

1 State of Arkansas  
2 90th General Assembly  
3 Fiscal Session, 2016  
4

# A Bill

HOUSE BILL 1028

5 By: Joint Budget Committee  
6

## For An Act To Be Entitled

8 AN ACT TO MAKE AN APPROPRIATION FOR PERSONAL SERVICES  
9 AND OPERATING EXPENSES FOR THE ARKANSAS PUBLIC  
10 EMPLOYEES RETIREMENT SYSTEM FOR THE FISCAL YEAR  
11 ENDING JUNE 30, 2017; AND FOR OTHER PURPOSES.  
12  
13

## Subtitle

14 AN ACT FOR THE ARKANSAS PUBLIC EMPLOYEES  
15 RETIREMENT SYSTEM APPROPRIATION FOR THE  
16 2016-2017 FISCAL YEAR.  
17  
18  
19

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
21

22 SECTION 1. REGULAR SALARIES. There is hereby established for the  
23 Arkansas Public Employees Retirement System for the 2016-2017 fiscal year,  
24 the following maximum number of regular employees.  
25

Item No.	Class Code	Title	Maximum No. of Employees	Maximum Annual Salary Rate Fiscal Year 2016-2017
30	(1) U014U	APERS DIRECTOR	1	\$176,560
31	(2) U078U	APERS DEPUTY DIRECTOR	1	\$112,900
32	(3) A003N	SENIOR INVESTMENT ANALYST	1	GRADE N910
33	(4) N096N	APERS ASST DIRECTOR OF FINANCE	1	GRADE N906
34	(5) G042N	APERS CHIEF LEGAL COUNSEL	1	GRADE N906
35	(6) R003N	APERS DIRECTOR OF BENEFITS ADMIN	1	GRADE N906
36	(7) D015N	APERS DIRECTOR OF INFO TECHNOLOGY	1	GRADE N906



1	(8)	G037N	APERS DIRECTOR OF OPERATIONS	1	GRADE N906
2	(9)	N159N	APERS INVESTMENT OPERATIONS MANAGER	1	GRADE N901
3	(10)	A027C	ACCOUNTING OPERATIONS MANAGER	1	GRADE C125
4	(11)	D030C	INFORMATION SYSTEMS COORDINATOR	1	GRADE C124
5	(12)	A034C	RETIREMENT SECTION MANAGER	3	GRADE C123
6	(13)	D044C	SYSTEMS ANALYST	1	GRADE C122
7	(14)	A052C	ACCOUNTING COORDINATOR	1	GRADE C121
8	(15)	A066C	INTERNAL AUDITOR	1	GRADE C119
9	(16)	A062C	RETIREMENT COORDINATOR	5	GRADE C119
10	(17)	R024C	ASSISTANT PERSONNEL MANAGER	1	GRADE C118
11	(18)	A082C	ACCOUNTANT II	9	GRADE C117
12	(19)	A079C	INVESTMENT ANALYST	4	GRADE C117
13	(20)	A078C	RETIREMENT COUNSELOR	15	GRADE C117
14	(21)	C022C	BUSINESS OPERATIONS SPECIALIST	1	GRADE C116
15	(22)	P031C	MEDIA SPECIALIST	1	GRADE C116
16	(23)	P027C	PUBLIC INFORMATION SPECIALIST	1	GRADE C116
17	(24)	A083C	RETIREMENT ANALYST	6	GRADE C116
18	(25)	X115C	SOCIAL SECURITY ANALYST	1	GRADE C116
19	(26)	R033C	BENEFITS ANALYST	1	GRADE C115
20	(27)	A091C	FISCAL SUPPORT ANALYST	1	GRADE C115
21	(28)	C056C	ADMINISTRATIVE SPECIALIST III	2	GRADE C112
22	(29)	A098C	FISCAL SUPPORT SPECIALIST	13	GRADE C112
23	(30)	C073C	ADMINISTRATIVE SPECIALIST II	<u>4</u>	GRADE C109
24			MAX. NO. OF EMPLOYEES	82	

25

26 SECTION 2. EXTRA HELP - PUBLIC EMPLOYEES RETIREMENT SYSTEM. There is  
 27 hereby authorized, for the Arkansas Public Employees Retirement System for  
 28 the 2016-2017 fiscal year, the following maximum number of part-time or  
 29 temporary employees, to be known as "Extra Help", payable from funds  
 30 appropriated herein for such purposes: six (6) temporary or part-time  
 31 employees, when needed, at rates of pay not to exceed those provided in the  
 32 Uniform Classification and Compensation Act, or its successor, or this act  
 33 for the appropriate classification.

