

AR PUBLIC EMPLOYEE RETIREMENT SYSTEM

Enabling Laws

Public Employees Retirement System:
Act 116 of 2016

A.C.A. §24-1-101 through §24-2-704; §24-4-101 through §24-4-1109; §24-7-501; §24-7-1001 through §24-7-1101; §24-8-901 through §24-8-904; §24-12-126

State Police Retirement System:

A.C.A. §24-2-101 through §24-2-704; §24-2-401 through §24-2-704; §24-6-101 through §24-6-508

Judicial Retirement System:

A.C.A. §24-2-401 through §24-2-704; §24-8-201 through §24-8-228; §24-8-701 through §24-8-717

District Judges Retirement System:

A.C.A. §24-8-801 through §24-8-824 (Abolished and transferred to Public Employees Retirement System by Act 177 of 2007).

History and Organization

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM:

General - The Arkansas Public Employees Retirement System (APERS) administers a statewide public employee retirement program for certain state (including members of the General Assembly and State Constitutional Officers), municipal, school district employees (cafeteria workers, bus drivers, and janitors enrolled before July 1, 1989) and all county employees (including county constitutional officers). A nine member Board of Trustees appointed by the Governor controls APERS.

The Executive Director also serves as State Social Security Administrator and is responsible for coverage-related issues for state and local government employers.

Mission Statement - The mission of the Agency is to play an integral role in the future financial security of the APERS, Arkansas State Police Retirement System (ASPRS), and Arkansas Judicial Retirement System (AJRS) members by promptly and courteously delivering quality benefits and information which members value and trust through professional plan administration and prudent management of System assets.

Retirement Programs - Retirement Programs provide coverage and benefits under both "contributory" and "non-contributory" provisions.

Act 177 of 1956, as amended, established APERS as a contributory plan.

Act 793 of 1977, as amended, established the "non-contributory" provisions for APERS. Additionally, this Act provided for a "list of permissible investments" for the System. The investment provision was later amended by Act 412 of 1985, which replaced the "permissible list" with the Prudent Investor Rule.

Act 653 of 1989 places all newly hired after July 1, 1989, school district employees in the AR Teacher Retirement System.

Act 339 of 2003 allowed the Board of Trustees to consider implementation of a new contributory plan for covered employees hired after July 1, 2005.

Act 2084 of 2005 established a new contributory plan for all members first hired on or after July 1, 2005, or returning members with a break in service of over six months. Members are required to contribute 5% of pretax earnings.

Act 558 of 2011 requires participating employers to pay matching on retired members who have returned to work under §24-4-520, as well as members who have entered the Deferred Retirement Option Plan (DROP) under §24-4-802(d). The rate(s) of percentage are set by the board as provided for by §24-2-701.

Act 288 of 2013 requires municipal or county elected officials first elected on or after January 1, 2014 to be contributory and the employer and the employee must both contribute an additional 2.5% of the employee's gross pay to APERS. The employee is required to contribute 7.5% (5.0% + 2.5%) and the employer would contribute the normal rate (currently 14.76%) plus 2.5%.

ARKANSAS STATE POLICE RETIREMENT SYSTEM:

Act 311 of 1951, as amended, established the "contributory" provisions of the Arkansas State Police Retirement System and provides for the retirement of uniformed troopers of the Arkansas State Police. A seven member Board of Trustees consists of an active vested member enrolled in the Tier 1 benefit program, the Chief Fiscal Officer of the State, one state police commissioner and three citizens at large who shall be appointed by the governor.

Act 647 of 1969 transferred the administration of the Arkansas State Police Retirement System (ASPRS) on July 1, 1969, to the Executive Director and staff of APERS.

Act 793 of 1977, as amended, established the "non-contributory" provisions for the State Police Retirement System. Additionally, this Act provided for a "list of permissible investments" for the System. The investment provision was later amended by Act 412 of 1985, which replaced the "permissible list" with the Prudent Investor Rule.

