

AR PUBLIC EMPLOYEE RETIREMENT SYSTEM

Enabling Laws

Act 789 of 2007

Public Employees Retirement System:

A.C.A. §24-1-101 through §24-2-704; §24-4-101 through §24-4-1003; §24-7-501; §24-7-1001 through §24-7-1101; §24-8-212 through §24-8-214; §24-8-222; §24-8-312; §24-8-901 through §24-8-903; §24-10-302 (e); §24-12-126

State Police Retirement System:

A.C.A. §24-2-401 through §24-2-619; §24-6-101 through §24-6-415

Judicial Retirement System:

A.C.A. §24-2-401 through §24-2-619; §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 §24-8-821 (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 both Systems. 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 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.

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 elected by active and retired troopers controls ASPRS.

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 both Systems. 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.

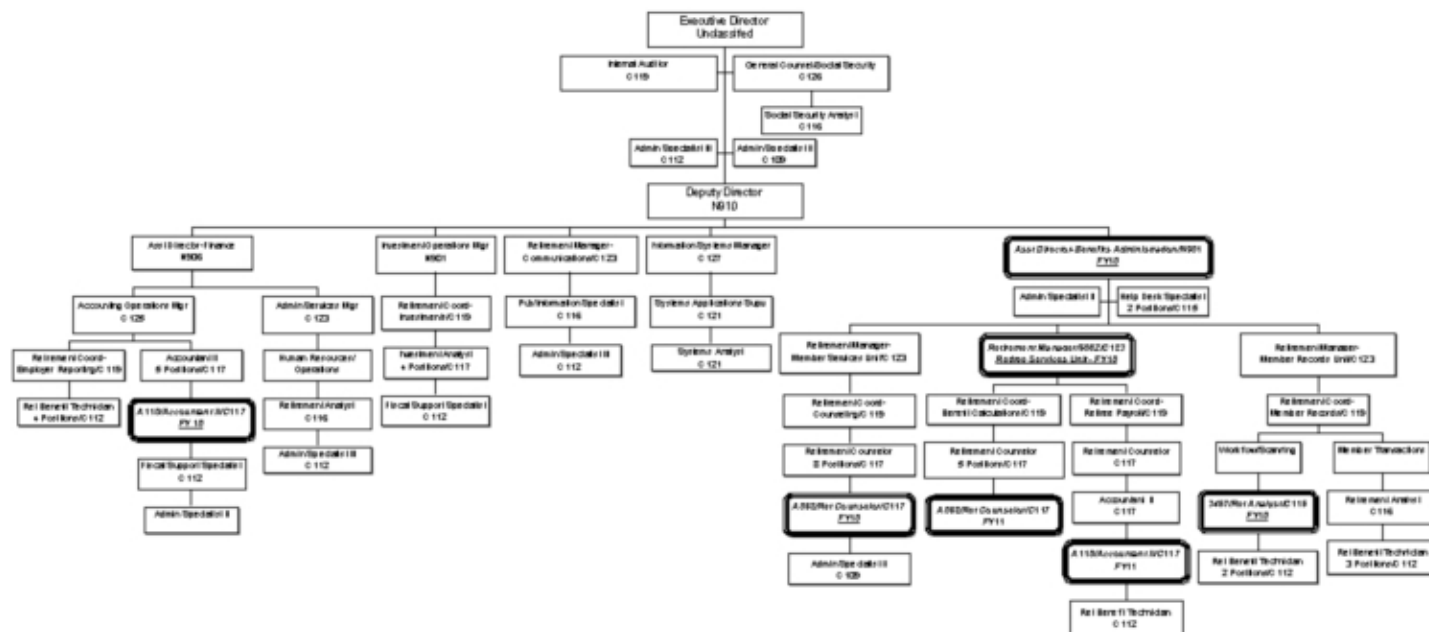
Act 922 of 1983 transferred the administration of the Arkansas Judicial Retirement System (AJRS) on July 1, 1983, to the Executive Director and staff of APERS.

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

APERS Budget Requests (2009 - 2011 Biennium)

C01 Request - Regular Salaries and Personal Services Matching (2QR/CI 501:00:00 & CI 501:00:03): APERS requests the addition of five (5) new positions for FY10 (Regular Salaries \$203,428; Personal Services Matching \$65,333) and two (2) additional new positions in FY11 (Regular Salaries \$272,602; Personal Services Matching \$89,007).

The FY10 request includes: (1) Assistant Director Benefits Administration (7122/Gr. N901); (1) Retirement Section Manager (608Z/Gr. C123); (1) Accountant II (A110/Gr. C117); (1) Retirement Counselor (A062/Gr. C117); and (1) Retirement Analyst (3467/Gr. C116). For FY11, we request two additional positions: (1) Accountant II (A110/Gr. C117); and (1) Retirement Counselor (A062/Gr. C117). APERS also requests two (2) new extra help positions to be added in FY10.

The administration of the APERS benefits program is a vastly more complex operation than it was just five years ago.

- In just short of three years as a contributory plan, APERS already has 15,689 contributory members out of a total of 44,541 active participants as of 05/31/08.
- The array of retirement options available to the membership (DROP, PAW, possible purchases of out-of-state or Federal service, and reciprocal provisions among Arkansas plans) mean that Member Services staff must devote additional time working up the retirement possibilities for each member that inquires.
- Financial reporting requirements, as established by GASB, are increasingly detailed and complex.

Gabriel Roeder Smith & Company (GRS), our actuarial firm, prepared a 50 year projection for the period July 1, 2006 through June 30, 2056. In their report, the number of retirees will increase from the current 22,000 to approximately 31,000 in 2012, to 36,000 in 2016 and to 40,000 in 2020. The demand for access to pre-retirement counseling will be at its peak during this period. Offering benefit information to the membership in the form of regional seminars, one-on-one counseling sessions, and responding to member inquiries will be front and center on the agenda for APERS in order to provide required services to our members in making their retirement decisions.

As the retirement ranks swell in the coming years, it is incumbent upon us to be adequately staffed and prepared to provide timely, high-quality services that our membership has come to expect. When an individual requests a benefit estimate - a number upon which he or she will be counting on to determine the economic underpinnings of the second half of life - we must have already done everything possible to ensure that not only is the member's wage and service history correct, but that we have provided adequate information to each individual to make the right choices for retirement.

To that end, we plan to consolidate all direct services to our membership under one umbrella: the Benefits Administration Section. This section will be comprised of the Member Services Unit, the Retiree Services Unit, the Member Records Unit and the Member Help Desk function. The Member Services Unit would focus completely on counseling and assisting members via office visits, correspondence and seminars. The Retiree Payroll Unit, which is currently housed in the Administrative Services Section would be combined with the Retiree Benefits Unit from to form the new Retiree Services Unit. The Member Records Unit, which currently reports directly to the APERS Deputy Director, will also be part of the new section.

In addition to addressing the System's and members' needs, this organizational realignment would also present a positive scenario for succession planning for current staff members. Replacement of individuals with a high level of institutional knowledge is more difficult because any new person would not be able to complete tasks as efficiently as the seasoned employee. Consolidating the functional areas that provide direct services to our members, with individual managers focusing on a dedicated functional area increases the odds of successful transitions of experienced to inexperienced personnel.

