	P031C	MEDIA SPECIALIST	1	GRADE C116
(23)	P027C	PUBLIC INFORMATION SPECIALIST	1	GRADE C116
(24)	A083C	RETIREMENT ANALYST	6	GRADE C116
(25)	X115C	SOCIAL SECURITY ANALYST	1	GRADE C116
(26)	R033C	BENEFITS ANALYST	1	GRADE C115
(27)	A091C	FISCAL SUPPORT ANALYST	1	GRADE C115
(28)	C056C	ADMINISTRATIVE SPECIALIST III	2	GRADE C112
(29)	A098C	FISCAL SUPPORT SPECIALIST	13	GRADE C112
(30)	C073C	ADMINISTRATIVE SPECIALIST II	<u>4</u>	GRADE C109
		MAX. NO. OF EMPLOYEES	82	

SECTION 2. EXTRA HELP - PUBLIC EMPLOYEES RETIREMENT SYSTEM. There is hereby authorized, for the Arkansas Public Employees Retirement System for the 2016-2017 fiscal year, the following maximum number of part-time or temporary employees, to be known as "Extra Help", payable from funds appropriated herein for such purposes: six (6) temporary or part-time employees, when needed, at rates of pay not to exceed those provided in the Uniform Classification and Compensation Act, or its successor, or this act for the appropriate classification.

SECTION 3. APPROPRIATION - PUBLIC EMPLOYEES RETIREMENT OPERATIONS. There is hereby appropriated, to the Arkansas Public Employees Retirement

System, to be payable from the Arkansas Public Employees' Retirement System Fund, for personal services and operating expenses of the Arkansas Public Employees Retirement System for the fiscal year ending June 30, 2017, the following:

ITEM NO.	FISCAL YEAR 2016-2017
(01) REGULAR SALARIES	\$3,846,258
(02) EXTRA HELP	75,000
(03) PERSONAL SERVICES MATCHING	1,299,659
(04) MAINT. & GEN. OPERATION	
(A) OPER. EXPENSE	1,607,473
(B) CONF. & TRAVEL	42,500
(C) PROF. FEES	10,583,645
(D) CAP. OUTLAY	0
(E) DATA PROC.	0
(05) BENEFITS-NON EMPLOYEE	40,000,000
(06) REFUNDS/REIMBURSEMENTS	<u>85,000,000</u>
TOTAL AMOUNT APPROPRIATED	<u>\$142,454,535</u>

SECTION 4. APPROPRIATION - PUBLIC EMPLOYEES RETIREMENT CASH. There is hereby appropriated, to the Arkansas Public Employees Retirement System, to be payable from cash funds as defined by Arkansas Code 19-4-801 of the Arkansas Public Employees Retirement System, for payment to beneficiaries by check or wired transfer by the Arkansas Public Employees Retirement System for the fiscal year ending June 30, 2017, the following:

ITEM NO.	FISCAL YEAR 2016-2017
(01) BENEFITS	<u>\$500,000,000</u>

SECTION 5. APPROPRIATION - STATE POLICE RETIREMENT OPERATIONS. There is hereby appropriated, to the Arkansas Public Employees Retirement System, to be payable from the State Police Retirement Fund, for operating expenses of the State Police Retirement System by the Arkansas Public Employees Retirement System for the fiscal year ending June 30, 2017, the following:

ITEM NO.	FISCAL YEAR 2016-2017
(01) MAINT. & GEN. OPERATION	
(A) OPER. EXPENSE	\$77,610
(B) CONF. & TRAVEL	0
(C) PROF. FEES	265,950
(D) CAP. OUTLAY	0
(E) DATA PROC.	0
(02) BENEFITS-NON EMPLOYEE	10,000,000
(03) REFUNDS/REIMBURSEMENTS	<u>25,000,000</u>
TOTAL AMOUNT APPROPRIATED	<u><u>\$35,343,560</u></u>

SECTION 6. APPROPRIATION - STATE POLICE RETIREMENT CASH. There is hereby appropriated, to the Arkansas Public Employees Retirement System, to be payable from cash funds as defined by Arkansas Code 19-4-801 of the Arkansas Public Employees Retirement System, for payment to beneficiaries of the State Police Retirement System by check or wired transfer by the Arkansas Public Employees Retirement System for the fiscal year ending June 30, 2017, the following:

ITEM NO.	FISCAL YEAR 2016-2017
(01) BENEFITS	<u>\$35,000,000</u>

SECTION 7. APPROPRIATION - JUDICIAL RETIREMENT OPERATIONS. There is hereby appropriated, to the Arkansas Public Employees Retirement System, to be payable from the Judges Retirement Fund, for operating expenses of the Judicial Retirement System by the Arkansas Public Employees Retirement System for the fiscal year ending June 30, 2017, the following:

ITEM NO.	FISCAL YEAR 2016-2017
(01) MAINT. & GEN. OPERATION	
(A) OPER. EXPENSE	\$40,510
(B) CONF. & TRAVEL	0

(C) PROF. FEES	122,879
(D) CAP. OUTLAY	0
(E) DATA PROC.	0
(02) BENEFITS-NON EMPLOYEE	4,250,000
(03) REFUNDS/REIMBURSEMENTS	<u>6,250,000</u>
TOTAL AMOUNT APPROPRIATED	<u><u>\$10,663,389</u></u>

SECTION 8. APPROPRIATION - JUDICIAL RETIREMENT CASH. There is hereby appropriated, to the Arkansas Public Employees Retirement System, to be payable from cash funds as defined by Arkansas Code 19-4-801 of the Arkansas Public Employees Retirement System, for payment to beneficiaries of the Judicial Retirement System by check or wired transfer by the Arkansas Public Employees Retirement System for the fiscal year ending June 30, 2017, the following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2016-2017</u>
(01) BENEFITS	<u><u>\$21,000,000</u></u>

SECTION 9. APPROPRIATION - APERS PENSION ADMINISTRATION SYSTEM. There is hereby appropriated, to the Arkansas Public Employees Retirement System, to be payable from the Arkansas Public Employees' Retirement System Fund, for the operational expenses, capital outlay, and professional fees and services relating to the development, acquisition, and implementation of a new APERS Pension Administration System of the Arkansas Public Employees Retirement System for the fiscal year ending June 30, 2017, the following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2016-2017</u>
(01) COMPASS PENSION PROJECT	<u><u>\$21,000,000</u></u>

SECTION 10. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. JUDICIAL RETIREMENT FUND TRANSFERS. A sum not to exceed \$58,301 in the ~~2015-2016~~ 2016-2017 fiscal year may be transferred from the Judges Retirement Fund to the Arkansas Public Employees Retirement System Fund for costs incurred by the

Arkansas Public Employees Retirement System in administering the Judicial Retirement System. Such transfer request shall be made to the Chief Fiscal Officer of the State, and upon his approval, said transfer shall be made on his books and those of the Treasurer of the State and the Auditor of the State.

The provisions of this section shall be in effect only from July 1, ~~2015~~ 2016 through June 30, ~~2016~~ 2017.

SECTION 11. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. STATE POLICE RETIREMENT FUND TRANSFERS. A sum not to exceed \$107,463 in the ~~2015-~~ 2016-2017 fiscal year may be transferred from the State Police Retirement Fund to the Arkansas Public Employees Retirement System Fund for costs incurred by the Arkansas Public Employees Retirement System in administering the State Police Retirement System. Such transfer request shall be made to the Chief Fiscal Officer of the State, and upon his approval, said transfer shall be made on his books and those of the Treasurer of the State and the Auditor of the State.

The provisions of this section shall be in effect only from July 1, ~~2015~~ 2016 through June 30, ~~2016~~ 2017.

SECTION 12. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. EXEMPTION FROM PRIOR REVIEW. The Arkansas Public Employees Retirement System is hereby exempted from seeking prior review by the Arkansas Legislative Council with regard to transfers between the Benefits line item in the Cash Fund Appropriation and the Benefits-Non-Employee line item in the Operations Appropriation which are specifically related to transfers necessitated by the changes in retirees' selection of the method of payment of retirement benefits. All other provisions of Arkansas Code §19-4-522 shall be applicable.

The provisions of this section shall be in effect only from July 1, ~~2015~~ 2016 through June 30, ~~2016~~ 2017.

SECTION 13. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. SPECIAL

STATE POLICE RETIREMENT FUND TRANSFERS. A sum not to exceed \$50,000 may be transferred from the State Police Retirement Fund to the Arkansas Public Employees Retirement Fund to share in the costs incurred by the Arkansas Public Employees Retirement System in the purchase and implementation of a new pension administration system, which will be utilized to administer State Police pension transactions for members and retirees. Said transfer shall sunset at the end of fiscal year 2017. Such transfer request shall be made to the Chief Fiscal officer of the State, and upon his approval, said transfer shall be made on his books and those of the Treasurer of the State and the Auditor of the State.