Act 1071 of 1997 established a Tier II Plan for State Police Retirement.

ARKANSAS JUDICIAL RETIREMENT SYSTEM:

Act 365 of 1953 created the Arkansas Judicial Retirement System, which provides for the retirement of all Chancery, Circuit, Court of Appeals Judges and Supreme Court Justices. A five member Board of Trustees appointed by the Arkansas Judicial Council controls AJRS.

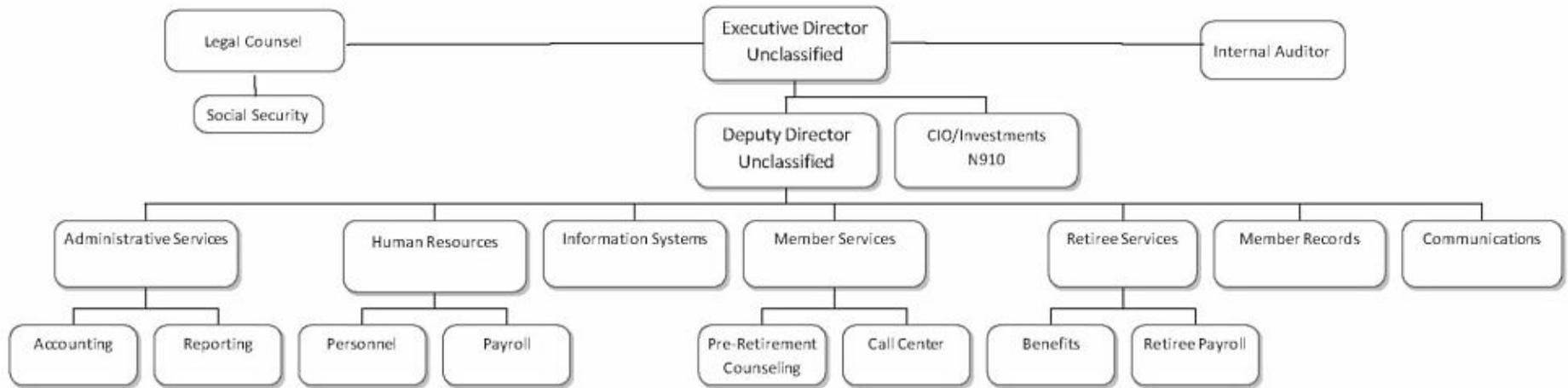
Act 922 of 1983 transferred the administration of the Arkansas Judicial Retirement System (AJRS) on July 1, 1983, to the Executive Director and staff of APERS.

Act 399 of 1999 established a Tier II Plan for Judicial Retirement.

ARKANSAS DISTRICT JUDGES RETIREMENT SYSTEM:

Act 1374 of 2003 created the Arkansas District Judge Retirement System, which provides for the retirement of all district judges. The same act closed the Municipal Judges and Clerks Retirement System. A five member Board of Trustees controls ADJRS. The trustees are appointed as follows: Two members are appointed by the Arkansas District Judges Council; Three members are appointed by the Governor, one of whom must not have previous service in the judicial system.

Act 177 of 2007 abolished the Arkansas District Judge Retirement System and transferred all powers, duties and plan liabilities to the Arkansas Public Employees Retirement System via a type 3 transfer as prescribed in A.C.A. §25-2-106.



Agency Commentary

The Arkansas Public Employees Retirement System’s (APERS) mission is to provide members and retirees with the highest level of customer service and accurate, timely information and annuity payments. This is accomplished through high quality delivery of 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 produces accurate and timely benefit payments to retired members or eligible beneficiaries and refunds to active/inactive members or employers of the System. The deadlines associated with providing these services are set by statute.