FISCAL YEAR 2010 PERSONNEL REQUESTS

Assistant Director-Benefits Administration (7122/N901)

Leadership and focus will be crucial in the new Benefits Administration Section as described above. In the current organizational structure, the Member Services Section stands alone and is comprised of the counseling and benefit calculation functional areas with a Member Services Manager reporting directly to the APERS Deputy Director. In addition, the Information Systems and Communication Sections also

report to the APERS Deputy Director.

With the increasing volume of retirees working through the system in the next ten years as indicated by the GRS projection, direct services to our members will require a dedicated executive-level focus to ensure that all member needs are provided in an accurate and timely manner.

Retirement Section Manager (608Z/C123)

In preparation for the continually increasing demand benefit calculations for new retirees, we are requesting a Grade C123 Retirement Section Manager to administer the functions of benefit calculations and retiree payroll to ensure that all new retirees will receive accurate and prompt annuity payments. This will create a separate section specifically devoted to retiree services. For FY07 and through April for FY08, the Benefits Unit calculated 4,331 annuities, responded to 10,576 telephone requests, and assisted 125 members in the office. The Retiree Payroll Unit added 3,695 regular and 721 Deferred Retirement Option Plan retirees from 7/1/06 through 5/31/08. During this same time period, only 1,565 deceased retirees were removed from the payroll.

Retirement Counselor (A062/C117)

A new Retirement Counselor position is needed in each of the fiscal years of the biennium to provide adequate services to our membership. For FY07 and YTD for FY08, the Counseling Unit responded to 8,588 requests via written correspondence, took 21,737 phone calls at an average of 15 minutes for each call, and saw 2,666 members in the office for counseling. In addition, counselors held seminars around the state approximately every ten days. The additional counselors will be needed due to the numbers of members requiring retirement counseling assistance.

Accountant II (A110/C117)

The Accountant II position is needed in the Administrative Services Section to address reconciliation issues with AASIS employers. The retrocalc feature on AASIS is necessary to ensure that employee W-2 forms are accurate; however, when it is utilized the retirement matching and contributions are paid to APERS in a lump sum with the appropriate months not easily identified. It is imperative that APERS staff do a timely and accurate job of recording and accounting for member contributions and interest.

The number of payouts processed is directly linked to the growing number of contributory members. Each time a contributory member terminates and requests a refund of contributions, a process that starts in the Member Records Unit and ends in the Accounting Unit with the issuance of a warrant is required. There were a total of 1,660 contributory refunds processed between April 2007 and April 2008. The number of DROP and PAW payouts remained constant at 400 for the same time period. In almost every instance, members are requesting a combination of lump sum payout and trustee-to-trustee transfer, thereby multiplying the accounting activity two-fold. Given the increase in activity that we are currently experiencing in these areas now, and additional increases going forward, adequate staffing is vital.

Retirement Analyst (3467/C116)

The Member Records Unit is responsible for routing and/or scanning an average of 6,000 member-related documents & letters per week. This figure has doubled since 2006. Member Records staff establish new employers as well as new employees in our member record system (MARSS), make requisite history adjustments to member records to correct inaccurately reported data, complete review of

retiring members history file prior to final benefit calculations, and importantly, initiate the process for issuing termination refunds within the agency. The volume of data that staff in this area is confronted with on a daily basis continues to escalate. An additional position is required to ensure that members' history and documentation in the image files is accurate.

FISCAL YEAR 2011 PERSONNEL REQUESTS

Retirement Counselor (A062/C117)

A new Retirement Counselor position is needed in each of the fiscal years of the biennium to provide adequate services to our membership. For FY07 and YTD for FY08, the Counseling Unit responded to 8,588 requests via written correspondence, took 21,737 phone calls at an average of 15 minutes for each call, and saw 2,666 members in the office for counseling. In addition, counselors held seminars around the state approximately every ten days. The additional counselors will be needed due to the numbers of members requiring retirement counseling assistance.

Accountant II (A110/C117)

The Accountant II position is needed for the Benefit Accounting Unit to serve the needs of the increasing number of retirees added to the payroll each month and to provide accounting for retiree receivables and other accounting transactions.

C01 Request - Extra Help and Personal Services Matching (2QR/CI 501:00:01 & CI 501:00:03): APERS requests two additional extra help positions and an increase of \$26,913 in the Extra Help and Personal Services Matching appropriation (for a total of \$75,000 in Extra Help and \$5,738 in Personal Services Matching per fiscal year). The flexibility to hire additional workers quickly to accommodate the increased workload during peak volume periods or due to unexpected family medical leave or other extended absences of regular staff is imperative to provide uninterrupted services to our members.

C01 & C08 Request - Operating Expenses (2QR/CI 502:00:02): APERS requests additional appropriation of \$171,500 for FY10 and \$215,000 for FY11 for maintenance and operations expenditures as per the following detail:

Description	FY10	FY11
C01 Request - Rent (3% escalator and additional space on 2 nd floor	105,000	175,000
C08 Request - PC workstations for new staff	4,500	3,000
C08 Request - Replacement of printers	5,000	5,000
C08 Request - Replacement of PC workstations-3 yr replacement plan)	30,000	30,000
C08 Request - Upgrade of agency operating software	25,000	0
C08 Request - Projector for retirement seminars	2,000	2,000
Total	\$171,500	\$215,000

NOTE: The actual increases in rent will depend upon the addition of the new positions and the actual amount of additional space required.

C04 Request - Operating Expenses (2QR/CI 502:00:02): Act 177 of 2007 abolished the Arkansas District Judge Retirement System and authorized appropriations were transferred to APERS. This budget also

reflects a C04 reallocation of \$30,000 for each fiscal year of the biennium from ADJRS to APERS in appropriation for Operating Expenses.

C04 Request - Conference & Travel Expenses (2QR/CI 505:00:09) - Act 177 of 2007 abolished the Arkansas District Judge Retirement System and authorized appropriations were transferred to APERS. This budget reflects a C04 reallocation of \$10,000 for each fiscal year of the biennium from ADJRS to APERS in appropriation for Conference & Travel Expenses.

C04 Request - Professional Fees (2QR/CI 506:00:10): APERS requests a decrease of \$497,174 in FY10 and \$609,522 in FY11 to offset the requested additional positions and expenditures for FY10 and FY11.

C04 Request - Professional Fees (2QR/CI 506:00:10): Act 177 of 2007 abolished the Arkansas District Judge Retirement System and authorized appropriations were transferred to APERS. This budget reflects a C04 reallocation of \$2,042,500 for each fiscal year of the biennium from ADJRS to APERS in appropriation for Professional Fees.

C08 Request - Capital Outlay (2QR/CI 512:00:11): APERS requests \$30,000 in FY10 to purchase laptop workstations for the new managers, a server and tape backup units for support of MS Sharepoint server and to provide additional storage capacity. These purchases are part of our project to have our own domain server and remain with DIS for mainframe services. \$6,000 is requested in FY11 to purchase new scanners to replace one current production scanner and add an additional scanner due to increases in the number of documents scanned by Member Records.

