

## Teachers' Retirement Board

### TRB77500

#### Permanent Full-Time Positions

Fund	Actual FY 14	Actual FY 15	Governor Estimated FY 16	Original Appropriation FY 17	Governor Revised FY 17	Final FY 17	Difference Fin-Gov FY 17
General Fund	27	27	27	27	27	27	-

#### Budget Summary

Account	Actual FY 14	Actual FY 15	Governor Estimated FY 16	Original Appropriation FY 17	Governor Revised FY 17	Final FY 17	Difference Fin-Gov FY 17
Personal Services	1,402,831	1,671,275	1,784,268	1,801,590	-	1,691,365	1,691,365
Other Expenses	398,588	342,412	532,707	539,810	-	490,868	490,868
<b>Other Current Expenses</b>							
Agency Operations	-	-	-	-	2,831,407	-	(2,831,407)
<b>Other Than Payments to Local Governments</b>							
Retirement Contributions	948,540,000	984,110,000	975,578,000	1,012,162,000	1,012,162,000	1,012,162,000	-
Retirees Health Service Cost	11,431,255	13,675,316	14,714,000	14,714,000	14,566,860	14,566,860	-
Municipal Retiree Health Insurance Costs	5,198,872	5,154,045	5,447,370	5,447,370	5,392,897	5,392,897	-
<b>Nonfunctional - Change to Accruals</b>	11,799	20,217	-	-	-	-	-
<b>Agency Total - General Fund</b>	966,983,344	1,004,973,265	998,056,345	1,034,664,770	1,034,953,164	1,034,303,990	(649,174)

Account	Governor Revised FY 17	Final FY 17	Difference from Governor
---------	------------------------------	----------------	-----------------------------

## Policy Revisions

### Consolidate Appropriations for Agency Operations

Personal Services	(1,774,387)	-	1,774,387
Other Expenses	(524,898)	-	524,898
Agency Operations	2,299,285	-	(2,299,285)
<b>Total - General Fund</b>	-	-	-

#### Background

Currently, state agency appropriations are distributed between multiple line items. The Governor's Revised FY 17 budget consolidates funding by collapsing most or all appropriations into a new "Agency Operations" line item. Certain major line items such as Education Cost Sharing (ECS) grants, entitlements, pension and debt service payments, remain as separate line items within their respective agencies and are not consolidated.

#### Governor

Consolidate multiple agency appropriations into one account.

#### Final

Maintain existing appropriated accounts.

### Reduce Funding for Various Accounts

Personal Services	-	(83,022)	(83,022)
Other Expenses	-	(34,030)	(34,030)
Agency Operations	(132,209)	-	132,209
<b>Total - General Fund</b>	(132,209)	(117,052)	15,157

Account	Governor Revised FY 17	Final FY 17	Difference from Governor
---------	------------------------	-------------	--------------------------

**Background**

The Governor reduces funding in the new Agency Operations accounts across state agencies by \$267.9 million.

**Governor**

Reduce funding by \$132,209 to reflect a 5.75% reduction.

**Final**

Reduce funding by \$117,052 for various accounts.

**Rollout of FY 16 DMP**

Personal Services	(17,842)	(17,842)	-
Other Expenses	(5,327)	(5,327)	-
Retirees Health Service Cost	(147,140)	(147,140)	-
Municipal Retiree Health Insurance Costs	(54,473)	(54,473)	-
<b>Total - General Fund</b>	<b>(224,782)</b>	<b>(224,782)</b>	<b>-</b>

**Background**

PA 15-1 December Special Session (AA Making Certain Structural Changes to the State Budget and Adjustments to the State Budget for the Biennium Ending June 30, 2017) made FY 16 General Fund expenditure modifications of \$195.8 million in various agencies and accounts. The Governor's FY 17 budget includes the rollout of \$90.5 million of the FY 16 DMP across various agencies.

**Governor**

Reduce funding by \$224,782 in FY 17 to reflect the rollout of expenditure reductions in PA 15-1 DSS.

**Final**

Same as Governor

**Distribute Lapses**

Personal Services	(9,361)	(9,361)	-
Other Expenses	(9,585)	(9,585)	-
<b>Total - General Fund</b>	<b>(18,946)</b>	<b>(18,946)</b>	<b>-</b>

**Background**

The Original FY 16 - 17 Biennial Budget included bottom line savings targets (lapses) totaling \$95,110,616 in FY 16 and \$100,816,745 in FY 17. These savings targets were allocated to agencies via holdbacks in FY 16.

**Governor**

Reduce funding by \$18,946 to reflect the allocation of these lapses in the FY 17 revised budget.

**Final**

Same as Governor

**Transfer Funding to Agencies for Fringe Benefits**

Agency Operations	664,331	-	(664,331)
<b>Total - General Fund</b>	<b>664,331</b>	<b>-</b>	<b>(664,331)</b>

**Background**

Funding for fringe benefits for General Fund and Special Transportation Fund supported employees is budgeted centrally in the State Comptroller-Fringe Benefit accounts.

**Governor**

Transfer funding of \$664,331 from the Office of the State Comptroller to the Agency Operations account to support fringe benefit costs for employers' social security and Medicare taxes, active employee health, and the normal retirement costs for employees whose earnings are supported by the General Fund and the Special Transportation Fund.

**Final**

Maintain funding for fringe benefits within the Office of the State Comptroller.

**Totals**

<b>Budget Components</b>	<b>Governor Revised FY 17</b>	<b>Final FY 17</b>	<b>Difference from Governor</b>
Original Appropriation - GF	1,034,664,770	1,034,664,770	-
Policy Revisions	288,394	(360,780)	(649,174)
<b>Total Recommended - GF</b>	<b>1,034,953,164</b>	<b>1,034,303,990</b>	<b>(649,174)</b>

<b>Positions</b>	<b>Governor Revised FY 17</b>	<b>Final FY 17</b>	<b>Difference from Governor</b>
Original Appropriation - GF	27	27	-
<b>Total Recommended - GF</b>	<b>27</b>	<b>27</b>	<b>-</b>

***Other Significant Legislation*****PA 16-2, MSS, An Act Adjusting the State Budget for the Biennium Ending June 30, 2017**

Sections 26, 34, 35, and 36 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 17 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 16-2. This includes an Unallocated Lapse of \$168,093 and a Targeted Lapse of \$1,382,821. See the FY 17 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

<b>Account</b>	<b>Appropriation \$</b>	<b>Reduction Amount \$</b>	<b>Net Remaining \$</b>	<b>% Reduction</b>
Personal Services	1,691,365	(16,913)	1,674,452	1.00%
Other Expenses	490,868	(10,808)	480,060	2.20%
Municipal Retiree Health Insurance Costs	5,392,897	(37,744)	5,355,153	0.70%