APERS staff currently serves 46,996 active members and 30,448 retired members. As of the 6/30/15 actuarial valuation by Gabriel, Roeder, Smith & Company, there are 1,842 members who are 65 years or over with at least 5 years of service; 1,110 members who are 60-64 years old and 4,000 members who are 45-59 years old with 20 or more years of service. This means that at various times within the next eight years, approximately 6,861 members will be eligible to retire. The number of retirees has increased by roughly 8,450 in the last ten years. These numbers reflect the retirement of the “baby boomer” generation and should level off by 2025.

We are extremely proud that our new pension administration system, COMPASS, will go live on time and on budget during the spring of 2017. Our plan is for COMPASS to gradually decrease the number of members who will require the assistance of APERS staff to run benefit scenarios for various time frames, benefit options, and deferred retirement option and partial annuity withdrawal calculations. Members who have more complicated retirement histories (i.e., multiple service credit, reciprocal service, or numerous breaks in service) may still require

the services of a retirement counselor in person or via correspondence, but many members will be able to log onto the system via the member portal and run the scenarios themselves, and complete their retirement application and upload other documents online without ever having to come to the office or speak with a staff member. In addition, participating employers will be able to log onto the employer portal to enroll participants, and make demographic information changes. They will also be able to transmit their salary and service data, receive an automatic invoice from the system and be able to pay via bank ACH, resulting in a significant savings of time and money. Retirees will be able to log onto the member portal to make deduction, banking and demographic changes rather than completing and submitting paper forms.

However, for the first few years there will be a learning curve and a trust factor for members, retirees and employers to overcome. That is why it is important that we remain staffed at the baseline level (82 authorized positions; 6 extra help), with plans to gradually reduce positions by approximately 10% due to retirements or resignations over the next five years.

We are extremely conscious of our fiduciary responsibility to utilize the system's assets as frugally as possible but still attain our functional obligations and the corresponding statute-driven deadlines to our members and retirees. All of the following requests for this biennium were carefully considered by staff and our Board of Trustees.

C01 Request - Capital Outlay Request (2QR/CI 512:00:11)

APERS requests \$15,000 in Capital Outlay for FY18 for the purchase of modular office furniture to relocate Benefits Administration staff together for the convenience of members and better communication and work flow.

C08 Request - Capital Outlay Request (2QR/CI 512:00:11)

APERS requests \$17,500 in both fiscal years to purchase (2) Enterprise scanners (\$6,000 each); (2) File servers (\$5,000 each); and (2) Division color printers (\$5,000) in conjunction with the new pension administration system (purchase one set of equipment in each fiscal year).

Both capital outlay requests are because of revisions in processes or relocating staff due to the new pension administration system, COMPASS.

C01 Request - Cash Fund (Benefits) (C22/CI 510:00:23)

APERS requests an increase of \$150,000,000 in both fiscal years to accommodate payment of retiree benefits via direct deposit.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2015

Findings	Recommendations
None	None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

Employment Summary

	Male	Female	Total	%
White Employees	17	25	42	55 %
Black Employees	2	25	27	36 %
Other Racial Minorities	2	5	7	9 %
Total Minorities			34	45 %
Total Employees			76	100 %

Cash Fund Balance Description as of June 30, 2016

Fund Account	Balance	Type	Location
1310100	\$15,179,833	Checking/Direct Deposit Account	Bank of America-Little Rock, AR

Statutory/Other Restrictions on use:

Payment of monthly annuities to retirees via direct deposit.

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

None

Fund Balance Utilization:

Issue manual checks to retirees whose direct deposit fails.

Fund Account	Balance	Type	Location
1310200	\$893,018	Checking/Direct Deposit Account	Bank of America-Little Rock, AR

Statutory/Other Restrictions on use:

Payment of monthly annuities to retirees via direct deposit.

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

None

Fund Balance Utilization:

Issue manual checks to retirees whose direct deposit fails.

Fund Account	Balance	Type	Location
1310300	\$0	Checking-Direct Deposit Account	Bank of America-Little Rock, AR

Statutory/Other Restrictions on use:

Payment of monthly annuities to retirees via direct deposit

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

None

Fund Balance Utilization:

Issue manual checks to retirees whose direct deposit fails.

