

1920 State Teachers' Retirement System

The mission of the California State Teachers' Retirement System (CalSTRS) is: "Securing the financial future and sustaining the trust of California's educators." CalSTRS' primary responsibility is to provide retirement-related benefits and services to 847,833 (as of June, 2009) active and retired educators in public schools from pre-kindergarten through the community college system.

3-YR EXPENDITURES AND PERSONNEL YEARS

	Personnel Years			Expenditures		
	2009-10	2010-11	2011-12	2009-10*	2010-11*	2011-12*
10 Service to Members and Employers	592.2	636.4	657.1	\$95,706	\$113,076	\$133,053
15 Corporate Governance	8.0	7.6	7.6	1,290	1,409	1,409
20 Administration	197.1	221.9	221.9	42,120	39,427	45,432
99 Unclassified (Benefit Payments)	-	-	-	9,650,767	10,623,309	11,598,152
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	797.3	865.9	886.6	\$9,789,883	\$10,777,221	\$11,778,046
FUNDING				2009-10*	2010-11*	2011-12*
0835 Teachers' Retirement Fund				\$9,749,976	\$10,727,429	\$11,724,492
0995 Reimbursements				255	339	339
8001 Teachers' Health Benefits Fund				35,713	44,897	48,468
8005 Teacher's Replacement Benefits Program Fund				3,577	3,827	4,018
8041 Teachers' Deferred Compensation Fund				362	729	729
TOTALS, EXPENDITURES, ALL FUNDS				\$9,789,883	\$10,777,221	\$11,778,046

There are non-add General Fund (0001) retirement contributions to CalSTRS in the amounts of \$1,248,056 for 2009-10, \$1,257,340 for 2010-11 and \$1,350,212 for 2011-12 (See 6300 State Teachers' Retirement System Contributions). The expenditures for funds 0835, 8001, and 8005 include unclassified expenditures for benefit payments, which are detailed in the Detail of Appropriations and Adjustments.

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Education Code, Title 1, Division 1, Part 13.

DETAILED BUDGET ADJUSTMENTS

	2010-11*			2011-12*		
	General Fund	Other Funds	Personnel Years	General Fund	Other Funds	Personnel Years
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Miscellaneous Baseline Adjustment	\$-	\$168,514	-	\$-	\$1,152,631	-
Totals, Other Workload Budget Adjustments	\$-	\$168,514	-	\$-	\$1,152,631	-
Totals, Workload Budget Adjustments	\$-	\$168,514	-	\$-	\$1,152,631	-
Policy Adjustments						
• Miscellaneous Policy Adjustment	\$-	\$-	-	\$-	\$16,708	-
Totals, Policy Adjustments	\$-	\$-	-	\$-	\$16,708	-
Totals, Budget Adjustments	\$-	\$168,514	-	\$-	\$1,169,339	-

PROGRAM DESCRIPTIONS

10 - SERVICE TO MEMBERS AND EMPLOYERS

The primary functions of the California State Teachers' Retirement System (CalSTRS) are as follows:

- Maintain a financially sound retirement system.
- Maintain an efficient operational system for the administration of CalSTRS.

* Dollars in thousands, except in Salary Range.

1920 State Teachers' Retirement System - Continued

- Continuously improve the delivery of benefits, products and services to CalSTRS members.
- Develop and improve upon benefits and products to CalSTRS members.

CalSTRS Board has exclusive control over the investment and administration of the Teachers' Retirement Fund. The Board makes rules, sets policies, and has the power and authority to hear and determine all facts pertaining to application for benefits under the retirement system. The twelve-member Board consists of four ex-officio members, including the Superintendent of Public Instruction, the State Treasurer, the State Controller, and the Director of Finance. The Governor-appointed members of the Board include three Public Members, one retiree of CalSTRS, and one school board member or community college trustee. Three representatives are elected by active CalSTRS members.

Income to CalSTRS is derived from contributions from members and employing school districts, appropriations from the General Fund, and investment earnings (see 6300-Teachers' Retirement System Contributions for state contributions for benefits). The cost of administration is paid from the Teachers' Retirement Fund as provided in Section 22304(a) of the Education Code.

CalSTRS is responsible for the determination and payment of benefits to members, retirees, and their beneficiaries, and for the distribution of information to all members, employers, and other interested groups. CalSTRS' Defined Benefit Program includes service retirement, benefits for survivors, and disability benefits. The basic retirement allowance is determined on the basis of a member's age, years of credited service, and final compensation. The member may modify the basic allowance by selecting a joint and survivor annuity option to provide benefits for their beneficiary after the member dies. Generally, the payments of benefits are made within 30 days following the effective date of the member's retirement.

EXPENDITURES BY CATEGORY

1 State Operations	Positions/Personnel Years			Expenditures		
	2009-10	2010-11	2011-12	2009-10*	2010-11*	2011-12*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	797.3	915.0	915.0	\$52,702	\$60,738	\$62,110
Total Adjustments	-	-	22.0	-	-3,519	1,473
Estimated Salary Savings	-	-49.1	-50.4	-	-2,740	-3,335
Net Totals, Salaries and Wages	797.3	865.9	886.6	\$52,702	\$54,479	\$60,248
Staff Benefits	-	-	-	21,440	28,578	29,757
Totals, Personal Services	797.3	865.9	886.6	\$74,142	\$83,057	\$90,005
OPERATING EXPENSES AND EQUIPMENT				\$64,974	\$70,855	89,889
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$139,116	\$153,912	\$179,894

4 Unclassified	Expenditures		
	2009-10*	2010-11*	2011-12*
Teachers' Retirement Benefits	\$9,611,769	\$10,574,965	\$11,546,046
Teachers' Health Benefits	35,421	44,517	48,088
Teachers' Replacement Benefits	3,577	3,827	4,018
TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)	\$9,650,767	\$10,623,309	\$11,598,152

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2009-10*	2010-11*	2011-12*
0001 General Fund			
APPROPRIATIONS			
011 Budget Act appropriation	(\$1,248,056)	(\$1,257,340)	(\$1,350,212)
TOTALS, EXPENDITURES	\$-	\$-	\$-
0835 Teachers' Retirement Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$160,440	\$150,440	\$167,072
002 Budget Act appropriation	(228,609)	(166,548)	(177,476)

* Dollars in thousands, except in Salary Range.