34

35 SECTION 3. APPROPRIATION - PUBLIC EMPLOYEES RETIREMENT OPERATIONS.  
 36 There is hereby appropriated, to the Arkansas Public Employees Retirement

1 System, to be payable from the Arkansas Public Employees' Retirement System  
 2 Fund, for personal services and operating expenses of the Arkansas Public  
 3 Employees Retirement System for the fiscal year ending June 30, 2017, the  
 4 following:

6 ITEM	FISCAL YEAR
7 <u>NO.</u>	<u>2016-2017</u>
8 (01) REGULAR SALARIES	\$3,846,258
9 (02) EXTRA HELP	75,000
10 (03) PERSONAL SERVICES MATCHING	1,299,659
11 (04) MAINT. & GEN. OPERATION	
12 (A) OPER. EXPENSE	1,607,473
13 (B) CONF. & TRAVEL	42,500
14 (C) PROF. FEES	10,583,645
15 (D) CAP. OUTLAY	0
16 (E) DATA PROC.	0
17 (05) BENEFITS-NON EMPLOYEE	40,000,000
18 (06) REFUNDS/REIMBURSEMENTS	<u>85,000,000</u>
19 TOTAL AMOUNT APPROPRIATED	<u>\$142,454,535</u>

20

21 SECTION 4. APPROPRIATION - PUBLIC EMPLOYEES RETIREMENT CASH. There is  
 22 hereby appropriated, to the Arkansas Public Employees Retirement System, to  
 23 be payable from cash funds as defined by Arkansas Code 19-4-801 of the  
 24 Arkansas Public Employees Retirement System, for payment to beneficiaries by  
 25 check or wired transfer by the Arkansas Public Employees Retirement System  
 26 for the fiscal year ending June 30, 2017, the following:

27

28 ITEM	FISCAL YEAR
29 <u>NO.</u>	<u>2016-2017</u>
30 (01) BENEFITS	<u>\$500,000,000</u>

31

32 SECTION 5. APPROPRIATION - STATE POLICE RETIREMENT OPERATIONS. There  
 33 is hereby appropriated, to the Arkansas Public Employees Retirement System,  
 34 to be payable from the State Police Retirement Fund, for operating expenses  
 35 of the State Police Retirement System by the Arkansas Public Employees  
 36 Retirement System for the fiscal year ending June 30, 2017, the following:

1		
2	ITEM	FISCAL YEAR
3	<u>NO.</u>	<u>2016-2017</u>
4	(01) MAINT. & GEN. OPERATION	
5	(A) OPER. EXPENSE	\$77,610
6	(B) CONF. & TRAVEL	0
7	(C) PROF. FEES	265,950
8	(D) CAP. OUTLAY	0
9	(E) DATA PROC.	0
10	(02) BENEFITS-NON EMPLOYEE	10,000,000
11	(03) REFUNDS/REIMBURSEMENTS	<u>25,000,000</u>
12	TOTAL AMOUNT APPROPRIATED	<u><u>\$35,343,560</u></u>

13

14 SECTION 6. APPROPRIATION - STATE POLICE RETIREMENT CASH. There is

15 hereby appropriated, to the Arkansas Public Employees Retirement System, to

16 be payable from cash funds as defined by Arkansas Code 19-4-801 of the

17 Arkansas Public Employees Retirement System, for payment to beneficiaries of

18 the State Police Retirement System by check or wired transfer by the Arkansas

19 Public Employees Retirement System for the fiscal year ending June 30, 2017,

20 the following:

21		
22	ITEM	FISCAL YEAR
23	<u>NO.</u>	<u>2016-2017</u>
24	(01) BENEFITS	<u><u>\$35,000,000</u></u>

25

26 SECTION 7. APPROPRIATION - JUDICIAL RETIREMENT OPERATIONS. There is

27 hereby appropriated, to the Arkansas Public Employees Retirement System, to

28 be payable from the Judges Retirement Fund, for operating expenses of the

29 Judicial Retirement System by the Arkansas Public Employees Retirement System

30 for the fiscal year ending June 30, 2017, the following:

31		
32	ITEM	FISCAL YEAR
33	<u>NO.</u>	<u>2016-2017</u>
34	(01) MAINT. & GEN. OPERATION	
35	(A) OPER. EXPENSE	\$40,510
36	(B) CONF. & TRAVEL	0

1	(C) PROF. FEES	122,879
2	(D) CAP. OUTLAY	0
3	(E) DATA PROC.	0
4	(02) BENEFITS-NON EMPLOYEE	4,250,000
5	(03) REFUNDS/REIMBURSEMENTS	<u>6,250,000</u>
6	TOTAL AMOUNT APPROPRIATED	<u><u>\$10,663,389</u></u>

