

**ARKANSAS BUDGET SYSTEM**  
**AGENCY PROGRAM COMMENTARY**  
**1995 - 1997**

**GOALS, OBJECTIVE AND ANTICIPATED ACHIEVEMENTS**

The goal of the Teacher Retirement System is to provide a retirement program that adequately provides survivor, disability, and age and service benefits for public school teachers and other covered employees.

It is the further objective of this program to serve retired teachers in a manner that recognizes their service to the state while taking into account inflationary effects on fixed retirement incomes. The Teacher Retirement System is to be administered in a manner that will provide service to the membership and fiscally sound management of the trust fund. The proposed budget will enable the staff to provide an improved information program to the 83,000 members of the Teacher Retirement System. It will enable the System to maintain a more efficient and effective records system, a more adequate counseling service, expanded responsibilities in the Accounting department, a wider field coverage, and more adequate pre-retirement programs for active members.

**MINIMUM AND CONTINUING LEVEL JUSTIFICATION OF REQUEST**

A base level or a continuing level budget would constitute a "bare bones" operation in some operational areas and in other areas an unworkable situation. A base or continuing level budget would not allow the changes that are vital to the productive operation of the Teacher Retirement System. Additional money is necessary for the increase in direct deposits, the need to increase actuarial fees for study of the rapid changes and trends taking place and to enable staff members to visit and report periodically on the investment managers. In addition, maintenance and operation expenses would not be adequate for furniture, office equipment, projected expenses for expanded pre-retirement counseling in the field and life planning workshops, and postage for semi-annual newsletters.

**PRIORITY PROGRAMS JUSTIFICATION OF REQUEST**

Proposed changes and improvements generally impact on budget areas. The following requests are justifiable increases to the appropriations for the 1995-97 biennium.

Because of the marked increase in retired members electing to use direct deposit of their benefit checks, the number one priority is for additional money for the cash account set up in July 1993 to pay these benefits. This has been a tremendous help to our retirees and over 60%

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| Arkansas Teacher Retirement System<br>Three Capitol Mall<br>Little Rock, AR 72201 | Bill Shirron    | BR21                                     | 725         |

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of the new retirees being added to payroll are requesting this service. Therefore, we would like to increase this appropriation by \$42,000,000 for a total of \$120,000,000 for the 1995-96 and increase it by \$52,000,000 for a total of \$130,000,000 for the 1996-97 fiscal year.

With the expansion of our Life Planning workshops and a more concentrated effort by the pre-retirement counselors to educate our members, our operating expenses have increased. We would like to increase publications, handout materials, printing and postage. We estimate this will increase on an average of 5% per year. Therefore we would like to increase Maintenance and Operation by \$32,919 for a total of \$691,294 for 1995-96 and \$67,483 for a total of \$725,858 for 1996-97. This is priority two.

Because additional information is needed to predict future changes and trends in active and retiree projections, priority three is to increase our actuarial fees for the 1995-96 fiscal year by \$28,500 for a total of \$104,500 and the 1996-97 fiscal year by \$32,900 for a total of \$108,900. We will also use this appropriation to assist in educating legislators about the results of surveys of pension funds done nationally.

To maintain the stability of the funds in the retirement system, we now have ten investment managers and one consultant. During the 1995-97 biennium we would like to have at least three staff persons visit each of these money managers and report to the board. Therefore, we would like to increase our Conf. Fees & Travel by \$6,552 for a total of \$39,311 for 1995-96 and \$12,449 to \$45,208 for the 1996-97 fiscal year. This is priority four.

Priority five is for purchases for capital outlay. These are met through attrition of automobiles, purchase of data processing equipment, standard office equipment and the addition of modular furniture. Requests for 1995-96 total \$165,780 and \$193,720 for 1996-97.

An increased number of retirees wish to have their benefits sent directly to the bank. This eliminates the need to print paper warrants through the voucher system. Therefore we would like to reduce our Benefit appropriation \$40,000,000 for a total of \$120,000,000 for 1995-96 and \$50,000,000 for a total of \$110,000,000 for the 1996-97 fiscal year. This is priority six.

Priority seven is a reduction in our refund appropriation. With more and more members becoming non-contributory members of this system, we are beginning to see a downturn in the

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1995 - 1997

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amount of refunds made. Therefore, we would like to reduce our refund appropriation \$3,000,000 for 1995-96 for a total of \$10,000,000 and \$4,000,000 for a total of \$9,000,000 for the 1996-97 fiscal year.

Phase I of the conversion of the Image System has been completed. The completion of Imaging 100,000 records has made the system more efficient and responsive to the needs of this agency. Therefore, we do not have an appropriation for overtime during the 1995-97 biennium. This is priority eight.

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| Arkansas Teacher Retirement System<br>Three Capitol Mall<br>Little Rock, AR 72201 | Bill Shirron    | BR21                                     | 727         |

ARKANSAS TEACHER RETIREMENT SYSTEM  
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 1992

|                                | Fund Type           |                     |
|--------------------------------|---------------------|---------------------|
|                                | Fiduciary           | Total               |
| Assets                         | \$ 2,765,313,979.29 | \$ 2,765,313,979.29 |
| Liabilities                    | 510,347.73          | 510,347.73          |
| Fund Equity                    | 2,764,803,631.56    | 2,764,803,631.56    |
| Revenues                       | 410,944,040.93      | 410,944,040.93      |
| Expenditures                   | 117,199,011.05      | 117,199,011.05      |
| Other Financing Sources (Uses) | (987,555.99)        | (987,555.99)        |

Findings

1. OVERPAYMENT OF OVERTIME SALARY - During the audit of the Arkansas Teacher Retirement System for the year ended June 30, 1992, it was noted that the Agency overpaid Mrs. Gail Blair, Systems Application Supervisor, for overtime in the amount of \$174.75. This overpayment was reimbursed to the Agency on October 26, 1993.
  
2. INVESTMENT CONTROLS - The Arkansas Teacher Retirement System had an investment portfolio of \$2,405,883,683 at June 30, 1992. It is important for control purposes that the Agency be able to track the investments, provide a complete history of an investment and to summarize the transactions in report form in order to verify information received from money managers and investment institutions. The Agency is currently limited in their ability to provide these controls.

Recommendations

1. Implement procedures to prevent this type of overpayment in the future.
  
2. Implement an investment tracking system which would enhance the Agency's ability to adequately monitor and analyze its investment portfolio to ensure adequate control of investments.

