

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
AGENCY PROGRAM COMMENTARY
2003 - 2005

The Arkansas Public Employees Retirement System (APERS) strives to provide members and retirees with the highest level of benefits, customer service and accurate, timely information. This is accomplished through high quality member services, including education and counseling to customers (members, retirees and employers) about the benefit program and other available services, and through the effective management of the investment of System assets. APERS also strives to produce accurate and timely benefit payments to retired members or eligible beneficiaries and refunds to active/inactive members or employers of the System.

Ranked Change Level Requests for the 04/05 Biennium

FUND CENTER 132/APPR. TSR0000

Rank #1/C09/Comm Item 00/Salaries/Comm Item 03/Personal Services - APERS requests the establishment of new CLIP series for Retirement Counselor (10 positions) and Investment Specialist (4 positions), and to utilize already established CLIP series for (1) Management Project Analyst I and (1) Accounting Services Representative I position. These requests are detailed as follows:

<u>Salaries</u>		<u>Matching</u>		<u>Total</u>	
<u>FY04</u>	<u>FY05</u>	<u>FY04</u>	<u>FY05</u>	<u>FY04</u>	<u>FY05</u>
\$37,638	\$38,654	\$5,980	\$6,141	\$43,618	\$44,795

Rank #2/C02/Comm Item 09/Training - APERS requests an increase of \$2,500 per year for the ongoing professional development of current staff. The increases will allow staff to continue to attend seminars required to stay abreast of changes in accounting, internal auditing, investments, actuarial, member services and other retirement-related issues.

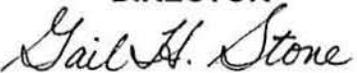
Rank #3/C01/Comm Item 02/M & O - APERS requests increases of the following:

	<u>FY04</u>	<u>FY05</u>
Postage	\$7,500	\$15,000
Printing	\$3,000	\$6,000

Printing & postage costs will increase due to increased publication and mailing of the APERSpective newsletter ,which is currently published and mailed to active and retired members semi-annually. The newsletter will be published three times during FY04 and will begin a permanent quarterly publication schedule in FY05.

	<u>FY04</u>	<u>FY05</u>
Rent	12,000	12,480

Rent will increase due to 4% annual escalators in our lease agreement.

<p>AGENCY Arkansas Public Employees Retirement System Arkansas State Police Retirement System Arkansas Judicial Retirement System</p>	<p>DIRECTOR  Gail H. Stone</p>	<p>AGENCY PROGRAM COMMENTARY</p>	<p>PAGE 249</p>
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ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
AGENCY PROGRAM COMMENTARY
2003 - 2005

<u>Official Business:</u>	<u>FY04</u>	<u>FY05</u>
Meals & Lodging	3,000	5,000
Common Carrier	2,000	3,000

Official business travel costs will increase due to the expansion of the statewide seminar program to 22 seminars per year, and for travel costs associated with site visits to professional money managers for compliance reviews.

Rank #4/C08/Comm Items 02 and 11/M & O and Capital Outlay - APERS requests \$27,500 in FY04 and \$15,000 in FY05 from M & O funds to replace desktop computers and printers as needed, and to replace Windows NT 4 software, which will no longer be supported by Microsoft after January 2004, with Windows 2000 operating system software and compatible emulation software. APERS also requests \$25,000 from Capital Outlay funds in FY04 to purchase two servers and two scanners to complete a migration from a mainframe-based imaging system to a server-based system.

Rank #5/C05/Comm Item 14/Refunds - APERS requests an increase of \$5,000,000 per year to provide sufficient appropriation to pay members who elect to participate in the Deferred Retirement Option Plan (DROP) or the Partial Annuity Withdrawal (PAW). These payouts must be paid via warrant and sent to various financial institutions and/or members via certified mail.

Rank #6/C14 - This request is to change the titles of three positions to better reflect the duties performed. No appropriation is required for this request.

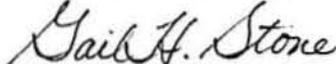
Rank #7/C03/Comm Item 10/Professional Fees - APERS requests decreases of \$126,118 in FY04 and \$103,775 in FY05 to allocate existing resources to accommodate all operations and capital outlay requests for the 04/05 biennium.

FUND CENTER B24/APPR. 1310100

Rank#1/C04/Comm Item 23/Cash Fund Retirement Benefits - APERS requests additional appropriation of \$20,000,000 in FY04 and \$35,000,000 in FY05 for the cash fund to accommodate the increasing number of retirees participating in the direct deposit of retirement benefits.

FUND CENTER B26/APPR. 1310300

Rank#1/C04/Comm Item 23/Cash Fund Retirement Benefits - AJRS requests additional appropriation of \$1,500,000 in FY04 and \$2,500,000 in FY05 for the cash fund to accommodate the increasing number of retirees participating in the direct deposit of retirement benefits.

AGENCY Arkansas Public Employees Retirement System Arkansas State Police Retirement System Arkansas Judicial Retirement System	DIRECTOR  Gail H. Stone	AGENCY PROGRAM COMMENTARY	PAGE 250
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DIVISION OF LEGISLATIVE AUDIT
AUDIT OF:
ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2001

Findings

None

Recommendations

None

SA1037001

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
 EMPLOYMENT SUMMARY
 Required by: A.C.A. 19-4-307

AGENCY TITLE: 0370 AR PUB EMP RETIREMENT SYSTEM

	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	10	20	30	60%
BLACK EMPLOYEES	1	19	20	40%
EMPLOYEES OF OTHER RACIAL MINORITIES	0	0	0	0%
TOTAL EMPLOYED AS OF			20	40%
DATE	08/05/2002		TOTAL MINORITIES	
			50	100%
			TOTAL EMPLOYEES	

Gail M. Stone

 AGENCY DIRECTOR

CASH FUND BALANCE DESCRIPTION
AS OF JUNE 30, 2002

AGENCY: 0370 - Arkansas Public Employees Retirement System

ACCOUNT INFORMATION				STATUTORY/OTHER RESTRICTIONS ON USE:
FUND ACCT.	BALANCE	TYPE	LOCATION	
B24 1310100	\$ 1,321.33	Direct Deposit (Checking)	Bank of America - Little Rock	Payment of monthly annuities to those retired members of APERS who elect to have their annuity payments deposited directly to their bank account.
				STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES: None
				REVENUE RECEIPTS CYCLE: Monthly
				FUND BALANCE UTILIZATION: Payments to retirees whose bank did not accept transfer or returns of payments to retirees who are deceased.
ACCOUNT INFORMATION				STATUTORY/OTHER RESTRICTIONS ON USE:
FUND ACCT.	BALANCE	TYPE	LOCATION	
B25 1310200	\$ -	Direct Deposit (Checking)	Bank of America - Little Rock	Payment of monthly annuities to those retired members of ASPRS who elect to have their annuity payments deposited directly to their bank account.
				STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES: None
				REVENUE RECEIPTS CYCLE: Monthly
				FUND BALANCE UTILIZATION: Payments to retirees whose bank did not accept transfer or returns of payments to retirees who are deceased.

**CASH FUND BALANCE DESCRIPTION
AS OF JUNE 30, 2002**

AGENCY: 0370 - Arkansas Public Employees Retirement System

ACCOUNT INFORMATION				STATUTORY/OTHER RESTRICTIONS ON USE:
FUND ACCT.	BALANCE	TYPE	LOCATION	
B26 1310300	\$ -	Direct Deposit (Checking)	Bank of America - Little Rock	Payment of monthly annuities to those retired members of AJRS who elect to have their annuity payments deposited directly to their bank account.
				STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES: None
				REVENUE RECEIPTS CYCLE: Monthly
				FUND BALANCE UTILIZATION: Payments to retirees whose bank did not accept transfer or returns of payments to retirees who are deceased.
ACCOUNT INFORMATION				STATUTORY/OTHER RESTRICTIONS ON USE:
FUND ACCT.	BALANCE	TYPE	LOCATION	
				STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES:
				REVENUE RECEIPTS CYCLE:
				FUND BALANCE UTILIZATION:

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
STATE AGENCY PUBLICATIONS

Fiscal Year 2002-2003

Required by: A.C.A. 25-1-204

AGENCY: Arkansas Public Employees Retirement System (0370)

NAME OF PUBLICATION	STATUTORY AUTHORIZATION	PUBLICATION REQUIRED FOR GOVERNOR AND/OR GENERAL ASSEMBLY ONLY	NUMBER OF COPIES PUBLISHED	REASON(S) FOR CONTINUED PUBLICATION AND DISTRIBUTION
<u>APERS</u> Annual Financial Report Member Handbook Employer Guide			900 45,000 50*	Ordinary prudence requires that financial disclosure be made to participating employers and state officials. Published when significant legislative changes to retirement statutes occur. New employers receive the guide; current employers receive update only.
APERSpective Newsletter			60,000	Informational member newsletter published semi-annually. Note: Newsletter will be published three times during in FY04 and will begin a quarterly publishing schedule in FY05.
<u>ASPRS</u> Annual Financial Report Member Handbook			175 1,000	Ordinary prudence requires that financial disclosure be made to participating employers and state officials. Published when significant legislative changes to retirement statutes occur.
<u>AJRS</u> Annual Financial Report Member Handbook			275 275	Ordinary prudence requires that financial disclosure be made to participating employers and state officials. Published when significant legislative changes to retirement statutes occur.

*Initial distribution was to approximately 800 employers

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Department Appropriation Summary

Agency Name ARKANSAS PUBLIC EMPLOYEE RETIREMENT SYSTEM
 Agency Code 370

Code	Appropriation Name	2001-02			2002-03			Agency Request				Executive Recommendation			
		Actual			Budget	Pos.		2003-04	Pos.	2004-05	Pos.	2003-04	Pos.	2004-05	Pos.
029	Judicial Retirement-Operations	2,179,062			6,180,889	0		6,180,889	0	6,180,889	0	6,180,889	0	6,180,889	0
132	Public Employee-Operations	30,305,544			60,172,365	52		65,232,688	52	65,292,750	52	65,232,688	52	65,292,750	52
134	State Police-Operations	5,701,657			12,361,560	0		12,361,560	0	12,361,560	0	12,361,560	0	12,361,560	0
B24	Public Employee-Cash	85,830,514			150,000,000	0		170,000,000	0	185,000,000	0	170,000,000	0	185,000,000	0
B25	State Police-Cash	7,098,777			10,000,000	0		10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0
B26	Judicial Retirement-Cash	4,374,078			5,000,000	0		6,500,000	0	7,500,000	0	6,500,000	0	7,500,000	0
Grand Total		135,489,632			243,714,814	52		270,275,137	52	286,335,199	52	270,275,137	52	286,335,199	52

