

ARKANSAS TEACHER RETIREMENT SYSTEM

Enabling Laws

Act 55 of 2014
A.C.A. §24-7-101 et seq.

History and Organization

MISSION:

The Arkansas Teacher Retirement System (ATRS) is a cost sharing, multiple-employer, combination contributory/non-contributory defined benefit pension plan. ATRS provides age and service retirement benefits, Teacher Deferred Retirement Option Plan benefits, disability retirement benefits, survivor benefits, and lump sum death benefits for public school teachers and other educationally related employees as defined by Act 427 of 1973, as amended. ATRS is committed to providing high quality member services (including education and counseling), effectively and prudently managing the investment of the assets of the System, and making accurate and timely benefit payments to retired members or beneficiaries.

As of June 30, 2013, ATRS had 70,660 active members; 36,254 retired members and beneficiaries receiving benefits; 4,265 T-DROP participants; and 13,099 terminated plan members entitled to but not yet receiving benefits. The monthly benefits payroll averaged over \$65,000,000. The System had 337 participating employers. As of June 30, 2013, total assets were over \$13,600,000,000 with net assets available for benefits of over \$12,800,000,000. The System's revenue sources consist of employer and employee contributions and investment earnings.

HISTORY OF THE AGENCY:

The Teacher Retirement System of the State of Arkansas was established by authority of the Arkansas General Assembly on March 17, 1937 pursuant to Act 266 of 1937. Numerous changes were made to the teacher retirement laws over the next 20 years. Act 93 of 1957 combined the existing laws and made further refinements. Act 93 of 1957 was superseded by Act 42 of 1971, which included the changes made since 1957. The teacher retirement laws were rewritten in entirety by Act 427 of 1973. Subsequent changes have been made in the form of amendments to Act 427. Statutes covering the Teacher Retirement System are primarily located in Title 24 of the Arkansas Code, particularly Chapter 7.

Act 541 of 1977 placed the system on the level-percent of payroll funding method and for the first time provided that the employer contribution rate is determined by the most recent actuarial valuation of the System. Act 472 of 1989 exercised the General Assembly's prerogative to set the employer contribution rate. Act 1446 of 2013 authorized the ATRS Board of Trustees to set the employer contribution rate beginning July 1, 2015 subject to legislative mandates. The current employer contribution rate is set at 14% of active member payroll.

On July 1, 2001, the Board of Trustees raised the multipliers for contributory and non-contributory service to 2.15% and 1.39% respectively under the provisions of Act 396 of 1999. Beginning in 1997, ATRS is prohibited by various statutes from implementing any benefit enhancement if (1) it would cause ATRS' unfunded actuarial accrued liabilities to exceed a thirty-year amortization or (2) ATRS has unfunded actuarial accrued liabilities being amortized over a period exceeding thirty years until the unfunded actuarial accrued liability is reduced.

Act 504 of 1985 established a non-contributory plan for members of the system in addition to the contributory plan. Act 93 of 2007, effective July 1, 2007, provides that beginning July 1, 2007, and each July 1 thereafter, active noncontributory members may make an irrevocable election to become contributory; inactive members may make an irrevocable election to become contributory at the time of reemployment regardless of a previous noncontributory status; new members who are not under contract or are contracted less than 181 days enter the system as non-contributory but may make an irrevocable election to become contributory.

Act 653 of 1989 provided that any person employed full-time by a school district after July 1, 1989, must become a member of the Teacher Retirement System. Act 43 of 1991 removed the right of a part-time employee to be excluded from membership in the Teacher Retirement System. Act 974 of 2011 required members to earn 160 days in a fiscal year to obtain one year of credited service.

Act 1096 of 1995 established the Teacher Deferred Retirement Option Plan (T-DROP), which allows members to defer receipt of benefit payments, and to continue to work in a position covered by Teacher Retirement. In order to make T-DROP more cost neutral, Acts 991 and 992 of 2003 made changes in the methods for calculating T-DROP deposits for new members in the T-DROP on or after September 1, 2003. Act 298 of 2007, effective July 1, 2007, changes the date for entering T-DROP to July 1; provides for the extension of employer contribution requirement for post and pre-September 2003 T-DROP members beyond July 1, 2011. Act 743 of 2009 causes T-DROP employer contributions to be the same as the regular employer contribution rate after July 1, 2009.

