

ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1997 - 1999

The budget request for the 1997-99 biennium for the Arkansas Public Employees Retirement System (APERS), the Arkansas State Police Retirement System (ASPRS), and the Arkansas Judicial Retirement System (AJRS) is totally funded from the investment earnings of the respective Trust Funds. The request will be Base Level, i.e., the FY97 operational budget, with the following changes:

1. Regular Salaries and Staffing - APERS is requesting that the Assistant Director and Associate Director of Investments positions be changed to an unclassified status (Grade 99). In addition, APERS is requesting that the Member Services Manager position be upgraded to a Grade 23. APERS is requesting one additional position for the Data Processing Section, a User Support Analyst (Grade 20), and that the two positions lost to the cap be restored.

Justification: The request to change to unclassified or line item the Assistant Director and Associate Director positions is to give the agency director the flexibility to recruit, retain, and compensate these positions according to their responsibilities. The request to upgrade the Member Services Manager is to bring this position to the same grade level as all other manager positions. The additional data processing position will be used to maintain the new employer reporting system and to help maintain the local area network that has been installed in the last twelve months. The two positions lost to the cap are clerical in nature and need to be retained for flexibility to meet unanticipated needs. The agency has maintained a staffing level between 37 and 44 positions for a number of years. This level should remain the same. The agency needs the ability to use different types of positions to meet specific requirements.

2. Maintenance and General Operations - An increase of 2.5% each year is requested for ASPRS and AJRS. For APERS, the request is an additional \$83,000 for the first year of the biennium and \$92,000 for the second year.

Justification: The increases requested for APERS are primarily for the postage, printing and distribution of a newsletter to members and retirees. This newsletter will be mailed three times a year and should greatly enhance communications with members and retirees. In addition, APERS is requesting a minimal increase for rent of office space. APERS is located in One Union National Plaza which is owned by the Retirement System as an investment. As such, the agency pays rent like any other tenant. The increases requested for ASPRS and AJRS are to meet inflationary costs.

AGENCY Arkansas Public Employees Retirement System	DIRECTOR Kie D. Hall	AGENCY PROGRAM COMMENTARY BR21	PAGE 367
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**ARKANSAS BUDGET SYSTEM
AGENCY PROGRAM COMMENTARY
1997 - 1999**

3. Capital Outlay - APERS is requesting \$26,000 for each year of the biennium.

Justification: Capital Outlay is requested for the purchase of mailing equipment (12 years old and constantly in need of servicing), replacement of some of the older personal computers and printers, purchase of a network server, purchase of equipment for on-site counseling, and replacement of minor furniture items.

4. Professional Fees - AJRS is requesting an increase of \$30,450 for the first year of the biennium and \$39,029 for the second year of the biennium.

Justification: The requested increases represent projected increases in the value of the portfolio for the investment manager; normal inflation and additional cost studies for the actuary; and normal inflation for the investment consultant. No increase is requested for the custodian bank or the direct deposit bank.

5. Cash Fund Appropriations for Benefit Payments - APERS, ASPRS, and AJRS are requesting sufficient increases in these appropriations to pay all benefits from the cash fund appropriations. These payments would be made by direct deposit and by check as authorized by A.C.A. 24-3-409.

Justification: Currently, direct deposit benefit payments are made from the cash fund appropriation using a bank fund. Those benefit recipients not on direct deposit are paid by state warrant. Paying the non-direct deposit recipient by check using a bank fund will be a more efficient method. The Systems will be able to reissue lost payments within a few days instead of weeks, and it will eliminate staff time required to record, stuff and mail state warrant. It appears that the cost to the Systems to process all benefit payments through a bank fund will not exceed current costs. There could actually be a cost savings, but that is not determinable at this time.

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ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1995

Assets				Liabilities				Total Equity	
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total			
\$ 2,150,406,962	\$ 491,228	\$ 62,956,745	\$ 2,213,854,935	\$ 51,612,625	\$ 86,717	\$ 51,699,342	\$ 2,162,155,593		

Revenues				Expenditures				Other Source (Uses)	
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total
\$ 79,757,125	\$ 0	\$ 0	\$ 133,204,364	\$ 212,961,489	\$ 1,496,422	\$ 0	\$ 232,545	\$ 76,877,850	\$ 78,606,817
									\$ (312,8

Findings	Recommendations
None	None

ARKANSAS STATE POLICE RETIREMENT SYSTEM
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1995

Assets					Liabilities				Total Equity	
Cash and Investments	Fixed	Other	Total		Current	Long-Term	Total		Total	
\$ 125,222,447	\$ 0	\$ 1,647,011	\$ 126,869,458		\$ 1,268	\$ 0	\$ 1,268		\$ 126,868,190	

Revenues					Expenditures				Other Sources (Uses)	
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	
\$ 3,995,759	\$ 0	\$ 0	\$ 5,603,245	\$ 9,599,004	\$ 0	\$ 0	\$ 0	\$ 4,929,732	\$ 4,929,732	\$ 42,166

Findings	Recommendations
None	None

ARKANSAS JUDICIAL RETIREMENT SYSTEM
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 1995

Assets					Liabilities			Total Equity	
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total			
\$ 40,868,937	\$ 1,074	\$ 363,756	\$ 41,233,767	\$ 89	\$ 0	\$ 89		\$ 41,233,678	