ARKANSAS BUDGET SYSTEM  
EMPLOYMENT SUMMARY  
AS REQUIRED BY ACT 358 OF 1993

AGENCY TITLE      375 - ARK TEACHER RETIRE SYS

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|  | MALE      | FEMALE    | TOTAL            | PERCENTAGE<br>OF TOTAL |
|--|-----------|-----------|------------------|------------------------|
| WHITE EMPLOYEES                            | <u>11</u> | <u>29</u> | <u>40</u>        | <u>77%</u>             |
| BLACK EMPLOYEES                            | <u>2</u>  | <u>7</u>  | <u>9</u>         | <u>17%</u>             |
| EMPLOYEES OF<br>OTHER RACIAL<br>MINORITIES | <u>0</u>  | <u>3</u>  | <u>3</u>         | <u>6%</u>              |
| TOTAL EMPLOYED<br>AS OF      08/27/94      |           |           | <u>12</u>        | <u>23%</u>             |
| DATE                                       |           |           | TOTAL MINORITIES | <u>23%</u>             |
|  |           |           | <u>52</u>        | <u>100%</u>            |
|  |           |           | TOTAL EMPLOYEES  |                        |

Bill A. Shinn  
AGENCY DIRECTOR

**SUMMARY**  
**STATUS OF NEW PROGRAMS/EXPANSIONS AUTHORIZED BY THE 79TH GENERAL ASSEMBLY**  
**AGENCY: ARKANSAS TEACHER RETIREMENT SYSTEM**

| PROGRAM AUTHORIZED                                    | # POS.<br>AUTH. | AUTHORIZED APPROPRIATION<br>FY 93-94 | FY 94-95     | STATUS   |
|---|-----------------|--------------------------------------|--------------|--|
| <u>APPROPRIATION: A76 – Teacher Retirement – Cash</u> |                 |                                      |              |  |
| Benefits  |                 | \$72,000,000                         | \$78,000,000 | This appropriation was established in the 1993 Regular Session to provide for the direct deposit of retirant benefits. For FY94, \$66,064,259 of the appropriation was used. For FY95, all of the appropriation has been budgeted. |
| <u>APPROPRIATION: 075 – Teacher Retirement</u>        |                 |                                      |              |  |
| Regular Salaries and<br>Personal Services Matching    | 8               | \$194,003                            | \$200,205    | Only one of the additional 8 positions was not used in FY94, and this same position has not been budgeted for FY95.  |
| Operating Expenses                                    |                 | \$77,216                             | \$106,854    | None of the additional appropriation was used in FY94. All of the additional appropriation has been budgeted for FY95.   |
| Capital Outlay  |                 | \$141,422                            | \$163,147    | Capital Outlay of \$85,462 was used in FY94. All of the appropriation has been budgeted for FY95.  |
| Professional Services                                 |                 | \$2,500                              | \$5,500      | All of the additional appropriation was used in FY94, and all has been budgeted for FY95.  |

## SUMMARY

### STATUS OF NEW PROGRAMS/EXPANSIONS AUTHORIZED BY THE 79TH GENERAL ASSEMBLY AGENCY: ARKANSAS TEACHER RETIREMENT SYSTEM

| PROGRAM AUTHORIZED                              | # POS.<br>AUTH. | AUTHORIZED APPROPRIATION |             | STATUS  |
|---|-----------------|--------------------------|-------------|---|
|   |                 | FY 93-94                 | FY 94-95    |   |
| Investment Counsel                              |                 | \$2,396,000              | \$3,544,500 | For FY94, \$1,497,040 of the additional appropriation was used. All of the additional appropriation has been budgeted for FY95. |
| <u>APPROPRIATION: 312 - Property Management</u> |                 |                          |             |   |
| Property Management                             |                 | \$500,000                | \$500,000   | For FY94, \$45,369 was spent from this appropriation. All of the appropriation has been budgeted for FY95.                      |

## ARKANSAS BUDGET SYSTEM DEPARTMENT APPROPRIATION SUMMARY

| AGENCY TITLE<br>Teacher Retirement                        |                           | 1993-95<br>Expenditures |               |                             |               | 1995-97<br>Biennium Request |               |                      |   | 1995-97<br>Executive Recommendation |               |                      |               |
|---|---------------------------|-------------------------|---------------|-----------------------------|---------------|-----------------------------|---------------|----------------------|---|-------------------------------------|---------------|----------------------|---------------|
| Appropriations  |                           | Actual                  | No. of        | Budgeted                    | No. of        | Year 1                      | No. of        | Year 2               | No. of                                    | Year 1                              | No. of        | Year 2               | No. of        |
| Code  | Name                      | 1993-94                 | Pos.          | 1994-95                     | Pos.          | 1995-96                     | Pos.          | 1996-97              | Pos.                                      | 1995-96                             | Pos.          | 1996-97              | Pos.          |
| A76   | Teacher Retirement - Cash | \$66,064,259            | 0             | \$78,000,000                | 0             | \$120,000,000               | 0             | \$130,000,000        | 0   | \$120,000,000                       | 0             | \$130,000,000        | 0             |
| 075   | Teacher Retirement        | 81,260,522              | 55            | 183,773,018                 | 52            | 140,662,725                 | 56            | 129,778,610          | 56  | 140,403,559                         | 56            | 129,410,123          | 56            |
| 312   | Property Management       | 45,369                  | 0             | 500,000                     | 0             | 500,000                     | 0             | 500,000              | 0   | 500,000                             | 0             | 500,000              | 0             |
| <b>TOTALS</b>   |                           | <b>\$147,370,150</b>    | <b>55</b>     | <b>\$262,273,018</b>        | <b>52</b>     | <b>\$261,162,725</b>        | <b>56</b>     | <b>\$260,278,610</b> | <b>56</b>                                 | <b>\$260,903,559</b>                | <b>56</b>     | <b>\$259,910,123</b> | <b>56</b>     |
| Funding Sources   |                           |                         | % of<br>Total |                             | % of<br>Total |                             | % of<br>Total |                      | % of<br>Total                             |                                     | % of<br>Total |                      | % of<br>Total |
| Fund Balances   |                           |                         |               |                             |               |                             |               |                      |   |                                     |               |                      |               |
| General Revenues  |                           |                         |               |                             |               |                             |               |                      |   |                                     |               |                      |               |
| Special Revenues  |                           |                         |               |                             |               |                             |               |                      |   |                                     |               |                      |               |
| Federal Funds   |                           |                         |               |                             |               |                             |               |                      |   |                                     |               |                      |               |
| Const. & Fiscal Agency Fund                               |                           |                         |               |                             |               |                             |               |                      |   |                                     |               |                      |               |
| State Central Services Fund                               |                           |                         |               |                             |               |                             |               |                      |   |                                     |               |                      |               |
| Non-Revenue Receipts                                      |                           |                         |               |                             |               |                             |               |                      |   |                                     |               |                      |               |
| Cash Funds  |                           | 66,064,259              | 44.8%         | 78,000,000                  | 29.7%         | 120,000,000                 | 45.9%         | 130,000,000          | 49.9%                                     | 120,000,000                         | 46.0%         | 130,000,000          | 50.0%         |
| Trust Funds   |                           | 81,305,891              | 55.2%         | 184,273,018                 | 70.3%         | 141,162,725                 | 54.1%         | 130,278,610          | 50.1%                                     | 140,903,559                         | 54.0%         | 129,910,123          | 50.0%         |
| Total Funding   |                           | 147,370,150             | 100.0%        | 262,273,018                 | 100.0%        | 261,162,725                 | 100.0%        | 260,278,610          | 100.0%                                    | 260,903,559                         | 100.0%        | 259,910,123          | 100.0%        |
| Excess Appro./ (Funding)                                  |                           |                         |               |                             |               |                             |               |                      |   |                                     |               |                      |               |
| <b>TOTAL</b>  |                           | <b>\$147,370,150</b>    |               | <b>\$262,273,018</b>        |               | <b>\$261,162,725</b>        |               | <b>\$260,278,610</b> |   | <b>\$260,903,559</b>                |               | <b>\$259,910,123</b> |               |
| DEPARTMENT<br>ARKANSAS TEACHER<br>RETIREMENT SYSTEM (375) |                           |                         |               | DIRECTOR<br>Bill A. Shirron |               |                             |               |                      | DEPARTMENT APPROPRIATION SUMMARY<br>BR 40 |                                     |               |                      |               |