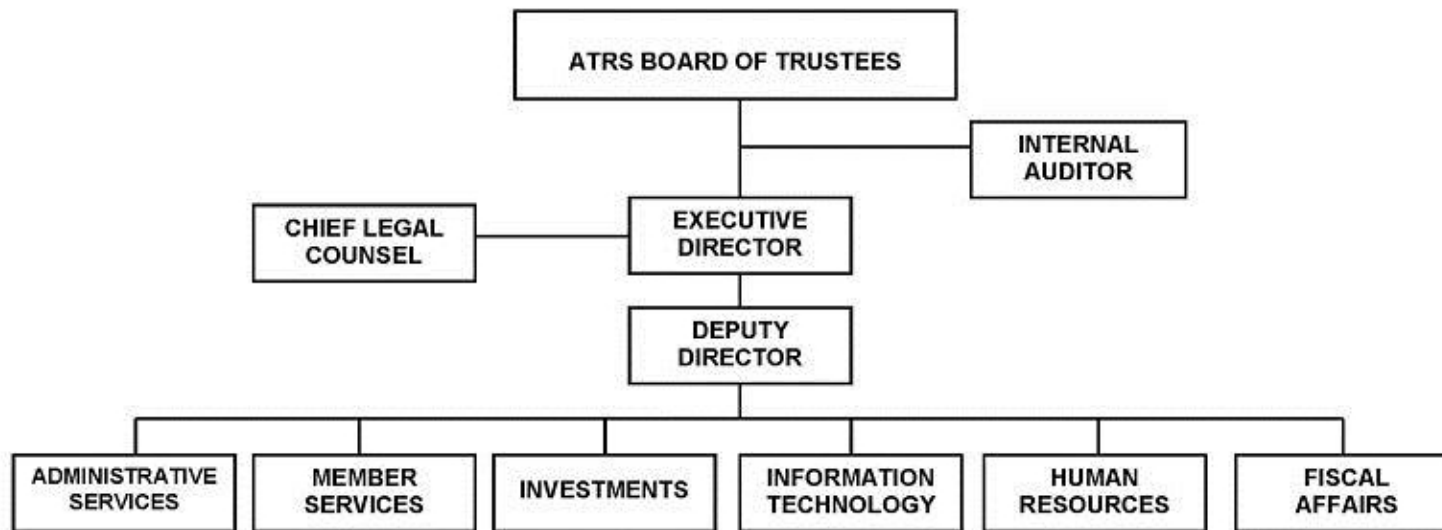
Act 461 of 2001 defined "Normal Retirement Age" as age 65, thus allowing members who reach that age to apply for retirement benefits without termination of employment. Act 45 of 2011 also designates that members under age 65 must terminate employment for a minimum of 1 month to be eligible for retirement benefits.

ADMINISTRATION:

The general administration and responsibility for the proper operation of the system and for making effective the provisions of the teacher retirement laws is vested in the 15-member Board of Trustees. The State Bank Commissioner, State Treasurer, State Auditor and the

Commissioner of the Department of Education serve as ex-officio members on the Board. Eleven (11) members are elected to the Board; eight (8) are active members and three (3) represent retirees. The Board believes that its paramount purpose is to provide an adequate and equitable retirement plan for the members of the System, to protect its members in the event of total and permanent disability, and to provide in part for their dependents upon their deaths.

The trustees serve without compensation except reimbursement for any necessary expenses incurred in attending meetings of the Board or in performing other official duties as defined by the Board. The Board appoints the Executive Director for the system as well as an actuarial firm to serve as technical advisor on matters regarding the operation of the system on an actuarial basis. The Board has the authority to employ professional investment counsel and to appoint a medical board to advise the Board on disability claims. The Board meets at least quarterly and must have eight (8) members present for a quorum. At least eight (8) concurring votes are needed to reach a decision.