Revenues					Expenditures				Other Sources (Uses)	
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	
\$ 3,097,837	\$ 0	\$ 0	\$ 3,302,114	\$ 6,399,951	\$ 0	\$ 0	\$ 0	\$ 2,650,522	\$ 2,650,522	\$ 8

Findings

None

Recommendations

None

ARKANSAS BUDGET SYSTEM
EMPLOYMENT SUMMARY
AS REQUIRED BY ACT 358 OF 1993
(A.C.A 19-4-307)

AGENCY TITLE 370 - ARK PUBLIC EMPL RETIRE

	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	<u>5</u>	<u>18</u>	<u>23</u>	<u>62%</u>
BLACK EMPLOYEES	<u>1</u>	<u>13</u>	<u>14</u>	<u>38%</u>
EMPLOYEES OF OTHER RACIAL MINORITIES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
TOTAL EMPLOYED AS OF 08/10/96			<u>14</u>	<u>38%</u>
DATE			TOTAL MINORITIES	
			<u>37</u>	<u>100%</u>
			TOTAL EMPLOYEES	

Kie O. Hall
AGENCY DIRECTOR

SUMMARY

STATUS OF NEW PROGRAMS/EXPANSIONS AUTHORIZED BY THE 80TH GENERAL ASSEMBLY

AGENCY: ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

PROGRAM AUTHORIZED	# POS. AUTH.	ADDITIONAL AUTHORIZED APPROPRIATION		STATUS
		FY 95-96	FY 96-97	
<u>APPROPRIATION: B24 - Public Employees Retirement - Cash</u>				
Benefits		\$5,000,000	\$5,000,000	None of the additional appropriation was used in FY96. All of the additional appropriation has been budgeted for FY97.
<u>APPROPRIATION: B25 - State Police Retirement - Cash</u>				
Benefits		\$500,000	\$500,000	None of the additional appropriation was used in FY96. All of the additional appropriation has been budgeted for FY97.
<u>APPROPRIATION: B26 - Judicial Retirement - Cash</u>				
No new programs or expansions in the 1995-97 biennium.				
<u>APPROPRIATION: 029 - Judicial Retirement</u>				
Professional Fees		\$0	\$4,150	All of the additional appropriation has been budgeted for FY97.
<u>APPROPRIATION: 132 - Public Employees Retirement</u>				
Regular Salaries and Matching	2	\$48,150	\$49,182	Both positions were filled for a portion of FY96 and both have been budgeted for FY97.
Extra Help and Matching		\$2,500	\$2,500	None of the additional appropriation was used in FY96. All of the additional appropriation has been budgeted for FY97.
Operating Expenses		\$172,282	\$207,942	For FY96 \$77,524 of the increase was spent. For FY97 all of the increase has been budgeted.

SUMMARY
STATUS OF NEW PROGRAMS/EXPANSIONS AUTHORIZED BY THE 80TH GENERAL ASSEMBLY
 AGENCY: ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

PROGRAM AUTHORIZED	# POS. AUTH.	ADDITIONAL AUTHORIZED APPROPRIATION		STATUS
		FY 95-96	FY 96-97	
<u>APPROPRIATION: 132 - Public Employees Retirement (continued)</u>				
Capital Outlay		\$333,600	\$20,000	For FY96 \$45,612 was spent for Capital Outlay. For FY97 the total \$20,000 has been budgeted.

APPROPRIATION: 134 - State Police Retirement

No new programs or expansions in the 1995-97 biennium.

ARKANSAS BUDGET SYSTEM

DEPARTMENT APPROPRIATION SUMMARY

AGENCY TITLE		1995-97				1997-99				1997-99			
Public Employees Retirement		Expenditures				Biennium Request				Executive Recommendation			
Appropriations		Actual	No. of	Budgeted	No. of	Year 1	No. of	Year 2	No. of	Year 1	No. of	Year 2	No. of
Code	Name	1995-96	Pos.	1996-97	Pos.	1997-98	Pos.	1998-99	Pos.	1997-98	Pos.	1998-99	Pos.
B24	Public Employees Retirement - Cash	\$36,819,836	0	\$80,000,000	0	\$100,000,000	0	\$125,000,000	0	\$100,000,000	0	\$125,000,000	0
B25	State Police Retirement - Cash	2,401,685	0	5,500,000	0	8,000,000	0	9,000,000	0	8,000,000	0	9,000,000	0
B26	Judicial Retirement - Cash	1,772,345	0	3,500,000	0	4,000,000	0	5,000,000	0	4,000,000	0	5,000,000	0
029	Judicial Retirement	3,710,190	0	8,141,350	0	8,172,050	0	8,180,889	0	8,172,050	0	8,180,889	0
132	Public Employees Retirement	47,069,853	45	109,848,612	44	110,036,624	47	110,092,260	47	110,010,084	47	110,064,977	47
134	State Police Retirement	3,285,369	0	25,610,950	0	25,611,250	0	25,611,560	0	25,611,250	0	25,611,560	0
TOTALS		\$95,059,278	45	\$232,600,912	44	\$255,819,924	47	\$282,884,709	47	\$255,793,384	47	\$282,857,426	47
Funding Sources			% of		% of		% of		% of		% of		% of
Fund Balances			Total		Total		Total		Total		Total		Total
General Revenues													
Special Revenues													
Federal Funds													
Const. & Fiscal Agency Fund													
State Central Services Fund													
Non-Revenue Receipts													
Cash Funds		40,993,866	43.1%	89,000,000	38.3%	112,000,000	43.8%	139,000,000	49.1%	112,000,000	43.8%	139,000,000	49.1%
Trust Funds		54,065,412	56.9%	143,600,912	61.7%	143,819,924	56.2%	143,884,709	50.9%	143,793,384	56.2%	143,857,426	50.9%
Total Funding		95,059,278	100.0%	232,600,912	100.0%	255,819,924	100.0%	282,884,709	100.0%	255,793,384	100.0%	282,857,426	100.0%
Excess Appro./ (Funding)													
TOTAL		\$95,059,278		\$232,600,912		\$255,819,924		\$282,884,709		\$255,793,384		\$282,857,426	
DEPARTMENT				DIRECTOR					DEPARTMENT APPROPRIATION SUMMARY				
ARKANSAS PUBLIC EMPLOYEES RETIREMENT (370)				Kie Hall					BR 40				