## ARKANSAS BUDGET SYSTEM DEPARTMENT PROGRAM SUMMARY

| AGENCY TITLE<br><br>Arkansas Teacher Retirement System (375) | 1993-95<br>Expenditures |                |                      |                             | 1995-97<br>Biennium Request |                |                      |                                     | 1995-97<br>Executive Recommendation |                |                      |                |
|--|-------------------------|----------------|----------------------|-----------------------------|-----------------------------|----------------|----------------------|-------------------------------------|-------------------------------------|----------------|----------------------|----------------|
|  | Actual<br>1993-94       | No. of<br>Pos. | Budgeted<br>1994-95  | No. of<br>Pos.              | Year 1<br>1995-96           | No. of<br>Pos. | Year 2<br>1996-97    | No. of<br>Pos.                      | Year 1<br>1995-96                   | No. of<br>Pos. | Year 2<br>1996-97    | No. of<br>Pos. |
| Teacher Retirement   | \$147,324,781           | 55             | \$261,773,018        | 52                          | \$260,662,725               | 56             | \$259,778,610        | 56                                  | \$260,403,559                       | 56             | \$259,410,123        | 56             |
| Property Management  | 45,369                  | 0              | 500,000              | 0                           | 500,000                     | 0              | 500,000              | 0                                   | 500,000                             | 0              | 500,000              | 0              |
| <b>TOTALS</b>  | <b>\$147,370,150</b>    | <b>55</b>      | <b>\$262,273,018</b> | <b>52</b>                   | <b>\$261,162,725</b>        | <b>56</b>      | <b>\$260,278,610</b> | <b>56</b>                           | <b>\$260,903,559</b>                | <b>56</b>      | <b>\$259,910,123</b> | <b>56</b>      |
| Funding Sources  |                         | % of<br>Total  |                      | % of<br>Total               |                             | % of<br>Total  |                      | % of<br>Total                       |                                     | % of<br>Total  |                      | % of<br>Total  |
| Fund Balances  |                         |                |                      |                             |                             |                |                      |                                     |                                     |                |                      |                |
| General Revenues   |                         |                |                      |                             |                             |                |                      |                                     |                                     |                |                      |                |
| Special Revenues   |                         |                |                      |                             |                             |                |                      |                                     |                                     |                |                      |                |
| Federal Funds  |                         |                |                      |                             |                             |                |                      |                                     |                                     |                |                      |                |
| Const. & Fiscal Agency Fund                                  |                         |                |                      |                             |                             |                |                      |                                     |                                     |                |                      |                |
| State Central Services Fund                                  |                         |                |                      |                             |                             |                |                      |                                     |                                     |                |                      |                |
| Non-Revenue Receipts   |                         |                |                      |                             |                             |                |                      |                                     |                                     |                |                      |                |
| Cash Funds   | 66,064,259              | 44.8%          | 78,000,000           | 29.7%                       | 120,000,000                 | 45.9%          | 130,000,000          | 49.9%                               | 120,000,000                         | 46.0%          | 130,000,000          | 50.0%          |
| Trust Funds  | 81,305,891              | 55.2%          | 184,273,018          | 70.3%                       | 141,162,725                 | 54.1%          | 130,278,610          | 50.1%                               | 140,903,559                         | 54.0%          | 129,910,123          | 50.0%          |
| Total Funding  | 147,370,150             | 100.0%         | 262,273,018          | 100.0%                      | 261,162,725                 | 100.0%         | 260,278,610          | 100.0%                              | 260,903,559                         | 100.0%         | 259,910,123          | 100.0%         |
| Excess Appro./ (Funding)                                     |                         |                |                      |                             |                             |                |                      |                                     |                                     |                |                      |                |
| <b>TOTAL</b>   | <b>\$147,370,150</b>    |                | <b>\$262,273,018</b> |                             | <b>\$261,162,725</b>        |                | <b>\$260,278,610</b> |                                     | <b>\$260,903,559</b>                |                | <b>\$259,910,123</b> |                |
| DEPARTMENT<br>ARKANSAS TEACHER<br>RETIREMENT SYSTEM (375)    |                         |                |                      | DIRECTOR<br>Bill A. Shirron |                             |                |                      | DEPARTMENT PROGRAM SUMMARY<br>BR 22 |                                     |                |                      |                |

**ARKANSAS BUDGET SYSTEM  
ANALYSIS OF BUDGET REQUEST  
1995 - 1997**

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The Arkansas Teacher Retirement System is requesting \$120,000,000 in FY96 and \$130,000,000 in FY97 for the cash appropriation established in FY94 which allows the Agency to make benefit payments by direct deposit to retirees of the Teacher Retirement System. Base Level is \$78,000,000 and this request would increase the appropriation by \$42,000,000 for FY96 and \$52,000,000 for FY97.

The Executive Recommendation is Agency Request.

|  |  |  |  |                               |
|--|--|--|--|-------------------------------|
| <b><u>AGENCY</u></b><br>Name: Ark. Teacher<br>Retirement System<br>Code: 375 | <b><u>APPROPRIATION</u></b><br>Name: Teacher<br>Retirement - Cash<br>Code: A76 | <b><u>CASH FUND</u></b><br>Name: Teacher<br>Retirement - Cash<br>Code: 375 | <b><u>ANALYSIS OF<br/>BUDGET REQUEST</u></b><br><br>BR20 | <b><u>PAGE</u></b><br><br>734 |
|--|--|--|--|-------------------------------|