Agency Commentary

During the last biennium, ATRS assets have increased \$3.7 billion, our membership has increased by 3,000, and our monthly benefit payroll has grown to \$70 million. This growth has resulted in greater complexity of our investments and higher demand for member services. In addition, compliance with IRS regulations, tax laws, and new Government Accounting Standards Board (GASB) rules have added time and complexity to ATRS operations.

It is imperative that ATRS be adequately staffed, trained, and prepared to provide the high quality services that our members have come to expect and to fulfill our fiduciary duty to safeguard and properly account for ATRS assets. From providing exact benefit estimates to members to maintaining proper accounting records, it is incumbent upon ATRS to ensure knowledgeable, accurate, and timely information for our members, Board of Trustees, and the general public to use in their decision-making processes.

Through fiscal responsibility, ATRS has remained a strong, stable pension system during tough economic times. The ATRS budget request was created to meet the challenges presented by System growth and provide ever improving services to our members, while remaining true to our fiscally conservative nature.

C01 - Regular Salaries and Staffing

ATRS requests 6 positions for the 2015-2017 Biennium (Regular Salaries \$263,733; Personal Services Matching \$87,497).

FISCAL YEAR 2016 PERSONNEL REQUESTS:

(1) ATRS Assistant Chief Fiscal Officer (N904). The ATRS Accounting Department is responsible for all fiscal operations of ATRS, paying monthly benefits and refunds to members, properly assessing and collecting retirement contributions, and maintaining accounting records in accordance with Government Accounting Standards. Currently, the ATRS Associate Director for Fiscal Affairs is the only Certified Public Accountant in the Accounting Department. This position is being requested to provide for another Certified Public Accountant to assist the Associate Director in overseeing the Accounting Department's 29 employees, preparing the ATRS Annual Financial Report in accordance with professional standards, safeguarding assets through the maintenance of proper records and procedures, reporting to the Internal Revenue Service, and ensuring uninterrupted service to members. This position will also provide for proper succession planning by ATRS.

(1) Attorney Specialist (C126). This position is being requested to keep pace with increased legal needs due to an increase in the amount and complexity of ATRS investments. This position will also fill a void left by the military service of one of our attorneys who has been deployed for over a year, with a recent extension of that deployment. Additionally, this position is expected to allow less reliance on more costly outside legal counsel.

(1) Assistant Controller (C124). This position is needed to keep pace with system growth and ensure the timely and accurate payment of benefits and Internal Revenue Service reporting. The Assistant Controller will provide assistance in supervision of staff, member service, maintenance of benefit payroll records, the proper reporting of income to retirees, and the filing of required reports with the Internal Revenue Service.

(2) Retirement Counselors (C117). In August, 2014, ATRS will launch a new interactive membership website to better serve our members. Research indicates that ATRS can anticipate a 30% increase in call volume due to increased member web information. These positions are being requested for our call center so that we may continue to provide our members with timely, accurate responses to facilitate decisions related to their retirement needs and benefits.

(1) Scanning Department Manager (C116). This position is needed to oversee the scanning department due to the continuous increase in membership and the number of programs available to ATRS members. With the addition of programs, new forms are developed and implemented, which requires additional training for scanning staff. This position is necessary to oversee all processes of the department to ensure accurate and timely processing of information to member files.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS TEACHER RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2013

Findings

Recommendations

None

None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

| | Male | Female | Total | % |
|-------------------------|------|--------|-------|-------|
| White Employees | 21 | 50 | 71 | 82 % |
| Black Employees | 4 | 7 | 11 | 13 % |
| Other Racial Minorities | 1 | 4 | 5 | 5 % |
| Total Minorities | | | 16 | 18 % |
| Total Employees | | | 87 | 100 % |

Cash Fund Balance Description as of June 30, 2014

| Fund Account | Balance | Type | Location |
|--------------|---------|----------|---------------------|
| 3750000 | \$0 | Checking | First Security Bank |

Statutory/Other Restrictions on use:

ACA 1-4-801

Statutory Provisions for Fees, Fines, Penalties:

ACA 1-4-801 establishes that the agency may use a cash fund. ACA 24-7-403 restricts the use to benefits, refunds, and other disbursements in accordance with ACA 24-7 et seq.