ARKANSAS BUDGET SYSTEM

DEPARTMENT PROGRAM SUMMARY

AGENCY TITLE Arkansas Public Employees Retirement System (370)	1995-97 Expenditures				1997-99 Biennium Request				1997-99 Executive Recommendation			
	Actual 1995-96	No. of Pos.	Budgeted 1996-97	No. of Pos.	Year 1 1997-98	No. of Pos.	Year 2 1998-99	No. of Pos.	Year 1 1997-98	No. of Pos.	Year 2 1998-99	No. of Pos.
Public Employees Retirement	\$83,889,689	45	\$189,848,612	44	\$210,036,624	47	\$235,092,260	47	\$210,010,084	47	\$235,064,977	47
State Police Retirement	5,687,054	0	31,110,950	0	33,611,250	0	34,611,560	0	33,611,250	0	34,611,560	0
Judicial Retirement	5,482,535	0	11,641,350	0	12,172,050	0	13,180,889	0	12,172,050	0	13,180,889	0
TOTALS	\$95,059,278	45	\$232,600,912	44	\$255,819,924	47	\$282,884,709	47	\$255,793,384	47	\$282,857,426	47
Funding Sources		% of Total		% of Total		% of Total		% of Total		% of Total		% of Total
Fund Balances												
General Revenues												
Special Revenues												
Federal Funds												
Const. & Fiscal Agency Fund												
State Central Services Fund												
Non-Revenue Receipts												
Cash Funds	40,993,866	43.1%	89,000,000	38.3%	112,000,000	43.8%	139,000,000	49.1%	112,000,000	43.8%	139,000,000	49.1%
Trust Funds	54,065,412	56.9%	143,600,912	61.7%	143,819,924	56.2%	143,884,709	50.9%	143,793,384	56.2%	143,857,426	50.9%
Total Funding	95,059,278	100.0%	232,600,912	100.0%	255,819,924	100.0%	282,884,709	100.0%	255,793,384	100.0%	282,857,426	100.0%
Excess Appro./ (Funding)												
TOTAL	\$95,059,278		\$232,600,912		\$255,819,924		\$282,884,709		\$255,793,384		\$282,857,426	
DEPARTMENT ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM	DIRECTOR Kie Hall				DEPARTMENT PROGRAM SUMMARY BR 22							

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

The Arkansas Public Employees Retirement System is requesting \$100,000,000 in FY98 and \$125,000,000 in FY99 for the cash appropriation to allow the Agency to pay all benefits of the Public Employees Retirement System through the cash fund. Currently, benefits that are paid by direct deposit are processed through the cash fund while benefits paid by warrant are processed through the State Treasury. Processing all benefit payments through the cash fund will enable the system to reduce the amount of time necessary to replace lost checks and also allow the System to continue to earn interest while the payments are in transit.

The request represents a \$20,000,000 increase for FY98 and a \$45,000,000 increase for FY99.

The Executive Recommendation provides for Agency Request.

AGENCY	APPROPRIATION	CASH FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: Arkansas Public Employees Retirement	Name: Public Employees Retirement - Cash	Name: Public Employees Retirement - Cash		377
Code: 370	Code: B24	Code: 131	BR20	

ARKANSAS BUDGET SYSTEM

01	02	03	04	05	06	07	08	09	10	11	12	13	14
CHARACTER TITLE	-----EXPENDITURES-----			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96 ACTUAL	96-97 BUDGETED	96-97 AUTHORIZED APPRO	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
										97-98	98-99	97-98	98-99
NEFITS	36,819,836	80,000,000	80,000,000	80,000,000	20,000,000	100,000,000	80,000,000	45,000,000	125,000,000	100,000,000	125,000,000		
DIAL	36,819,836	80,000,000	80,000,000	80,000,000	20,000,000	100,000,000	80,000,000	45,000,000	125,000,000	100,000,000	125,000,000		
PROPOSED FUNDING SOURCES			*****										
UND BALANCES			*****										
ENERAL REVENUES			*****										
PECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
TATE CENTRAL SERVICES FUND			*****										
ON-REVENUE RECEIPTS			*****										
ASH FUNDS	36,819,836	80,000,000	*****	80,000,000	20,000,000	100,000,000	80,000,000	45,000,000	125,000,000	100,000,000	125,000,000		
THER			*****										
DIAL FUNDING	36,819,836	80,000,000	*****	80,000,000	20,000,000	100,000,000	80,000,000	45,000,000	125,000,000	100,000,000	125,000,000		
XCESS APPRO/ (FUNDING)			*****										
DIAL	36,819,836	80,000,000	*****	80,000,000	20,000,000	100,000,000	80,000,000	45,000,000	125,000,000	100,000,000	125,000,000		