C04 Request - Benefits-Non Employee (2QR/CI 510:00:23): Act 177 of 2007 abolished the Arkansas District Judge Retirement System and authorized appropriations were transferred to APERS. This budget reflects a C04 reallocation (increase) of \$100,000 for each fiscal year of the biennium from ADJRS to APERS in appropriation for benefits paid via warrant.

C01 Request - Refunds/Reimbursements (2QR/CI 511:00:14): APERS requests an increase of \$19,900,000 in each fiscal year of the biennium to accommodate increased DROP and PAW payouts and terminating employee contribution refunds.

C04 Request - Refunds/Reimbursements (2QR/CI 511:00:14): Act 177 of 2007 abolished the Arkansas District Judge Retirement System and authorized appropriations were transferred to APERS. This budget reflects a C04 reallocation of \$100,000 for each fiscal year of the biennium from ADJRS to APERS in appropriation for Refunds/Reimbursements.

C01 Request - Benefits-Non Employee (C22/CI 510:00:23): APERS requests an increase of \$97,000,000 in each fiscal year of the biennium (total cash fund appropriation of \$335,000,000/year).

C04 Request - Benefits Non-Employee (C22/CI 510:00:23): Act 177 of 2007 abolished the Arkansas District Judge Retirement System and authorized appropriations were transferred to APERS. This budget reflects a C04 reallocation of \$3,000,000 for each fiscal year of the biennium from ADJRS to APERS in appropriation for benefits paid via direct deposit.

Existing Special Language:

APERS requests that existing special language exempting APERS from prior review by the Arkansas Legislative Council with regard to transfers between the Benefits line item in the Cash Fund Appropriation

and the Benefits Non-Employee line item in the Operations appropriation which are specifically related to transfers necessitated by changes in retirees' selection of the method of payment of retirement benefits be continued.

APERS requests that existing specialist language allowing transfers to APERS from the Arkansas State Police and Arkansas Judicial Retirement Systems to cover administrative costs be continued.

APERS requests that existing special language regarding the carryforward of unexpended appropriation in Operating Expense, Professional Fees and Capital Outlay at the end of FY09-10 into FY10-11 be continued.

APERS requests that existing special language regarding the exemption of prior review by the Arkansas Legislative Council with regard to Operating Expenses appropriation classification transfers within appropriations in the Act, which are specifically related to transfers necessitated by any contractual agreements entered into for electronic transfer of funds services, be continued.

ASPRS Budget Requests (2009 - 2011 Biennium)

C01 Request - Operating Expenses (2QS/CI 502:00:02): ASPRS requests a \$20,000 increase for each fiscal year to accommodate anticipated increases in actuarial expenditures.

C04 Request - Professional Fees (2QS/CI 506:00:10): ASPRS requests a decrease of \$15,000 for each fiscal year to offset the anticipated increases in Operating Expenses for FY10 and FY11.

C01 Request - Benefits-Non Employee (2QS/CI 511:00:14): ASPRS requests an increase of \$2,500,000 for each fiscal year to accommodate payment of refunds and payouts to retirees via warrant.

C01 Request - Benefits-Non Employee (C23/CI 510:00:23): ASPRS requests an increase of \$9,500,000 in each fiscal year of the biennium to accommodate payment of retiree benefits via direct deposit.

AJRS Budget Requests (2009 - 2011 Biennium)

C01 Request - Operating Expenses (2QT/CI 502:00:02): AJRS requests a \$15,000 increase for each fiscal year to accommodate anticipated increases in actuarial expenditures.

C04 Request - Professional Fees (2QT/CI 506:00:10): AJRS requests a decrease of \$15,000 for each fiscal year to offset the anticipated increases in Operating Expenses for FY10 and FY11.

C03 Request - Data Processing (2QT/CI 509:00:12): AJRS requests a decrease of \$17,500 for each fiscal year to remove all data processing budgets. All DP costs will be paid by APERS and reimbursed by AJRS through the annual transfer for administrative expenses.

C01 Request - Benefits-Non Employee (2QT/CI 511:00:14): AJRS requests an increase of \$3,000,000 for each fiscal year to accommodate payment of refunds and payouts to retirees via warrant.

C01 Request - Benefits-Non Employee (C24/CI 510:00:23): AJRS requests an increase of \$2,000,000 in each fiscal year of the biennium to accommodate payment of retiree benefits via direct deposit.

ADJRS Budget Requests (2009 - 2011 Biennium)

C04 Request - Operating Expenses (2QU/CI 502:00:02): Act 177 of 2007 abolished the Arkansas District Judge Retirement System and authorized appropriations were transferred to APERS. This budget reflects a C04 reallocation (decrease) of \$30,000 for each fiscal year in Operating Expenses.

C04 Request - Conference & Travel Expenses (2QU/CI 505:00:09) - Act 177 of 2007 abolished the Arkansas District Judge Retirement System and authorized appropriations were transferred to APERS. This budget reflects a C04 reallocation (decrease) of \$10,000 for each fiscal year in Conference and Travel Expenses.

C04 Request - Professional Fees (2QR/CI 506:00:10): Act 177 of 2007 abolished the Arkansas District Judge Retirement System and authorized appropriations were transferred to APERS. This budget reflects a C04 reallocation (decrease) of \$2,042,500 for each fiscal year in Professional Fees.

C04 Request - Benefits-Non Employee (2QU/CI 510:00:23): Act 177 of 2007 abolished the Arkansas District Judge Retirement System and authorized appropriations were transferred to APERS. This budget reflects a C04 reallocation (decrease) of \$100,000 for each fiscal year in benefits paid via warrant.

C04 Request - Refunds/Reimbursements (2QU/CI 511:00:14): Act 177 of 2007 abolished the Arkansas District Judge Retirement System and authorized appropriations were transferred to APERS. This budget reflects a C04 reallocation (decrease) of \$100,000 for each fiscal year in Refunds/Reimbursements.

C04 Request - Benefits Non-Employee (C25/CI 510:00:23): Act 177 of 2007 abolished the Arkansas District Judge Retirement System and authorized appropriations were transferred to APERS. This budget reflects a C04 reallocation (decrease) of \$3,000,000 for each fiscal year in benefits paid via direct deposit.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

FOR THE YEAR ENDED JUNE 30, 2007

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%	
White Employees	11	16	27	47 %	
Black Employees	3	24	27	47 %	
Other Racial Minorities	0	3	3	6 %	
			Total Minorities	30	53 %
			Total Employees	57	100 %

Cash Fund Balance Description as of June 30, 2008

Fund Account	Balance	Type	Location
1310100	\$5,364	Checking/Direct Deposit Account	Bank of America-Little Rock

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	\$8	Checking/Direct Deposit Account	Bank of America-Little Rock

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	\$10	Checking/Direct Deposit Account	Bank of America-Little Rock

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
1310400	\$0	Checking/Direct Deposit Account	Bank of America-Little Rock

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:

Account has been closed-ADJRS transferred to APERS.