7  
 8 SECTION 8. APPROPRIATION - JUDICIAL RETIREMENT CASH. There is hereby  
 9 appropriated, to the Arkansas Public Employees Retirement System, to be  
 10 payable from cash funds as defined by Arkansas Code 19-4-801 of the Arkansas  
 11 Public Employees Retirement System, for payment to beneficiaries of the  
 12 Judicial Retirement System by check or wired transfer by the Arkansas Public  
 13 Employees Retirement System for the fiscal year ending June 30, 2017, the  
 14 following:

16	ITEM	FISCAL YEAR
17	<u>NO.</u>	<u>2016-2017</u>
18	(01) BENEFITS	<u><u>\$21,000,000</u></u>

19  
 20 SECTION 9. APPROPRIATION - APERS PENSION ADMINISTRATION SYSTEM. There  
 21 is hereby appropriated, to the Arkansas Public Employees Retirement System,  
 22 to be payable from the Arkansas Public Employees' Retirement System Fund, for  
 23 the operational expenses, capital outlay, and professional fees and services  
 24 relating to the development, acquisition, and implementation of a new APERS  
 25 Pension Administration System of the Arkansas Public Employees Retirement  
 26 System for the fiscal year ending June 30, 2017, the following:

28	ITEM	FISCAL YEAR
29	<u>NO.</u>	<u>2016-2017</u>
30	(01) COMPASS PENSION PROJECT	<u><u>\$21,000,000</u></u>

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 32 SECTION 10. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
 33 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. JUDICIAL  
 34 RETIREMENT FUND TRANSFERS. A sum not to exceed \$58,301 in the ~~2015-2016~~ 2016-  
 35 2017 fiscal year may be transferred from the Judges Retirement Fund to the  
 36 Arkansas Public Employees Retirement System Fund for costs incurred by the

1 Arkansas Public Employees Retirement System in administering the Judicial  
2 Retirement System. Such transfer request shall be made to the Chief Fiscal  
3 Officer of the State, and upon his approval, said transfer shall be made on  
4 his books and those of the Treasurer of the State and the Auditor of the  
5 State.

6 The provisions of this section shall be in effect only from July 1, ~~2015~~  
7 2016 through June 30, ~~2016~~ 2017.

8  
9 SECTION 11. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
10 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. STATE  
11 POLICE RETIREMENT FUND TRANSFERS. A sum not to exceed \$107,463 in the ~~2015-~~  
12 ~~2016~~ 2016-2017 fiscal year may be transferred from the State Police  
13 Retirement Fund to the Arkansas Public Employees Retirement System Fund for  
14 costs incurred by the Arkansas Public Employees Retirement System in  
15 administering the State Police Retirement System. Such transfer request  
16 shall be made to the Chief Fiscal Officer of the State, and upon his  
17 approval, said transfer shall be made on his books and those of the Treasurer  
18 of the State and the Auditor of the State.

19 The provisions of this section shall be in effect only from July 1, ~~2015~~  
20 2016 through June 30, ~~2016~~ 2017.

21  
22 SECTION 12. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
23 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.  
24 EXEMPTION FROM PRIOR REVIEW. The Arkansas Public Employees Retirement System  
25 is hereby exempted from seeking prior review by the Arkansas Legislative  
26 Council with regard to transfers between the Benefits line item in the Cash  
27 Fund Appropriation and the Benefits-Non-Employee line item in the Operations  
28 Appropriation which are specifically related to transfers necessitated by the  
29 changes in retirees' selection of the method of payment of retirement  
30 benefits. All other provisions of Arkansas Code §19-4-522 shall be  
31 applicable.

32 The provisions of this section shall be in effect only from July 1, ~~2015~~  
33 2016 through June 30, ~~2016~~ 2017.

34  
35 SECTION 13. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
36 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. SPECIAL

1 STATE POLICE RETIREMENT FUND TRANSFERS. A sum not to exceed \$50,000 may be  
2 transferred from the State Police Retirement Fund to the Arkansas Public  
3 Employees Retirement Fund to share in the costs incurred by the Arkansas  
4 Public Employees Retirement System in the purchase and implementation of a  
5 new pension administration system, which will be utilized to administer State  
6 Police pension transactions for members and retirees. Said transfer shall  
7 sunset at the end of fiscal year 2017. Such transfer request shall be made  
8 to the Chief Fiscal officer of the State, and upon his approval, said  
9 transfer shall be made on his books and those of the Treasurer of the State  
10 and the Auditor of the State.

11 The provisions of this section shall be in full effect only from July  
12 1, ~~2014~~ 2016 through June 30, ~~2015~~ 2017.