Name	Funding Sources													
	Code		% of Total											
Cash Funds	4000045	97,303,369	71.8	165,000,000	67.7	186,500,000	69.0	202,500,000	70.7	186,500,000	69.0	202,500,000	70.7	
Trust Funds	4000050	38,186,263	28.2	78,714,814	32.3	83,775,137	31.0	83,835,199	29.3	83,775,137	31.0	83,835,199	29.3	
Total Funding		135,489,632	100.0	243,714,814	100.0	270,275,137	100.0	286,335,199	100.0	270,275,137	100.0	286,335,199	100.0	
Excess Appro/(Funding)		0		0		0		0		0		0		
Grand Total		135,489,632		243,714,814		270,275,137		286,335,199		270,275,137		286,335,199		

**ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
DEPARTMENT PROGRAM SUMMARY**

AGENCY TITLE	2001-03 Expenditures			2003-05 Biennium Request				2003-05 Executive Recommendation				
	Actual 2001-02	Budgeted 2002-03	No. of Pos.	Year 1 2003-04	No. of Pos.	Year 2 2004-05	No. of Pos.	Year 1 2003-04	No. of Pos.	Year 2 2004-05	No. of Pos.	
Arkansas Public Employees Retirement System (370)												
Administration	4,213,539	10,714,814	52	10,775,137	52	10,835,199	52	10,775,137	52	10,835,199	52	
Benefits	131,276,093	233,000,000		259,500,000		275,500,000		259,500,000		275,500,000		
TOTALS	\$135,489,632	\$243,714,814	52	\$270,275,137	52	\$286,335,199	52	\$270,275,137	52	\$286,335,199	52	
Funding Sources		% of Total	% of Total		% of Total		% of Total		% of Total		% of Total	
Fund Balances		0.0%	0.0%		0.0%		0.0%		0.0%		0.0%	
General Revenues		0.0%	0.0%		0.0%		0.0%		0.0%		0.0%	
Special Revenues												
Federal Funds		0.0%	0.0%		0.0%		0.0%		0.0%		0.0%	
Constitutional Officers Fund												
State Central Services Fund												
Revolving Funds		0.0%	0.0%		0.0%		0.0%		0.0%		0.0%	
Cash Funds	97,303,369	71.8%	165,000,000	67.7%	186,500,000	69.0%	202,500,000	70.7%	186,500,000	69.0%	202,500,000	70.7%
Trust Funds	38,186,263	28.2%	78,714,814	32.3%	83,775,137	31.0%	83,835,199	29.3%	83,775,137	31.0%	83,835,199	29.3%
Total Funding	135,489,632	100.0%	243,714,814	100.0%	270,275,137	100.0%	286,335,199	100.0%	270,275,137	100.0%	286,335,199	100.0%
Excess Appro./ (Funding)	0		0		0		0		0		0	
TOTAL	\$135,489,632		\$243,714,814		\$270,275,137		\$286,335,199		\$270,275,137		\$286,335,199	
DEPARTMENT	Arkansas Public Employees Retirement System			DIRECTOR Gail H. Stone				DEPARTMENT PROGRAM SUMMARY				

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
ANALYSIS OF BUDGET REQUEST
2003 – 2005

The Arkansas Public Employees Retirement System administers the Judicial Retirement Program under the authority of A.C.A. §24-8-204.

The request is to eliminate the Investments character and use Benefits and Refunds in its place.

The Executive Recommendation provides for Agency Request.

AGENCY Name: Arkansas Public Employees Retirement System Code: 370	APPROPRIATION Name: Judicial Retirement System Code: 029	TREASURY FUND Name: Judges Retirement Code: TAR	ANALYSIS OF BUDGET REQUEST	PAGE 258
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ARKANSAS PERFORMANCE BUDGETING & ACCOUNTING SYSTEM
Biennial Appropriation Summary

Agency Name ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 Agency Code 370
 Appropriation Name Judicial Retirement-Operations
 Appropriation Code 029
 Fund Name Judicial Operations
 Fund Code TAR

Character Name	Expenditures						Agency Request										Recommendations				
	2001-02		2002-03		2002-03		2003-04					2004-05					Executive				
	Actual	Budget	Pos.	Authorized	Pos.	Base Level	Pos.	Change Level	Pos.	Total	Pos.	Base Level	Pos.	Change Level	Pos.	Total	Pos.	2003-04	Pos.	2004-05	Pos.
Operating Expenses	7,730	10,510	0	10,510	0	10,510	0	0	0	10,510	0	10,510	0	0	0	10,510	0	10,510	0	10,510	0
Prof. Fees & Serv.	75,430	152,879	0	152,879	0	152,879	0	0	0	152,879	0	152,879	0	0	0	152,879	0	152,879	0	152,879	0
Benefits-Non-Emp.	2,081,267	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Refunds/Reimburse	14,634	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Investments	0	6,000,000	0	6,000,000	0	6,000,000	0	0	0	6,000,000	0	6,000,000	0	0	0	6,000,000	0	6,000,000	0	6,000,000	0
Data Processing Services	0	17,500	0	17,500	0	17,500	0	0	0	17,500	0	17,500	0	0	0	17,500	0	17,500	0	17,500	0
Grand Total	2,179,062	6,180,889	0	6,180,889	0	6,180,889	0	0	0	6,180,889	0	6,180,889	0	0	0	6,180,889	0	6,180,889	0	6,180,889	0

Funding Sources Name	2001-02	2002-03	2002-03	2003-04	2003-04	2004-05	2004-05	2003-04	2004-05
Trust Funds	2,179,062	6,180,889	*****	6,180,889	*****	0	*****	6,180,889	*****
Total Funding	2,179,062	6,180,889	*****	6,180,889	*****	0	*****	6,180,889	*****
Excess Appro(Funding)	(0)	0	*****	0	*****	0	*****	0	*****
Grand Total	2,179,062	6,180,889	*****	6,180,889	*****	0	*****	6,180,889	*****

No fund balances are reflected because funds are transferred to the State Treasury as needed to process payments.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM

Biennial Appropriation Summary

Agency Name ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 Agency Code 370
 Appropriation Name Judicial Retirement-Operations
 Appropriation Code 029
 Fund Name Judicial Operations
 Fund Code TAR

Character		Expenditures				
		2001-02	2002-03		2002-03	
Name	Code	Actual	Budget	Pos.	Authorized	Pos.
Operating Expenses	5020002	7,730	10,510	0	10,510	0
Prof. Fees & Serv.	5060010	75,430	152,879	0	152,879	0
Benefits-Non-Emp.	5100023	2,081,267	0	0	0	0
Refunds/Reimburse	5110014	14,634	0	0	0	0
Investments	5120013	0	6,000,000	0	6,000,000	0
Data Processing Services	5900044	0	17,500	0	17,500	0
Grand Total		2,179,062	6,180,889	0	6,180,889	0

Funding Sources						
Name	Code					
Trust Funds	4000050	2,179,062	6,180,889	*****	*****	*****
Total Funding		2,179,062	6,180,889	*****	*****	*****
Excess Appro/(Funding)		0	0	*****	*****	*****
Grand Total		2,179,062	6,180,889	*****	*****	*****

No fund balances are reflected because funds are transferred to the State Treasury as needed to process payments.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 Agency Code 370
 Appropriation Name Judicial Retirement-Operations
 Appropriation Code 029
 Fund Name Judicial Operations
 Fund Code TAR

Character		Recommendations							
		Executive				Legislative			
Name	Code	2003-04	Pos.	2004-05	Pos.	2003-04	Pos.	2004-05	Pos.
Operating Expenses	5020002	10,510	0	10,510	0	0	0	0	0
Prof. Fees & Serv.	5060010	152,879	0	152,879	0	0	0	0	0
Benefits-Non-Emp.	5100023	4,000,000	0	4,000,000	0	0	0	0	0
Refunds/Reimburse	5110014	2,000,000	0	2,000,000	0	0	0	0	0
Investments	5120013	0	0	0	0	0	0	0	0
Data Processing Services	5900044	17,500	0	17,500	0	0	0	0	0
Grand Total		6,180,889	0	6,180,889	0	0	0	0	0

Funding Sources									
Name	Code								
Trust Funds	4000050	6,180,889	*****	6,180,889	*****	0	*****	0	*****
Total Funding		6,180,889	*****	6,180,889	*****	0	*****	0	*****
Excess Appro/(Funding)		0	*****	0	*****	0	*****	0	*****
Grand Total		6,180,889	*****	6,180,889	*****	0	*****	0	*****

No fund balances are reflected because funds are transferred to the State Treasury as needed to process payments.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 Agency Code 370
 Appropriation Name Judicial Retirement-Operations
 Appropriation Code 029
 Fund Name Judicial Operations
 Fund Code TAR

Character		Agency Request											
		2003-04						2004-05					
		Base Level	Pos.	Change Level	Pos.	Total	Pos.	Base Level	Pos.	Change Level	Pos.	Total	Pos.
Operating Expenses	5020002	10,510	0	0	0	10,510	0	10,510	0	0	0	10,510	0
Prof. Fees & Serv.	5060010	152,879	0	0	0	152,879	0	152,879	0	0	0	152,879	0
Benefits-Non-Emp.	5100023	0	0	4,000,000	0	4,000,000	0	0	0	4,000,000	0	4,000,000	0
Refunds/Reimburse	5110014	0	0	2,000,000	0	2,000,000	0	0	0	2,000,000	0	2,000,000	0
Investments	5120013	6,000,000	0	(6,000,000)	0	0	0	6,000,000	0	(6,000,000)	0	0	0
Data Processing Services	5900044	17,500	0	0	0	17,500	0	17,500	0	0	0	17,500	0
Grand Total		6,180,889	0	0	0	6,180,889	0	6,180,889	0	0	0	6,180,889	0

Funding Sources													
Name	Code												
Trust Funds	4000050	6,180,889	*****	0	*****	6,180,889	*****	6,180,889	*****	0	*****	6,180,889	*****
Total Funding		6,180,889	*****	0	*****	6,180,889	*****	6,180,889	*****	0	*****	6,180,889	*****
Excess Appro/(Funding)		0	*****	0	*****	0	*****	0	*****	0	*****	0	*****
Grand Total		6,180,889	*****	0	*****	6,180,889	*****	6,180,889	*****	0	*****	6,180,889	*****

No fund balances are reflected because funds are transferred to the State Treasury as needed to process payments.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Rank by Appropriation

Agency Name ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 Agency Code 370
 Appropriation Name Judicial Retirement-Operations
 Appropriation Code 029
 Fund Name Judicial Operations
 Fund Code TAR

Rank	Justification	Designation	Cost Center	2001-02		2002-03		Agency Request				Executive Recommendation				Legislative Recommendation			
				Actual	Pos.	Budget	Pos.	2003-04	Pos.	2004-05	Pos.	2003-04	Pos.	2004-05	Pos.	2003-04	Pos.	2004-05	Pos.
		BL Base Level	Total	2,170,082	0	6,180,889	0	6,180,889	0	6,180,889	0	6,180,889	0	6,180,889	0	0	0	0	0
1	Increase Refunds/Reimburse by \$8,000,000 from Investments	C01	304202 Jud Operations	0	0	0	0	8,000,000	0	8,000,000	0	8,000,000	0	8,000,000	0	0	0	0	0
		C01	Total	0	0	0	0	8,000,000	0	8,000,000	0	8,000,000	0	8,000,000	0	0	0	0	0
1	Decrease Investments by \$8,000,000 so that this item may be eliminated.	C02	304202 Jud Operations	0	0	0	0	(8,000,000)	0	(8,000,000)	0	(8,000,000)	0	(8,000,000)	0	0	0	0	0
		C02	Total	0	0	0	0	(8,000,000)	0	(8,000,000)	0	(8,000,000)	0	(8,000,000)	0	0	0	0	0
		Grand Total		2,170,082	0	6,180,889	0	6,180,889	0	6,180,889	0	6,180,889	0	6,180,889	0	0	0	0	0

**ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
ANALYSIS OF BUDGET REQUEST
2003-2005**

The Arkansas Public Employees Retirement System administers the Public Employees Retirement System, the State Police Retirement System, and the Judicial Retirement System. Each retirement system has a separate Board of Trustees. The Public Employees Retirement System and the State Police Retirement System have both contributory and non-contributory provisions. The Judicial Retirement System is a contributory system.