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
AJRS Annual Financial Report	N	N	N	300	Ordinary prudence requires that financial disclosure be made to participating employers and state officials.
AJRS Member Handbook	N	N	N	275	Published when significant legislative changes to retirement statutes occur.
APERS Annual Financial Report	N	N	N	1,000	Ordinary prudence requires that financial disclosure be made to participating employers and state officials.
APERS Employer Guide	N	N	N	750	Published when significant legislative changes to retirement statutes and/or procedures occur.
APERS Member Handbook	N	N	N	50,000	Published when significant legislative changes to retirement statutes occur.
APERSpective Newsletter (Active/Retired)	N	N	N	65,000	Published and mailed quarterly to all active and retired members.
ASPRS Annual Financial Report	N	N	N	200	Ordinary prudence requires that financial disclosure be made to participating employers and state officials.
ASPRS Member Handbook	N	N	N	1,500	Published when significant legislative changes to retirement statutes occur.

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2007-2008		2008-2009		2008-2009		2009-2010						2010-2011					
	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	53,049,594	63	75,861,870	69	75,861,870	69	76,069,417	69	98,251,917	74	96,312,327	73	76,144,492	69	98,326,992	76	96,454,635	75
2QS St Police Retirement-Operations	11,504,293	0	16,843,560	0	16,843,560	0	16,843,560	0	20,343,560	0	20,343,560	0	16,843,560	0	20,343,560	0	20,343,560	0
2QT Judicial Retirement-Operations	3,337,277	0	6,180,889	0	6,180,889	0	6,180,889	0	9,163,389	0	9,163,389	0	6,180,889	0	9,163,389	0	9,163,389	0
2QU District Judges Benefits-Oprs	0	0	2,282,500	0	2,282,500	0	2,282,500	0	0	0	0	0	2,282,500	0	0	0	0	0
C22 Public Employee Retirement-Cash	222,155,561	0	235,000,000	0	235,000,000	0	235,000,000	0	335,000,000	0	335,000,000	0	235,000,000	0	335,000,000	0	335,000,000	0
C23 St Police Retirement-Cash	11,984,069	0	15,500,000	0	15,500,000	0	15,500,000	0	25,000,000	0	25,000,000	0	15,500,000	0	25,000,000	0	25,000,000	0
C24 Judicial Retirement-Cash	7,116,372	0	13,000,000	0	13,000,000	0	13,000,000	0	15,000,000	0	15,000,000	0	13,000,000	0	15,000,000	0	15,000,000	0
C25 District Judges Benefits-Cash	1,091,000	0	3,000,000	0	3,000,000	0	3,000,000	0	0	0	0	0	3,000,000	0	0	0	0	0
Total	310,238,166	63	367,668,819	69	367,668,819	69	367,876,366	69	502,758,866	74	500,819,276	73	367,951,441	69	502,833,941	76	500,961,584	75

Funding Sources		%		%		%		%		%		%		%		%		
Trust Fund 4000050	310,238,166	100.0	367,668,819	100.0			367,876,366	100.0	502,758,866	100.0	500,819,276	100.0	367,951,441	100.0	502,833,941	100.0	500,961,584	100.0
Total Funds	310,238,166	100.0	367,668,819	100.0			367,876,366	100.0	502,758,866	100.0	500,819,276	100.0	367,951,441	100.0	502,833,941	100.0	500,961,584	100.0
Excess Appropriation/(Funding)	0		0				0		0		0		0		0		0	
Grand Total	310,238,166		367,668,819				367,876,366		502,758,866		500,819,276		367,951,441		502,833,941		500,961,584	

Act 177 of 2007 abolished the Arkansas District Judges Retirement System (ADJRS)(Appropriation 2QU - see page 380) and transferred authority to the Arkansas Public Employees Retirement System (APERS) (Appropriation 2QR - see page 370).

Agency Position Usage Report

FY2006 - 2007						FY2007 - 2008						FY2008 - 2009					
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	
60	53	8	61	-1	11.67 %	69	57	8	65	4	17.39 %	69	57	12	69	0	17.39 %

FY07 Budget Number Positions exceeds the Authorized Number due to the transfer of a Supplemental Personal Services Position.

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 salaries for classified positions reflect the recommendations of the Pay Plan Study as well as the recommendation for three positions transitioning from unclassified to classified positions. Unclassified positions reflect similar adjustments in line item salaries. A 2.3% Cost of Living Allowance is reflected in the second year of the biennium. The Base Level request for Regular Salaries may include board member Stipends payments and Career Service payments for eligible employees. Personal Services Matching includes a \$75 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$425.

The Agency's Change Level request totaling \$22,182,500 each year reflects the following:

Refunds/Reimbursements increases of \$19,900,000 in each fiscal year to cover increased DROP and PAW payouts and the refunds of employee contributions to terminating active members.

Reallocation increases totaling \$2,282,500 each year from District Judges Benefits (Appropriation 2QU - see page 380) resulting from the merging of the Arkansas District Judge Retirement System (ADJRS) into APERS pursuant to Act 177 of 2007 are as follows:

- Regular Salaries & Personal Services Matching increases of \$268,761 in FY10 and \$361,609 in FY11 for five (5) new positions in FY10 and seven (7) in FY11 that include: an Assistant Director-Benefits Administration (N901), a Retirement Section Manager (C123), an Accountant II (C117), a Retirement Counselor (C117) and a Retirement Analyst (C116) in FY10; For FY11, another Accountant II and Retirement Counselor are requested. These positions will be used to provide member services to an increasing number of retirees.
- Extra Help & Personal Services Matching of \$26,913 each year for two (2) additional extra help positions due to increased workload resulting from an increasing number of retirees.
- Operating Expenses increases of \$201,500 in FY10 and \$245,000 in FY11 for rent, software licenses and low value equipment. The actual increases are dependent upon the addition of new positions and the amount of space that requires. These purchases of PC workstations for new staff and replacement of one third of existing staff is according to the three-year replacement plan in the Agency's Information Technology Plan.

- Conference & Travel Expenses increase of \$10,000 each year for travel expenditures previously authorized for the District Judges Retirement program.
- Professional Fees increases of \$1,545,326 in FY10 and \$1,432,978 in FY11 for investment consulting fees, data processing fees through DIS, and for consulting fees for the design of a new member system, in the event that the need arises to revamp the Agency's existing 12 year-old member system during the current biennium.
- Capital Outlay increases of \$30,000 in FY10 and \$6,000 in FY11 to purchase new scanners to accommodate the increasing number of member, retiree and employers documents scanned by Member Records. These purchases are part of APERS plan to have its own domain server and remain with DIS for mainframe services.
- Benefits-Non Employee increases of \$100,000 in each fiscal year to cover increased payments resulting from merging the District Judges Retirement program.
- Refunds/Reimbursements increases of \$100,000 in each fiscal year to cover increased payments resulting from merging the District Judges Retirement program.

Reallocation of \$1,700,000 each year from Data Processing to Professional Fees to properly classify these expenditures.

The Executive Recommendation provides for Base Level, with net reallocation increases totaling \$342,910 in FY10 and \$410,143 in FY11, as well as the addition of \$19,900,000 in appropriation each year, to support the following:

Regular Salaries and Personal Services Matching of \$185,997 in FY10 and \$277,230 in FY11 to support the following six positions: One (1) Retirement Section Manager, two (2) Accountant II, two (2) Retirement Counselors, and one (1) Retirement Analyst.

Extra Help of \$26,913 each year to support two (2) additional extra help positions.

Refunds/Reimbursements totaling \$20,000,000 each year (includes \$100,000 reallocation each year).

