

Teachers' Retirement System (715)

Lead Administrator: Tom Spencer, Executive Director

Lead Financial Officer: Sam Moore

FY'19 Projected Division/Program Funding By Source						
Dept		Federal	Revolving	Local	Other*	Total
Administration 01					\$2,326,138	\$2,326,138
Finance 02					\$686,837	\$686,837
Client Services 03					\$1,987,627	\$1,987,627
Board 04					\$30,300	\$30,300
Investments 05					\$1,497,972	\$1,497,972
Information Tech 88-01					\$1,517,678	\$1,517,678
Total		\$0	\$0	\$0	\$8,046,552	\$8,046,552

*Source of "Other" and % of "Other" total for each. *All expenditures of TRS come from one source: Teachers' Retirement Fund. It is set up as a revolving fund but is a trust fund that can only be used for the exclusive benefit of the participants of the System.

FY'18 Carryover and Refund by Funding Source						
		Federal	Revolving	Local	Other*	Total
FY'18 Carryover		\$0	\$0	0	0	\$0
						\$0

*Source of "Other" and % of "Other" total for each. TRS is nonappropriated so there is no carryover.

What Changes did the Agency Make between FY'18 and FY'19?

- 1.) Are there any services no longer provided because of budget cuts?**
There were no direct budget cuts for nonappropriated agencies. TRS is always focused on keeping expenses and fees down as low as possible.
- 2.) What services are provided at a higher cost to the user?**
Not applicable
- 3.) What services are still provided but with a slower response rate?**
Not applicable
- 4.) Did the agency provide any pay raises that were not legislatively/statutorily required?**
Yes. A performance based stipend was given in early in FY 2019 based on performance evaluations for FY 2018 under OAC 260:25-7-27. (\$1,500 for Exceeds Standards and \$1,000 for meets standards.) Some raises were given in FY 2018 based on a market study conducted by the HCM Division of OMES.

FY'20 Requested Division/Program Funding By Source						
		Federal	Revolving	Other	Total	% Change
Administration 01				\$2,320,658	\$2,320,658	-0.24%
Finance 02				\$711,388	\$711,388	3.57%
Client Services 03				\$2,060,652	\$2,060,652	3.67%
Board 04				\$30,300	\$30,300	0.00%
Investments 05				\$1,546,316	\$1,546,316	3.23%
Information Tech 88-01				\$1,347,809	\$1,347,809	-11.19%
Total		\$0	\$0	\$8,017,123	\$8,017,123	-0.37%

*Source of "Other" and % of "Other" total for each. *All expenditures of TRS come from one source: Oklahoma Teachers' Retirement Fund. It is set up as a revolving fund but is a trust fund that can only be used for the exclusive benefit of the participants of the System.

FY'20 Top Five Budget Adjustments

	\$ Amount
Reduction in the amount of outsourced system development.	-\$178,700
Increase in Salary & Benefits	\$158,285
Reduction in printing & binding expenses	-\$39,000
Contract increase in investment consultant fees	\$33,800
Increase in external & internal audit fees	\$12,700
Total Increase above FY-19 Request	\$ (12,915)

Does the agency have any costs associated with the Pathfinder retirement system and federal employees?

(If so, please describe the costs and provide an estimate for FY '20, FY '21, and FY '22.)
None

How would the agency be affected by receiving the same appropriation for FY '20 as was received in FY '19? (Flat/ 0% change)

N/A

How would the agency handle a 2% appropriation reduction in FY '20?

N/A

Is the agency seeking any fee increases for FY '20?

	\$ Amount
N/A	\$0

What are the agency's top 2-3 capital or technology (one-time) requests, if applicable?

N/A

Federal Funds

	FY 19 projected	FY 18	FY 17	FY 16	FY 15
Federal Funding I (Brief Description with CFDA number)	N/A				

Federal Government Impact

1.) How much federal money received by the agency is tied to a mandate by the Federal Government?
No federal funds are received.

2.) Are any of those funds inadequate to pay for the federal mandate?
No federal funds are received.

3.) What would the consequences be of ending all of the federal funded programs for your agency?
No federal funds are received.

4.) How will your agency be affected by federal budget cuts in the coming fiscal year?
No federal funds are received.

5.) Has the agency requested any additional federal earmarks or increases?
No federal funds are received.

Division and Program Descriptions

Administrative Services
The Administration Division is composed of the chief executive, legal and human resource functions of the agency. It provides overall direction to the agency and is the primary administrative support for the Board of Trustees.

Finance
The Finance Division provides all accounting, budgeting, contracting, accounts receivable, accounts payable, employer reporting and financial statement preparation services for the agency.

Client Services
The Client Services Division provides benefit estimates, benefit projections, retirement calculation, withdrawal administration, death benefit administration, information center and education services to its 177,000 active, retired and inactive clients.

Investments
The Investment Division monitors investment policy compliance, prepares investment related fund transfers, provides investment analysis to the Board, monitors investment manager compliance, and coordinates all investment activity with the Board's outside investment consultant.

Data Processing
The agency has one I.T. staffed position. Virtually all I.T. services are provided by the ISD Division of OMES.

FY'19 Budgeted FTE

	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
Administration			5			5
Finance			7			7
Client Services			25		6	19
Investments			2			2
Division Name			2			2
Total	0	0	41	0	6	35

In the Salary breakdown taxes and benefits are included with salary to determine the total amount to be categorized.

FTE History

	2019 Budgeted	2018	2017	2015	2010
Administration	5	5	5	5	4
Finance	7	7	7	8	7
Client Services	25	24	24	25	26
Investments	2	2	2	2	1
Information Technology	2	2	0	0	5
Total	41	40	38	40	43

Performance Measure Review					
	FY 18	FY 17	FY 16	FY 15	FY 14
Measure I					
Number of Completed Client calls (incoming)					
Estimate:	80,000	80,000	80,000	80,000	160,915
Actual	80,557	78,431	74,077	70,068	82,068
Measure II					
Death benefits processed					
Estimate:	1,800	1,800	1,600	1,550	3,000
Actual	2,324	2,103	2,053	1,647	1,514
Measure III					
Retirement contracts processed					
Estimate:	3,200	3,200	3,200	3,100	3,400
Actual	2,678	2,955	2,906	3,027	3,012
Measure IV					
Disability contracts processed					
Estimate:	110	110	110	110	90
Actual	65	72	84	102	100
Measure V					
Enrollment applications processed					
Estimate:	8,600	8,600	8,600	9,000	7,100
Actual	9,131	8,262	8,183	8,519	8,802
Measure VI					
Withdrawal requests processed					
Estimate:	3,000	3,000	3,000	3,400	3,000
Actual	3,513	3,919	2,453	2,324	3,443
Measure VII					
Increase funded ratio					
Estimate:	68.50%	66.50%	64.50%	62.50%	58.50%
Actual	72.90%	70.40%	65.70%	66.60%	63.20%
Measure VIII					
Meet or exceed rate of return assumption					
Estimate:	7.50%	7.50%	8.00%	8.00%	8.00%
Actual	10.00%	15.30%	-2.00%	3.50%	22.40%
Revolving Funds (200 Series Funds)					
	FY'16-18 Avg. Revenues		FY'16-18 Avg. Expenditures		June '18 Balance
Revolving Fund I					
Monies used to fund the operations of TRS.	\$24,320,677		\$24,978,352		\$1,075,537