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Annual Financial Report-AJRS	N	N	N	100	Ordinary prudence requires that financial disclosure be made to participating employers and state officials.	0	0.00
Annual Financial Report-APERS	N	N	N	75	Ordinary prudence requires that financial disclosure be made to participating employers and state officials.	0	0.00
Annual Financial Report-ASPRS	N	N	N	100	Ordinary prudence requires that financial disclosure be made to participating employers and state officials.	0	0.00
APERSpective Newsletter-Active/Retired Members	N	N	N	75,000	Published and mailed biannually to all active/retired members.	0	0.00
APERSpective Newsletter-Employers	N	N	N	1,000	Published and mailed biannually to all active/retired members.	0	0.00

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Employer Guide-APERS	N	N	N	1,000	Published when significant legislative changes to retirement statutes and/or procedures occur.	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
2QR Public Employee Retirement-Operations	91,526,414	88	142,487,233	92	142,454,535	82	142,017,785	82	142,050,285	82	142,050,285	82	142,022,648	82	142,040,148	82	142,040,148	82
2QS St Police Retirement-Operations	18,559,458	0	35,343,560	0	35,343,560	0	35,343,560	0	35,343,560	0	35,343,560	0	35,343,560	0	35,343,560	0	35,343,560	0
2QT Judicial Retirement-Operations	3,428,112	0	10,663,389	0	10,663,389	0	10,663,389	0	10,663,389	0	10,663,389	0	10,663,389	0	10,663,389	0	10,663,389	0
C22 Public Employee Retirement-Cash	411,626,274	0	500,000,000	0	500,000,000	0	500,000,000	0	650,000,000	0	650,000,000	0	500,000,000	0	650,000,000	0	650,000,000	0
C23 St Police Retirement-Cash	19,506,800	0	35,000,000	0	35,000,000	0	35,000,000	0	35,000,000	0	35,000,000	0	35,000,000	0	35,000,000	0	35,000,000	0
C24 Judicial Retirement-Cash	11,556,976	0	21,000,000	0	21,000,000	0	21,000,000	0	21,000,000	0	21,000,000	0	21,000,000	0	21,000,000	0	21,000,000	0
F73 APERS Pension Administration System	5,457,256	0	21,000,000	0	21,000,000	0	21,000,000	0	21,000,000	0	21,000,000	0	21,000,000	0	21,000,000	0	21,000,000	0
Total	561,661,290	88	765,494,182	92	765,461,484	82	765,024,734	82	915,057,234	82	915,057,234	82	765,029,597	82	915,047,097	82	915,047,097	82

Funding Sources		%		%		%		%		%		%		%		%
Trust Fund 4000050	561,661,290	100.0	765,494,182	100.0			765,024,734	100.0	915,057,234	100.0	915,057,234	100.0	765,029,597	100.0	915,047,097	100.0
Total Funds	561,661,290	100.0	765,494,182	100.0			765,024,734	100.0	915,057,234	100.0	915,057,234	100.0	765,029,597	100.0	915,047,097	100.0
Excess Appropriation/(Funding)	0		0				0		0		0		0		0	
Grand Total	561,661,290		765,494,182				765,024,734		915,057,234		915,057,234		765,029,597		915,047,097	

FY17 Budget exceeds the Authorized amount in (2QR) Public Employee Retirement- Operations due to Personal Services Matching rate adjustments during the 2015-2017 Biennium.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
82	69	13	82	0	15.85 %	82	75	7	82	0	8.54 %	82	76	6	82	0	7.32 %

Analysis of Budget Request

Appropriation: 2QR - Public Employee Retirement-Operations

Funding Sources: TSR - APERS Fund

The Administration Program of the Arkansas Public Employees Retirement System (APERS) administers the Public Employees Retirement System, the State Police Retirement System, the Judicial Retirement System, and the District Judges 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 main goal of this Program is to provide members and retirees with the highest level of benefits, customer service and accurate, timely information.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015.