The objective of each system is to provide present and future retirement or survivor benefits by paying from regular income instead of contributions or anticipated appreciation of investments.

The Base Level request includes a 2.7% salary increase each year over the FY03 salary levels for all incumbents plus associated increases in Personal Services Matching. Included in Personal Services Matching is a \$33 per month increase in the monthly contribution for State employee's health insurance for a total state contribution of \$280 per month per budgeted employee.

Requested change levels include:

Salary and Matching-Increase of \$43,618 for FY04 and \$44,795 for FY05 to establish new CLIP series for (10) Retirement Counselors, (4) Investment Specialists and to utilize already established CLIP series for (1) Management Project Analyst and (1) Accounting Services Representative.

Operating Expenses-Increase of \$55,000 for FY04 and \$56,480 for FY05

- Increase of \$10,500 for FY04 and \$21,000 for FY05 in printing and postage expenses to publish and mail newsletter. Currently the newsletter is published semi-annually, in FY04 it will be published three times a year and in FY05 it will be published quarterly.
- Increase of \$12,000 for FY04 and \$12,480 for FY05 for rent expense per lease agreement.
- Increase of \$5,000 for FY04 and \$8,000 for FY05 for business travel expenses due to the expansion of the statewide seminar program to 22 seminars per year.
- Increase of \$27,500 for FY04 and \$15,000 for FY05 to replace computers, printers and software.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: Arkansas Public Employees Retirement System	Name: General Operations	Name: State Employees Retirement	BUDGET REQUEST	264
Code: 370	Code: 132	Code: TSR		

**ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
ANALYSIS OF BUDGET REQUEST
2003-2005**

Capital Outlay-Increase of \$25,000 for FY04 to purchase servers and scanners to go from a mainframe-based imaging system to an in house server-based system.

Professional Services-Decrease of \$126,118 for FY04 and \$103,775 for FY05 to reallocate existing resources to accommodate all operations and capital outlay requests for the 2004/2005 biennium.

Travel/Conferences-Increase of \$2,500 for FY04 and \$2,500 for FY05 for the ongoing professional development of staff members.

Investments/Benefits/Refunds-Increase of \$5,000,000 for FY04 and \$5,000,000 for FY05 to provide sufficient appropriation to pay members who elect to participate in the Deferred Retirement Option Plan (DROP) or the Partial Annuity Withdrawal (PAW). These payouts must be paid via warrant and sent to various financial institutions and/or members via certified mail.

This appropriation is funded from trust funds for Public Employees Retirement and by assessments to the Judicial Retirement System and the State Police Retirement System for administrative expenses.

The Executive Recommendation provides for Agency Request.

AGENCY Name: Arkansas Public Employees Retirement System Code: 370	APPROPRIATION Name: General Operations Code: 132	TREASURY FUND Name: State Employees Retirement Code: TSR	ANALYSIS OF BUDGET REQUEST	PAGE 265
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ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 Agency Code 370
 Appropriation Name Public Employees Operations
 Appropriation Code 132
 Fund Name Public Employees Operations
 Fund Code TSR

Character Name	Expenditures					Agency Request										Recommendations					
	2001-02		2002-03		2002-03		2003-04			Total	Pos.	2004-05			Total	Pos.	Executive				
	Actual	Budget	Pos.	Authorized	Pos.	Base Level	Pos.	Change Level	Pos.			Base Level	Pos.	Change Level			Pos.	2003-04	Pos.	2004-05	Pos.
Regular Salaries	1,653,905	1,639,280	52	1,653,779	52	1,688,940	52	37,638	0	1,926,578	52	1,939,941	52	38,654	0	1,978,595	52	1,926,578	52	1,978,595	52
Extra Help	6,002	25,000	4	25,000	4	25,000	4	25,000	0	25,000	4	25,000	4	25,000	0	25,000	4	25,000	4	25,000	4
Personal Serv Match	426,250	479,616	0	479,616	0	510,278	0	5,960	0	516,258	0	518,339	0	6,141	0	525,480	0	516,258	0	525,480	0
Operating Expenses	676,791	710,393	0	710,393	0	710,393	0	55,000	0	765,393	0	710,393	0	56,480	0	766,873	0	765,393	0	766,873	0
Travel-Conferences	19,565	40,000	0	40,000	0	40,000	0	2,500	0	42,500	0	40,000	0	2,500	0	42,500	0	42,500	0	42,500	0
Capital Outlay	25,873	20,000	0	20,000	0	0	0	25,000	0	25,000	0	0	0	0	0	25,000	0	0	0	0	0
Prof. Fees & Serv.	1,190,830	5,058,077	0	5,058,077	0	5,058,077	0	(126,118)	0	4,931,959	0	5,058,077	0	(103,775)	0	4,954,302	0	4,931,959	0	4,954,302	0
Benefits-Non-Emp.	25,373,061	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Refunds/Reimburse	933,267	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Investments	0	50,000,000	0	50,000,000	0	50,000,000	0	5,000,000	0	55,000,000	0	50,000,000	0	5,000,000	0	55,000,000	0	55,000,000	0	55,000,000	0
Data Processing Services	0	2,000,000	0	2,000,000	0	2,000,000	0	0	0	2,000,000	0	2,000,000	0	0	0	2,000,000	0	2,000,000	0	2,000,000	0
Grand Total	30,305,544	60,172,365	56	60,186,865	56	60,232,688	56	5,000,000	0	65,232,688	56	60,292,750	56	5,000,000	0	65,292,750	56	65,232,688	56	65,292,750	56

Funding Sources Name	2001-02 Actual	2002-03 Budget	2002-03 Pos.	2002-03 Authorized	2002-03 Pos.	2003-04 Base Level	2003-04 Pos.	2003-04 Change Level	2003-04 Pos.	Total	2004-05 Base Level	2004-05 Pos.	2004-05 Change Level	2004-05 Pos.	Total	2004-05 Pos.	2003-04	2004-05			
Trust Funds	30,305,544	60,172,365	*****	*****	*****	60,232,688	*****	5,000,000	*****	65,232,688	*****	60,292,750	*****	5,000,000	*****	65,292,750	*****	65,232,688	*****	65,292,750	*****
Total Funding	30,305,544	60,172,365	*****	*****	*****	60,232,688	*****	5,000,000	*****	65,232,688	*****	60,292,750	*****	5,000,000	*****	65,292,750	*****	65,232,688	*****	65,292,750	*****
Excess Appro/Funding	0	0	*****	*****	*****	0	*****	0	*****	0	*****	0	*****	0	*****	0	*****	0	*****	0	*****
Grand Total	30,305,544	60,172,365	*****	*****	*****	60,232,688	*****	5,000,000	*****	65,232,688	*****	60,292,750	*****	5,000,000	*****	65,292,750	*****	65,232,688	*****	65,292,750	*****

No fund balances are reflected because funds are transferred to the State Treasury as needed to process payments.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM

Biennial Appropriation Summary

Agency Name ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 Agency Code 370
 Appropriation Name Public Employees-Operations
 Appropriation Code 132
 Fund Name Public Employees Operations
 Fund Code TSR

Character		Expenditures				
		2001-02	2002-03		2002-03	
Name	Code	Actual	Budget	Pos.	Authorized	Pos.
Regular Salaries	5010000	1,653,905	1,839,280	52	1,853,779	52
Extra Help	5010001	6,002	25,000	4	25,000	4
Personal Serv Match	5010003	426,250	479,616	0	479,616	0
Operating Expenses	5020002	676,791	710,393	0	710,393	0
Travel-Conferences	5050009	19,565	40,000	0	40,000	0
Capital Outlay	5120011	25,873	20,000	0	20,000	0
Prof. Fees & Serv.	5060010	1,190,830	5,058,077	0	5,058,077	0
Benefits-Non-Emp.	5100023	25,373,061	0	0	0	0
Refunds/Reimburse	5110014	933,267	0	0	0	0
Investments	5120013	0	50,000,000	0	50,000,000	0
Data Processing Services	5900044	0	2,000,000	0	2,000,000	0
Grand Total		30,305,544	60,172,365	56	60,186,865	56

Funding Sources						
Name	Code					
Trust Funds	4000050	30,305,544	60,172,365	*****	*****	*****
Total Funding		30,305,544	60,172,365	*****	*****	*****
Excess Appro/(Funding)		0	0	*****	*****	*****
Grand Total		30,305,544	60,172,365	*****	*****	*****

No fund balances are reflected because funds are transferred to the State Treasury as needed to process payments.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 Agency Code 370
 Appropriation Name Public Employees-Operations
 Appropriation Code 132
 Fund Name Public Employees Operations
 Fund Code TSR

Character Name	Code	Agency Request											
		2003-04						2004-05					
		Base Level	Pos.	Change Level	Pos.	Total	Pos.	Base Level	Pos.	Change Level	Pos.	Total	Pos.
Regular Salaries	5010000	1,888,940	52	37,638	0	1,926,578	52	1,939,941	52	38,654	0	1,978,595	52
Extra Help	5010001	25,000	4	0	0	25,000	4	25,000	4	0	0	25,000	4
Personal Serv Match	5010003	510,278	0	5,980	0	516,258	0	519,339	0	6,141	0	525,480	0
Operating Expenses	5020002	710,393	0	55,000	0	765,393	0	710,393	0	56,480	0	766,873	0
Travel-Conferences	5050009	40,000	0	2,500	0	42,500	0	40,000	0	2,500	0	42,500	0
Capital Outlay	5120011	0	0	25,000	0	25,000	0	0	0	0	0	0	0
Prof. Fees & Serv.	5060010	5,058,077	0	(126,118)	0	4,931,959	0	5,058,077	0	(103,775)	0	4,954,302	0
Benefits-Non-Emp.	5100023	0	0	0	0	0	0	0	0	0	0	0	0
Refunds/Reimburse	5110014	0	0	0	0	0	0	0	0	0	0	0	0
Investments	5120013	50,000,000	0	5,000,000	0	55,000,000	0	50,000,000	0	5,000,000	0	55,000,000	0
Data Processing Services	5900044	2,000,000	0	0	0	2,000,000	0	2,000,000	0	0	0	2,000,000	0
Grand Total		60,232,688	56	5,000,000	0	65,232,688	56	60,292,750	56	5,000,000	0	65,292,750	56

