

**ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM (370)
FISCAL YEAR 2014 & 2015 - Executive Recommendation**

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), municipal, 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 BUDGET

The total budget of the Arkansas Public Employees Retirement System is \$662,664,216 the first year and \$672,648,745 the second.

FUNDING SOURCE

The budget is funded by cash funds and trust funds.

II) APPROPRIATIONS / CHANGES:

1. 2QR - PUBLIC EMPLOYEES RETIREMENT - OPERATIONS: Funded with trust funds for \$132,157,267 the first year and \$132,141,796 the second year has an **increase of \$5,020,000 in FY14 and \$5,000,000 in FY15, which includes:**

a. Increase of \$5,000,000 in professional fees line item each year to provide additional authority to contract for services to develop and implement a new pension administration system.

b. Increase of \$20,000 in FY14 only in capital outlay line item to replace a 1999 van with a smaller, more fuel efficient vehicle used to deliver and retrieve documents at the State Capitol complex.

c. Reclassification of one position: Retirement Counselor to an Accountant II.

2. 2QT - JUDICIAL RETIREMENT - OPERATIONS: Funded with trust funds for \$10,163,389 each fiscal year, appropriation has an **increase of \$1,000,000 each year in the Refunds/Reimbursements line item** to provide sufficient appropriation for disbursements of retiree benefits via state warrant.

3. C22 - PUBLIC EMPLOYEES RETIREMENT - CASH: Funded with trust funds for \$440,000,000 in FY14 and \$450,000,000 in FY15, appropriation has an **increase of \$15,000,000 in FY14 and \$25,000,000 in FY15 in Benefits Non-employee line item** to

provide sufficient appropriation to accommodate payment of retiree benefits via direct deposit.

III) POSITIONS

Total positions for FY 2015: 82

Total positions for FY 2014: 82

Total budgeted positions for FY 2013: 82

Increase/ (Decrease): 0

IV) SPECIAL LANGUAGE

1. Judicial Retirement Fund Transfers: Authorizes fund transfer from Judicial Retirement Fund to APERS for reimbursement of costs.

2. State Police Retirement Fund Transfers: Authorizes fund transfer from State Police Retirement Fund to APERS for reimbursement of costs.

3. Exemption from prior review: 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.

4. Special State Police Retirement Fund Transfers: States a sum not to exceed \$50,000 each fiscal year may be transferred from the State Police Retirement Fund to the Arkansas Public Employees Retirement Fund to share in the costs incurred by APERS in the purchase and implementation of a new pension administration system utilized to administer State Police pension transactions for members and retirees. Transfers will end in 2017. **New!**

5. Special Judicial Retirement Fund Transfers: States a sum not to exceed \$50,000 each fiscal year may be transferred from the Judicial Retirement Fund to the Arkansas Public Employees Retirement Fund to share in the costs incurred by APERS in the purchase and implementation of a new pension administration system utilized to administer Judicial pension transactions for members and retirees. Transfers will end in 2017. **New!**