EPT	010	SEPARATE AGENCIES
GY	370	ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
PPRO	B24	PUBLIC EMPLOYEES RETIREMENT -- CASH
UND	131	PUBLIC EMPLOYEES RETMT-CASH-(370)

APPROPRIATION SUMMARY

BR 215

ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		1997 - 99 BIENNIAL REQUESTS						RECOMMENDATIONS					
					ACTUAL	BUDGETED	FY 1997 - 98		FY 1998 - 99		EXECUTIVE		LEGISLATIVE					
					95-96	96-97	REQUEST	REQUEST	1997-98	1998-99	1997-98	1998-99						
000		131	370 B24	B	36,819,836 0	80,000,000 0	80,000,000 0	80,000,000 0				80,000,000	80,000,000					
001		131	370 B24	P05		0 0	20,000,000 0	45,000,000 0				20,000,000	45,000,000					
Request is to increase appropriation to \$100 million in FY98 and \$125 million in FY99. This will allow benefit payments to be made from bank fund.																		

DEPT 010 SEPARATE AGENCIES
 AGY 370 ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 APPRO B24 PUBLIC EMPLOYEES RETIREMENT -- CASH
 FUND 131 PUBLIC EMPLOYEES RETMT-CASH-(370)

RANK BY APPROPRIATION

BR 264

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

The Arkansas Public Employees Retirement System is requesting \$8,000,000 in FY98 and \$9,000,000 in FY99 for the cash appropriation to allow the Agency to pay all benefits of the State Police Retirement System through the cash fund. Currently, benefits that are paid by direct deposit are processed through the cash fund while benefits paid by warrant are processed through the State Treasury. Processing all benefit payments through the cash fund will enable the system to reduce the amount of time necessary to replace lost checks and also allow the System to continue to earn interest while the payments are in transit.

The request represents a \$2,500,000 increase for FY98 and a \$3,500,000 increase for FY99.

The Executive Recommendation provides for Agency Request.

AGENCY	APPROPRIATION	CASH FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: Arkansas Public Employees Retirement	Name: State Police Retirement - Cash	Name: Public Employees Retirement - Cash		380
Code: 370	Code: B25	Code: 131	BR20	

ARKANSAS BUDGET SYSTEM

01	02	03	04	05	06	07	08	09	10	11	12	13	14
CHARACTER TITLE	-----EXPENDITURES-----			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96 ACTUAL	96-97 BUDGETED	96-97 AUTHORIZED APPRO	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE	
										97-98	98-99	97-98	98-99
BENEFITS	2,401,685	5,500,000	5,500,000	5,500,000	2,500,000	8,000,000	5,500,000	3,500,000	9,000,000	8,000,000	9,000,000		

DEPT 010 SEPARATE AGENCIES
 AGY 370 ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 APPRO B25 STATE POLICE RETIREMENT -- CASH
 FUND 131 PUBLIC EMPLOYEES RETMT-CASH-(370)

APPROPRIATION SUMMARY

BR 215

ARKANSAS BUDGET SYSTEM
PROGRAM/SERVICE INFORMATION LIST
RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
ANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	-----EXPENDITURES-----		-----1997 - 99 BIENNIIUM REQUESTS-----						-----R E C O M M E N D A T I O N S-----					
					---ACTUAL---		---BUDGETED---		FY 1997 - 98		FY 1998 - 99		EXECUTIVE		LEGISLATIVE			
					95-96	96-97	REQUEST		REQUEST		1997-98	1998-99	1997-98	1998-99				
00		131	370 B25	B	2,401,685 0	5,500,000 0	5,500,000 0		5,500,000 0				5,500,000	5,500,000				
01		131	370 B25	P05		0 0	2,500,000 0		3,500,000 0				2,500,000	3,500,000				
Request is to increase appropriation to \$8 million in FY98 and \$9 million in FY99. This will allow all benefit payments to be made from bank fund.																		

DEPT 010 SEPARATE AGENCIES
AGY 370 ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
APPRO B25 STATE POLICE RETIREMENT -- CASH
FUND 131 PUBLIC EMPLOYEES RETHT-CASH-(370)

RANK BY APPROPRIATION
BR 264

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

The Arkansas Public Employees Retirement System is requesting \$4,000,000 in FY98 and \$5,000,000 in FY99 for the cash appropriation to allow the Agency to pay all benefits of the Judicial Retirement System through the cash fund. Currently, benefits that are paid by direct deposit are processed through the cash fund while benefits paid by warrant are processed through the State Treasury. Processing all benefit payments through the cash fund will enable the system to reduce the amount of time necessary to replace lost checks and also allow the System to continue to earn interest while the payments are in transit.