ARKANSAS BUDGET SYSTEM

01 02 03 04 05 06 07 08 09 10 11 12 13 14

| CHARACTER TITLE             | -----EXPENDITURES----- |            |            | -----95-96 FISCAL YEAR----- |            |             | -----96-97 FISCAL YEAR----- |            |             | -----R E C O M M E N D A T I O N S----- |             |             |       |
|-----------------------------|------------------------|------------|------------|-----------------------------|------------|-------------|-----------------------------|------------|-------------|---|-------------|-------------|-------|
|                             | 93-94                  | 94-95      | 94-95      | BASE                        | PRIORITY   | TOTAL       | BASE                        | PRIORITY   | TOTAL       | EXECUTIVE                               |             | LEGISLATIVE |       |
|                             | ACTUAL                 | BUDGETED   | AUTHORIZED |                             |            |             |                             |            |             | 95-96                                   | 96-97       | 95-96       | 96-97 |
| BENEFITS                    | 66,064,259             | 78,000,000 | 78,000,000 | 78,000,000                  | 42,000,000 | 120,000,000 | 78,000,000                  | 52,000,000 | 130,000,000 | 120,000,000                             | 130,000,000 |             |       |
| TOTAL                       | 66,064,259             | 78,000,000 | 78,000,000 | 78,000,000                  | 42,000,000 | 120,000,000 | 78,000,000                  | 52,000,000 | 130,000,000 | 120,000,000                             | 130,000,000 |             |       |
| PROPOSED FUNDING SOURCES    |                        |            | *****      |                             |            |             |                             |            |             |   |             |             |       |
| FUND BALANCES               |                        |            | *****      |                             |            |             |                             |            |             |   |             |             |       |
| GENERAL REVENUES            |                        |            | *****      |                             |            |             |                             |            |             |   |             |             |       |
| SPECIAL REVENUES            |                        |            | *****      |                             |            |             |                             |            |             |   |             |             |       |
| FEDERAL FUNDS               |                        |            | *****      |                             |            |             |                             |            |             |   |             |             |       |
| STATE CENTRAL SERVICES FUND |                        |            | *****      |                             |            |             |                             |            |             |   |             |             |       |
| NON-REVENUE RECEIPTS        |                        |            | *****      |                             |            |             |                             |            |             |   |             |             |       |
| CASH FUNDS                  | 66,064,259             | 78,000,000 | *****      | 78,000,000                  | 42,000,000 | 120,000,000 | 78,000,000                  | 52,000,000 | 130,000,000 | 120,000,000                             | 130,000,000 |             |       |
| OTHER                       |                        |            | *****      |                             |            |             |                             |            |             |   |             |             |       |
| TOTAL FUNDING               | 66,064,259             | 78,000,000 | *****      | 78,000,000                  | 42,000,000 | 120,000,000 | 78,000,000                  | 52,000,000 | 130,000,000 | 120,000,000                             | 130,000,000 |             |       |
| EXCESS APPRO/ (FUNDING)     |                        |            | *****      |                             |            |             |                             |            |             |   |             |             |       |
| TOTAL                       | 66,064,259             | 78,000,000 | *****      | 78,000,000                  | 42,000,000 | 120,000,000 | 78,000,000                  | 52,000,000 | 130,000,000 | 120,000,000                             | 130,000,000 |             |       |

DEPT 010 SEPARATE AGENCIES  
 AGY 375 ARKANSAS TEACHER RETIREMENT SYSTEM  
 APPRO A76 TEACHER RETIREMENT - CASH  
 FUND 375 TEACHER RETIREMENT CASH-(375)

APPROPRIATION SUMMARY

BR 215

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ARKANSAS BUDGET SYSTEM  
PROGRAM/SERVICE INFORMATION LIST  
RANK BY APPROPRIATION

| 01   | 02                  | 03   | 04                     | 05          | 06                     | 07              | 08              | 09              | 10                                     | 11      | 12                     | 13      | 14                                      | 15         | 16                    | 17 | 18 | 19 |
|--|---------------------|------|------------------------|-------------|------------------------|-----------------|-----------------|-----------------|--|---------|------------------------|---------|---|------------|-----------------------|----|----|----|
| RANK   | PROGRAM DESCRIPTION | FUND | ACCOUNTING INFORMATION | D<br>E<br>S | -----EXPENDITURES----- |                 |                 |                 | -----1995 - 97 BIENNIIUM REQUESTS----- |         |                        |         | -----R E C O M M E N D A T I O N S----- |            |                       |    |    |    |
|  |                     |      |                        |             | ---ACTUAL---           |                 | --BUDGETED--    |                 | -----FY 1995 - 96-----                 |         | -----FY 1996 - 97----- |         | -----EXECUTIVE-----                     |            | -----LEGISLATIVE----- |    |    |    |
|  |                     |      |                        |             | 93-94                  | 94-95           | REQUEST         | REQUEST         | 1995-96                                | 1996-97 | 1995-96                | 1996-97 |   |            |                       |    |    |    |
| 000  |                     | 375  | 375 A76                | B           | 66,064,259<br>0        | 78,000,000<br>0 | 78,000,000<br>0 | 78,000,000<br>0 |  |         |                        |         | 78,000,000                              | 78,000,000 |                       |    |    |    |
| 001  |                     | 375  | 375 A76                | P01         |                        | 0<br>0          | 42,000,000<br>0 | 52,000,000<br>0 |  |         |                        |         | 42,000,000                              | 52,000,000 |                       |    |    |    |
| <p>Priority 1 - Benefits - Ch. 23 (Appro. A76) - The enactment of Appro. A76 for direct deposit has been one of the greatest services we can offer our retirees in recent years. The increase in crime and other criminal activities allows direct deposit to be an assessable means. Therefore, we are requesting that we increase this appropriation by \$42,000,000 for a total of \$120,000,000 for 1995-96 and \$52,000,000 for a total of \$130,000,000 for 1996-97.</p> |                     |      |                        |             |                        |                 |                 |                 |  |         |                        |         |   |            |                       |    |    |    |

DEPT 010 SEPARATE AGENCIES  
 AGY 375 ARKANSAS TEACHER RETIREMENT SYSTEM  
 APPRO A76 TEACHER RETIREMENT - CASH  
 FUND 375 TEACHER RETIREMENT CASH-(375)

RANK BY APPROPRIATION  
BR 264

**ARKANSAS BUDGET SYSTEM  
ANALYSIS OF BUDGET REQUEST  
1995- 1997**

The Arkansas Teacher Retirement System is requesting \$140,662,725 in FY96 and \$129,778,610 in FY97 for the operation of the Teacher Retirement System. Base Level for the 1995-97 biennium is \$183,609,871 each year, and priorities would reduce this amount by \$42,947,146 in FY96 and \$53,831,261 in FY97.

Priority requests for personnel would restore 4 positions which are currently authorized but could not be budgeted in FY95 due to personnel cap restrictions. These positions are a Retirement Counselor Supervisor (Grade 21), a Records Management Coordinator (Grade 20), a Secretary I (Grade 11), and a Document Examiner I (Grade 10). Salary and related matching costs for these positions would be \$99,803 in FY96 and \$101,967 in FY97.

Additional Operating Expenses of \$32,919 in FY96 and \$67,483 in FY97 are requested to provide more publications and materials to better educate members through Life Planning Workshops and pre-retirement counseling.

An increase in Conference Fees and Travel of \$6,552 in FY96 and \$12,449 in FY97 is requested to enable the Agency staff to have a closer working relationship with the money managers. The Board of Trustees has requested that three staff members travel to the home sites of the money managers to work on reporting mechanisms and software changes.

The Capital Outlay request of \$165,780 in FY96 and \$193,720 in FY97 would enable the Agency to purchase 4 laptop computers, replace several image plus terminals, replace a vehicle, replace some office equipment and furniture, and purchase additional office equipment and furniture.

The Professional Services line item is used to pay for actuarial services which have increased substantially in the past few years due to the additional information needed for retiree impact-related legislation and decisions. The Agency is requesting an additional \$28,500 in FY96 and \$32,900 in FY97.