Capital Outlay increases of \$30,000 in FY10 and \$6,000 in FY11.

Reallocation of \$1,700,000 each year from Data Processing to Professional Fees.

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		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			2010-2011		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,276,482	2,700,152	2,700,152	2,857,038	3,060,466	2,995,466	2,919,938	3,192,540	3,126,045
#Positions		63	69	69	69	74	73	69	76	75
Extra Help	5010001	38,097	50,000	50,000	50,000	75,000	75,000	50,000	75,000	75,000
#Extra Help		4	4	4	4	6	6	4	6	6
Personal Services Matching	5010003	713,619	858,074	858,074	908,735	975,981	958,217	920,910	1,011,830	993,946
Operating Expenses	5020002	1,079,824	1,385,973	1,385,973	1,385,973	1,587,473	1,385,973	1,385,973	1,630,973	1,385,973
Conference & Travel Expenses	5050009	22,552	42,500	42,500	42,500	52,500	42,500	42,500	52,500	42,500
Professional Fees	5060010	176,098	4,125,171	4,125,171	4,125,171	7,370,497	5,825,171	4,125,171	7,258,149	5,825,171
Data Processing	5090012	708,289	1,700,000	1,700,000	1,700,000	0	0	1,700,000	0	0
Benefits-Non Employee	5100023	19,914,687	36,000,000	36,000,000	36,000,000	36,100,000	36,000,000	36,000,000	36,100,000	36,000,000
Refunds/Reimbursements	5110014	28,097,611	29,000,000	29,000,000	29,000,000	49,000,000	49,000,000	29,000,000	49,000,000	49,000,000
Capital Outlay	5120011	22,335	0	0	0	30,000	30,000	0	6,000	6,000
Total		53,049,594	75,861,870	75,861,870	76,069,417	98,251,917	96,312,327	76,144,492	98,326,992	96,454,635
Funding Sources										
Trust Fund	4000050	53,049,594	75,861,870		76,069,417	98,251,917	96,312,327	76,144,492	98,326,992	96,454,635
Total Funding		53,049,594	75,861,870		76,069,417	98,251,917	96,312,327	76,144,492	98,326,992	96,454,635
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		53,049,594	75,861,870		76,069,417	98,251,917	96,312,327	76,144,492	98,326,992	96,454,635

Act 177 of 2007 abolished the AR District Judges Retirement System (ADJRS)(Appropriation 2QU - see page 380) and transferred authority to the AR Public Employees Retirement System (APERS - 2QR).

Actual exceeds Authorized amount in Capital Outlay by authority of Budget Classification Transfer (BCT).

Special Language provides carry forward of appropriation for Operating Expenses, Professional Fees and Capital Outlay. For FY09, the carry forward amount was \$4,271,388.

Change Level by Appropriation

Appropriation: 2QR - Public Employee Retirement-Operations

Funding Sources: TSR - APERS Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	76,069,417	69	76,069,417	100.0	76,144,492	69	76,144,492	100.0
C01	Existing Program	20,440,674	5	96,510,091	126.9	20,603,522	7	96,748,014	127.1
C04	Reallocation	1,645,326	0	98,155,417	129.0	1,532,978	0	98,280,992	129.1
C08	Technology	96,500	0	98,251,917	129.2	46,000	0	98,326,992	129.1

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	76,069,417	69	76,069,417	100.0	76,144,661	69	76,144,661	100.0
C01	Existing Program	20,112,910	4	96,182,327	126.4	20,203,974	6	96,348,635	126.5
C04	Reallocation	100,000	0	96,282,327	126.6	100,000	0	96,448,635	126.7
C08	Technology	30,000	0	96,312,327	126.6	6,000	0	96,454,635	126.7

Justification

C01	<p>Regular Salaries & Personal Services Matching: APERS requests a total of seven new positions for the 2009-2011 biennium. For FY10: An Assistant Director-Benefits Administration (7122/Grade N901); a Retirement Section Manager-Benefits (608A/Grade C123); an Accountant II (A110/Grade C117); a Retirement Counselor (A062/Grade C117); and a Retirement Analyst (3467/Grade C116). The increase required for salaries would be \$203,428 for FY10; \$272,602 for FY11. The increase required for personal services matching would be \$65,333 for FY10; \$89,007 for FY11.</p> <p>Extra Help & Personal Services Matching: APERS requests two new Extra Help positions in FY10 and an increase of \$26,913 for each fiscal year of the biennium. Extra Help positions are needed to ensure that member needs are met when regular staff may be out on unexpected extended leave.</p> <p>Operating Expenses: APERS requests an increase of \$105,000 in FY10 and an increase of \$175,000 in FY11 for rent. The increase is due to normal rent escalators in our lease plus the leasing of additional space for the new positions. The actual increases in rent will depend upon the addition of the new positions and the amount of space required.</p> <p>Benefits-Non Employee: APERS requests an increase of \$19,900,000 in each fiscal year of the biennium to accommodate increased DROP and PAW payouts, and the refunds of employee contributions to terminating active members.</p>
C04	<p>Operating Expenses: Act 177 of 2007 abolished the Arkansas District Judge Retirement System and authorized appropriations were transferred to APERS. This budget reflects a C04 reallocation of \$30,000 for each fiscal year of the biennium from ADJRS to APERS appropriation for Operating Expenses.</p> <p>Conference & Travel Expenses: Act 177 of 2007 abolished the Arkansas District Judge Retirement System and authorized appropriations were transferred to APERS. This budget reflects a C04 reallocation of \$10,000 for each fiscal year of the biennium from ADJRS to APERS in appropriation for Conference & Travel Expenses.</p> <p>Professional Fees: Act 177 of 2007 abolished the Arkansas District Judge Retirement System and authorized appropriations were transferred to APERS. This budget reflects a C04 reallocation of \$2,042,500 for each fiscal year of the biennium from ADJRS to APERS in appropriation for Professional Fees. An increase of \$1,700,000 in each year of the biennium was to comply with changes in State accounting procedures.</p> <p>Professional Fees: APERS requests a decrease of \$497,174 in FY10 and \$609,522 in FY11 to offset the requested appropriation for the additional positions and operational expenditures for the 2009-2011 biennium.</p> <p>Benefits-Non Employee: Act 177 of 2007 abolished the Arkansas District Judge Retirement System and authorized appropriations were transferred to APERS. This budget reflects a C04 reallocation of \$100,000 for each fiscal year of the biennium in appropriation for benefits paid via warrant and \$100,000 for each fiscal year of the biennium in appropriation for Refunds/Reimbursements paid via warrant.</p>
C08	<p>Operating Expenses: APERS requests \$ 66,500 in FY 10 to purchase PC workstations (computer, monitor, printer) for new staff (\$4,500); for replacement of one third of existing staff computers according to the three year replacement plan (\$30,000); replacement of printers and other peripheral hardware as needed (\$5,000); for upgrade of agency operating software (\$25,000); and to purchase an additional projector for retirement seminars (\$2,000). APERS requests \$40,000 in FY11 to purchase PC workstations for new staff (\$3,000); for replacement of one third of existing staff computers according to the three year replacement plan (\$30,000); replacement of printers and other peripheral hardware as needed (\$5,000); and to purchase an additional projector for retirement seminars (\$2,000).</p> <p>Capital Outlay: APERS requests \$30,000 in FY10 to purchase laptop workstations for new managers, a server and tape backup units for support of the MS Sharepoint server, and to provide additional storage capacity; and \$6,000 in FY11 to purchase new scanners to accommodate the increasing number of member, retiree and employers documents scanned by Member Records. These purchases are part of our project to have our own domain server and remain with DIS for mainframe services. IT PLAN: OPERATIONS - SUPPORT COSTS - HARDWARE, SOFTWARE.</p>