Funding Sources													
Name	Code												
Trust Funds	4000050	60,232,688	*****	5,000,000	*****	65,232,688	*****	60,292,750	*****	5,000,000	*****	65,292,750	*****
Total Funding		60,232,688	*****	5,000,000	*****	65,232,688	*****	60,292,750	*****	5,000,000	*****	65,292,750	*****
Excess Appro/(Funding)		0	*****	0	*****	0	*****	0	*****	0	*****	0	*****
Grand Total		60,232,688	*****	5,000,000	*****	65,232,688	*****	60,292,750	*****	5,000,000	*****	65,292,750	*****

No fund balances are reflected because funds are transferred to the State Treasury as needed to process payments.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 Agency Code 370
 Appropriation Name Public Employees-Operations
 Appropriation Code 132
 Fund Name Public Employees Operations
 Fund Code TSR

Character		Recommendations							
		Executive				Legislative			
Name	Code	2003-04	Pos.	2004-05	Pos.	2003-04	Pos.	2004-05	Pos.
Regular Salaries	5010000	1,926,578	52	1,978,595	52	0	0	0	0
Extra Help	5010001	25,000	4	25,000	4	0	0	0	0
Personal Serv Match	5010003	516,258	0	525,480	0	0	0	0	0
Operating Expenses	5020002	765,393	0	766,873	0	0	0	0	0
Travel-Conferences	5050009	42,500	0	42,500	0	0	0	0	0
Capital Outlay	5120011	25,000	0	0	0	0	0	0	0
Prof. Fees & Serv.	5060010	4,931,959	0	4,954,302	0	0	0	0	0
Benefits-Non-Emp.	5100023	43,000,000	0	43,000,000	0	0	0	0	0
Refunds/Reimburse	5110014	12,000,000	0	12,000,000	0	0	0	0	0
Investments	5120013	0	0	0	0	0	0	0	0
Data Processing Services	5900044	2,000,000	0	2,000,000	0	0	0	0	0
Grand Total		65,232,688	56	65,292,750	56	0	0	0	0

Funding Sources									
Name	Code								
Trust Funds	4000050	65,232,688	*****	65,292,750	*****	0	*****	0	*****
Total Funding		65,232,688	*****	65,292,750	*****	0	*****	0	*****
Excess Appro/(Funding)		0	*****	0	*****	0	*****	0	*****
Grand Total		65,232,688	*****	65,292,750	*****	0	*****	0	*****

No fund balances are reflected because funds are transferred to the State Treasury as needed to process payments.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Rank by Appropriation

Agency Name ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 Agency Code 370
 Appropriation Name Public Employees Retirement-Operations
 Appropriation Code 132
 Fund Name Public Employees Operations
 Fund Code TSR

Rank	Justification	Designation	Cost Center	2001-02	2002-03		Agency Request			Executive Recommendation			Legislative Recommendation					
				Actual	Budget	Pos.	2003-04	Pos.	2004-05	Pos.	2003-04	Pos.	2004-05	Pos.	2003-04	Pos.	2004-05	Pos.
1	This request is to establish new CLIP series for Retirement Counselor (10 positions) and for Investment Specialist (4 positions), and to utilize already established CLIP series for (1) Management Project Analyst & (1) Accounting Services Rep position.	BL	Total	0	60,172,365	52	60,232,688	52	60,292,750	52	60,232,688	52	60,292,750	52	0	0	0	0
		C09	304402	0	0	0	43,618	0	44,795	0	43,618	0	44,795	0	0	0	0	0
		C09	Total	0	0	0	43,618	0	44,795	0	43,618	0	44,795	0	0	0	0	0
2	This request is for an increase in training for the ongoing professional development of staff and a decrease in Investments of \$50,000,000, so that this item can be eliminated.	C02	304402	0	0	0	(49,997,500)	0	(49,997,500)	0	(49,997,500)	0	(49,997,500)	0	0	0	0	0
		C02	Total	0	0	0	(49,997,500)	0	(49,997,500)	0	(49,997,500)	0	(49,997,500)	0	0	0	0	0
3	(1) Postage/Printing: The APERSpective newsletter, which is currently published and mailed semi-annually to active and retired members, will be published 3 times during FY 04 and will begin a quarterly publication schedule in FY 05. Postage and printing costs will increase due to the additional issues published. (2) Rent: Annual rent increases of 4% are included in our lease agreement. (3) Official business travel costs will increase due to the expansion of the statewide seminar program to 22 seminars per year, and for travel costs associated with site visits to professional money managers for compliance reviews. Increase in refunds and benefits of \$50,000,000 from Investments and an increase of \$5,000,000 to provide sufficient appropriation to pay members who elect to participate in the Deferred Retirement Option Plan (DROP) or the Partial Annuity Withdrawal (PAW). These payouts must be paid by warrant and sent to various financial institutions and/or members via certified mail.	C01	304402	0	0	0	55,027,500	0	55,041,480	0	55,027,500	0	55,041,480	0	0	0	0	0
		C01	Total	0	0	0	55,027,500	0	55,041,480	0	55,027,500	0	55,041,480	0	0	0	0	0
4	APERS requests \$27,500 in M & O funds in FY04 and \$15,000 in FY05 for the purchase of Windows 2000 operating system software licenses and compatible emulation software licenses due to the discontinuation of support by Microsoft of Windows NT, and for the routine replacement of desktop computers and printers. APERS also requests \$25,000 in Capital Outlay funds in FY04 to purchase two servers and two scanners to complete a migration from a mainframe-based imaging system to a server-based system, as outlined in our IT Plan.	C08	304402	0	0	0	52,500	0	15,000	0	52,500	0	15,000	0	0	0	0	0
		C08	Total	0	0	0	52,500	0	15,000	0	52,500	0	15,000	0	0	0	0	0
5	This request is to change the titles of three positions to better reflect the duties performed.	C14	304402	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		C14	Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	This request is to reallocate existing resources to accommodate all operations and capital outlay requests for the 04/05 biennium.	C03	304402	0	0	0	(126,118)	0	(103,775)	0	(126,118)	0	(103,775)	0	0	0	0	0
		C03	Total	0	0	0	(126,118)	0	(103,775)	0	(126,118)	0	(103,775)	0	0	0	0	0
Grand Total				0	60,172,365	52	65,232,688	52	65,292,750	52	65,232,688	52	65,292,750	52	0	0	0	0

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
ANALYSIS OF BUDGET REQUEST
2003-2005

The Arkansas Public Employees Retirement System administers the State Police Retirement Program under the authority of A.C.A. §24-6-204.

The request is to eliminate the Investments character and use Benefits and Refunds in its place.

The Executive Recommendation provides for Agency Request.

AGENCY Name: Arkansas Public Employees Retirement System Code: 370	APPROPRIATION Name: State Police Retirement Code: 134	TREASURY FUND Name: Police Retirement Code: TMR	ANALYSIS OF BUDGET REQUEST	PAGE 271
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ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name ARKANSAS PUBLIC EMPLOYEE RETIREMENT SYSTEM
 Agency Code 370
 Appropriation Name State Police-Operations
 Appropriation Code 134
 Fund Name State Police-Operations
 Fund Code TMR

Character Name	Expenditures						Agency Request										Recommendations				
	2001-02		2002-03		2002-03		2003-04				2004-05		2004-05				2003-04		Executive		
	Actual	Budget	Pos.	Authorized	Pos.	Base Level	Pos.	Change Level	Pos.	Total	Pos.	Base Level	Pos.	Change Level	Pos.	Total	Pos.	2003-04	Pos.	2004-05	Pos.
Operating Expenses	3,748	12,610	0	12,610	0	12,610	0	0	0	12,610	0	12,610	0	0	0	12,610	0	12,610	0	12,610	0
Prof. Fees & Serv.	127,414	320,950	0	320,950	0	320,950	0	0	0	320,950	0	320,950	0	0	0	320,950	0	320,950	0	320,950	0
Benefits-Non-Emp.	5,570,495	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Investments	0	12,000,000	0	12,000,000	0	12,000,000	0	0	0	12,000,000	0	12,000,000	0	0	0	12,000,000	0	12,000,000	0	12,000,000	0
Data Processing Services	0	28,000	0	28,000	0	28,000	0	0	0	28,000	0	28,000	0	0	0	28,000	0	28,000	0	28,000	0
Grand Total	5,701,657	12,361,560	0	12,361,560	0	12,361,560	0	0	0	12,361,560	0	12,361,560	0	0	0	12,361,560	0	12,361,560	0	12,361,560	0

Funding Source Name	2001-02	2002-03	2003-04	2004-05	2003-04	2004-05
Trust Funds	5,701,657	12,361,560	*****	*****	12,361,560	*****
Total Funding	5,701,657	12,361,560	*****	*****	12,361,560	*****
Excess Approv(Funding)	0	0	*****	*****	0	*****
Grand Total	5,701,657	12,361,560	*****	*****	12,361,560	*****

No fund balances are reflected because funds are transferred to the State Treasury as needed to process payments.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name ARKANSAS PUBLIC EMPLOYEE RETIREMENT SYSTEM
 Agency Code 370
 Appropriation Name State Police-Operations
 Appropriation Code 134
 Fund Name State Police-Operations
 Fund Code TMR

Character		Expenditures				
		2001-02	2002-03		2002-03	
Name	Code	Actual	Budget	Pos.	Authorized	Pos.
Operating Expenses	5020002	3,748	12,610	0	12,610	0
Prof. Fees & Serv.	5060010	127,414	320,950	0	320,950	0
Benefits-Non-Emp.	5100023	5,570,495	0	0	0	0
Refunds/Reimburse	5110014	0	0	0	0	0
Investments	5120013	0	12,000,000	0	12,000,000	0
Data Processing Services	5900044	0	28,000	0	28,000	0
Grand Total		5,701,657	12,361,560	0	12,361,560	0

Funding Sources						
Name	Code					
Trust Funds	4000050	5,701,657	12,361,560	*****	*****	*****
Total Funding		5,701,657	12,361,560	*****	*****	*****
Excess Appro/(Funding)		0	0	*****	*****	*****
Grand Total		5,701,657	12,361,560	*****	*****	*****

No fund balances are reflected because funds are transferred to the State Treasury as needed to process payments.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name ARKANSAS PUBLIC EMPLOYEE RETIREMENT SYSTEM
 Agency Code 370
 Appropriation Name State Police-Operations
 Appropriation Code 134
 Fund Name State Police-Operations
 Fund Code TMR