The request represents a \$500,000 increase for FY98 and a \$1,500,000 increase for FY99.

The Executive Recommendation provides for Agency Request.

AGENCY	APPROPRIATION	CASH FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: Arkansas Public Employees Retirement	Name: Judicial Retirement - Cash	Name: Public Employees Retirement - Cash		383
Code: 370	Code: B26	Code: 131	BR20	

ARKANSAS BUDGET SYSTEM

01	02	03	04	05	06	07	08	09	10	11	12	13	14	
CHARACTER TITLE	-----EXPENDITURES-----			96-97			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----	
	95-96 ACTUAL	96-97 BUDGETED	AUTHORIZED APPRO	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE		
										97-98	98-99	97-98	98-99	
ENEFITS	1,772,345	3,500,000	3,500,000	3,500,000	500,000	4,000,000	3,500,000	1,500,000	5,000,000	4,000,000	5,000,000			
TOTAL	1,772,345	3,500,000	3,500,000	3,500,000	500,000	4,000,000	3,500,000	1,500,000	5,000,000	4,000,000	5,000,000			
PROPOSED FUNDING SOURCES			*****											
FUND BALANCES			*****											
GENERAL REVENUES			*****											
SPECIAL REVENUES			*****											
FEDERAL FUNDS			*****											
STATE CENTRAL SERVICES FUND			*****											
NON-REVENUE RECEIPTS			*****											
CASH FUNDS	1,772,345	3,500,000	*****	3,500,000	500,000	4,000,000	3,500,000	1,500,000	5,000,000	4,000,000	5,000,000			
OTHER			*****											
TOTAL FUNDING	1,772,345	3,500,000	*****	3,500,000	500,000	4,000,000	3,500,000	1,500,000	5,000,000	4,000,000	5,000,000			
EXCESS APPRO/ (FUNDING)			*****											
TOTAL	1,772,345	3,500,000	*****	3,500,000	500,000	4,000,000	3,500,000	1,500,000	5,000,000	4,000,000	5,000,000			

DEPT 010 SEPARATE AGENCIES
 AGY 370 ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 APPRO B26 JUDICIAL RETIREMENT -- CASH
 FUND 131 PUBLIC EMPLOYEES RETMT-CASH-(370)

APPROPRIATION SUMMARY

BR 215

ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	-----EXPENDITURES-----		-----1997 - 99 BIENNIAL REQUESTS-----						-----R E C O M M E N D A T I O N S-----					
					---ACTUAL---	--BUDGETED--	-----FY 1997 - 98-----			-----FY 1998 - 99-----			-----EXECUTIVE-----		-----LEGISLATIVE-----			
					95-96	96-97	-----REQUEST-----			-----REQUEST-----			1997-98	1998-99	1997-98	1998-99		
000		131	370 B26	B	1,772,345 0	3,500,000 0	3,500,000 0		3,500,000 0				3,500,000	3,500,000				
001		131	370 B26	P05		0 0	500,000 0		1,500,000 0				500,000	1,500,000				
Request is to increase appropriation to \$4 million for FY98 and \$5 million in FY99. This will allow all benefit payments to be made from bank fund.																		

DEPT 010 SEPARATE AGENCIES
 AGY 370 ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 APPRO B26 JUDICIAL RETIREMENT -- CASH
 FUND 131 PUBLIC EMPLOYEES RETMT-CASH-(370)

RANK BY APPROPRIATION

BR 264

385

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

The Arkansas Public Employees Retirement System is requesting \$8,172,050 in FY98 and \$8,180,889 in FY99 for the Judicial Retirement Program which is administered by the Arkansas Public Employees Retirement System under the authority of A.C.A. 24-8-204. Base Level is \$8,141,350 each year, and priority requests total \$30,700 in FY98 and \$39,539 in FY99.

The request to increase Operating Expenses by \$250 in FY98 and \$510 in FY99 is for inflationary increases in postage and printing. Additional Professional Fees of \$30,450 in FY98 and \$39,029 in FY99 is requested in anticipation of normal increases in costs for investment counsel based on the value of the portfolio, normal inflation and additional cost studies by the actuary.

This appropriation is funded from trust funds for Judges Retirement.

The Executive Recommendation provides for Agency Request.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: Arkansas Public Employees Retirement	Name: Judicial Retirement System	Name: Judges Retirement		386
Code: 370	Code: 029	Code: TAR	BR20	

ARKANSAS BUDGET SYSTEM

01	02	03	04	05	06	07	08	09	10	11	12	13	14	
CHARACTER TITLE	-----EXPENDITURES-----			96-97			-----97-98 FISCAL YEAR-----			98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----	
	95-96	96-97	AUTHORIZED	PRIORITY		TOTAL	PRIORITY		TOTAL	EXECUTIVE		LEGISLATIVE		
	ACTUAL	BUDGETED	APPRO	BASE	PROGRAMS	REQUEST	BASE	PROGRAMS	REQUEST	97-98	98-99	97-98	98-99	
OPERATING EXPENSES	3,191	10,000	10,000	10,000	250	10,250	10,000	510	10,510	10,250	10,510			
PROF FEES & SERVICES	94,200	113,850	113,850	113,850	30,450	144,300	113,850	39,029	152,879	144,300	152,879			
INVESTMENTS/BENEFITS/REFU	3,612,630	8,000,000	8,000,000	8,000,000	0	8,000,000	8,000,000	0	8,000,000	8,000,000	8,000,000			
DATA PROCESSING SERVICES	169	17,500	17,500	17,500	0	17,500	17,500	0	17,500	17,500	17,500			
									</					