The Agency is requesting reductions in their Overtime, Refunds/Reimbursements, and Benefits line items. Phase 1 of the conversion to the Image system has been completed so the Overtime is no longer needed. Since more members are choosing non-contributory provisions, the number and

| <u>AGENCY</u>                                     | <u>APPROPRIATION</u>                  | <u>TREASURY FUND</u>                  | <u>ANALYSIS OF BUDGET REQUEST</u> | <u>PAGE</u> |
|---|---------------------------------------|---------------------------------------|-----------------------------------|-------------|
| Name: Ark. Teacher Retirement System<br>Code: 375 | Name: Teacher Retirement<br>Code: 075 | Name: Teacher Retirement<br>Code: TER | BR20                              | 737         |

**ARKANSAS BUDGET SYSTEM  
ANALYSIS OF BUDGET REQUEST  
1995- 1997**

amount of refunds has been declining and should continue to do so. The reduction in the Benefits line item is requested because the direct deposit program which is handled through the cash appropriation reduces the need to print paper warrants through the Treasurer's Office.

Costs included in the Agency Request under "SALARY/MATCHING COST FOR BASE POSITIONS (P13)" reflect the appropriation needed for personal services above the Base Level and a 2.5% payplan increase on July 1 of each year of the biennium along with the accompanying employee matching requirements. The Executive Recommendation for the State Payplan will be presented for Legislative Recommendation as scheduled on December 7, 1994.

This appropriation is funded by trust funds of the Teacher Retirement System.

The Executive Recommendation is Base Level plus the following priority requests:

- (1) Restoration of the 4 currently authorized positions,
- (2) \$85,000 each year for Capital Outlay,
- (3) Professional Services increases of \$28,500 in FY96 and \$32,900 in FY97, and
- (4) Reductions in Overtime, Refunds/Reimbursements, and Benefits.

| <u>AGENCY</u>                                     | <u>APPROPRIATION</u>                  | <u>TREASURY FUND</u>                  | <u>ANALYSIS OF BUDGET REQUEST</u> | <u>PAGE</u> |
|---|---------------------------------------|---------------------------------------|-----------------------------------|-------------|
| Name: Ark. Teacher Retirement System<br>Code: 375 | Name: Teacher Retirement<br>Code: 075 | Name: Teacher Retirement<br>Code: TER | BR20                              | 736         |

ARKANSAS BUDGET SYSTEM

|                             | 01                     | 02                 | 03                 | 04                 | 05                  | 06                 | 07                          | 08                  | 09                 | 10                          | 11                 | 12    | 13                                      | 14 |             |  |
|-----------------------------|------------------------|--------------------|--------------------|--------------------|---------------------|--------------------|-----------------------------|---------------------|--------------------|-----------------------------|--------------------|-------|---|----|-------------|--|
| CHARACTER TITLE             | -----EXPENDITURES----- |                    |                    | 94-95              |                     |                    | -----95-96 FISCAL YEAR----- |                     |                    | -----96-97 FISCAL YEAR----- |                    |       | -----R E C O M M E N D A T I O N S----- |    |             |  |
|                             | 93-94                  |                    | 94-95              | AUTHORIZED         |                     |                    | PRIORITY                    |                     | TOTAL              | PRIORITY                    |                    | TOTAL | EXECUTIVE                               |    | LEGISLATIVE |  |
|                             | ACTUAL                 | BUDGETED           | APPRO              | BASE               | PROGRAMS            | REQUEST            | BASE                        | PROGRAMS            | REQUEST            | 95-96                       | 96-97              | 95-96 | 96-97                                   |    |             |  |
| REGULAR SALARIES            | 1,220,612              | 1,313,241          | 1,385,821          | 1,313,241          | 123,352             | 1,436,593          | 1,313,241                   | 159,265             | 1,472,506          | 1,385,477                   | 1,387,282          |       |   |    |             |  |
| NUMBER OF POSITIONS         | 55                     | 52                 | 56                 | 52                 | 4                   | 56                 | 52                          | 4                   | 56                 | 56                          | 56                 |       |   |    |             |  |
| EXTRA HELP                  | 24,098                 | 105,000            | 105,000            | 105,000            | 0                   | 105,000            | 105,000                     | 0                   | 105,000            | 105,000                     | 105,000            |       |   |    |             |  |
| NUMBER OF POSITIONS         | 14                     | 14                 | 14                 | 14                 | 0                   | 14                 | 14                          | 0                   | 14                 | 14                          | 14                 |       |   |    |             |  |
| PERSONAL SERV MATCHING      | 204,414                | 431,839            | 479,973            | 431,839            | 45,751              | 477,590            | 431,839                     | 52,922              | 484,761            | 389,791                     | 390,150            |       |   |    |             |  |
| OVERTIME                    | 76,980                 | 350,000            | 350,000            | 350,000            | -350,000            | 0                  | 350,000                     | -350,000            | 0                  |                             |                    |       |   |    |             |  |
| OPERATING EXPENSES          | 541,568                | 658,375            | 658,375            | 658,375            | 32,919              | 691,294            | 658,375                     | 67,483              | 725,858            | 658,375                     | 658,375            |       |   |    |             |  |
| CONF FEES & TRAVEL          | 14,892                 | 32,759             | 32,759             | 32,759             | 6,552               | 39,311             | 32,759                      | 12,449              | 45,208             | 32,759                      | 32,759             |       |   |    |             |  |
| PROF FEES & SERVICES        | 15,182                 | 58,157             | 58,157             | 58,157             | 0                   | 58,157             | 58,157                      | 0                   | 58,157             | 58,157                      | 58,157             |       |   |    |             |  |
| CAPITAL OUTLAY              | 85,462                 | 163,147            | 163,147            | 0                  | 165,780             | 165,780            | 0                           | 193,720             | 193,720            | 85,000                      | 85,000             |       |   |    |             |  |
| REFUNDS/REIMBURSEMENTS      | 3,423,690              | 13,000,000         | 13,000,000         | 13,000,000         | -3,000,000          | 10,000,000         | 13,000,000                  | -4,000,000          | 9,000,000          | 10,000,000                  | 9,000,000          |       |   |    |             |  |
| BENEFITS                    | 70,528,758             | 160,000,000        | 160,000,000        | 160,000,000        | -40,000,000         | 120,000,000        | 160,000,000                 | -50,000,000         | 110,000,000        | 120,000,000                 | 110,000,000        |       |   |    |             |  |
| PROFESSIONAL SERVICES       | 73,000                 | 76,000             | 76,000             | 76,000             | 28,500              | 104,500            | 76,000                      | 32,900              | 108,900            | 104,500                     | 108,900            |       |   |    |             |  |
| DATA PROCESSING SERVICES    | 354,826                | 840,000            | 840,000            | 840,000            | 0                   | 840,000            | 840,000                     | 0                   | 840,000            | 840,000                     | 840,000            |       |   |    |             |  |
| INVESTMENT COUNSEL          | 4,697,040              | 6,744,500          | 6,744,500          | 6,744,500          | 0                   | 6,744,500          | 6,744,500                   | 0                   | 6,744,500          | 6,744,500                   | 6,744,500          |       |   |    |             |  |
| <b>TOTAL</b>                | <b>81,260,522</b>      | <b>183,773,018</b> | <b>183,893,732</b> | <b>183,609,871</b> | <b>(42,947,146)</b> | <b>140,662,725</b> | <b>183,609,871</b>          | <b>(53,831,261)</b> | <b>129,778,610</b> | <b>140,403,559</b>          | <b>129,410,123</b> |       |   |    |             |  |
| PROPOSED FUNDING SOURCES    |                        |                    | *****              |                    |                     |                    |                             |                     |                    |                             |                    |       |   |    |             |  |
| FUND BALANCES               |                        |                    | *****              |                    |                     |                    |                             |                     |                    |                             |                    |       |   |    |             |  |
| GENERAL REVENUES            |                        |                    | *****              |                    |                     |                    |                             |                     |                    |                             |                    |       |   |    |             |  |
| SPECIAL REVENUES            |                        |                    | *****              |                    |                     |                    |                             |                     |                    |                             |                    |       |   |    |             |  |
| FEDERAL FUNDS               |                        |                    | *****              |                    |                     |                    |                             |                     |                    |                             |                    |       |   |    |             |  |
| STATE CENTRAL SERVICES FUND |                        |                    | *****              |                    |                     |                    |                             |                     |                    |                             |                    |       |   |    |             |  |
| NON-REVENUE RECEIPTS        |                        |                    | *****              |                    |                     |                    |                             |                     |                    |                             |                    |       |   |    |             |  |
| CASH FUNDS                  |                        |                    | *****              |                    |                     |                    |                             |                     |                    |                             |                    |       |   |    |             |  |
| TRUST FUNDS                 | 81,260,522             | 183,773,018        | *****              | 183,609,871        | (42,947,146)        | 140,662,725        | 183,609,871                 | (53,831,261)        | 129,778,610        | 140,403,559                 | 129,410,123        |       |   |    |             |  |
| <b>TOTAL FUNDING</b>        | <b>81,260,522</b>      | <b>183,773,018</b> | <b>*****</b>       | <b>183,609,871</b> | <b>(42,947,146)</b> | <b>140,662,725</b> | <b>183,609,871</b>          | <b>(53,831,261)</b> | <b>129,778,610</b> | <b>140,403,559</b>          | <b>129,410,123</b> |       |   |    |             |  |
| EXCESS APPRO/ (FUNDING)     |                        |                    | *****              |                    |                     |                    |                             |                     |                    |                             |                    |       |   |    |             |  |
| <b>TOTAL</b>                | <b>81,260,522</b>      | <b>183,773,018</b> | <b>*****</b>       | <b>183,609,871</b> | <b>(42,947,146)</b> | <b>140,662,725</b> | <b>183,609,871</b>          | <b>(53,831,261)</b> | <b>129,778,610</b> | <b>140,403,559</b>          | <b>129,410,123</b> |       |   |    |             |  |