Revenue Receipts Cycle:

Monthly

Fund Balance Utilization:

Fund balance is returned to the Trust Fund at the end of the year.

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 | | | | |
| Agency Comprehensive Annual Financial Report | 24-7-305(e)(1), 24-2-702 | Y | Y | 50 | Reports on the financial health of ATRS; provides necessary information to ATRS board; required by GFOA and other entities | 0 | 0.00 |

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

| Appropriation | 2013-2014 | | 2014-2015 | | 2014-2015 | | 2015-2016 | | | | | | 2016-2017 | | | | | |
|--|--------------------|-----------|----------------------|-----------|----------------------|------------|----------------------|-----------|----------------------|------------|----------------------|------------|----------------------|-----------|----------------------|------------|----------------------|------------|
| | Actual | Pos | Budget | Pos | Authorized | Pos | Base Level | Pos | Agency | Pos | Executive | Pos | Base Level | Pos | Agency | Pos | Executive | Pos |
| 2QV Property Management | 0 | 0 | 500,000 | 0 | 500,000 | 0 | 500,000 | 0 | 500,000 | 0 | 500,000 | 0 | 500,000 | 0 | 500,000 | 0 | 500,000 | 0 |
| 2QW Teacher Retirement System-Operations | 138,840,493 | 95 | 453,434,311 | 98 | 453,907,612 | 104 | 453,440,386 | 98 | 453,791,616 | 104 | 453,594,897 | 101 | 453,444,442 | 98 | 453,795,672 | 104 | 453,598,953 | 101 |
| C26 Teacher Retirement System-Cash | 788,511,892 | 0 | 906,000,000 | 0 | 906,000,000 | 0 | 906,000,000 | 0 | 906,000,000 | 0 | 906,000,000 | 0 | 906,000,000 | 0 | 906,000,000 | 0 | 906,000,000 | 0 |
| Total | 927,352,385 | 95 | 1,359,934,311 | 98 | 1,360,407,612 | 104 | 1,359,940,386 | 98 | 1,360,291,616 | 104 | 1,360,094,897 | 101 | 1,359,944,442 | 98 | 1,360,295,672 | 104 | 1,360,098,953 | 101 |

| Funding Sources | | % | | % | | % | | % | | % | | % | | % | | % | | % |
|--------------------------------|--------------------|--------------|----------------------|--------------|--|---|----------------------|--------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|
| Cash Fund 4000045 | 788,511,892 | 85.0 | 906,000,000 | 66.6 | | | 906,000,000 | 66.6 | 906,000,000 | 66.6 | 906,000,000 | 66.6 | 906,000,000 | 66.6 | 906,000,000 | 66.6 | 906,000,000 | 66.6 |
| Trust Fund 4000050 | 138,840,493 | 15.0 | 453,934,311 | 33.4 | | | 453,940,386 | 33.4 | 454,291,616 | 33.4 | 454,094,897 | 33.4 | 453,944,442 | 33.4 | 454,295,672 | 33.4 | 454,098,953 | 33.4 |
| Total Funds | 927,352,385 | 100.0 | 1,359,934,311 | 100.0 | | | 1,359,940,386 | 100.0 | 1,360,291,616 | 100.0 | 1,360,094,897 | 100.0 | 1,359,944,442 | 100.0 | 1,360,295,672 | 100.0 | 1,360,098,953 | 100.0 |
| Excess Appropriation/(Funding) | 0 | | 0 | | | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| Grand Total | 927,352,385 | | 1,359,934,311 | | | | 1,359,940,386 | | 1,360,291,616 | | 1,360,094,897 | | 1,359,944,442 | | 1,360,295,672 | | 1,360,098,953 | |