DEPT 010 SEPARATE AGENCIES
 AGY 370 ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 APPRO 029 JUDICIAL RETIREMENT SYSTEM
 FUND TAR JUDGES RETIREMENT-(370)

APPROPRIATION SUMMARY

BR 215

ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19		
ANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	-----EXPENDITURES-----		-----1997 - 99 BIENNIAL REQUESTS-----						-----RECOMMENDATIONS-----							
					---ACTUAL--- --BUDGETED---		-----FY 1997 - 98-----			-----FY 1998 - 99-----			-----EXECUTIVE-----			-----LEGISLATIVE-----				
					95-96	96-97	-----REQUEST-----			-----REQUEST-----			1997-98		1998-99		1997-98		1998-99	
00		TAR	370 029	B	3,710,190 0	8,141,350 0	8,141,350 0		8,141,350 0				8,141,350 0		8,141,350 0					
01		TAR	370 029	P04		0 0	250 0		510 0				250 0		510 0					
Request is for a 2.5% increase in maintenance and general operations for inflation.																				
02		TAR	370 029	P05		0 0	30,450 0		39,029 0				30,450 0		39,029 0					
Request is for fees for investment management based on projected increases in the value of the portfolio, fees for the actuary based on additional cost studies and inflation, and fees for the investment consultant based on inflation.																				

DEPT 010 SEPARATE AGENCIES
 IGY 370 ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 IPRD 029 JUDICIAL RETIREMENT SYSTEM

FUND TAR JUDGES RETIREMENT-(370)

RANK BY APPROPRIATION

BR 264

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

The Arkansas Public Employees Retirement System administers the Public Employees Retirement System, the State Police Retirement System, and the Judicial 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 objective of each system is to provide present and future retirement or survivor benefits by paying from regular income instead of contributions or anticipated appreciation of investments.

The expenses of each of the retirement systems are paid from the investment income of that system. In addition, special language allows the Public Employees Retirement System to assess the Judicial Retirement System and the State Police Retirement System for administrative costs. For 1996-97 the assessment is \$16,500 for the Judicial Retirement System and \$27,550 for the State Police Retirement System. For the 1997-99 biennium, the System is requesting that the assessments be increased to \$17,000 in 1997-98 and \$17,500 in 1998-99 for the Judicial Retirement System and \$28,375 in 1997-98 and \$29,225 in 1998-99 for the State Police Retirement System. This represents a 3% increase each year.

Priority requests for the 1997-99 biennium total \$199,831 for FY98 and \$211,120 for FY99.

Priority requests for personnel are to restore two currently authorized positions which could not be budgeted because of the personnel cap restrictions. These positions are an Accounting Technician (Grade 12) and a Reporting Specialist I (Grade 11). Salary and matching costs for these two positions would be \$37,552 for FY98 and \$38,434 for FY99.

One new position is requested, a User Support Analyst (Grade 20) to maintain the new employer reporting system and to assist with the local area network which has been installed in the past twelve months. The cost on this would be \$29,944 in FY98 and \$30,698 in FY99.

Additional personnel requests include changing the PERS Assistant Director and the Associate Director - Investments to Grade 99 positions. Also, they are requesting an upgrade of the APERS Member Services Manager from a Grade 22 to a Grade 23 to bring this position in line with the other manager positions.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF	PAGE
Name: Arkansas Public Employees Retirement	Name: General Operations	Name: State Employees Retirement	BUDGET REQUEST	
Code: 370	Code: 132	Code: TSR	BR20	389

**ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999**

Priority requests for Operating Expenses total \$83,000 for FY98 and \$92,000 for FY99. The most significant item in the request is \$73,000 each year for printing and distribution of a newsletter to be sent out three times a year. The additional request is for a slight increase in rent.

Priority requests for Capital Outlay are \$26,000 each year. This would purchase mailing equipment to replace 12-year-old equipment, replace obsolete computers and printers, purchase a network server, and replace some furniture items.

This appropriation is funded from trust funds for Public Employees Retirement and by assessments to the Judicial Retirement System and the State Police Retirement System for administrative expenses.