DEPT 010 SEPARATE AGENCIES  
 AGY 375 ARKANSAS TEACHER RETIREMENT SYSTEM  
 APPRO 075 ARKANSAS TEACHER RETIREMENT SYSTEM

APPROPRIATION SUMMARY

BR 215

FUND TER TEACHER RETIREMENT(375)

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ARKANSAS BUDGET SYSTEM  
PROGRAM/SERVICE INFORMATION LIST  
RANK BY APPROPRIATION

| 01   | 02                  | 03   | 04  | 05          | 06                                    | 07             | 08                     | 09 | 10                     | 11 | 12                        | 13          | 14                    | 15      | 16 | 17 | 18 | 19 |
|------|---------------------|------|---|-------------|---------------------------------------|----------------|------------------------|----|------------------------|----|---------------------------|-------------|-----------------------|---------|----|----|----|----|
| RANK | PROGRAM DESCRIPTION | FUND | ACCOUNTING INFORMATION  | D<br>E<br>S | -----1995 - 97 BIENNIUM REQUESTS----- |                |                        |    |                        |    | -----RECOMMENDATIONS----- |             |                       |         |    |    |    |    |
|      |                     |      |   |             | -----EXPENDITURES-----                |                | -----FY 1995 - 96----- |    | -----FY 1996 - 97----- |    | -----EXECUTIVE-----       |             | -----LEGISLATIVE----- |         |    |    |    |    |
|      |                     |      |   |             | ---ACTUAL---                          | ---BUDGETED--- | -----REQUEST-----      |    | -----REQUEST-----      |    | 1995-96                   | 1996-97     | 1995-96               | 1996-97 |    |    |    |    |
|      |                     |      |   |             | 93-94                                 | 94-95          |                        |    |                        |    |                           |             |                       |         |    |    |    |    |
| 000  |                     | TER  | 375 075   | B           | 81,260,522                            | 183,773,018    | 183,609,871            |    | 183,609,871            |    |                           | 183,609,871 | 183,609,871           |         |    |    |    |    |
|      |                     |      |   |             | 55                                    | 52             | 52                     |    | 52                     |    |                           | 52          | 52                    |         |    |    |    |    |
| 000  |                     | TER  | 375 075<br>SALARY/MATCHING COST<br>FOR BASE POSITIONS   | P13         |                                       |                | 138,915                |    | 179,835                |    |                           |             |                       |         |    |    |    |    |
|      |                     |      |   |             |                                       |                | 0                      |    | 0                      |    |                           |             |                       |         |    |    |    |    |
|      |                     |      | Additional appropriation required above the Base Level for payment of salaries and anticipated personal services matching requirements for all current positions.   |             |                                       |                |                        |    |                        |    |                           |             |                       |         |    |    |    |    |
| 001  |                     | TER  | 375 075   | PD9         |                                       |                | 99,803                 |    | 101,967                |    |                           | 99,803      | 101,967               |         |    |    |    |    |
|      |                     |      |   |             |                                       |                | 0                      |    | 4                      |    |                           | 4           | 4                     |         |    |    |    |    |
|      |                     |      | Priority 9 - Reg. Salaries - Ch. 00 - The system has implemented a new education program and developed a new member Image system. These enhancements have given us the ability to offer to our members a number of additional services. However, without the use of the support staff necessary to carry out these services, we will be unable to provide an acceptable level of delivery. Four additional positions were approved in the 1993-95 biennium but approval to fill the positions was withheld. Therefore, we are requesting the positions be filled during the 1995-97 biennium, for a total of \$84,916 for 1995-96 and \$87,039 for 1996-97. |             |                                       |                |                        |    |                        |    |                           |             |                       |         |    |    |    |    |

DEPT 010 SEPARATE AGENCIES  
 AGY 375 ARKANSAS TEACHER RETIREMENT SYSTEM  
 APPRO 075 ARKANSAS TEACHER RETIREMENT SYSTEM  
 FUND TER TEACHER RETIREMENT(375)

