

**SUMMARY BUDGET INFORMATION**  
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**PUBLIC EMPLOYEES RETIREMENT SYSTEM**

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# AR PUBLIC EMPLOYEE RETIREMENT SYSTEM

## State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2018

None

### Employment Summary

	Male	Female	Total	%
White Employees	21	16	37	53 %
Black Employees	3	23	26	37 %
Other Racial Minorities	3	4	7	10 %
Total Minorities			33	47 %
Total Employees			70	100 %

### 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	75	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

**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-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	83,500	Published and mailed quarterly to all active/retired members.	0	0.00
APERSpective Newsletter-Employers	N	N	N	1,000	Published and mailed biannually to all participating employers.	0	0.00
Employer Guide-APERS	N	N	N	500	Published when significant legislative changes to retirement statutes and/or procedures occur.	0	0.00
Member Handbook-AJRS	N	N	N	275	Published when significant legislative changes to retirement statutes occur.	0	0.00
Member Handbook-APERS	N	N	N	3,000	Published when significant legislative changes to retirement statutes occur.	0	0.00
Member Handbook-ASPRS	N	N	N	500	Published when significant legislative changes to retirement statutes occur.	0	0.00

## Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Executive Recommendation							
	2017-2018		2018-2019		2018-2019		2019-2020				2020-2021			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
2QR Public Employee Retirement-Operations	66,895,304	75	142,728,632	82	142,040,148	82	141,825,870	82	141,700,870	82	141,802,532	82	141,677,532	82
2QS St Police Retirement-Operations	15,918,374	0	35,343,560	0	35,343,560	0	30,285,950	0	30,285,950	0	30,285,950	0	30,285,950	0
2QT Judicial Retirement-Operations	6,159,924	0	10,663,389	0	10,663,389	0	8,652,879	0	8,652,879	0	8,652,879	0	8,652,879	0
C22 Public Employee Retirement-Cash	487,779,231	0	650,000,000	0	650,000,000	0	825,000,000	0	825,000,000	0	825,000,000	0	825,000,000	0
C23 St Police Retirement-Cash	21,077,903	0	35,000,000	0	35,000,000	0	32,500,000	0	32,500,000	0	32,500,000	0	32,500,000	0
C24 Judicial Retirement-Cash	12,361,429	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	1,179,786	0	21,000,000	0	21,000,000	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>611,371,951</b>	<b>75</b>	<b>915,735,581</b>	<b>82</b>	<b>915,047,097</b>	<b>82</b>	<b>1,059,264,699</b>	<b>82</b>	<b>1,059,139,699</b>	<b>82</b>	<b>1,059,241,361</b>	<b>82</b>	<b>1,059,116,361</b>	<b>82</b>

  

Funding Sources			%		%		%		%		%		%
Fund Balance	4000005	0	0.0	0	0.0			0	0.0	0	0.0	125,000	0.0
Trust Fund	4000050	611,371,951	100.0	915,735,581	100.0			1,059,264,699	100.0	1,059,264,699	100.0	1,059,241,361	100.0
Total Funds		611,371,951	100.0	915,735,581	100.0			1,059,264,699	100.0	1,059,264,699	100.0	1,059,241,361	100.0
Excess Appropriation/(Funding)		0		0				0		(125,000)		0	
Grand Total		611,371,951		915,735,581				1,059,264,699		1,059,139,699		1,059,241,361	

Expenditure of appropriation is contingent upon available funding.

## **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.

The Agency's request includes the following:

- Extra Help of \$125,000 due to the increased amount of allowable hours for extra help employees.
- Professional Fees reallocation of (\$4,500,000) to Operating Expenses and Data Processing each year of the biennium. The \$500,000 to Operating Expenses is to accommodate for the COMPASS annual maintenance agreement. The \$4,000,000 to Data Processing is to cover hosting and programming costs for COMPASS.
- Professional Fees of (\$1,083,645) to align with the Agency's expenditures.
- Capital Outlay of \$41,000 in FY20 and \$15,000 in FY21 to replace a vehicle (FY20) and the purchase of two high capacity scanners (FY20 and FY21).