The Executive Recommendation provides for Agency Request and includes appropriation for a 2.8% Cost of Living Allowance for positions on July 1 of each year of the biennium along with accompanying employee matching requirements. The Executive Recommendation does not address agency requests for Upgrade/Reclassification of positions at this time.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: Arkansas Public Employees Retirement	Name: General Operations	Name: State Employees Retirement		390
Code: 370	Code: 132	Code: TSR	BR20	

ARKANSAS BUDGET SYSTEM

01	02	03	04	05	06	07	08	09	10	11	12	13	14
CHARACTER TITLE	-----EXPENDITURES-----			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96 ACTUAL	96-97 BUDGETED	96-97 AUTHORIZED APPRO	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE 97-98 98-99		LEGISLATIVE 97-98 98-99	
REGULAR SALARIES	1,154,894	1,379,940	1,270,698	1,379,670	69,427	1,449,097	1,417,234	71,370	1,488,604	1,426,572	1,465,449		
NUMBER OF POSITIONS	45	44	46	44	3	47	44	3	47	47	47		
EXTRA HELP	3,498	9,000	9,000	9,000	0	9,000	9,000	0	9,000	9,000	9,000		
NUMBER OF POSITIONS	3	4	4	4	0	4	4	0	4	4	4		
PERSONAL SERV MATCHING	302,015	369,279	339,830	377,730	21,404	399,134	384,513	21,750	406,263	395,119	402,135		
OPERATING EXPENSES	419,975	550,393	550,393	550,393	83,000	633,393	550,393	92,000	642,393	633,393	642,393		
CONF FEES & TRAVEL	11,239	20,000	20,000	20,000	0	20,000	20,000	0	20,000	20,000	20,000		
PROF FEES & SERVICES	1,398,783	5,500,000	5,500,000	5,500,000	0	5,500,000	5,500,000	0	5,500,000	5,500,000	5,500,000		
CAPITAL OUTLAY	45,612	20,000	20,000	0	26,000	26,000	0	26,000	26,000	26,000	26,000		
INVESTMENT/BENEFIT/REFUND	42,571,523	100,000,000	100,000,000	100,000,000	0	100,000,000	100,000,000	0	100,000,000	100,000,000	100,000,000		
DATA PROCESSING SERVICES	1,162,314	2,000,000	2,000,000	2,000,000	0	2,000,000	2,000,000	0	2,000,000	2,000,000	2,000,000		
TOTAL	47,069,853	109,848,612	109,709,921	109,836,793	199,831	110,036,624	109,881,140	211,120	110,092,260	110,010,084	110,064,977		
PROPOSED FUNDING SOURCES			*****										
FUND BALANCES			*****										
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
FEDERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
NON-REVENUE RECEIPTS			*****										
CASH FUNDS			*****										
TRUST FUNDS	47,069,853	109,848,612	*****	109,836,793	199,831	110,036,624	109,881,140	211,120	110,092,260	110,010,084	110,064,977		
TOTAL FUNDING	47,069,853	109,848,612	*****	109,836,793	199,831	110,036,624	109,881,140	211,120	110,092,260	110,010,084	110,064,977		
EXCESS APPRO/ (FUNDING)			*****										
TOTAL	47,069,853	109,848,612	*****	109,836,793	199,831	110,036,624	109,881,140	211,120	110,092,260	110,010,084	110,064,977		

DEPT 010 SEPARATE AGENCIES
 AGY 370 ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 APPRO 132 GENERAL OPERATIONS
 FUND TSR STATE EMPLOYEES RETIREMENT(370)

The FY97 Budgeted amounts in Regular Salaries and/or Personal Services Matching may exceed the Authorized amounts due to the implementation of the pay plan during the 1995-97 biennium.

APPROPRIATION SUMMARY

BR 215

ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
PK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		1997 - 99 BIENNIAL REQUESTS						RECOMMENDATIONS					
					ACTUAL	BUDGETED	FY 1997 - 98		FY 1998 - 99		EXECUTIVE		LEGISLATIVE					
					95-96	96-97	REQUEST		REQUEST		1997-98	1998-99	1997-98	1998-99				
1		TSR	370 132	B	47,069,853 45	109,848,612 44	109,836,793 44		109,881,140 44		109,836,793 44		109,881,140 44					
1		TSR	370 132	P02		0 0	37,552 2		38,434 2		37,552 2		38,434 2					
Request is to restore two positions lost to the cap - Position 0038 (Accounting Tech I) and Position 0043 (Reporting Specialist I).																		
2		TSR	370 132	P10		0 0	22,217 0		22,837 0									
Request is to change Associate Director for Investments and Assistant Director positions to grade 99's to recruit, retain and compensate these positions according to their level of responsibility.																		

PT 010 SEPARATE AGENCIES
Y 370 ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
PRO 132 GENERAL OPERATIONS

ND TSR STATE EMPLOYEES RETIREMENT(370)

RANK BY APPROPRIATION

BR 264

ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES ACTUAL 95-96	BUDGETED 96-97	1997 - 99 BIENNIAL REQUESTS				RECOMMENDATIONS				EXECUTIVE		LEGISLATIVE	
							FY 1997 - 98				FY 1998 - 99				1997-98	1998-99	1997-98	1998-99
003		TSR	370 132	P11		0	1,118				1,151							
					0	0	0				0							
	Request is to upgrade the Member Services Manager from a grade 22 to a grade 23 placing it at the same level as all other manager positions in the agency.																	
004		TSR	370 132	P01		0	29,944				30,698				26,739	27,403		
					0	0	1				1				1	1		
	Request is to add a User Support Analyst position (grade 20) to the data processing section to maintain the new employer reporting process and to assist with the local area network.																	
005		TSR	370 132	P04		0	83,000				92,000				83,000	92,000		
					0	0	0				0							
	Request to increase maintenance and general operations to provide for the printing and distribution of a newsletter three times each year to members and retirees. It also includes minimal increase in rent of office space.																	