13  
14 SECTION 14. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
15 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. SPECIAL  
16 JUDICIAL RETIREMENT FUND TRANSFERS. A sum not to exceed \$50,000 may be  
17 transferred from the Judicial Retirement Fund to the Arkansas Public  
18 Employees Retirement Fund to share in the costs incurred by the Arkansas  
19 Public Employees Retirement System in the purchase and implementation of a  
20 new pension administration system, which will be utilized to administer  
21 Judicial pension transactions for members and retirees. Said transfer shall  
22 sunset at the end of fiscal year 2017. Such transfer request shall be made to  
23 the Chief Fiscal Officer of the State, and upon his approval, said transfer  
24 shall be made on his books and those of the Treasurer of State and the  
25 Auditor of the State.

26 The provisions of this section shall be in effect only from July 1, ~~2015~~  
27 2016 through June 30, ~~2016~~ 2017.

28  
29 SECTION 15. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
30 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.  
31 ESTABLISHMENT OF A TEMPORARY "POSITION POOL"

32 (a) To address temporary staffing needs during the 16-17 biennium due  
33 to the (1) implementing a new pension administration system (COMPASS) and (2)  
34 meeting the new Governmental Accounting Standards Board (GASB) #67 (Financial  
35 Reporting for Pension Plans) and #68 (Accounting and Financial Reporting for  
36 Pensions) statements, the Arkansas Public Employees Retirement System is

1 authorized for the 2015-2016 fiscal year, a pool of no more than ten (10)  
2 classified grade C117 level positions at base level pay of \$32,249 each.  
3 Positions established during the 2015-2016 fiscal year would be continued  
4 into the 2016-2017 fiscal year, along with the remainder of the available  
5 positions in the pool. All positions would sunset as of 6/30/17. All  
6 position advertisements shall clearly state the temporary employment period  
7 and hired individuals shall sign a disclosure form acknowledging the 6/30/17  
8 end date.

9 (b) The Arkansas Public Employees Retirement System is authorized to  
10 access the pool positions authorized in this Section at any time it is  
11 determined by the Executive Director that the need exists to provide for  
12 continuity of services during those implementation heavy periods of time.  
13 The Executive Director shall provide a quarterly report of the number of  
14 positions utilized and associated salaries to the Chief Fiscal Officer of the  
15 State and to the Arkansas Legislative Council for review.

16 (c) Determining the number of personnel to be employed by a state  
17 agency is the prerogative of the General Assembly and is usually accompanied  
18 by delineating the maximum number of personnel by identifying job titles and  
19 the maximum grade or salary attached to those titles. The General Assembly  
20 has determined that the Arkansas Public Employees Retirement System could  
21 utilize these positions to better accomplish the major initiatives faced by  
22 the Agency during the 16-17 biennium by providing the temporary position pool  
23 in Subsection (a) of this Section. The General Assembly shall maintain  
24 oversight of the utilization of the position pool by requiring review of the  
25 Legislative Council. Therefore, the requirement of review by the Legislative  
26 Council is not a severable part of this Section. If the requirement of  
27 review is ruled unconstitutional by a court of competent jurisdiction, this  
28 entire section is void.

29 The provisions of this section shall be in effect only from July 1, ~~2015~~  
30 2016 through June 30, ~~2016~~ 2017.

31  
32 SECTION 16. COMPLIANCE WITH OTHER LAWS. Disbursement of funds  
33 authorized by this act shall be limited to the appropriation for such agency  
34 and funds made available by law for the support of such appropriations; and  
35 the restrictions of the State Procurement Law, the General Accounting and  
36 Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary



1 Procedures and Restrictions Act, or their successors, and other fiscal  
2 control laws of this State, where applicable, and regulations promulgated by  
3 the Department of Finance and Administration, as authorized by law, shall be  
4 strictly complied with in disbursement of said funds.

5  
6 SECTION 17. LEGISLATIVE INTENT. It is the intent of the General  
7 Assembly that any funds disbursed under the authority of the appropriations  
8 contained in this act shall be in compliance with the stated reasons for  
9 which this act was adopted, as evidenced by the Agency Requests, Executive  
10 Recommendations and Legislative Recommendations contained in the budget  
11 manuals prepared by the Department of Finance and Administration, letters, or  
12 summarized oral testimony in the official minutes of the Arkansas Legislative  
13 Council or Joint Budget Committee which relate to its passage and adoption.

14  
15 SECTION 18. EMERGENCY CLAUSE. It is found and determined by the  
16 General Assembly, that the Constitution of the State of Arkansas prohibits  
17 the appropriation of funds for more than a one (1) year period; that the  
18 effectiveness of this Act on July 1, 2016 is essential to the operation of  
19 the agency for which the appropriations in this Act are provided, and that in  
20 the event of an extension of the legislative session, the delay in the  
21 effective date of this Act beyond July 1, 2016 could work irreparable harm  
22 upon the proper administration and provision of essential governmental  
23 programs. Therefore, an emergency is hereby declared to exist and this Act  
24 being necessary for the immediate preservation of the public peace, health  
25 and safety shall be in full force and effect from and after July 1, 2016.