Base Level is \$142,017,785 for FY18 and \$142,022,648 for FY19.

The Agency's Change Level request for \$32,500 in FY18 and \$17,500 in FY19 reflects the following:

- \$15,000 in Capital Outlay for FY18 to purchase office furniture.
- \$17,500 in Capital Outlay for each year for office equipment in conjunction with the new pension administration system operations.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2QR - Public Employee Retirement-Operations

Funding Sources: TSR - APERS Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	3,178,073	3,846,258	3,846,258	3,488,918	3,488,918	3,488,918	3,492,518	3,492,518	3,492,518
#Positions		88	92	82	82	82	82	82	82	82
Extra Help	5010001	73,744	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
#Extra Help		6	6	6	6	6	6	6	6	6
Personal Services Matching	5010003	1,126,539	1,332,357	1,299,659	1,220,249	1,220,249	1,220,249	1,221,512	1,221,512	1,221,512
Operating Expenses	5020002	1,345,813	1,607,473	1,607,473	1,607,473	1,607,473	1,607,473	1,607,473	1,607,473	1,607,473
Conference & Travel Expenses	5050009	19,568	42,500	42,500	42,500	42,500	42,500	42,500	42,500	42,500
Professional Fees	5060010	1,352,489	10,583,645	10,583,645	10,583,645	10,583,645	10,583,645	10,583,645	10,583,645	10,583,645
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Benefits-Non Employee	5100023	29,546,476	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000
Refunds/Reimbursements	5110014	54,871,915	85,000,000	85,000,000	85,000,000	85,000,000	85,000,000	85,000,000	85,000,000	85,000,000
Capital Outlay	5120011	11,797	0	0	0	32,500	32,500	0	17,500	17,500
Total		91,526,414	142,487,233	142,454,535	142,017,785	142,050,285	142,050,285	142,022,648	142,040,148	142,040,148
Funding Sources										
Trust Fund	4000050	91,526,414	142,487,233		142,017,785	142,050,285	142,050,285	142,022,648	142,040,148	142,040,148
Total Funding		91,526,414	142,487,233		142,017,785	142,050,285	142,050,285	142,022,648	142,040,148	142,040,148
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		91,526,414	142,487,233		142,017,785	142,050,285	142,050,285	142,022,648	142,040,148	142,040,148

FY17 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2015-2017 Biennium.

Budget Number of Positions may exceed the Authorized Number due to transfers from the Temporary Position Pool as authorized by Section 15 of Act 116 of 2016 during the 2015-2017 Biennium.

Change Level by Appropriation

Appropriation: 2QR - Public Employee Retirement-Operations
Funding Sources: TSR - APERS Fund

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	142,017,785	82	142,017,785	100.0	142,022,648	82	142,022,648	100.0
C01	Existing Program	15,000	0	142,032,785	100.0	0	0	142,022,648	100.0
C08	Technology	17,500	0	142,050,285	100.0	17,500	0	142,040,148	100.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	142,017,785	82	142,017,785	100.0	142,022,648	82	142,022,648	100.0
C01	Existing Program	15,000	0	142,032,785	100.0	0	0	142,022,648	100.0
C08	Technology	17,500	0	142,050,285	100.0	17,500	0	142,040,148	100.0

Justification

C01	Request \$15,000 for modular offices that are needed for re-organizing Benefits Administration Division staff.
C08	Request capital outlay to purchase (2) Enterprise scanner/\$6,000; (2) File server/\$5,000; (2) Division color printer/\$5,000-one set acquired during FY18 and one set during FY19 (total for biennium is \$35,000). These are needed in conjunction with the new pension administration system operations.