DEPT 010 SEPARATE AGENCIES
 AGY 370 ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 APPRO 132 GENERAL OPERATIONS

RANK BY APPROPRIATION

BR 264

FUND TSR STATE EMPLOYEES RETIREMENT(370)

ARKANSAS BUDGET SYSTEM
PROGRAM/SERVICE INFORMATION LIST
RANK BY APPROPRIATION

02		03		04		05		06		07		08		09		10		11		12		13		14		15		16		17		18		19	
4K	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		1997 - 99 BIENNIAL REQUESTS										RECOMMENDATIONS																		
					ACTUAL		FY 1997 - 98		FY 1998 - 99		REQUEST		REQUEST		EXECUTIVE		LEGISLATIVE																		
					95-96	96-97									1997-98	1998-99	1997-98	1998-99																	
		TSR	370 132	P03		0	26,000		26,000				26,000	26,000																					
<p>Request is for capital outlay to purchase mailing equipment, replace older computers and printers, purchase an additional server, purchase equipment for on-site counseling, and to replace minor furniture items.</p>																																			

PT 010 SEPARATE AGENCIES
Y 370 ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
PRO 132 GENERAL OPERATIONS
IND TSR STATE EMPLOYEES RETIREMENT(370)

RANK BY APPROPRIATION
BR 264

ARKANSAS BUDGET SYSTEM
ANALYSIS OF BUDGET REQUEST
1997 - 1999

The Arkansas Public Employees Retirement System is requesting \$25,611,250 in FY98 and \$25,611,560 in FY99 for the State Police Retirement Program which is administered by the Arkansas Public Employees Retirement System under the authority of A.C.A. 24-6-204. Base Level is \$25,610,950 each year with a priority request of \$300 in FY98 and \$610 in FY99 for inflationary increases in postage and printing.

This appropriation is funded from trust funds for State Police Retirement.

The Executive Recommendation provides for Agency Request.

AGENCY	APPROPRIATION	TREASURY FUND	ANALYSIS OF BUDGET REQUEST	PAGE
Name: Arkansas Public Employees Retirement	Name: State Police Retirement	Name: State Police Retirement		395
Code: 370	Code: 134	Code: TMR	BR20	

	01	02	03	04	05	06	07	08	09	10	11	12	13	14
CHARACTER TITLE	-----EXPENDITURES-----			-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			R E C O M M E N D A T I O N S -----				
	95-96 ACTUAL	96-97 BUDGETED	96-97 AUTHORIZED APPRO	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	BASE	PRIORITY PROGRAMS	TOTAL REQUEST	EXECUTIVE		LEGISLATIVE		
										97-98	98-99	97-98	98-99	
'ERATING EXPENSES	6,422	12,000	12,000	12,000	300	12,300	12,000	610	12,610	12,300	12,610			
I OF FEES & SERVICES	69,400	320,950	320,950	320,950	0	320,950	320,950	0	320,950	320,950	320,950			
VESTMENT/BENEFIT/REFUND	3,208,806	25,250,000	25,250,000	25,250,000	0	25,250,000	25,250,000	0	25,250,000	25,250,000	25,250,000			
LTA PROCESSING SERVICES	741	28,000	28,000	28,000	0	28,000	28,000	0	28,000	28,000	28,000			
DIAL	3,285,369	25,610,950	25,610,950	25,610,950	300	25,611,250	25,610,950	610	25,611,560	25,611,250	25,611,560			
PROPOSED FUNDING SOURCES			*****											
OND BALANCES			*****											
ENERAL REVENUES			*****											
ECIAL REVENUES			*****											
FEDERAL FUNDS			*****											
TATE CENTRAL SERVICES FUND			*****											
ON-REVENUE RECEIPTS			*****											
ASH FUNDS			*****											
RUST FUNDS	3,285,369	25,610,950	*****	25,610,950	300	25,611,250	25,610,950	610	25,611,560	25,611,250	25,611,560			
OTAL FUNDING	3,285,369	25,610,950	*****	25,610,950	300	25,611,250	25,610,950	610	25,611,560	25,611,250	25,611,560			
XCESS APPRO/ (FUNDING)			*****											
OTAL	3,285,369	25,610,950	*****	25,610,950	300	25,611,250	25,610,950	610	25,611,560	25,611,250	25,611,560			

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ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	-----EXPENDITURES-----		-----1997 - 99 BIENNIIUM REQUESTS-----								-----R E C O M M E N D A T I O N S-----			
					---ACTUAL--- --BUDGETED---		-----FY 1997 - 98-----				-----FY 1998 - 99-----				-----EXECUTIVE-----		-----LEGISLATIVE-----	
					95-96	96-97	-----REQUEST-----				-----REQUEST-----				1997-98	1998-99	1997-98	1998-99
000		TMR	370 134	B	3,285,369 0	25,610,950 0	25,610,950 0				25,610,950 0				25,610,950	25,610,950		
001		TMR	370 134	P04		0 0	300 0				610 0				300	610		
Request is for a 2.5% increase in maintenance and general operations for inflation.																		

DEPT 010 SEPARATE AGENCIES
 AGY 370 ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 APPRO 134 STATE POLICE RETIREMENT
 FUND TMR POLICE RETIREMENT(370)

RANK BY APPROPRIATION

BR 264

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