Character		Agency Request											
		2003-04						2004-05					
Name	Code	Base Level	Pos.	Change Level	Pos.	Total	Pos.	Base Level	Pos.	Change Level	Pos.	Total	Pos.
Operating Expenses	5020002	12,610	0	0	0	12,610	0	12,610	0	0	0	12,610	0
Prof. Fees & Serv.	5060010	320,950	0	0	0	320,950	0	320,950	0	0	0	320,950	0
Benefits-Non-Emp.	5100023	0	0	10,000,000	0	10,000,000	0	0	0	10,000,000	0	10,000,000	0
Refunds/Reimburse	5110014	0	0	2,000,000	0	2,000,000	0	0	0	2,000,000	0	2,000,000	0
Investments	5120013	12,000,000	0	(12,000,000)	0	0	0	12,000,000	0	(12,000,000)	0	0	0
Data Processing Services	5900044	28,000	0	0	0	28,000	0	28,000	0	0	0	28,000	0
Grand Total		12,361,560	0	0	0	12,361,560	0	12,361,560	0	0	0	12,361,560	0

Funding Sources													
Name	Code												
Trust Funds	4000050	12,361,560	*****	0	*****	12,361,560	*****	12,361,560	*****	0	*****	12,361,560	*****
Total Funding		12,361,560	*****	0	*****	12,361,560	*****	12,361,560	*****	0	*****	12,361,560	*****
Excess Appro/(Funding)		0	*****	0	*****	0	*****	0	*****	0	*****	0	*****
Grand Total		12,361,560	*****	0	*****	12,361,560	*****	12,361,560	*****	0	*****	12,361,560	*****

No fund balances are reflected because funds are transferred to the State Treasury as needed to process payments.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name ARKANSAS PUBLIC EMPLOYEE RETIREMENT SYSTEM
 Agency Code 370
 Appropriation Name State Police-Operations
 Appropriation Code 134
 Fund Name State Police-Operations
 Fund Code TMR

Character		Recommendations							
		Executive				Legislative			
		2003-04	Pos.	2004-05	Pos.	2003-04	Pos.	2004-05	Pos.
Operating Expenses	5020002	12,610	0	12,610	0	0	0	0	0
Prof. Fees & Serv.	5060010	320,950	0	320,950	0	0	0	0	0
Benefits-Non-Emp.	5100023	10,000,000	0	10,000,000	0	0	0	0	0
Refunds/Reimburse	5110014	2,000,000	0	2,000,000	0	0	0	0	0
Investments	5120013	0	0	0	0	0	0	0	0
Data Processing Services	5900044	28,000	0	28,000	0	0	0	0	0
Grand Total		12,361,560	0	12,361,560	0	0	0	0	0

Funding Sources									
Name	Code								
Trust Funds	4000050	12,361,560	*****	12,361,560	*****	0	*****	0	*****
Total Funding		12,361,560	*****	12,361,560	*****	0	*****	0	*****
Excess Appro/(Funding)		0	*****	0	*****	0	*****	0	*****
Grand Total		12,361,560	*****	12,361,560	*****	0	*****	0	*****

No fund balances are reflected because funds are transferred to the State Treasury as needed to process payments.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Rank by Appropriation

Agency Name: ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 Agency Code: 370
 Appropriation Name: State Police-Operations
 Appropriation Code: 134
 Fund Name: State Police-Operations
 Fund Code: TMR

Rank	Justification	Designation	Cost Center	2001-02		2002-03		Agency Request			Executive Recommendation			Legislative Recommendation					
				Actual	Pos.	Budget	Pos.	2003-04	Pos.	2004-05	Pos.	2003-04	Pos.	2004-05	Pos.	2003-04	Pos.	2004-05	Pos.
		BL Base Level	Total	5,701,657	0	12,361,560	0	12,361,560	0	12,361,560	0	12,361,560	0	12,361,560	0	0	0	0	0
1	This request is to increase Refunds/Reimbursements by \$2,000,000 and Benefits-Non-Employees by \$10,000,000	C01	304302 St Pol Operations	0	0	0	0	12,000,000	0	12,000,000	0	12,000,000	0	12,000,000	0	0	0	0	0
		C01	Total	0	0	0	0	12,000,000	0	12,000,000	0	12,000,000	0	12,000,000	0	0	0	0	0
1	This request is to eliminate investment line item.	C02	304302 St Pol Operations	0	0	0	0	(12,000,000)	0	(12,000,000)	0	(12,000,000)	0	(12,000,000)	0	0	0	0	0
		C02	Total	0	0	0	0	(12,000,000)	0	(12,000,000)	0	(12,000,000)	0	(12,000,000)	0	0	0	0	0
		Grand Total	Total	5,701,657	0	12,361,560	0	12,361,560	0	12,361,560	0	12,361,560	0	12,361,560	0	0	0	0	0

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
ANALYSIS OF BUDGET REQUEST
2003-2005

The Arkansas Public Employees Retirement System is requesting an additional \$20,000,000 for FY04 and \$35,000,000 for FY05 for the cash appropriation to allow the Agency to pay all benefits of the Public Employees Retirement System through the cash fund. Currently, benefits that are paid by direct deposit are processed through the cash fund while benefits paid by warrant are processed through the State Treasury. An increase in the amount requested is needed due to the increase of retirees participating in the direct deposit of retirement benefits. Processing all benefit payments through the cash fund will enable the System to reduce the amount of time necessary to replace lost checks and also allow the System to continue to earn interest while the payments are in transit.

The Executive Recommendation provides for Agency Request.

AGENCY Name: Arkansas Public Employees Retirement System Code: 370	APPROPRIATION Name: Public Employees Retirement - Cash Code: B24	CASH FUND Name: Public Employees Retirement - Cash Code: 131	ANALYSIS OF BUDGET REQUEST	PAGE 277
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ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
Agency Code 370
Appropriation Name Public Employee-Cash
Appropriation Code B24
Fund Name Public Employee Cash Fund
Fund Code 131

Character Name	Expenditures					Agency Request										Recommendations						
	2001-02		2002-03		2002-03		2003-04				2004-05						2003-04		Executive		2004-05	
	Actual	Budget	Pos.	Authorized	Pos.	Base Level	Pos.	Change Level	Pos.	Total	Pos.	Base Level	Pos.	Change Level	Pos.	Total	Pos.	2003-04	Pos.	2004-05	Pos.	
Benefits	85,830,514	150,000,000	0	150,000,000	0	150,000,000	0	20,000,000	0	170,000,000	0	150,000,000	0	35,000,000	0	185,000,000	0	170,000,000	0	185,000,000	0	
Grand Total	85,830,514	150,000,000	0	150,000,000	0	150,000,000	0	20,000,000	0	170,000,000	0	150,000,000	0	35,000,000	0	185,000,000	0	170,000,000	0	185,000,000	0	

Funding Sources Name	2001-02 Actual	2002-03 Budget	2002-03 Pos.	2002-03 Authorized	2002-03 Pos.	2003-04 Base Level	2003-04 Pos.	2003-04 Change Level	2003-04 Pos.	2003-04 Total	2003-04 Pos.	2004-05 Base Level	2004-05 Pos.	2004-05 Change Level	2004-05 Pos.	2004-05 Total	2004-05 Pos.	2003-04	2003-04 Pos.	2004-05	2004-05 Pos.
Cash Funds	85,830,514	150,000,000	*****	*****	*****	150,000,000	*****	20,000,000	*****	170,000,000	*****	150,000,000	*****	35,000,000	*****	185,000,000	*****	170,000,000	*****	185,000,000	*****
Total Funding	85,830,514	150,000,000	*****	*****	*****	150,000,000	*****	20,000,000	*****	170,000,000	*****	150,000,000	*****	35,000,000	*****	185,000,000	*****	170,000,000	*****	185,000,000	*****
Excess Appor(Funding)	0	0	*****	*****	*****	0	*****	0	*****	0	*****	0	*****	0	*****	0	*****	0	*****	0	*****
Grand Total	85,830,514	150,000,000	*****	*****	*****	150,000,000	*****	20,000,000	*****	170,000,000	*****	150,000,000	*****	35,000,000	*****	185,000,000	*****	170,000,000	*****	185,000,000	*****

No fund balances are reflected because funds are transferred as needed to process payments.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 Agency Code 370
 Appropriation Name Public Employee-Cash
 Appropriation Code B24
 Fund Name Public Employee Cash Fund
 Fund Code 131

Character		Expenditures				
		2001-02	2002-03		2002-03	
Name	Code	Actual	Budget	Pos.	Authorized	Pos.
Benefits	5100023	85,830,514	150,000,000	0	150,000,000	0
Grand Total		85,830,514	150,000,000	0	150,000,000	0

Funding Sources						
Name	Code					
Cash Funds	4000045	85,830,514	150,000,000	*****	*****	*****
Total Funding		85,830,514	150,000,000	*****	*****	*****
Excess Appro/(Funding)		0	0	*****	*****	*****
Grand Total		85,830,514	150,000,000	*****	*****	*****

No fund balances are reflected because funds are transferred as needed to process payments.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 Agency Code 370
 Appropriation Name Public Employee-Cash
 Appropriation Code B24
 Fund Name Public Employee Cash Fund
 Fund Code 131

Character		Agency Request											
		2003-04						2004-05					
Name	Code	Base Level	Pos.	Change Level	Pos.	Total	Pos.	Base Level	Pos.	Change Level	Pos.	Total	Pos.
Benefits	5f00023	150,000,000	0	20,000,000	0	170,000,000	0	150,000,000	0	35,000,000	0	185,000,000	0
Grand Total		150,000,000	0	20,000,000	0	170,000,000	0	150,000,000	0	35,000,000	0	185,000,000	0

Funding Sources													
Name	Code	2003-04						2004-05					
Cash Funds	4000045	150,000,000	*****	20,000,000	*****	170,000,000	*****	150,000,000	*****	35,000,000	*****	185,000,000	*****
Total Funding		150,000,000	*****	20,000,000	*****	170,000,000	*****	150,000,000	*****	35,000,000	*****	185,000,000	*****
Excess Appro/(Funding)		0	*****	0	*****	0	*****	0	*****	0	*****	0	*****
Grand Total		150,000,000	*****	20,000,000	*****	170,000,000	*****	150,000,000	*****	35,000,000	*****	185,000,000	*****

No fund balances are reflected because funds are transferred as needed to process payments.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Rank by Appropriation

Agency Name ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 Agency Code 370
 Appropriation Name Public Employees Retirement-Cash
 Appropriation Code B24
 Fund Name Public Employees Retirement Cash Fund
 Fund Code 131

Rank	Justification	Designation	Cost Center	2001-02	2002-03		Agency Request			Executive Recommendation			Legislative Recommendation				
				Actual	Budget	Pos.	2003-04	Pos.	2004-05	Pos.	2003-04	Pos.	2004-05	Pos.	2003-04	Pos.	2004-05
		BL Base Level	Total	0	150,000,000	0	150,000,000	0	150,000,000	0	150,000,000	0	150,000,000	0	0	0	0
1	APERS requests additional appropriation of \$20,000,000 in FY04 and \$15,000,000 in FY05 for the cash fund to accommodate the increasing number of retirees participating in the direct deposit of retirement benefits.	C01	304401 Pub Emp Cash Fund	0		0	20,000,000	0	35,000,000	0	20,000,000	0	35,000,000	0	0	0	0
		C01	Total	0		0	20,000,000	0	35,000,000	0	20,000,000	0	35,000,000	0	0	0	0
		Grand Total	Total	0	150,000,000	0	170,000,000	0	185,000,000	0	170,000,000	0	185,000,000	0	0	0	0

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
ANALYSIS OF BUDGET REQUEST
2003-2005

The Arkansas Public Employees Retirement System is requesting a continuation of the Base Level of \$10,000,000 for FY04 and FY05 for the cash appropriation to allow the Agency to pay all benefits of the State Police Retirement System through the cash fund. Currently, benefits that are paid by direct deposit are processed through the cash fund while benefits paid by warrant are processed through the State Treasury. Processing all benefit payments through the cash fund will enable the System to reduce the amount of time necessary to replace lost checks and also allow the System to continue to earn interest while the payments are in transit.