CARRY FORWARD OF ANY UNEXPENDED BALANCE OF APPROPRIATION AND/OR FUNDING FROM FISCAL YEAR 2008 TO FISCAL YEAR 2009

Agency: Public Employees Retirement System

Program: Public Employee Retirement-Operations

Act #: 789 of 2007 Section(s) #: 3 & 11

Estimated Carry Forward Amount \$ 4,109,056.00 Appropriation Funds

Funding Source: Trust

Accounting Information:

Business Area: 0370 Funds Center: 2QR Fund: TSR Functional Area: RETR

Line Item	Commitment Item	Estimated Carry Forward Amount	Actual Carry Forward Amount
Operating Expenses	5020002	343,246.00	313,649.41
Professional Fees	5060010	3,754,373.00	3,949,073.50
Capital Outlay	5120011	11,437.00	8,664.64
Total		\$ 4,109,056.00	\$ 4,271,387.55

Current law requires a written statement be submitted to the DFA Office of Budget stating the reason(s) to carry forward appropriation and/or funding for a program or a specific line item within a program from the first fiscal year of the biennium to the second fiscal year of the biennium.

Justification for carry forward of unexpended balance of appropriation and/or funding:

To ensure the retirement system has sufficient appropriation available to provide services to our members.

Actual Funding Carry Forward Amount \$ 0.00

Current status of carry forward appropriation/funding:

We maintain this appropriation for use only in the event that circumstances requiring additional supplies, utilities, hardware or software maintenance, or professional consultation are required in order to maintain our existing service levels to an escalating number of retirees.

Gail H. Stone
Executive Director

08-21-2008
Date

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 is 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's Change Level request totaling \$3,500,000 each year reflects the following:

Reallocation of \$20,000 each year from Professional Fees to Operating Expenses to offset anticipated increases in actuarial costs.

Benefits Non-Employee increase of \$1,000,000 each year to provide benefits to an increasing number of retirees.

Refunds/Reimbursements increase of \$2,500,000 each year to cover DROP, PAW and other retirement program payouts and refund payments to members leaving the System.

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		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	41,542	57,610	57,610	57,610	77,610	77,610	57,610	77,610	77,610
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	113,187	285,950	285,950	285,950	265,950	265,950	285,950	265,950	265,950
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Benefits-Non Employee	5100023	6,368,115	9,000,000	9,000,000	9,000,000	10,000,000	10,000,000	9,000,000	10,000,000	10,000,000
Refunds/Reimbursements	5110014	4,981,449	7,500,000	7,500,000	7,500,000	10,000,000	10,000,000	7,500,000	10,000,000	10,000,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		11,504,293	16,843,560	16,843,560	16,843,560	20,343,560	20,343,560	16,843,560	20,343,560	20,343,560
Funding Sources										
Trust Fund	4000050	11,504,293	16,843,560		16,843,560	20,343,560	20,343,560	16,843,560	20,343,560	20,343,560
Total Funding		11,504,293	16,843,560		16,843,560	20,343,560	20,343,560	16,843,560	20,343,560	20,343,560
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		11,504,293	16,843,560		16,843,560	20,343,560	20,343,560	16,843,560	20,343,560	20,343,560

Change Level by Appropriation

Appropriation: 2QS - St Police Retirement-Operations

Funding Sources: TMR - State Police Retirement Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	16,843,560	0	16,843,560	100.0	16,843,560	0	16,843,560	100.0
C01	Existing Program	3,500,000	0	20,343,560	120.8	3,500,000	0	20,343,560	120.8
C04	Reallocation	0	0	20,343,560	120.8	0	0	20,343,560	120.8

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	16,843,560	0	16,843,560	100.0	16,843,560	0	16,843,560	100.0
C01	Existing Program	3,500,000	0	20,343,560	120.8	3,500,000	0	20,343,560	120.8
C04	Reallocation	0	0	20,343,560	120.8	0	0	20,343,560	120.8

Justification

C01	Benefits-Non Employee: ASPRS requests an increase of \$1,000,000 in each fiscal year of the biennium to provide benefits to an increasing number of retirees. Refunds/Reimbursements: ASPRS requests and increase of \$2,500,000 each year to accommodate DROP, PAW and other refund payouts to members and retirees, as well as for for refunds to members leaving the system.
C04	Reallocation from Professional Fees to Operating Expenses: ASPRS in each fiscal year of the biennium to offset the anticipated increases in Operating Expenses for actuarial services

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 shall be 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 shall be 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's Change Level request totaling \$2,982,500 in each year reflects the following:

Refunds/Reimbursements increases of \$3,000,000 in each year to cover the transfer of court fee receipts and annual transfer payments from the State Treasury to AJRS' custodian bank to be invested.

Data Processing decrease of \$17,500 each year. All Data Processing costs are paid by APERS and reimbursed by AJRS through an annual transfer for administrative costs.

Reallocation of \$15,000 each year of the biennium from Professional Fees to Operating Expenses to cover the anticipated increase in actuarial expenditures.

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		2007-2008	2008-2009	2008-2009	2009-2010			2010-2011		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	23,281	25,510	25,510	25,510	40,510	40,510	25,510	40,510	40,510
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	40,500	137,879	137,879	137,879	122,879	122,879	137,879	122,879	122,879
Data Processing	5090012	0	17,500	17,500	17,500	0	0	17,500	0	0
Benefits-Non Employee	5100023	1,481,124	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Refunds/Reimbursements	5110014	1,792,372	2,000,000	2,000,000	2,000,000	5,000,000	5,000,000	2,000,000	5,000,000	5,000,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		3,337,277	6,180,889	6,180,889	6,180,889	9,163,389	9,163,389	6,180,889	9,163,389	9,163,389
Funding Sources										
Trust Fund	4000050	3,337,277	6,180,889		6,180,889	9,163,389	9,163,389	6,180,889	9,163,389	9,163,389
Total Funding		3,337,277	6,180,889		6,180,889	9,163,389	9,163,389	6,180,889	9,163,389	9,163,389
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		3,337,277	6,180,889		6,180,889	9,163,389	9,163,389	6,180,889	9,163,389	9,163,389

Change Level by Appropriation

Appropriation: 2QT - Judicial Retirement-Operations

Funding Sources: TAR - Judges Retirement Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	6,180,889	0	6,180,889	100.0	6,180,889	0	6,180,889	100.0
C01	Existing Program	3,000,000	0	9,180,889	148.5	3,000,000	0	9,180,889	148.5
C03	Discontinue Program	(17,500)	0	9,163,389	148.3	(17,500)	0	9,163,389	148.3
C04	Reallocation	0	0	9,163,389	148.3	0	0	9,163,389	148.3

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	6,180,889	0	6,180,889	100.0	6,180,889	0	6,180,889	100.0
C01	Existing Program	3,000,000	0	9,180,889	148.5	3,000,000	0	9,180,889	148.5
C03	Discontinue Program	(17,500)	0	9,163,389	148.3	(17,500)	0	9,163,389	148.3
C04	Reallocation	0	0	9,163,389	148.3	0	0	9,163,389	148.3

Justification

C01	Benefits-Non Employee: AJRS requests an increase of \$3,000,000 in each fiscal year of the biennium to accommodate the transfer of court fee receipts and annual transfer payments from the state treasury to our custodian bank to be invested. The only way to transfer the funds is via warrant.
C03	Data Processing: AJRS requests a decrease of \$17,500 in each fiscal year of the biennium to remove all data processing budgets. All Data Processing costs are paid by APERS and reimbursed by AJRS through an annual transfer for administrative costs.
C04	Reallocation of \$15,000 from Professional Fees to Operating Expenses to accommodate anticipated increases in actuarial expenditures.

