

PUBLIC EMPLOYEES RETIREMENT SYSTEM (370) - 2007-09 BIENNIUM

I) AGENCY SUMMARY & REVENUE SOURCES

MISSION

The Arkansas Public Employees Retirement System (APERS) administers a combined state-wide public employee retirement program for certain state (including members of the General Assembly and State Constitutional Officers), city, school district employees (cafeteria workers, bus drivers, and janitors enrolled before July 1, 1989) and all county employees (including county constitutional officers). APERS also administer the State Police Retirement System, the Judicial Retirement System, and the District Judges Retirement System. The Executive Director serves as State Social Security Administrator and is responsible for coverage related issues for state and local government employers.

TOTAL BIENNIAL BUDGET

The total budget of the Arkansas Public Employees Retirement System is \$364,498,440 the first year and \$367,668,819 the second year.

FUNDING SOURCE

The budget is funded by cash funds, which make up 70% of revenues, and trust funds which make up the remaining 30%.

II) CHANGES/APPROPRIATIONS

1. The APERS operations appropriation, funded with trust funds for \$75,691,491 the first year and \$75,861,870 the second year has increases which include:

a. Regular salaries and personal services matching line item increases to support 9 new positions over the biennium.

b. Extra help line item increase of \$25,000 for the continuation of ongoing projects.

c. Data Processing Services line item transfer of \$1,700,000 each year to Data Processing line item to correctly record charges assessed and payments made to Department of Information Systems.

d. Refunds/Reimbursements line item increase of \$4,000,000 each year to provide sufficient appropriation to pay members.

e. Capital outlay line item increase of \$6,000 the first year to replace the current production server due to growth and new technology.

2. The state police retirement operations appropriation, funded with trust funds for \$15,343,560 the first year and \$16,843,560 the second year has increases which include:

a. Operating expenses increase of \$10,000 each year to train current and new board members.

b. Benefits-Non employee increase of \$500,000 the first year and \$1,500,000 the second year in appropriation only, to provide sufficient appropriation for retirement annuities paid via warrant.

c. Refunds/Reimbursement increase of \$500,000 the first year and \$1,500,000 the second year in appropriation only, to provide sufficient appropriation for payment of the Deferred Retirement Option Plan (DROP).

3. The Judicial Retirement operations appropriation, funded with trust funds for \$6,180,889 each year of the biennium has an transfer of \$17,500 each year from data processing services to data processing to correctly record charges assessed and payments made to Department of Information Systems for the mainframe and network.

4. The District Judges benefits operations appropriation, funded with trust funds for \$2,282,500 each year of the biennium has:

a. Professional fees line item transfer of \$20,000 each year to operating expenses to expend payments correctly for actuarial services.

b. Data processing line item decrease of \$17,500 each year. These costs will be paid by APERS and reimbursed by District Judges Retirement System via an annual transfer.

5. Public Employees Retirement cash appropriation, funded for \$235,000,000 each year has an increase of \$25,000,000 in appropriation in Benefits-Non-Employee to provide sufficient appropriation to accommodate annuity payments deposited via the Automated Clearinghouse (ACH) system.

6. State Police Retirement cash appropriation, funded with trust funds for \$14,000,000 the first year and \$15,500,000 the second year has an increase of \$1,000,000 in appropriation the first year and \$2,500,000 the second year in Benefits-Non-Employee to provide sufficient appropriation to accommodate annuity payments deposited via the Automated Clearinghouse (ACH) system.

7. Judicial Retirement cash appropriation, funded with trust funds for \$11,000,000 the first year and \$13,000,000 the second year has an increase of \$1,200,000 in appropriation the first year and \$3,200,000 the second year in Benefits-Non-Employee to provide sufficient appropriation to accommodate annuity payments deposited via the Automated Clearinghouse (ACH) system.

8. District Judges Retirement cash appropriation, funded with trust funds for \$3,000,000 each year has an increase of \$1,400,000 in appropriation each year in Benefits-Non-Employee to provide sufficient appropriation to accommodate annuity payments deposited via the Automated Clearinghouse (ACH) system.

III) ADDITIONAL POSITIONS

Total positions for FY 2005-2007: 60

Total positions for FY 2007-2009: 69

Increase/ (Decrease): 9

IV) SPECIAL LANGUAGE

1. Carry forward provision for appropriation for Operating Expense, Professional fees and Capital Outlay in Administration/Operations Program.

2. Authorizes fund transfer from Judicial Retirement Fund to PERS for reimbursement of costs.

3. Authorizes fund transfer from State Police Retirement Fund to

PERS for reimbursement of costs.

4. Authorizes fund transfer from District Judges Retirement Fund to PERS for reimbursement of costs.

5. Allows APERS to be exempted from seeking prior review of Legislative Council regarding transfers between benefits line item in the cash fund appropriation and the benefits-non-employee line item in the operations appropriation.