The Executive Recommendation provides for Agency Request.

AGENCY Name: Arkansas Public Employees Retirement System Code: 370	APPROPRIATION Name: State Police Retirement - Cash Code: B25	CASH FUND Name: Public Employees Retirement - Cash Code: 131	ANALYSIS OF BUDGET REQUEST	PAGE 283
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ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 Agency Code 370
 Appropriation Name State Police Retirement-Cash
 Appropriation Code B25
 Fund Name State Police Retirement Cash Fund
 Fund Code 131

Character Name	Expenditures						Agency Request										Recommendations				
	2001-02		2002-03		2002-03		2003-04				2004-05						2003-04		Executive		
	Actual	Budget	Pos.	Authorized	Pos.	Base Level	Pos.	Change Level	Pos.	Total	Pos.	Base Level	Pos.	Change Level	Pos.	Total	Pos.	2003-04	Pos.	2004-05	Pos.
Benefits	7,098,777	10,000,000	0	10,000,000	0	10,000,000	0	0	0	10,000,000	0	10,000,000	0	0	0	10,000,000	0	10,000,000	0	10,000,000	0
Grand Total	7,098,777	10,000,000	0	10,000,000	0	10,000,000	0	0	0	10,000,000	0	10,000,000	0	0	0	10,000,000	0	10,000,000	0	10,000,000	0

Funding Sources Name	2001-02 Actual	2002-03 Budget	2002-03 Pos.	2002-03 Authorized	2002-03 Pos.	2003-04 Base Level	2003-04 Pos.	2003-04 Change Level	2003-04 Pos.	2003-04 Total	2003-04 Pos.	2004-05 Base Level	2004-05 Pos.	2004-05 Change Level	2004-05 Pos.	2004-05 Total	2004-05 Pos.	2003-04	Executive	2004-05	Pos.
Cash Funds	7,098,777	10,000,000	*****	*****	*****	10,000,000	*****	0	*****	10,000,000	*****	10,000,000	*****	0	*****	10,000,000	*****	10,000,000	*****	10,000,000	*****
Total Funding	7,098,777	10,000,000	*****	*****	*****	10,000,000	*****	0	*****	10,000,000	*****	10,000,000	*****	0	*****	10,000,000	*****	10,000,000	*****	10,000,000	*****
Excess Appr(Funding)	0	0	*****	*****	*****	0	*****	0	*****	0	*****	0	*****	0	*****	0	*****	0	*****	0	*****
Grand Total	7,098,777	10,000,000	*****	*****	*****	10,000,000	*****	0	*****	10,000,000	*****	10,000,000	*****	0	*****	10,000,000	*****	10,000,000	*****	10,000,000	*****

No fund balances are reflected because funds are transferred as needed to process payments.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 Agency Code 370
 Appropriation Name State Police Retirement-Cash
 Appropriation Code B25
 Fund Name State Police Retirement Cash Fund
 Fund Code 131

Character		Expenditures				
		2001-02	2002-03	2002-03		
Name	Code	Actual	Budget	Pos.	Authorized	Pos.
Benefits	5100023	7,098,777	10,000,000	0	10,000,000	0
Grand Total		7,098,777	10,000,000	0	10,000,000	0

Funding Sources						
Name	Code					
Cash Funds	4000045	7,098,777	10,000,000	*****	*****	*****
Total Funding		7,098,777	10,000,000	*****	*****	*****
Excess Appro/(Funding)		0	0	*****	*****	*****
Grand Total		7,098,777	10,000,000	*****	*****	*****

No fund balances are reflected because funds are transferred as needed to process payments.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 Agency Code 370
 Appropriation Name State Police Retirement-Cash
 Appropriation Code B25
 Fund Name State Police Retirement Cash Fund
 Fund Code 131

Character		Agency Request											
		2003-04						2004-05					
Name	Code	Base Level	Pos.	Change Level	Pos.	Total	Pos.	Base Level	Pos.	Change Level	Pos.	Total	Pos.
Benefits	5100023	10,000,000	0	0	0	10,000,000	0	10,000,000	0	0	0	10,000,000	0
Grand Total		10,000,000	0	0	0	10,000,000	0	10,000,000	0	0	0	10,000,000	0

Funding Sources													
Name	Code												
Cash Funds	4000045	10,000,000	*****	0	*****	10,000,000	*****	10,000,000	*****	0	*****	10,000,000	*****
Total Funding		10,000,000	*****	0	*****	10,000,000	*****	10,000,000	*****	0	*****	10,000,000	*****
Excess Appro/(Funding)		0	*****	0	*****	0	*****	0	*****	0	*****	0	*****
Grand Total		10,000,000	*****	0	*****	10,000,000	*****	10,000,000	*****	0	*****	10,000,000	*****

No fund balances are reflected because funds are transferred as needed to process payments.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 Agency Code 370
 Appropriation Name State Police Retirement-Cash
 Appropriation Code B25
 Fund Name State Police Retirement Cash Fund
 Fund Code 131

Character		Recommendations							
		Executive				Legislative			
Name	Code	2003-04	Pos.	2004-05	Pos.	2003-04	Pos.	2004-05	Pos.
Benefits	5100023	10,000,000	0	10,000,000	0	0	0	0	0
Grand Total		10,000,000	0	10,000,000	0	0	0	0	0

Funding Sources									
Name	Code	2003-04		2004-05		2003-04		2004-05	
Cash Funds	4000045	10,000,000	*****	10,000,000	*****	0	*****	0	*****
Total Funding		10,000,000	*****	10,000,000	*****	0	*****	0	*****
Excess Appro/(Funding)		0	*****	0	*****	0	*****	0	*****
Grand Total		10,000,000	*****	10,000,000	*****	0	*****	0	*****

No fund balances are reflected because funds are transferred as needed to process payments.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
ANALYSIS OF BUDGET REQUEST
2003-2005

The Arkansas Public Employees Retirement System is requesting an additional \$1,500,000 for FY04 and \$2,500,000 for FY05 for the cash appropriation to allow the Agency to pay all benefits of the Judicial Retirement System through the cash fund. Currently, benefits that are paid by direct deposit are processed through the cash fund while benefits paid by warrant are processed through the State Treasury. Processing all benefit payments through the cash fund will enable the System to reduce the amount of time necessary to replace lost checks and also allow the System to continue to earn interest while the payments are in transit.

The Executive Recommendation provides for Agency Request.

AGENCY Name: Arkansas Public Employees Retirement System Code: 370	APPROPRIATION Name: Judicial Retirement - Cash Code: B26	CASH FUND Name: Public Employees Retirement - Cash Code: 131	ANALYSIS OF BUDGET REQUEST	PAGE 288
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ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 Agency Code 370
 Appropriation Name Judicial Retirement-Cash
 Appropriation Code B26
 Fund Name Judicial Retirement Cash Fund
 Fund Code 131

Character Name	Expenditures					Agency Request										Recommendations					
	2001-02		2002-03		2002-03	2003-04					2004-05					Executive					
	Actual	Budget	Pos.	Authorized	Pos.	Base Level	Pos.	Change Level	Pos.	Total	Pos.	Base Level	Pos.	Change Level	Pos.	Total	Pos.	2003-04	Pos.	2004-05	Pos.
Benefits	4,374,078	5,000,000	0	5,000,000	0	5,000,000	0	1,500,000	0	6,500,000	0	5,000,000	0	2,500,000	0	7,500,000	0	6,500,000	0	7,500,000	0
Grand Total	4,374,078	5,000,000	0	5,000,000	0	5,000,000	0	1,500,000	0	6,500,000	0	5,000,000	0	2,500,000	0	7,500,000	0	6,500,000	0	7,500,000	0

Funding Sources Name	2001-02 Actual	2002-03 Budget	2002-03 Pos.	2002-03 Authorized	2002-03 Pos.	2003-04 Base Level	2003-04 Pos.	2003-04 Change Level	2003-04 Pos.	2003-04 Total	2003-04 Pos.	2004-05 Base Level	2004-05 Pos.	2004-05 Change Level	2004-05 Pos.	2004-05 Total	2004-05 Pos.	2003-04	2003-04 Pos.	2004-05	2004-05 Pos.
Cash Funds	4,374,078	5,000,000	*****	*****	*****	5,000,000	*****	1,500,000	*****	6,500,000	*****	5,000,000	*****	2,500,000	*****	7,500,000	*****	6,500,000	*****	7,500,000	*****
Total Funding	4,374,078	5,000,000	*****	*****	*****	5,000,000	*****	1,500,000	*****	6,500,000	*****	5,000,000	*****	2,500,000	*****	7,500,000	*****	6,500,000	*****	7,500,000	*****
Excess Appro(Funding)	0	0	*****	*****	*****	0	*****	0	*****	0	*****	0	*****	0	*****	0	*****	0	*****	0	*****
Grand Total	4,374,078	5,000,000	*****	*****	*****	5,000,000	*****	1,500,000	*****	6,500,000	*****	5,000,000	*****	2,500,000	*****	7,500,000	*****	6,500,000	*****	7,500,000	*****

No fund balances are reflected because funds are transferred as needed to process payments.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 Agency Code 370
 Appropriation Name Judicial Retirement-Cash
 Appropriation Code B26
 Fund Name Judicial Retirement Cash Fund
 Fund Code 131

Character		Expenditures				
		2001-02	2002-03		2002-03	
Name	Code	Actual	Budget	Pos.	Authorized	Pos.
Benefits	5100023	4,374,078	5,000,000	0	5,000,000	0
Grand Total		4,374,078	5,000,000	0	5,000,000	0

Funding Sources						
Name	Code					
Cash Funds	4000045	4,374,078	5,000,000	*****	*****	*****
Total Funding		4,374,078	5,000,000	*****	*****	*****
Excess Appro/(Funding)		0	0	*****	*****	*****
Grand Total		4,374,078	5,000,000	*****	*****	*****

No fund balances are reflected because funds are transferred as needed to process payments.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 Agency Code 370
 Appropriation Name Judicial Retirement-Cash
 Appropriation Code B26
 Fund Name Judicial Retirement Cash Fund
 Fund Code 131

Character Name Code		Agency Request											
		2003-04						2004-05					
		Base Level	Pos.	Change Level	Pos.	Total	Pos.	Base Level	Pos.	Change Level	Pos.	Total	Pos.
Benefits	5100023	5,000,000	0	1,500,000	0	6,500,000	0	5,000,000	0	2,500,000	0	7,500,000	0
Grand Total		5,000,000	0	1,500,000	0	6,500,000	0	5,000,000	0	2,500,000	0	7,500,000	0