Analysis of Budget Request

Appropriation: 2QU - District Judges Benefits-Oprs

Funding Sources: TDJ - District Judges Retirement Fund

The Arkansas Public Employees Retirement System (APERS) administers the District Judge's Retirement System (DJRS) under the authority of A.C.A §24-8-804. The DJRS was created by Act 1374 of 2003 to replace the Municipal Judges and Clerks Retirement Systems. The administration and control of the DJRS is the responsibility of the Board of Trustees of the Arkansas District Judge Retirement System. The Board meets at least once each quarter and consists of five members. Two members are appointed by the Arkansas District Judges Council, two are appointed by the Governor from a list supplied by the employers, and one is a citizen of Arkansas appointed by the Governor, but does not have previous service in the judicial system. Each member serves a four year term and one member is elected by the Board to serve as Chairman.

Act 177 of 2007 abolished the District Judges Retirement Fund and transferred authority to the Arkansas Public Employees Retirement System.

The Agency's Change Level request provides for a reallocation of resources totaling \$2,282,500 each year from this appropriation to Public Employee Retirement - Operations (Appropriation 2QR - see page 370), and to discontinue this appropriation.

The Executive Recommendation provides to reallocate \$342,910 in FY10 and \$410,143 in FY11 to Public Employee Retirement - Operations (Appropriation 2QR - see page 370), and to discontinue this appropriation.

Appropriation Summary

Appropriation: 2QU - District Judges Benefits-Oprs

Funding Sources: TDJ - District Judges Retirement Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			2010-2011		
		2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	2009-2010			Base Level	Agency	Executive
Operating Expenses	5020002	0	30,000	30,000	30,000	0	0	30,000	0	0
Conference & Travel Expenses	5050009	0	10,000	10,000	10,000	0	0	10,000	0	0
Professional Fees	5060010	0	2,042,500	2,042,500	2,042,500	0	0	2,042,500	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Benefits-Non Employee	5100023	0	100,000	100,000	100,000	0	0	100,000	0	0
Refunds/Reimbursements	5110014	0	100,000	100,000	100,000	0	0	100,000	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		0	2,282,500	2,282,500	2,282,500	0	0	2,282,500	0	0
Funding Sources										
Trust Fund	4000050	0	2,282,500		2,282,500	0	0	2,282,500	0	0
Total Funding		0	2,282,500		2,282,500	0	0	2,282,500	0	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		0	2,282,500		2,282,500	0	0	2,282,500	0	0

THIS APPROPRIATION IS NOT REQUESTED FOR THE NEW BIENNIUM. Act 177 of 2007 abolished the Arkansas District Judges Retirement System (ADJRS-2QU) and transferred authority to the Arkansas Public Employees Retirement System (APERS) (Appropriation 2QR - see page 370).

Change Level by Appropriation

Appropriation: 2QU - District Judges Benefits-Oprs
Funding Sources: TDJ - District Judges Retirement Fund

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	2,282,500	0	2,282,500	100.0	2,282,500	0	2,282,500	100.0
C04	Reallocation	(2,282,500)	0	0	0.0	(2,282,500)	0	0	0.0

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	2,282,500	0	2,282,500	100.0	2,282,500	0	2,282,500	100.0
C04	Reallocation	(342,910)	0	1,939,590	85.0	(410,143)	0	1,872,357	82.0
C19	Executive Changes	(1,939,590)	0	0	0.0	(1,872,357)	0	0	0.0

Justification

C04	<p>Operating Expenses: Act 177 of 2007 abolished the Arkansas District Judge Retirement System and authorized appropriations were transferred to APERS. This transaction reflects a C04 reallocation of \$30,000 for each fiscal year of the biennium from ADJRS to APERS in appropriation for Operating Expenses.</p> <p>Conference & Travel Expenses: Act 177 of 2007 abolished the Arkansas District Judge Retirement System and authorized appropriations were transferred to APERS. This transaction reflects a C04 reallocation of \$10,000 for each fiscal year of the biennium from ADJRS to APERS in appropriation for Conference & Travel Expenses.</p> <p>Professional Fees: Act 177 of 2007 abolished the Arkansas District Judge Retirement System and authorized appropriations were transferred to APERS. This transaction reflects a C04 reallocation of \$2,042,500 for each fiscal year of the biennium from ADJRS to APERS in appropriation for Professional Fees.</p> <p>Benefits-Non Employee: Act 177 of 2007 abolished the Arkansas District Judge Retirement System and authorized appropriations were transferred to APERS. This transaction reflects a C04 reallocation of \$100,000 for each fiscal year of the biennium from ADJRS to APERS in appropriation for Benefits-Non Employee.</p> <p>Refunds/Reimbursements: Act 177 of 2007 abolished the Arkansas District Judge Retirement System and authorized appropriations were transferred to APERS. This transaction reflects a C04 reallocation of \$100,000 for each fiscal year of the biennium from ADJRS to APERS in appropriation for Refunds/Reimbursements paid via warrant.</p>
C19	The Executive Recommendation provides to reallocate \$342,910 in FY10 and \$410,143 in FY11 to Public Employee Retirement - Operations (Appropriation 2QR), and to discontinue this appropriation.

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.

The Agency's Change Level request totaling \$100,000,000 each year reflects the following:

Benefits-Non Employee increases of \$97,000,000 for FY10 and FY11 to provide sufficient appropriation to accommodate annuity payments deposited via the Automated Clearinghouse (ACH) system.

Reallocation of \$3,000,000 for each year from ADJRS - Cash Appropriation C25 (see page 392) to APERS. Act 177 of 2007 abolished the Arkansas District Judges Retirement System (ADJRS) and authorized appropriations were transferred to APERS.

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			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Benefits-Non Employee 5100023	222,155,561	235,000,000	235,000,000	235,000,000	335,000,000	335,000,000	235,000,000	335,000,000	335,000,000
Total	222,155,561	235,000,000	235,000,000	235,000,000	335,000,000	335,000,000	235,000,000	335,000,000	335,000,000
Funding Sources									
Trust Fund 4000050	222,155,561	235,000,000		235,000,000	335,000,000	335,000,000	235,000,000	335,000,000	335,000,000
Total Funding	222,155,561	235,000,000		235,000,000	335,000,000	335,000,000	235,000,000	335,000,000	335,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	222,155,561	235,000,000		235,000,000	335,000,000	335,000,000	235,000,000	335,000,000	335,000,000

Act 177 of 2007 abolished the Arkansas District Judges Retirement System (ADJRS) (Appropriation C25 - see page 392) and transferred authority to the Arkansas Public Employees Retirement System (APERS).