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BR 264

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ARKANSAS BUDGET SYSTEM  
PROGRAM/SERVICE INFORMATION LIST  
RANK BY APPROPRIATION

| 01   | 02  | 03   | 04                     | 05    | 06                     | 07                      | 08                                    | 09          | 10                     | 11          | 12                        | 13      | 14                    | 15 | 16 | 17 | 18 | 19 |
|------|---|------|------------------------|-------|------------------------|-------------------------|---------------------------------------|-------------|------------------------|-------------|---------------------------|---------|-----------------------|----|----|----|----|----|
| RANK | PROGRAM DESCRIPTION   | FUND | ACCOUNTING INFORMATION | D E S | -----EXPENDITURES----- |                         | -----1995 - 97 BIENNIUM REQUESTS----- |             |                        |             | -----RECOMMENDATIONS----- |         |                       |    |    |    |    |    |
|      |   |      |                        |       | ---ACTUAL---<br>93-94  | ---BUDGETED---<br>94-95 | -----FY 1995 - 96-----                |             | -----FY 1996 - 97----- |             | -----EXECUTIVE-----       |         | -----LEGISLATIVE----- |    |    |    |    |    |
|      |   |      |                        |       |                        |                         | REQUEST                               | REQUEST     | 1995-96                | 1996-97     | 1995-96                   | 1996-97 |                       |    |    |    |    |    |
| 002  |   | TER  | 375 075                | P06   |                        | 0                       | -40,000,000                           | -50,000,000 | -40,000,000            | -50,000,000 |                           |         |                       |    |    |    |    |    |
|      | <p>Priority 6 - Benefits - Ch. 23 - The enactment of direct deposit eliminates the need for an increase in appropriation to print paper warrants through the voucher system. Not having the kind of history to determine how retirees make choices on a yearly basis, we want to reduce our benefit appropriation cautiously. Therefore, we are requesting a reduction in our Benefit appropriation of \$-40,000,000 for a total of \$120,000,000 for 1995-96 and \$-50,000,000 for a total of \$110,000,000 for 1996-97.</p>   |      |                        |       |                        |                         |                                       |             |                        |             |                           |         |                       |    |    |    |    |    |
| 003  |   | TER  | 375 075                | P03   |                        | 0                       | 28,500                                | 32,900      | 28,500                 | 32,900      |                           |         |                       |    |    |    |    |    |
|      | <p>Priority 3 - Professional Services - Ch. 43 - The actuarial duties have changed tremendously in the last several years. The required fiduciary responsibilities of the board requires more information on retiree impact related decisions. Therefore, an increase in actuarial fees is necessary for 1995-96 for a total of \$28,500 for a total of \$104,500 and 1996-97 fiscal year by \$32,900 for a total of \$108,900.</p>   |      |                        |       |                        |                         |                                       |             |                        |             |                           |         |                       |    |    |    |    |    |
| 004  |   | TER  | 375 075                | P04   |                        | 0                       | 6,552                                 | 12,449      |                        |             |                           |         |                       |    |    |    |    |    |
|      | <p>Priority 4 - Conf. Fees and Travel - Ch. 09 - The Investment Dept. has been requested by the Board of Trustees to have a more detailed working relationship with our money managers. During the 1995-97 biennium. We would like to have at least three staff persons to go to the home sites of our money managers to work with them on the latest reporting mechanism and software changes that they are using. This would require an increase of \$6,552 for a total of \$39,311 for the 1995-96 fiscal year and \$12,449 for a total of \$45,208 for the 1996-97 fiscal year.</p> |      |                        |       |                        |                         |                                       |             |                        |             |                           |         |                       |    |    |    |    |    |

DEPT 010 SEPARATE AGENCIES  
AGY 375 ARKANSAS TEACHER RETIREMENT SYSTEM  
APPRO 075 ARKANSAS TEACHER RETIREMENT SYSTEM

RANK BY APPROPRIATION

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FUND TER TEACHER RETIREMENT(375)

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ARKANSAS BUDGET SYSTEM  
PROGRAM/SERVICE INFORMATION LIST  
RANK BY APPROPRIATION

| 01   | 02                  | 03   | 04                     | 05          | 06                     | 07    | 08           | 09      | 10                                    | 11      | 12                     | 13         | 14                        | 15 | 16                    | 17 | 18 | 19 |
|--|---------------------|------|------------------------|-------------|------------------------|-------|--------------|---------|---------------------------------------|---------|------------------------|------------|---------------------------|----|-----------------------|----|----|----|
| RANK   | PROGRAM DESCRIPTION | FUND | ACCOUNTING INFORMATION | D<br>E<br>S | -----EXPENDITURES----- |       |              |         | -----1995 - 97 BIENNIUM REQUESTS----- |         |                        |            | -----RECOMMENDATIONS----- |    |                       |    |    |    |
|  |                     |      |                        |             | ---ACTUAL---           |       | --BUDGETED-- |         | -----FY 1995 - 96-----                |         | -----FY 1996 - 97----- |            | -----EXECUTIVE-----       |    | -----LEGISLATIVE----- |    |    |    |
|  |                     |      |                        |             | 93-94                  | 94-95 | REQUEST      | REQUEST | 1995-96                               | 1996-97 | 1995-96                | 1996-97    |                           |    |                       |    |    |    |
| 005  |                     | TER  | 375 075                | P02         |                        | 0     | 32,919       | 0       | 67,483                                | 0       |                        |            |                           |    |                       |    |    |    |
| <p>Priority 2 - Operating Expenses - Ch. 02 - With the expansion of our Life Planning Workshops and a more concentrated effort by the pre-retirement counselors to educate our members, our operating expenses have increased and will do so even more. We would like to increase publications, handout materials, printing and postage. We estimate this will increase an average of 5% per year. Therefore, we would like to increase Maintenance and Operation by \$32,919 for a total of \$691,294 for 1995-96 and \$67,483 for a total of \$725,858 for 1996-97.</p>  |                     |      |                        |             |                        |       |              |         |                                       |         |                        |            |                           |    |                       |    |    |    |
| 006  |                     | TER  | 375 075                | P05         |                        | 0     | 165,780      | 0       | 193,720                               | 0       | 85,000                 | 85,000     |                           |    |                       |    |    |    |
| <p>Priority 5 - Capital Outlay - Ch. 11 - We have completed Phase 1 of the Image Plus System. New technology often brings about the ability to offer more services. Along with this comes expense. We now have the capability of counseling members in the field just as if they were in the office. This is done through laptop computers. Therefore, we would like to purchase at least 4 laptop computers, replace several image plus terminals, replace an automobile through attrition, purchase standard office equipment and purchase additional office furniture and equipment. We are requesting \$165,780 for 1995-96 and \$193,720 for 1996-97.</p> |                     |      |                        |             |                        |       |              |         |                                       |         |                        |            |                           |    |                       |    |    |    |
| 007  |                     | TER  | 375 075                | P07         |                        | 0     | -3,000,000   | 0       | -4,000,000                            | 0       | -3,000,000             | -4,000,000 |                           |    |                       |    |    |    |
| <p>Priority 7 - Refunds - Ch. 14 - With more and more members becoming non-contributory members in this system, we are beginning to see a downturn in the number and amount of refunds made. Therefore, we would like to reduce our refund appropriation \$-3,000,000 for 1995-96 for a total of \$10,000,000 and \$-4,000,000 for a total of \$9,000,000 for the 1996-97 fiscal year.</p>   |                     |      |                        |             |                        |       |              |         |                                       |         |                        |            |                           |    |                       |    |    |    |