Funding Sources Name Code													
Cash Funds	4000045	5,000,000	*****	1,500,000	*****	6,500,000	*****	5,000,000	*****	2,500,000	*****	7,500,000	*****
Total Funding		5,000,000	*****	1,500,000	*****	6,500,000	*****	5,000,000	*****	2,500,000	*****	7,500,000	*****
Excess Appro/(Funding)		0	*****	0	*****	0	*****	0	*****	0	*****	0	*****
Grand Total		5,000,000	*****	1,500,000	*****	6,500,000	*****	5,000,000	*****	2,500,000	*****	7,500,000	*****

No fund balances are reflected because funds are transferred as needed to process payments.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency Name ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 Agency Code 370
 Appropriation Name Judicial Retirement-Cash
 Appropriation Code B26
 Fund Name Judicial Retirement Cash Fund
 Fund Code 131

Character		Recommendations								
		Executive				Legislative				
		Name	Code	2003-04	Pos.	2004-05	Pos.	2003-04	Pos.	2004-05
Benefits	5100023	6,500,000	0	7,500,000	0	0	0	0	0	0
Grand Total		6,500,000	0	7,500,000	0	0	0	0	0	0

Funding Sources											
Name	Code										
Cash Funds	4000045	6,500,000	*****	7,500,000	*****	0	*****	0	*****	0	*****
Total Funding		6,500,000	*****	7,500,000	*****	0	*****	0	*****	0	*****
Excess Appro/(Funding)		0	*****	0	*****	0	*****	0	*****	0	*****
Grand Total		6,500,000	*****	7,500,000	*****	0	*****	0	*****	0	*****

No fund balances are reflected because funds are transferred as needed to process payments.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Rank by Appropriation

Agency Name ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 Agency Code 370
 Appropriation Name Judicial Retirement Cash
 Appropriation Code B26
 Fund Name Judicial Retirement Cash Fund
 Fund Code 131

Rank	Justification	Designation		Cost Center		2001-02	2002-03		Agency Request			Executive Recommendation			Legislative Recommendation						
		BL	Base Level	Total		Actual	Budget	Pos.	2003-04	Pos.	2004-05	Pos.	2003-04	Pos.	2004-05	Pos.	2003-04	Pos.	2004-05	Pos.	
1	AJRS requests additional appropriation of \$1,500,000 in FY04 and \$2,500,000 in FY05 for the cash fund to accommodate the increasing number of retirees participating in the direct deposit of retirement benefits.				304403	Jud Cash Fund	0	0	0	1,500,000	0	2,500,000	0	1,500,000	0	2,500,000	0	0	0	0	0
					C01	Total	0	0	0	1,500,000	0	2,500,000	0	1,500,000	0	2,500,000	0	0	0	0	0
					Grand Total	Total	0	5,000,000	0	6,500,000	0	7,500,000	0	6,500,000	0	7,500,000	0	0	0	0	0

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
PROGRAM PERFORMANCE BUDGET REQUEST

Section 1. Program Goals:

Agency, Director and Program Name	Program Description	Program Goals
Arkansas Public Employees Retirement System/APERS Arkansas State Police Retirement System/ASPRS Arkansas Judicial Retirement System/AJRS Gail H. Stone, Executive Director Agency Operations/Administration	To provide high quality member services, including education and counseling to customers (ie. members, retirees, employers) about the benefit program and other available services. To effectively manage the investment of the assets of APERS, ASPRS & AJRS. To provide administrative and support services for APERS, ASPRS & AJRS.	Goal 1: To provide members and retirees with the highest level of benefits, customer service and accurate, timely information.

Objective ID	Objective	Objective Description
	1	To maximize benefit levels and customer satisfaction of members and retirees through a high quality benefit program funded through the efficient administration of retirement legislation and the effective allocation and management of fund assets of the Arkansas Public Employees Retirement System.
	2	To maximize benefit levels and customer satisfaction of members and retirees through a high quality benefit program funded through the efficient administration of retirement legislation and the effective allocation and management of fund assets of the Arkansas State Police Retirement System.
	3	To maximize benefit levels and customer satisfaction of members and retirees through a high quality benefit program funded through the efficient administration of retirement legislation and the effective allocation and management of fund assets of the Arkansas Judicial Retirement System.

Section 2. Performance Measures:

Objective	Measure Type	Measure Description	03 Projected	04 Target	05 Target
1	Outcome	Percent of customers satisfied with accessibility, accuracy and timeliness of services.	95%	95%	95%
1	Output	Number of educational seminars provided for members per year.	22	22	22
1	Output	Number of newsletters distributed to members per year.	2	3	4
1	Outcome	Percent of public employers determined to be in compliance with the Social Security and Medicare coverage regulations applicable to public employers.	60%	75%	80%
1,2,3	Effort	Number of agency proprietary systems administered.	2	2	2
1,2,3	Efficiency	Agency information technology budget as a percentage of total agency budget.	APERS-20% ASPRS-8% AJRS-10%	APERS-20% ASPRS-8% AJRS-10%	APERS-20% ASPRS-8% AJRS-10%
1,2,3	Outcome	Percentage of investment transactions by external money managers reviewed/reconciled by agency staff.	100%	100%	100%
1,2,3	Outcome	Percentage of investments reviewed on a quarterly basis for compliance with asset allocation as set forth by the Board of Trustees.	100%	100%	100%
1,2,3	Efficiency	Administrative cost per active and retired member.	APERS-\$58 ASPRS-\$70 AJRS-\$231	APERS-\$58 ASPRS-\$70 AJRS-\$231	APERS-\$58 ASPRS-\$70 AJRS-\$231
1,2,3	Outcome	Number of prior year audit findings repeated in subsequent audit.	None	None	None
1,2,3	Outcome	Percentage of performance measures achieved.	80%	80%	80%

**ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
PROGRAM PERFORMANCE BUDGET REQUEST**

Section 3. Line Items (Objective 1 - Public Employees Retirement System):

	FY02 Actual	FY03 Budgeted	FY04 Base	FY04 Change Level	FY04 Request	FY05 Base	FY05 Change Level	FY05 Request	FY04 Executive Rec.	FY05 Executive Rec.	FY04 Legislative	FY05 Legislative
Regular Salaries	1,653,905	1,839,279	1,888,940	37,638	1,926,578	1,939,941	38,654	1,978,595	1,926,578	1,978,595		
-Number of Positions	52	52	52	0	52	52	0	52	52	52		
Extra Help	6,002	25,000	25,000	0	25,000	25,000	0	25,000	25,000	25,000		
-Number of Positions	1	4	4	0	4	4	0	4	4	4		
Personal Services	426,250	479,616	510,278	5,980	516,258	519,339	6,141	525,480	516,258	525,480		
Operating Expenses	676,791	710,393	710,393	55,000	765,393	710,393	56,480	766,873	765,393	766,873		
Conference Fees/ Travel	19,565	40,000	40,000	2,500	42,500	40,000	2,500	42,500	42,500	42,500		
Professional Services	1,190,830	5,058,077	5,058,077	(126,118)	4,931,959	5,058,077	(103,775)	4,954,302	4,931,959	4,954,302		
Capital Outlay	25,873	20,000	0	25,000	25,000	0	0	0	25,000	0		
Data Processing	0	2,000,000	2,000,000	0	2,000,000	2,000,000	0	2,000,000	2,000,000	2,000,000		
Total	3,999,216	10,172,365	10,232,688	0	10,232,688	10,292,750	0	10,292,750	10,232,688	10,292,750		

Section 3. Line Items (Objective 2 - State Police Retirement System):

	FY02 Actual	FY03 Budgeted	FY04 Base	FY04 Change Level	FY04 Request	FY05 Base	FY05 Change Level	FY05 Request	FY04 Executive Rec.	FY05 Executive Rec.	FY04 Legislative	FY05 Legislative
Operating Expenses	3,748	12,610	12,610	0	12,610	12,610	0	12,610	12,610	12,610		
Professional Services	127,414	320,950	320,950	0	320,950	320,950	0	320,950	320,950	320,950		
Data Processing	0	28,000	28,000	0	28,000	28,000	0	28,000	28,000	28,000		
Total	131,162	361,560	361,560	0	361,560	361,560	0	361,560	361,560	361,560		

Section 3. Line Items (Objective 3 - Judicial Retirement System):

	FY02 Actual	FY03 Budgeted	FY04 Base	FY04 Change Level	FY04 Request	FY05 Base	FY05 Change Level	FY05 Request	FY04 Executive Rec.	FY05 Executive Rec.	FY04 Legislative	FY05 Legislative
Operating Expenses	7,730	10,510	10,510	0	10,510	10,510	0	10,510	10,510	10,510		
Professional Services	75,430	152,879	152,879	0	152,879	152,879	0	152,879	152,879	152,879		
Data Processing	0	17,500	17,500	0	17,500	17,500	0	17,500	17,500	17,500		
Total	83,161	180,889	180,889	0	180,889	180,889	0	180,889	180,889	180,889		

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
PROGRAM PERFORMANCE BUDGET REQUEST

Section 4. Program Funding (All Systems):

	FY02 Actual	FY03 Budgeted	FY04 Base	FY04 Change Level	FY04 Request	FY05 Base	FY05 Change Level	FY05 Request	FY04 Executive Rec.	FY05 Executive Rec.	FY04 Legislative	FY04 Legislative
Trust Funds	4,213,539	10,714,814	10,775,137	0	10,775,137	10,835,199	0	10,835,199	10,775,137	10,835,199		
Total Funding	4,213,539	10,714,814	10,775,137	0	10,775,137	10,835,199	0	10,835,199	10,775,137	10,835,199		
Excess Appro./(Funding)												
Totals	4,213,539	10,714,814	10,775,137	0	10,775,137	10,835,199	0	10,835,199	10,775,137	10,835,199		

Section 5. Analysis of Program Objectives (Public Employees Retirement System):

Objective 1	FY02 Actual	FY03 Budgeted	FY04 Base	FY04 Change Level	FY04 Request	FY05 Base	FY05 Change Level	FY05 Request	FY04 Executive Rec.	FY05 Executive Rec.	FY04 Legislative	FY05 Legislative
To maximize benefit levels & customer satisfaction of members/retirees.	3,999,216	10,172,365	10,232,688	0	10,232,688	10,292,750	0	10,292,750	10,232,688	10,292,750		

EXPLANATION OF CHANGE LEVEL FOR OBJECTIVE 1 (Public Employees Retirement System):

To reallocate existing resources to accommodate all operations and capital outlay requests for the 04/05 biennium as follows:

1. Operations Requests:

- (a) Three issues of the APERSpective newsletter will be published during FY04; beginning in FY05, the newsletter will be published quarterly and mailed to all active and retired APERS members. Due to the additional issues, APERS requests \$3000 in FY04 and \$6000 in FY05 for printing, and \$7500 in FY04 and \$15,000 in FY05 for postage to accommodate the additional costs incurred.
- (b) APERS requests \$12,000 in FY04 and \$12,480 in FY05 in additional rent costs due to a 4% rent escalator clause in our lease agreement.
- (c) APERS requests \$5000 in FY04 and \$8000 in FY05 in Official Business travel expenses due to the expansion of the statewide seminar program to 22 per year, and for travel costs associated with site visits to professional money managers for compliance reviews.