Agency Position Usage Report

| FY2012 - 2013 | | | | | | FY2013 - 2014 | | | | | | FY2014 - 2015 | | | | | |
|-------------------|----------|----------|-------|------------|------------------------|-------------------|----------|----------|-------|------------|------------------------|-------------------|----------|----------|-------|------------|------------------------|
| 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 | |
| 92 | 78 | 14 | 92 | 0 | 15.22 % | 101 | 89 | 6 | 95 | 6 | 11.88 % | 104 | 87 | 11 | 98 | 6 | 16.35 % |

Analysis of Budget Request

Appropriation: 2QV - Property Management

Funding Sources: TER - Teacher Retirement Fund

The Property Management Program of the Arkansas Teacher Retirement System pays for the necessary expenses to maintain properties that the System holds as investments. These expenses include, but are not limited to, attorney fees, foreclosure expenses, selling expenses, audit costs, appraisal expenses, property management fees, property rehabilitation costs, travel expenses related to property management, property repairs, property maintenance, advertising expenses, and property operating expenses.

The Agency Request is for Base Level of \$500,000 each year of the 2015-17 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2QV - Property Management

Funding Sources: TER - Teacher Retirement Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | Historical Data | | | 2015-2016 | | | 2016-2017 | | |
|--------------------------------|---------------------|---------------------|-------------------------|------------|---------|-----------|------------|---------|-----------|
| | 2013-2014 Actual | 2014-2015 Budget | 2014-2015 Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Property Management 5900046 | 0 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| Total | 0 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| Funding Sources | | | | | | | | | |
| Trust Fund 4000050 | 0 | 500,000 | | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| Total Funding | 0 | 500,000 | | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 0 | 500,000 | | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |

Analysis of Budget Request

Appropriation: 2QW - Teacher Retirement System-Operations

Funding Sources: TER - Teacher Retirement Fund

The Arkansas Teacher Retirement System provides age, service, survivor, and disability benefits for public school teachers and other covered employees. This appropriation is funded by trust funds of the Teacher Retirement System.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY15 line item maximum plus the previously authorized 2015 1% Cost of Living Adjustment.

In addition to Base Level of \$453,440,386 in FY16 and \$453,444,442 in FY17, the Agency Change Level requests of \$351,230 in each year of the biennium reflect the following:

- Regular Salaries and Personal Services Matching of \$351,230 in each year of the biennium to support six (6) new positions: one (1) Assistant Chief Fiscal Officer (Grade N904), one (1) Attorney Specialist (Grade C126), two (2) Retirement Counselors (Grade C117), one (1) Assistant Controller (Grade C124) and one (1) Scanning Department Manager (Grade C116). These positions will be used to provide high quality member services to an increasing number of retirees.
- Reclassification of six (6) positions: one (1) Retirement Section Manager (Grade C123) to one (1) Fiscal Support Manager (Grade C123); one (1) Retirement Investment Specialist (Grade C119) to one (1) Retirement Coordinator; one (1) Internal Auditor (Grade C119) to one (1) Retirement Investment Specialist (Grade C119); one (1) Information Systems Analyst (Grade C117) to one (1) Computer Support Specialist (C117); and two (2) Accountant I (Grade C116) positions to two (2) Retirement Analyst (Grade C116) positions.

The Executive Recommendation provides for the Agency Request, with the exception of the new Assistant Chief Fiscal Officer, Assistant Controller, and the Scanning Department Manager positions.