DEPT 010 SEPARATE AGENCIES  
 AGY 375 ARKANSAS TEACHER RETIREMENT SYSTEM  
 APPRO 075 ARKANSAS TEACHER RETIREMENT SYSTEM  
 FUND TER TEACHER RETIREMENT(375)

RANK BY APPROPRIATION

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ARKANSAS BUDGET SYSTEM  
PROGRAM/SERVICE INFORMATION LIST  
RANK BY APPROPRIATION

| 01   | 02                  | 03   | 04                     | 05          | 06                     | 07                | 08                                    | 09       | 10                     | 11 | 12                                      | 13       | 14                    | 15      | 16 | 17 | 18 | 19 |
|------|---------------------|------|------------------------|-------------|------------------------|-------------------|---------------------------------------|----------|------------------------|----|---|----------|-----------------------|---------|----|----|----|----|
| RANK | PROGRAM DESCRIPTION | FUND | ACCOUNTING INFORMATION | D<br>E<br>S | -----EXPENDITURES----- |                   | -----1995 - 97 BIENNIUM REQUESTS----- |          |                        |    | -----R E C O M M E N D A T I O N S----- |          |                       |         |    |    |    |    |
|      |                     |      |                        |             | ACTUAL<br>93-94        | BUDGETED<br>94-95 | -----FY 1995 - 96-----                |          | -----FY 1996 - 97----- |    | -----EXECUTIVE-----                     |          | -----LEGISLATIVE----- |         |    |    |    |    |
|      |                     |      |                        |             |                        |                   | REQUEST                               | REQUEST  |                        |    | 1995-96                                 | 1996-97  | 1995-96               | 1996-97 |    |    |    |    |
| 008  |                     | TER  | 375 075                | P08         |                        | 0                 | -419,615                              | -419,615 |                        |    | -419,615                                | -419,615 |                       |         |    |    |    |    |
|      |                     |      |                        |             |                        | 0                 | 0                                     | 0        |                        |    |   |          |                       |         |    |    |    |    |

Priority 8 - Overtime - Ch. 06 - Phase 1 of the conversion of the Image system has been completed. There are other supporting projects that would be most helpful for the completion of a member file, but at this time we would like to wait for a more highly sophisticated medium before we continue. The completion of Imaging over 100,000 records has made the system more efficient and responsive to the needs of this agency. Therefore, we do not have an appropriation for overtime during the 1995-97 biennium.

DEPT 010 SEPARATE AGENCIES  
AGY 375 ARKANSAS TEACHER RETIREMENT SYSTEM  
APPRO 075 ARKANSAS TEACHER RETIREMENT SYSTEM  
FUND TER TEACHER RETIREMENT(375)

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**ARKANSAS BUDGET SYSTEM  
ANALYSIS OF BUDGET REQUEST  
1995- 1997**

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The Arkansas Teacher Retirement System is requesting \$500,000 each year for the property management program which was begun in FY92. This is a contingency appropriation to pay expenses to maintain property which the System holds as investments. This represents no increase over Base Level.

This appropriation is funded from trust funds of the Teacher Retirement System.

The Executive Recommendation is Agency Request.

| <u>AGENCY</u>  | <u>APPROPRIATION</u>                      | <u>TREASURY FUND</u>                     | <u>ANALYSIS OF<br/>BUDGET REQUEST</u> | <u>PAGE</u> |
|--|---|--|---------------------------------------|-------------|
| Name: Ark. Teacher<br>Retirement System<br>Code: 375 | Name: Property<br>Management<br>Code: 312 | Name: Teacher<br>Retirement<br>Code: TER | BR20                                  | 744         |

ARKANSAS BUDGET SYSTEM

01 02 03 04 05 06 07 08 09 10 11 12 13 14

| CHARACTER TITLE             | -----EXPENDITURES----- |                |                  | -----95-96 FISCAL YEAR----- |          |                | -----96-97 FISCAL YEAR----- |          |                | -----R E C O M M E N D A T I O N S----- |                |             |       |
|-----------------------------|------------------------|----------------|------------------|-----------------------------|----------|----------------|-----------------------------|----------|----------------|---|----------------|-------------|-------|
|                             | 93-94                  | 94-95          | 94-95            | BASE                        | PRIORITY | TOTAL          | BASE                        | PRIORITY | TOTAL          | EXECUTIVE                               |                | LEGISLATIVE |       |
|                             | ACTUAL                 | BUDGETED       | AUTHORIZED APPRO |                             |          |                |                             |          |                | 95-96                                   | 96-97          | 95-96       | 96-97 |
| PROPERTY MANAGEMENT         | 45,369                 | 500,000        | 500,000          | 500,000                     | 0        | 500,000        | 500,000                     | 0        | 500,000        | 500,000                                 | 500,000        |             |       |
| <b>TOTAL</b>                | <b>45,369</b>          | <b>500,000</b> | <b>500,000</b>   | <b>500,000</b>              | <b>0</b> | <b>500,000</b> | <b>500,000</b>              | <b>0</b> | <b>500,000</b> | <b>500,000</b>                          | <b>500,000</b> |             |       |
| PROPOSED FUNDING SOURCES    |                        |                | *****            |                             |          |                |                             |          |                |   |                |             |       |
| FUND BALANCES               |                        |                | *****            |                             |          |                |                             |          |                |   |                |             |       |
| GENERAL REVENUES            |                        |                | *****            |                             |          |                |                             |          |                |   |                |             |       |
| SPECIAL REVENUES            |                        |                | *****            |                             |          |                |                             |          |                |   |                |             |       |
| FEDERAL FUNDS               |                        |                | *****            |                             |          |                |                             |          |                |   |                |             |       |
| STATE CENTRAL SERVICES FUND |                        |                | *****            |                             |          |                |                             |          |                |   |                |             |       |
| NON-REVENUE RECEIPTS        |                        |                | *****            |                             |          |                |                             |          |                |   |                |             |       |
| CASH FUNDS                  |                        |                | *****            |                             |          |                |                             |          |                |   |                |             |       |
| TRUST FUNDS                 | 45,369                 | 500,000        | *****            | 500,000                     |          | 500,000        | 500,000                     |          | 500,000        | 500,000                                 | 500,000        |             |       |
| TOTAL FUNDING               | 45,369                 | 500,000        | *****            | 500,000                     |          | 500,000        | 500,000                     |          | 500,000        | 500,000                                 | 500,000        |             |       |
| EXCESS APPRO/ (FUNDING)     |                        |                | *****            |                             |          |                |                             |          |                |   |                |             |       |
| TOTAL                       | 45,369                 | 500,000        | *****            | 500,000                     |          | 500,000        | 500,000                     |          | 500,000        | 500,000                                 | 500,000        |             |       |

DEPT 010 SEPARATE AGENCIES  
 AGY 375 ARKANSAS TEACHER RETIREMENT SYSTEM  
 APPRO 312 PROPERTY MANAGEMENT

APPROPRIATION SUMMARY

BR 215

FUND TER TEACHER RETIREMENT(375)