Analysis of Budget Request

Appropriation: 2QS - St Police Retirement-Operations

Funding Sources: TMR - State Police Retirement Fund

The Arkansas Public Employees Retirement System (APERS) administers the Arkansas State Police Retirement System (ASPRS) under the authority of A.C.A. §24-6-204. The administration, management, and control of the System are the responsibility of the Board of Trustees of the State Police Retirement System. The Board meets at least once each quarter and consists of eleven members: the Chairman of the Arkansas State Police Commission, the Director of the Department of Arkansas State Police, the Director of the Arkansas Department of Finance and Administration or the Director's designee from that department, five members of the SPRS to be elected by the members of the system with at least two holding the rank of trooper, trooper first class or corporal, at least one holding a rank higher than the rank of corporal, and at least one whose retirement eligibility is covered under the Tier Two Benefit Plan of the ASPRS.

The Agency Request provides for Base Level of \$35,343,560 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2QS - St Police Retirement-Operations

Funding Sources: TMR - State Police Retirement Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	5,484	77,610	77,610	77,610	77,610	77,610	77,610	77,610	77,610
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	37,550	265,950	265,950	265,950	265,950	265,950	265,950	265,950	265,950
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Benefits-Non Employee	5100023	1,841,033	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Refunds/Reimbursements	5110014	16,675,391	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		18,559,458	35,343,560	35,343,560	35,343,560	35,343,560	35,343,560	35,343,560	35,343,560	35,343,560
Funding Sources										
Trust Fund	4000050	18,559,458	35,343,560		35,343,560	35,343,560	35,343,560	35,343,560	35,343,560	35,343,560
Total Funding		18,559,458	35,343,560		35,343,560	35,343,560	35,343,560	35,343,560	35,343,560	35,343,560
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		18,559,458	35,343,560		35,343,560	35,343,560	35,343,560	35,343,560	35,343,560	35,343,560

Analysis of Budget Request

Appropriation: 2QT - Judicial Retirement-Operations

Funding Sources: TAR - Judges Retirement Fund

The Arkansas Public Employees Retirement System (APERS) administers the Judicial Retirement System (JRS) under the authority of A.C.A. § 24-8-204. The administration and control of the JRS is the responsibility of the Board of Trustees of the Judicial Retirement System. The Board meets at least once each quarter and consists of five members appointed by the Arkansas Judicial Council. These members serve at the pleasure of the Council and one member is elected by the Board to serve as Chairman.

Pursuant to A.C.A. §24-8-207(a), all chancery judges, circuit judges, judges of the Arkansas Court of Appeals, and justices of the Arkansas Supreme Court, whether elected or appointed to office, shall participate in the Arkansas Judicial Retirement System (AJRS).

The Agency Request provides for Base Level of \$10,663,389 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2QT - Judicial Retirement-Operations

Funding Sources: TAR - Judges Retirement Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	3,285	40,510	40,510	40,510	40,510	40,510	40,510	40,510	40,510
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	95,950	122,879	122,879	122,879	122,879	122,879	122,879	122,879	122,879
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Benefits-Non Employee	5100023	455,922	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000
Refunds/Reimbursements	5110014	2,872,955	6,250,000	6,250,000	6,250,000	6,250,000	6,250,000	6,250,000	6,250,000	6,250,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		3,428,112	10,663,389	10,663,389	10,663,389	10,663,389	10,663,389	10,663,389	10,663,389	10,663,389
Funding Sources										
Trust Fund	4000050	3,428,112	10,663,389		10,663,389	10,663,389	10,663,389	10,663,389	10,663,389	10,663,389
Total Funding		3,428,112	10,663,389		10,663,389	10,663,389	10,663,389	10,663,389	10,663,389	10,663,389
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		3,428,112	10,663,389		10,663,389	10,663,389	10,663,389	10,663,389	10,663,389	10,663,389

Analysis of Budget Request

Appropriation: C22 - Public Employee Retirement-Cash

Funding Sources: 131 - Arkansas Public Employees Retirement System-Cash

The Arkansas Public Employees Retirement System cash fund is utilized for payments to beneficiaries by check or wire transfer.

Base Level is \$500,000 each year of the biennium.