2. Conference Fees/Travel: APERS requests an increase of \$2,500 per year for the ongoing professional development of staff.

3. Professional/Administrative Fees: APERS requests a decrease of \$126,118 for FY04 and a decrease of \$103,775 in FY05 to accommodate all requests for the 04/05 biennium.

4. Technology Requests: APERS requests an increase of \$27,500 in FY04 and \$15,000 in FY05 in commitment item 502:00:02 for the purchase of Windows 2000 operating system licenses and compatible emulation software licenses due to the discontinuation of support by Microsoft of the Windows NT operating system in January 2004, and for the routine replacement of desktop computers and printers. APERS also requests \$25,000 in FY04 in commitment item 512:00:11 to purchase two new servers and two scanners to complete a migration from a mainframe-based imaging system to a server-based system, as outlined in our IT Plan.

5. Regular Salaries: APERS requests \$37,638 in FY04 and \$38,654 in FY05 to implement new CLIP series for Retirement Counselors (10 positions) and Investment Specialist (4 positions), and to utilize already established CLIP series for (1) Management Project Analyst I and (1) Accounting Services Rep I position.

6. Personal Services: APERS requests \$5980 in FY04 and \$6141 in FY05 for payroll matching expenses related to the request for the new CLIP series listed at #5.

**ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
PROGRAM PERFORMANCE BUDGET REQUEST**

Section 5. Analysis of Program Objectives (State Police Retirement System):

Objective 2	FY02 Actual	FY03 Budgeted	FY04 Base	FY04 Change Level	FY04 Request	FY05 Base	FY05 Change Level	FY05 Request	FY04 Executive Rec.	FY05 Executive Rec.	FY04 Legislative	FY05 Legislative
To maximize benefit levels & customer satisfaction of members/retirees.	131,162	361,560	361,560	0	361,560	361,560	0	361,560	361,560	361,560		

EXPLANATION OF CHANGE LEVEL FOR OBJECTIVE 2: No changes requested for State Police Retirement System

Section 5. Analysis of Program Objectives (Judicial Retirement System):

Objective 3	FY02 Actual	FY03 Budgeted	FY04 Base	FY04 Change Level	FY04 Request	FY05 Base	FY05 Change Level	FY05 Request	FY04 Executive Rec.	FY05 Executive Rec.	FY04 Legislative	FY05 Legislative
To maximize benefit levels & customer satisfaction of members/retirees.	83,161	180,889	180,889	0	180,889	180,889	0	180,889	180,889	180,889		

EXPLANATION OF CHANGE LEVEL FOR OBJECTIVE 3: No changes requested for Judicial Retirement System

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
PROGRAM PERFORMANCE BUDGET REQUEST

Section 1. Program Goals:

Agency, Director and Program Name	Program Description	Program Goals
Arkansas Public Employees Retirement System/APERS Arkansas State Police Retirement System/ASPRS Arkansas Judicial Retirement System/AJRS Gail H. Stone, Executive Director Agency Operations/Administration	To produce accurate and timely benefit payments to retired members or eligible beneficiaries and refunds to active/inactive members or employers of APERS, ASPRS & AJRS.	Goal 1: To provide for the accurate, timely payment of benefits/payouts to retired members or eligible beneficiaries and refunds to active/inactive members and employers.

Objective ID	Objective	Objective Description
	1	To produce accurate and timely benefit payments for retired members or eligible beneficiaries via Automated Clearing House (ACH) payment methodologies and to produce accurate and timely benefit payments/payouts for retired members or eligible beneficiaries and refunds to active/inactive members and employers via the Arkansas State Treasury by administering and maintaining the integrity of the Arkansas Public Employees Retirement System membership database.
	2	To produce accurate and timely benefit payments for retired members or eligible beneficiaries via Automated Clearing House (ACH) payment methodologies and to produce accurate and timely benefit payments/payouts for retired members or eligible beneficiaries and refunds to active/inactive members and employers via the Arkansas State Treasury by administering and maintaining the integrity of the Arkansas State Police Retirement System membership database.
	3	To produce accurate and timely benefit payments for retired members or eligible beneficiaries via Automated Clearing House (ACH) payment methodologies and to produce accurate and timely benefit payments/payouts for retired members or eligible beneficiaries and refunds to active/inactive members and employers via the Arkansas State Treasury by administering and maintaining the integrity of the Arkansas Judicial Retirement System membership database.

Section 2. Performance Measures:

Objective	Measure Type	Measure Description	03 Projected	04 Target	05 Target
1,2,3	Outcome	Percent of initial benefit payments made to a retired member or eligible beneficiary at their requested retirement date or within 30 days of the receipt of required documentation.	100%	100%	100%
1,2,3	Outcome	Percent of member earnings, service and contributions recorded correctly in the membership database.	96%	97%	98%

**ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
PROGRAM PERFORMANCE BUDGET REQUEST**

Section 3. Line Items (Public Employees Retirement System):

	FY02 Actual	FY03 Budgeted	FY04 Base	FY04 Chg Level	FY04 Request	FY05 Base	FY05 Chg Level	FY05 Request	FY04 Exec Rec.	FY05 Exec Rec.	FY04 Legislative	FY05 Legislative
Pension/Ret Ben	111,203,575	200,000,000	200,000,000	25,000,000	225,000,000	200,000,000	40,000,000	240,000,000	225,000,000	240,000,000		
Refunds/Reimb	933,267	0	0	0	0	0		0				
Total	112,136,842	200,000,000	200,000,000	25,000,000	225,000,000	200,000,000	40,000,000	240,000,000	225,000,000	240,000,000		

Section 3. Line Items (State Police Retirement System):

	FY02 Actual	FY03 Budgeted	FY04 Base	FY04 Chg Level	FY04 Request	FY05 Base	FY05 Chg Level	FY05 Request	FY04 Exec Rec.	FY05 Exec Rec.	FY04 Legislative	FY05 Legislative
Pension/Ret Ben	12,669,272	22,000,000	22,000,000	0	22,000,000	22,000,000	0	22,000,000	22,000,000	22,000,000		
Refunds/Reimb		0	0	0	0	0	0	0	0	0		
Total	12,669,272	22,000,000	22,000,000	0	22,000,000	22,000,000	0	22,000,000	22,000,000	22,000,000		

Section 3. Line Items (Judicial Retirement System):

	FY02 Actual	FY03 Budgeted	FY04 Base	FY04 Chg Level	FY04 Request	FY05 Base	FY05 Chg Level	FY05 Request	FY04 Exec Rec.	FY05 Exec Rec.	FY04 Legislative	FY05 Legislative
Pension/Ret Ben	6,455,345	11,000,000	11,000,000	1,500,000	12,500,000	11,000,000	2,500,000	13,500,000	12,500,000	13,500,000		
Refunds/Reimb	14,534	0	0	0	0	0	0	0	0	0		
Total	6,469,979	11,000,000	11,000,000	1,500,000	12,500,000	11,000,000	2,500,000	13,500,000	12,500,000	13,500,000		

**ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
PROGRAM PERFORMANCE BUDGET REQUEST**

Section 4. Program Funding (All Systems):

	FY02 Actual	FY03 Budgeted	FY04 Base	FY04 Chg Level	FY04 Request	FY05 Base	FY05 Chg Level	FY05 Request	FY04 Executive Rec.	FY05 Executive Rec.	FY04 Legislative	FY05 Legislative
Trust Funds	131,276,093	233,000,000	233,000,000	26,500,000	259,500,000	233,000,000	42,500,000	275,500,000	259,500,000	275,500,000		
Total Funding	131,276,093	233,000,000	233,000,000	26,500,000	259,500,000	233,000,000	42,500,000	275,500,000	259,500,000	275,500,000		
Excess Appro./(Funding)												
Totals	131,276,093	233,000,000	233,000,000	26,500,000	259,500,000	233,000,000	42,500,000	275,500,000	259,500,000	275,500,000		

Section 5. Analysis of Program Objectives (Objective 1 - Public Employees Retirement System):

Objective 1	FY02 Actual	FY03 Budgeted	FY04 Base	FY04 Change Level	FY04 Request	FY05 Base	FY05 Change Level	FY05 Request	FY04 Executive Rec.	FY05 Executive Rec.	FY04 Legislative	FY05 Legislative
Produce accurate, timely benefit payments and refunds	112,136,842	200,000,000	200,000,000	25,000,000	225,000,000	200,000,000	40,000,000	240,000,000	225,000,000	240,000,000		

Explanation Of Change Level For Objective 1

APERS requests increases in both the cash fund and warrant fund appropriations as follows:

1. This request is to increase the Benefits cash fund appropriation \$20,000,000 in FY04 and \$35,000,000 in FY05 to provide sufficient appropriation to accommodate the number of retirees participating in the deposit of their annuity payments directly into their bank accounts via the Automated Clearing House (ACH) system.
2. This request is to increase the Benefits/Refunds warrant fund \$5,000,000 each year to provide sufficient appropriation to accommodate the number of members who elect to participate in the Deferred Retirement Option Plan (DROP) or the Partial Annuity Withdrawal (PAW). These payouts/refunds must be paid via warrant and sent to various financial institutions and/or members via certified mail.

Section 5. Analysis of Program Objectives (Objective 2 - State Police Retirement System):

Objective 2	FY02 Actual	FY03 Budgeted	FY04 Base	FY04 Change Level	FY04 Request	FY05 Base	FY05 Change Level	FY05 Request	FY04 Executive Rec.	FY05 Executive Rec.	FY04 Legislative	FY05 Legislative
Produce accurate, timely benefit payments and refunds	12,669,272	22,000,000	22,000,000	0	22,000,000	22,000,000	0	22,000,000	22,000,000	22,000,000		300

**ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
PROGRAM PERFORMANCE BUDGET REQUEST**

EXPLANATION OF CHANGE LEVEL FOR OBJECTIVE 2: No changes requested for State Police Retirement System

Section 5. Analysis of Program Objectives (Objective 3 - Judicial Retirement System):

Objective 3	FY02 Actual	FY03 Budgeted	FY04 Base	FY04 Change Level	FY04 Request	FY05 Base	FY05 Change Level	FY05 Request	FY04 Executive Rec.	FY05 Executive Rec.	FY04 Legislative	FY05 Legislative
Produce accurate, timely benefit payments and refunds	6,469,979	11,000,000	11,000,000	1,500,000	12,500,000	11,000,000	2,500,000	13,500,000	12,500,000	13,500,000		

EXPLANATION OF CHANGE LEVEL FOR OBJECTIVE 3:

AJRS requests an increase of \$1,500,000 in FY04 and \$2,500,000 in FY05 to provide sufficient appropriation to accommodate the number of retirees participating in the deposit of their annuity payments directly into their bank accounts via the Automated Clearing House (ACH) system.