Appropriation Summary

Appropriation: 2QW - Teacher Retirement System-Operations

Funding Sources: TER - Teacher Retirement Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | | Historical Data | | | Agency Request and Executive Recommendation | | | Agency Request and Executive Recommendation | | |
|--------------------------------|---------|---------------------|---------------------|-------------------------|---|--------------------|--------------------|---|--------------------|--------------------|
| | | 2013-2014 Actual | 2014-2015 Budget | 2014-2015 Authorized | 2015-2016 | | | 2016-2017 | | |
| | | | | | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Regular Salaries | 5010000 | 3,844,520 | 4,373,155 | 4,575,092 | 4,365,962 | 4,629,695 | 4,480,489 | 4,369,062 | 4,632,795 | 4,483,589 |
| #Positions | | 95 | 98 | 104 | 98 | 104 | 101 | 98 | 104 | 101 |
| Extra Help | 5010001 | 176,328 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| #Extra Help | | 14 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| Personal Services Matching | 5010003 | 1,357,490 | 1,450,612 | 1,721,976 | 1,463,880 | 1,551,377 | 1,503,864 | 1,464,836 | 1,552,333 | 1,504,820 |
| Overtime | 5010006 | 0 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Operating Expenses | 5020002 | 1,843,472 | 2,934,889 | 2,934,889 | 2,934,889 | 2,934,889 | 2,934,889 | 2,934,889 | 2,934,889 | 2,934,889 |
| Conference & Travel Expenses | 5050009 | 13,701 | 30,759 | 30,759 | 30,759 | 30,759 | 30,759 | 30,759 | 30,759 | 30,759 |
| Professional Fees | 5060010 | 256,228 | 558,115 | 558,115 | 558,115 | 558,115 | 558,115 | 558,115 | 558,115 | 558,115 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Benefits-Non Employee | 5100023 | 120,425,813 | 344,000,000 | 344,000,000 | 344,000,000 | 344,000,000 | 344,000,000 | 344,000,000 | 344,000,000 | 344,000,000 |
| Refunds/Reimbursements | 5110014 | 8,569,405 | 20,086,781 | 20,086,781 | 20,086,781 | 20,086,781 | 20,086,781 | 20,086,781 | 20,086,781 | 20,086,781 |
| Capital Outlay | 5120011 | 52,286 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Professional Sevices | 5900043 | 0 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 |
| Data Processing Services | 5900044 | 0 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| Investment Counsel | 5900046 | 2,301,250 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 |
| Discount Buyout Plan | 5900047 | 0 | 75,000,000 | 75,000,000 | 75,000,000 | 75,000,000 | 75,000,000 | 75,000,000 | 75,000,000 | 75,000,000 |
| Total | | 138,840,493 | 453,434,311 | 453,907,612 | 453,440,386 | 453,791,616 | 453,594,897 | 453,444,442 | 453,795,672 | 453,598,953 |
| Funding Sources | | | | | | | | | | |
| Trust Fund | 4000050 | 138,840,493 | 453,434,311 | | 453,440,386 | 453,791,616 | 453,594,897 | 453,444,442 | 453,795,672 | 453,598,953 |
| Total Funding | | 138,840,493 | 453,434,311 | | 453,440,386 | 453,791,616 | 453,594,897 | 453,444,442 | 453,795,672 | 453,598,953 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 138,840,493 | 453,434,311 | | 453,440,386 | 453,791,616 | 453,594,897 | 453,444,442 | 453,795,672 | 453,598,953 |

Change Level by Appropriation

Appropriation: 2QW - Teacher Retirement System-Operations
Funding Sources: TER - Teacher Retirement Fund

Agency Request

| Change Level | | 2015-2016 | Pos | Cumulative | % of BL | 2016-2017 | Pos | Cumulative | % of BL |
|--------------|-------------------|--------------------|-----------|--------------------|--------------|--------------------|-----------|--------------------|--------------|
| BL | Base Level | 453,440,386 | 98 | 453,440,386 | 100.0 | 453,444,442 | 98 | 453,444,442 | 100.0 |
| C01 | Existing Program | 351,230 | 6 | 453,791,616 | 100.1 | 351,230 | 6 | 453,795,672 | 100.1 |
| C10 | Reclass | 0 | 0 | 453,791,616 | 100.1 | 0 | 0 | 453,795,672 | 100.1 |