The Agency's request to maintain appropriation above 10% of their actual FY18 expenditures includes the following justifications:

- Extra Help appropriation due to the need of maintaining some appropriation for operating efficiencies.
- Conference and Travel appropriation to allow staff to provide and attend training. Expenses in this line item were lower in FY18 due to most of the staff reviewing and testing the new pension administration system.
- Professional Fees appropriation due to a change where the Agency is now responsible for any potential litigation costs.
- Pension and Retirement Benefits appropriation due to utilization of the amount of benefit payouts varying from year to year.
- Refunds and Reimbursements appropriation due to utilization of the amount of benefit payouts varying from year to year.

The Executive Recommendation provides for the Agency Request with the following exceptions:

- Extra Help appropriation of \$75,000.
- Data Processing Services appropriation of \$0.



## Appropriation Summary

**Appropriation:** 2QR - Public Employee Retirement-Operations

**Funding Sources:** TSR - APERS Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021		
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive	
Regular Salaries	5010000	3,380,689	4,048,563	3,492,518	4,072,871	4,072,871	4,074,771	4,074,771	
	<b>#Positions</b>	<b>75</b>	<b>82</b>	<b>82</b>	<b>82</b>	<b>82</b>	<b>82</b>	<b>82</b>	
Extra Help	5010001	42,740	75,000	75,000	200,000	75,000	200,000	75,000	
	<b>#Extra Help</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	
Personal Services Matching	5010003	1,178,998	1,353,951	1,221,512	1,362,026	1,362,026	1,362,788	1,362,788	
Operating Expenses	5020002	1,836,610	1,607,473	1,607,473	2,107,473	2,107,473	2,107,473	2,107,473	
Conference & Travel Expenses	5050009	28,411	42,500	42,500	42,500	42,500	42,500	42,500	
Professional Fees	5060010	2,926,297	10,583,645	10,583,645	5,000,000	9,000,000	5,000,000	9,000,000	
Data Processing	5090012	0	0	0	0	0	0	0	
Benefits-Non Employee	5100023	30,849,009	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	
Refunds/Reimbursements	5110014	26,638,029	85,000,000	85,000,000	85,000,000	85,000,000	85,000,000	85,000,000	
Capital Outlay	5120011	14,521	17,500	17,500	41,000	41,000	15,000	15,000	
Data Processing Services	5900044	0	0	0	4,000,000	0	4,000,000	0	
<b>Total</b>		<b>66,895,304</b>	<b>142,728,632</b>	<b>142,040,148</b>	<b>141,825,870</b>	<b>141,700,870</b>	<b>141,802,532</b>	<b>141,677,532</b>	
<b>Funding Sources</b>									
Fund Balance	4000005	0	0		0	0	0	125,000	
Trust Fund	4000050	66,895,304	142,728,632		141,825,870	141,825,870	141,802,532	141,802,532	
<b>Total Funding</b>		<b>66,895,304</b>	<b>142,728,632</b>		<b>141,825,870</b>	<b>141,825,870</b>	<b>141,802,532</b>	<b>141,927,532</b>	
Excess Appropriation/(Funding)		0	0		0	(125,000)	0	(250,000)	
<b>Grand Total</b>		<b>66,895,304</b>	<b>142,728,632</b>		<b>141,825,870</b>	<b>141,700,870</b>	<b>141,802,532</b>	<b>141,677,532</b>	

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium.

## **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's request includes the following:

- Operating Expenses of (\$57,610) to align with the Agency's expenditures.
- Pension and Retirement Benefits of (\$5,000,000) to align with the Agency's expenditures.