The Agency Request change level totals \$150,000,000 each year of the biennium to accommodate payment of retiree benefits via direct deposit.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: C22 - Public Employee Retirement-Cash
Funding Sources: 131 - Arkansas Public Employees Retirement System-Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Benefits-Non Employee 5100023	411,626,274	500,000,000	500,000,000	500,000,000	650,000,000	650,000,000	500,000,000	650,000,000	650,000,000
Total	411,626,274	500,000,000	500,000,000	500,000,000	650,000,000	650,000,000	500,000,000	650,000,000	650,000,000
Funding Sources									
Trust Fund 4000050	411,626,274	500,000,000		500,000,000	650,000,000	650,000,000	500,000,000	650,000,000	650,000,000
Total Funding	411,626,274	500,000,000		500,000,000	650,000,000	650,000,000	500,000,000	650,000,000	650,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	411,626,274	500,000,000		500,000,000	650,000,000	650,000,000	500,000,000	650,000,000	650,000,000

Change Level by Appropriation

Appropriation: C22 - Public Employee Retirement-Cash
Funding Sources: 131 - Arkansas Public Employees Retirement System-Cash

Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	500,000,000	0	500,000,000	100.0	500,000,000	0	500,000,000	100.0
C01	Existing Program	150,000,000	0	650,000,000	130.0	150,000,000	0	650,000,000	130.0

Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
BL	Base Level	500,000,000	0	500,000,000	100.0	500,000,000	0	500,000,000	100.0
C01	Existing Program	150,000,000	0	650,000,000	130.0	150,000,000	0	650,000,000	130.0

Justification

C01	Request \$150,000,000 in both fiscal years to accommodate payment of retiree benefits via direct deposit (total of \$300,000,000 for the biennium).
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Analysis of Budget Request

Appropriation: C23 - St Police Retirement-Cash

Funding Sources: 131 - Arkansas State Police Retirement-Cash

The Arkansas State Police Retirement cash fund is utilized for payments to beneficiaries of the State Police Retirement System by wire transfer.

The Agency Request provides for Base Level of \$35,000,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: C23 - St Police Retirement-Cash
Funding Sources: 131 - Arkansas State Police Retirement-Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Benefits-Non Employee 5100023	19,506,800	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000
Total	19,506,800	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000
Funding Sources									
Trust Fund 4000050	19,506,800	35,000,000		35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000
Total Funding	19,506,800	35,000,000		35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	19,506,800	35,000,000		35,000,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000

Analysis of Budget Request

Appropriation: C24 - Judicial Retirement-Cash

Funding Sources: 131 - Arkansas Judicial Retirement-Cash

The Arkansas Judicial Retirement cash fund is utilized for payments to beneficiaries of the Judicial Retirement System by direct deposit.

The Agency Request provides for Base Level of \$21,000,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: C24 - Judicial Retirement-Cash
Funding Sources: 131 - Arkansas Judicial Retirement-Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Benefits-Non Employee 5100023	11,556,976	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
Total	11,556,976	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
Funding Sources									
Trust Fund 4000050	11,556,976	21,000,000		21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
Total Funding	11,556,976	21,000,000		21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	11,556,976	21,000,000		21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000

Analysis of Budget Request

Appropriation: F73 - APERS Pension Administration System

Funding Sources: TSR - Arkansas Public Employees' Retirement System Fund

The APERS Pension Administration System is an ongoing project to overhaul the APERS Customer Relations Management (CRM) software for the first time in several decades.

The Agency provides for Base Level of \$21,000,000 each year of the biennium.

The Executive Recommendation provides for the Agency request.

Appropriation Summary

Appropriation: F73 - APERS Pension Administration System

Funding Sources: TSR - Arkansas Public Employees' Retirement System Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
APERS Pension Capital Projects 5900046	5,457,256	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
Total	5,457,256	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
Funding Sources									
Trust Fund 4000050	5,457,256	21,000,000		21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
Total Funding	5,457,256	21,000,000		21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	5,457,256	21,000,000		21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000