Executive Recommendation

| Change Level | | 2015-2016 | Pos | Cumulative | % of BL | 2016-2017 | Pos | Cumulative | % of BL |
|--------------|-------------------|--------------------|-----------|--------------------|--------------|--------------------|-----------|--------------------|--------------|
| BL | Base Level | 453,440,386 | 98 | 453,440,386 | 100.0 | 453,444,442 | 98 | 453,444,442 | 100.0 |
| C01 | Existing Program | 202,024 | 3 | 453,642,410 | 100.0 | 202,024 | 3 | 453,646,466 | 100.0 |
| C10 | Reclass | 0 | 0 | 453,642,410 | 100.0 | 0 | 0 | 453,646,466 | 100.0 |
| C13 | Not Recommended | (47,513) | 0 | 453,594,897 | 100.0 | (47,513) | 0 | 453,598,953 | 100.0 |

Justification

| | |
|-----|---|
| C01 | Increases of \$263,733 in Regular Salaries and \$87,497 in Personal Services Matching are requested for the addition of six (6) new positions. The Attorney Specialist position is requested in order to fill existing demand and avoid the high cost of outside counsel. The ATRS Assistant Chief Fiscal Officer position to safeguard assets, manage employees, develop the ATRS Annual Financial report in accordance with existing standards, and provide increased accounting expertise to the agency. The Assistant Controller position will ensure compliance with all relevant state and federal tax laws, and ensure that continuity of service keeps pace with growing demand. The Scanning Department Manager is requested to fill the gap between staff and the steadily increasing work load. Two (2) Retirement Counselor positions are requested due to a thirty (30) percent increase in call volume. |
| C10 | Agency requests the reclassification of a Senior Auditor position to Accounting Supervisor II in order to establish internal controls, ensure compliance, and monitor ongoing accounting activities. The Agency requests the reclassification of a Retirement Section Manager to a Fiscal Support Manager in order to restructure agency sections and assign additional duties to the position. Agency requests the reclassification of an Informational Systems Analyst position to a Computer Support Analyst in order to better suit the needs of the Data Processing Section and align duties with typical functions of the position. Agency requests the reclassification of two (2) Accountant I positions to two (2) Retirement Analyst positions to provide assistance with delinquent services issues, researching and documenting employee history, providing contribution calculations, and maintaining fiscal reporting methods. Agency requests the reclassification of a vacant Retirement Investment Specialist position to a Retirement Coordinator position to be utilized in the Accounting department. |

Analysis of Budget Request

Appropriation: C26 - Teacher Retirement System-Cash

Funding Sources: 375 - Arkansas Teacher Retirement Fund-Cash

The Arkansas Teacher Retirement System cash fund allows the Agency to make payments to beneficiaries by check or direct deposit.

The Agency Request is for Base Level of \$906,000,000 in both years of the the 2015-17 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: C26 - Teacher Retirement System-Cash
Funding Sources: 375 - Arkansas Teacher Retirement Fund-Cash

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | | Historical Data | | | 2015-2016 | | | 2016-2017 | | |
|--------------------------------|---------|---------------------|---------------------|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | | 2013-2014 Actual | 2014-2015 Budget | 2014-2015 Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Benefits-Non Employee | 5100023 | 786,601,954 | 900,000,000 | 900,000,000 | 900,000,000 | 900,000,000 | 900,000,000 | 900,000,000 | 900,000,000 | 900,000,000 |
| Refunds/Reimbursements | 5110014 | 1,909,938 | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 |
| Total | | 788,511,892 | 906,000,000 | 906,000,000 | 906,000,000 | 906,000,000 | 906,000,000 | 906,000,000 | 906,000,000 | 906,000,000 |
| Funding Sources | | | | | | | | | | |
| Cash Fund | 4000045 | 788,511,892 | 906,000,000 | | 906,000,000 | 906,000,000 | 906,000,000 | 906,000,000 | 906,000,000 | 906,000,000 |
| Total Funding | | 788,511,892 | 906,000,000 | | 906,000,000 | 906,000,000 | 906,000,000 | 906,000,000 | 906,000,000 | 906,000,000 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 788,511,892 | 906,000,000 | | 906,000,000 | 906,000,000 | 906,000,000 | 906,000,000 | 906,000,000 | 906,000,000 |