The Agency's request to maintain appropriation above 10% of their actual FY18 expenditures includes the following justifications:

- Operating Expenses appropriation due to the need of maintaining some appropriation for operating efficiencies.
- Conference and Travel appropriation due to the need of maintaining some appropriation for operating efficiencies.
- Professional Fees appropriation due to the need of maintaining some appropriation for operating efficiencies.
- Pension and Retirement Benefits appropriation due to utilization of the amount of benefit payouts varying from year to year.
- Refunds and Reimbursements appropriation due to utilization of the amount of benefit payouts varying from year to year.

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		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021		
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive	
Operating Expenses	5020002	2,878	77,610	77,610	20,000	20,000	20,000	20,000	
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	
Professional Fees	5060010	39,500	265,950	265,950	265,950	265,950	265,950	265,950	
Data Processing	5090012	0	0	0	0	0	0	0	
Benefits-Non Employee	5100023	1,879,173	10,000,000	10,000,000	5,000,000	5,000,000	5,000,000	5,000,000	
Refunds/Reimbursements	5110014	13,996,823	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	
<b>Total</b>		<b>15,918,374</b>	<b>35,343,560</b>	<b>35,343,560</b>	<b>30,285,950</b>	<b>30,285,950</b>	<b>30,285,950</b>	<b>30,285,950</b>	
<b>Funding Sources</b>									
Trust Fund	4000050	15,918,374	35,343,560		30,285,950	30,285,950	30,285,950	30,285,950	
<b>Total Funding</b>		<b>15,918,374</b>	<b>35,343,560</b>		<b>30,285,950</b>	<b>30,285,950</b>	<b>30,285,950</b>	<b>30,285,950</b>	
Excess Appropriation/(Funding)		0	0		0	0	0	0	
<b>Grand Total</b>		<b>15,918,374</b>	<b>35,343,560</b>		<b>30,285,950</b>	<b>30,285,950</b>	<b>30,285,950</b>	<b>30,285,950</b>	

## **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's request includes the following:

- Operating Expenses of (\$10,510) to align with the Agency's expenditures.
- Pension and Retirement Benefits of (\$3,000,000) to align with the Agency's expenditures.
- Refunds and Reimbursements of \$1,000,000 to accommodate refunds and transfers of court fees and annual transfers from the state treasury to the custodian bank to be invested.

The Agency's request to maintain appropriation above 10% of their actual FY18 expenditures includes the following justifications:

- Operating Expenses appropriation due to the need of maintaining some appropriation for operating efficiencies.
- Professional Fees appropriation due to the need of maintaining some appropriation for operating efficiencies.
- Pension and Retirement Benefits appropriation due to utilization of the amount of benefit payouts varying from year to year.
- Refunds and Reimbursements appropriation due to utilization of the amount of benefit payouts varying from year to year.

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	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Operating Expenses 5020002	4,144	40,510	40,510	30,000	30,000	30,000	30,000
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0
Professional Fees 5060010	85,969	122,879	122,879	122,879	122,879	122,879	122,879
Data Processing 5090012	0	0	0	0	0	0	0
Benefits-Non Employee 5100023	407,746	4,250,000	4,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Refunds/Reimbursements 5110014	5,662,065	6,250,000	6,250,000	7,250,000	7,250,000	7,250,000	7,250,000
Capital Outlay 5120011	0	0	0	0	0	0	0
<b>Total</b>	<b>6,159,924</b>	<b>10,663,389</b>	<b>10,663,389</b>	<b>8,652,879</b>	<b>8,652,879</b>	<b>8,652,879</b>	<b>8,652,879</b>
<b>Funding Sources</b>							
Trust Fund 4000050	6,159,924	10,663,389		8,652,879	8,652,879	8,652,879	8,652,879
<b>Total Funding</b>	<b>6,159,924</b>	<b>10,663,389</b>		<b>8,652,879</b>	<b>8,652,879</b>	<b>8,652,879</b>	<b>8,652,879</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0
<b>Grand Total</b>	<b>6,159,924</b>	<b>10,663,389</b>		<b>8,652,879</b>	<b>8,652,879</b>	<b>8,652,879</b>	<b>8,652,879</b>

## **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 request includes the following:

- Pension and Retirement Benefits of (\$125,000,000) to accommodate payment of benefits via direct deposit.
- Refunds/Reimbursements of (\$50,000,000) to accommodate payment of refunds and lump sum payouts via direct deposit.