The provisions of this section shall be in full effect only from July 1, ~~2014~~ 2016 through June 30, ~~2015~~ 2017.

SECTION 14. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. SPECIAL JUDICIAL RETIREMENT FUND TRANSFERS. A sum not to exceed \$50,000 may be transferred from the Judicial Retirement Fund to the Arkansas Public Employees Retirement Fund to share in the costs incurred by the Arkansas Public Employees Retirement System in the purchase and implementation of a new pension administration system, which will be utilized to administer Judicial pension transactions for members and retirees. Said transfer shall sunset at the end of fiscal year 2017. Such transfer request shall be made to the Chief Fiscal Officer of the State, and upon his approval, said transfer shall be made on his books and those of the Treasurer of State and the Auditor of the State.

The provisions of this section shall be in effect only from July 1, ~~2015~~ 2016 through June 30, ~~2016~~ 2017.

SECTION 15. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.  
ESTABLISHMENT OF A TEMPORARY "POSITION POOL"

(a) To address temporary staffing needs during the 16-17 biennium due to the (1) implementing a new pension administration system (COMPASS) and (2) meeting the new Governmental Accounting Standards Board (GASB) #67 (Financial Reporting for Pension Plans) and #68 (Accounting and Financial Reporting for Pensions) statements, the Arkansas Public Employees Retirement System is

authorized for the 2015-2016 fiscal year, a pool of no more than ten (10) classified grade C117 level positions at base level pay of \$32,249 each. Positions established during the 2015-2016 fiscal year would be continued into the 2016-2017 fiscal year, along with the remainder of the available positions in the pool. All positions would sunset as of 6/30/17. All position advertisements shall clearly state the temporary employment period and hired individuals shall sign a disclosure form acknowledging the 6/30/17 end date.

(b) The Arkansas Public Employees Retirement System is authorized to access the pool positions authorized in this Section at any time it is determined by the Executive Director that the need exists to provide for continuity of services during those implementation heavy periods of time. The Executive Director shall provide a quarterly report of the number of positions utilized and associated salaries to the Chief Fiscal Officer of the State and to the Arkansas Legislative Council for review.

(c) Determining the number of personnel to be employed by a state agency is the prerogative of the General Assembly and is usually accompanied by delineating the maximum number of personnel by identifying job titles and the maximum grade or salary attached to those titles. The General Assembly has determined that the Arkansas Public Employees Retirement System could utilize these positions to better accomplish the major initiatives faced by the Agency during the 16-17 biennium by providing the temporary position pool in Subsection (a) of this Section. The General Assembly shall maintain oversight of the utilization of the position pool by requiring review of the Legislative Council. Therefore, the requirement of review by the Legislative Council is not a severable part of this Section. If the requirement of review is ruled unconstitutional by a court of competent jurisdiction, this entire section is void.

The provisions of this section shall be in effect only from July 1, ~~2015~~ 2016 through June 30, ~~2016~~ 2017.

SECTION 16. COMPLIANCE WITH OTHER LAWS. Disbursement of funds authorized by this act shall be limited to the appropriation for such agency and funds made available by law for the support of such appropriations; and the restrictions of the State Procurement Law, the General Accounting and Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary

Procedures and Restrictions Act, or their successors, and other fiscal control laws of this State, where applicable, and regulations promulgated by the Department of Finance and Administration, as authorized by law, shall be strictly complied with in disbursement of said funds.

SECTION 17. LEGISLATIVE INTENT. It is the intent of the General Assembly that any funds disbursed under the authority of the appropriations contained in this act shall be in compliance with the stated reasons for which this act was adopted, as evidenced by the Agency Requests, Executive Recommendations and Legislative Recommendations contained in the budget manuals prepared by the Department of Finance and Administration, letters, or summarized oral testimony in the official minutes of the Arkansas Legislative Council or Joint Budget Committee which relate to its passage and adoption.

SECTION 18. EMERGENCY CLAUSE. It is found and determined by the General Assembly, that the Constitution of the State of Arkansas prohibits the appropriation of funds for more than a one (1) year period; that the effectiveness of this Act on July 1, 2016 is essential to the operation of the agency for which the appropriations in this Act are provided, and that in the event of an extension of the legislative session, the delay in the effective date of this Act beyond July 1, 2016 could work irreparable harm upon the proper administration and provision of essential governmental programs. Therefore, an emergency is hereby declared to exist and this Act being necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from and after July 1, 2016.