Change Level by Appropriation

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

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	235,000,000	0	235,000,000	100.0	235,000,000	0	235,000,000	100.0
C01	Existing Program	97,000,000	0	332,000,000	141.3	97,000,000	0	332,000,000	141.3
C04	Reallocation	3,000,000	0	335,000,000	142.6	3,000,000	0	335,000,000	142.6

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	235,000,000	0	235,000,000	100.0	235,000,000	0	235,000,000	100.0
C01	Existing Program	97,000,000	0	332,000,000	141.3	97,000,000	0	332,000,000	141.3
C04	Reallocation	3,000,000	0	335,000,000	142.6	3,000,000	0	335,000,000	142.6

Justification

C01	Benefits-Non Employee: APERS requests an increase of \$97,000,000 in each fiscal year of the biennium to accommodate payment of retiree benefits via direct deposit.
C04	Benefits-Non Employee: Act 177 of 2007 abolished the Arkansas District Judge Retirement System and authorized appropriations were transferred to APERS. This transaction reflects a C04 reallocation of \$3,000,000 for each fiscal year of the biennium from ADJRS to APERS in appropriation for benefits paid via direct deposit.

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 Change Level request for Benefits-Non Employee for 9,500,000 each year is to accommodate payment of retiree benefits via direct deposit.

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			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Benefits-Non Employee 5100023	11,984,069	15,500,000	15,500,000	15,500,000	25,000,000	25,000,000	15,500,000	25,000,000	25,000,000
Total	11,984,069	15,500,000	15,500,000	15,500,000	25,000,000	25,000,000	15,500,000	25,000,000	25,000,000
Funding Sources									
Trust Fund 4000050	11,984,069	15,500,000		15,500,000	25,000,000	25,000,000	15,500,000	25,000,000	25,000,000
Total Funding	11,984,069	15,500,000		15,500,000	25,000,000	25,000,000	15,500,000	25,000,000	25,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	11,984,069	15,500,000		15,500,000	25,000,000	25,000,000	15,500,000	25,000,000	25,000,000

Change Level by Appropriation

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

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	15,500,000	0	15,500,000	100.0	15,500,000	0	15,500,000	100.0
C01	Existing Program	9,500,000	0	25,000,000	161.3	9,500,000	0	25,000,000	161.3

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	15,500,000	0	15,500,000	100.0	15,500,000	0	15,500,000	100.0
C01	Existing Program	9,500,000	0	25,000,000	161.3	9,500,000	0	25,000,000	161.3

Justification

C01	Benefits-Non Employee: ASPRS requests an increase of \$9,500,000 in each year of the biennium to accommodate payment of retiree benefits via direct deposit.
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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's Change Level request for \$2,000,000 each year is to accommodate payment of retiree benefits via direct deposit.

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			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Benefits-Non Employee 5100023	7,116,372	13,000,000	13,000,000	13,000,000	15,000,000	15,000,000	13,000,000	15,000,000	15,000,000
Total	7,116,372	13,000,000	13,000,000	13,000,000	15,000,000	15,000,000	13,000,000	15,000,000	15,000,000
Funding Sources									
Trust Fund 4000050	7,116,372	13,000,000		13,000,000	15,000,000	15,000,000	13,000,000	15,000,000	15,000,000
Total Funding	7,116,372	13,000,000		13,000,000	15,000,000	15,000,000	13,000,000	15,000,000	15,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	7,116,372	13,000,000		13,000,000	15,000,000	15,000,000	13,000,000	15,000,000	15,000,000

Change Level by Appropriation

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

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	13,000,000	0	13,000,000	100.0	13,000,000	0	13,000,000	100.0
C01	Existing Program	2,000,000	0	15,000,000	115.4	2,000,000	0	15,000,000	115.4

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	13,000,000	0	13,000,000	100.0	13,000,000	0	13,000,000	100.0
C01	Existing Program	2,000,000	0	15,000,000	115.4	2,000,000	0	15,000,000	115.4

Justification

C01	Benefits-Non Employee: AJRS requests an increase of \$2,000,000 in each fiscal year of the biennium to accommodate payment of retiree benefits via direct deposit.
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Analysis of Budget Request

Appropriation: C25 - District Judges Benefits-Cash

Funding Sources: 131 - District Judges Retirement-Cash

The Arkansas District Judges Retirement cash fund is utilized for payments to beneficiaries of the Arkansas District Judges Retirement Program by check or wire transfer.

Act 177 of 2007 abolished the District Judges Retirement Fund and transferred authority to the Arkansas Public Employees Retirement System.

The Agency's Change Level request provides for a reallocation of resources of \$3,000,000 each year to Public Employee Retirement - Cash (Appropriation C22 - see page 383) and to discontinue this appropriation.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: C25 - District Judges Benefits-Cash

Funding Sources: 131 - District Judges Retirement-Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2009-2010			2010-2011		
	2007-2008 Actual	2008-2009 Budget	2008-2009 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Benefits-Non Employee 5100023	1,091,000	3,000,000	3,000,000	3,000,000	0	0	3,000,000	0	0
Total	1,091,000	3,000,000	3,000,000	3,000,000	0	0	3,000,000	0	0
Funding Sources									
Trust Fund 4000050	1,091,000	3,000,000		3,000,000	0	0	3,000,000	0	0
Total Funding	1,091,000	3,000,000		3,000,000	0	0	3,000,000	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,091,000	3,000,000		3,000,000	0	0	3,000,000	0	0

THIS APPROPRIATION IS NOT REQUESTED FOR THE NEW BIENNIUM.

Act 177 of 2007 abolished the Arkansas District Judges Retirement System (ADJRS) and transferred authority to the Arkansas Public Employees Retirement System (APERS) (Appropriation C22 - see page 383).

Change Level by Appropriation

Appropriation: C25 - District Judges Benefits-Cash
Funding Sources: 131 - District Judges Retirement-Cash

Agency Request

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	3,000,000	0	3,000,000	100.0	3,000,000	0	3,000,000	100.0
C04	Reallocation	(3,000,000)	0	0	0.0	(3,000,000)	0	0	0.0

Executive Recommendation

Change Level		2009-2010	Pos	Cumulative	% of BL	2010-2011	Pos	Cumulative	% of BL
BL	Base Level	3,000,000	0	3,000,000	100.0	3,000,000	0	3,000,000	100.0
C04	Reallocation	(3,000,000)	0	0	0.0	(3,000,000)	0	0	0.0

Justification

C04	Benefits-Non Employee: Act 177 of 2007 abolished the Arkansas District Judge Retirement System and authorized appropriations were transferred to APERS. This transaction reflects a C04 reallocation of \$3,000,000 for each fiscal year of the biennium from ADJRS to APERS in appropriation for benefits paid via direct deposit.
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