The Agency's request to maintain appropriation above 10% of their actual FY18 expenditures includes the following justifications:

- Pension and Retirement Benefits appropriation due to the utilization of the amount of benefit payouts varying from year to year.
- Refunds/Reimbursements appropriation due to the utilization of the amount of benefit payouts varying from year to year.

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		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Benefits-Non Employee	5100023	467,890,950	650,000,000	650,000,000	775,000,000	775,000,000	775,000,000	775,000,000
Refunds/Reimbursements	5110014	19,888,281	0	0	50,000,000	50,000,000	50,000,000	50,000,000
<b>Total</b>		<b>487,779,231</b>	<b>650,000,000</b>	<b>650,000,000</b>	<b>825,000,000</b>	<b>825,000,000</b>	<b>825,000,000</b>	<b>825,000,000</b>
<b>Funding Sources</b>								
Trust Fund	4000050	487,779,231	650,000,000		825,000,000	825,000,000	825,000,000	825,000,000
<b>Total Funding</b>		<b>487,779,231</b>	<b>650,000,000</b>		<b>825,000,000</b>	<b>825,000,000</b>	<b>825,000,000</b>	<b>825,000,000</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0
<b>Grand Total</b>		<b>487,779,231</b>	<b>650,000,000</b>		<b>825,000,000</b>	<b>825,000,000</b>	<b>825,000,000</b>	<b>825,000,000</b>

Budget exceeds Authorized Appropriation in Refunds/Reimbursements due to a transfer from the Cash Fund Holding Account.

## **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's request includes the following:

- Pension and Retirement Benefits of (\$2,500,000) to align with the Agency's expenses.

The Agency's request to maintain appropriation above 10% of their actual FY18 expenditures includes the following justifications:

- Pension and Retirement Benefits appropriation due to the utilization of the amount of benefit pay outs varying from year to year.

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	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Benefits-Non Employee 5100023	21,077,903	35,000,000	35,000,000	32,500,000	32,500,000	32,500,000	32,500,000
Total	21,077,903	35,000,000	35,000,000	32,500,000	32,500,000	32,500,000	32,500,000
Funding Sources							
Trust Fund 4000050	21,077,903	35,000,000		32,500,000	32,500,000	32,500,000	32,500,000
Total Funding	21,077,903	35,000,000		32,500,000	32,500,000	32,500,000	32,500,000
Excess Appropriation/(Funding)	0	0		0	0	0	0
Grand Total	21,077,903	35,000,000		32,500,000	32,500,000	32,500,000	32,500,000

## **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's Request is \$21,000,000 for both years of the biennium.

The Agency's request to maintain appropriation above 10% of their actual FY18 expenditures includes the following justifications:

- Pension and Retirement Benefits appropriation due to the utilization of the amount of benefit pay outs varying from year to year.

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		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Benefits-Non Employee	5100023	12,361,429	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
Total		12,361,429	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
<b>Funding Sources</b>								
Trust Fund	4000050	12,361,429	21,000,000		21,000,000	21,000,000	21,000,000	21,000,000
Total Funding		12,361,429	21,000,000		21,000,000	21,000,000	21,000,000	21,000,000
Excess Appropriation/(Funding)		0	0		0	0	0	0
Grand Total		12,361,429	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's request includes the following:

- APERS Pension Administration System of (\$21,000,000) each year due to completion of all capital costs associated with the project.

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	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
APERS Pension Administration S 5900046	1,179,786	21,000,000	21,000,000	0	0	0	0
Total	1,179,786	21,000,000	21,000,000	0	0	0	0
<b>Funding Sources</b>							
Trust Fund 4000050	1,179,786	21,000,000		0	0	0	0
Total Funding	1,179,786	21,000,000		0	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0
Grand Total	1,179,786	21,000,000		0	0	0	0