1920 State Teachers' Retirement System - Continued

1 STATE OPERATIONS	2009-10*	2010-11*	2011-12*
Revised estimate per Provision 1	(-71,338)	(2,518)	-
Education Code Section 22954	63	63	63
Education Code Section 22307 (Admin Costs)	1,290	1,409	1,985
Prior year balances available:			
Item 1920-001-0835, Budget Act of 2007 as reappropriated by Item 1920-490, Budget Act of 2008	4,024	-	-
Item 1920-001-0835, Budget Act of 2008 as reappropriated by Item 1920-490, Budget Act of 2009	5,065	5,065	-
Item 1920-001-0835, Budget Act of 2009 as proposed reappropriated by Item 1920-490, Budget Act of 2010	-	4,813	4,813
Item 1920-001-0835, Budget Act of 2010 as reappropriated by Item 1920-490, Budget Act of 2011	-	-	4,513
Totals Available	\$170,882	\$161,790	\$178,446
Unexpended balance, estimated savings	-22,797	-	-
Balance available in subsequent years	-9,878	-9,326	-
TOTALS, EXPENDITURES	\$138,207	\$152,464	\$178,446
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$255	\$339	\$339
8001 Teachers' Health Benefits Fund			
APPROPRIATIONS			
Education Code Sections 25930 and 25940 (Administration Expenses)	\$292	\$380	\$380
TOTALS, EXPENDITURES	\$292	\$380	\$380
8041 Teachers' Deferred Compensation Fund			
APPROPRIATIONS			
Education Code Section 24976 (403(b) Vendor Registry Operating Account)	\$362	\$729	\$729
TOTALS, EXPENDITURES	\$362	\$729	\$729
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$139,116	\$153,912	\$179,894
4 UNCLASSIFIED			
0835 Teachers' Retirement Fund			
APPROPRIATIONS			
Education Code Section 24202 (Benefit Payments)	\$9,081,790	\$9,940,616	\$10,883,096
Education Code Section 24417 (Purchasing Power Benefit Payments)	272,580	367,000	389,000
Education Code Section 22307 (Administrative Costs)	257,399	267,349	273,950
TOTALS, EXPENDITURES	\$9,611,769	\$10,574,965	\$11,546,046
8001 Teachers' Health Benefits Fund			
APPROPRIATIONS			
Education Code Sections 25930 and 25940 (Benefit Payments)	\$35,421	\$44,517	\$48,088
TOTALS, EXPENDITURES	\$35,421	\$44,517	\$48,088
8005 Teacher's Replacement Benefits Program Fund			
APPROPRIATIONS			
Education Code Section 24255 (Benefit Payments)	\$3,577	\$3,827	\$4,018
TOTALS, EXPENDITURES	\$3,577	\$3,827	\$4,018
TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)	\$9,650,767	\$10,623,309	\$11,598,152
TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Unclassified)	\$9,789,883	\$10,777,221	\$11,778,046

FUND CONDITION STATEMENTS

	2009-10*	2010-11*	2011-12*
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0835 Teachers' Retirement Fund ^N			
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* Dollars in thousands, except in Salary Range.

1920 State Teachers' Retirement System - Continued

	2009-10*	2010-11*	2011-12*
BEGINNING BALANCE	\$118,451,019	\$120,020,945	\$114,983,684
Prior year adjustments	<u>-164,239</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$118,286,780	\$120,020,945	\$114,983,684
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
215000 Income From Investments:			
Purchasing Power Receipts (State Lands Royalties)	6,341	4,101	5,000
Other Investment Income	15,163,829	10,371,069	9,923,593
221000 Member Contributions	2,331,430	2,334,228	2,337,029
299000 State Contribution (Benefits Funding)	563,110	567,707	688,168
299000 Purchasing Power Receipts (SBMA)	652,177	632,653	605,064
299000 Employer Contributions	2,282,689	2,285,656	2,288,628
299000 Other Receipts	486	-	-
299000 Securities Lending Income (Net)	<u>95,920</u>	<u>70,000</u>	<u>70,000</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$21,095,982</u>	<u>\$16,265,414</u>	<u>\$15,917,482</u>
Total Resources	\$139,382,762	\$136,286,359	\$130,901,166
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0840 State Controller (State Operations)	75	181	131
1920 State Teachers' Retirement System			
State Operations	138,207	152,464	178,446
Unclassified	9,611,769	10,574,965	11,546,046
Benefits:			
Retired Benefits	8,354,472	9,138,957	9,997,105
Disability Family Benefits	181,792	194,427	207,939
Survivor Benefits	432,257	467,399	505,399
Death Benefits	113,253	139,833	172,652
Subvention Payments	16	-	-
Purchasing Power Payments (SBMA and State Lands Royalties)	272,580	367,000	389,000
Other:			
Investment Advisors	157,271	169,066	177,476
Refunds	100,125	98,283	96,474
8880 Financial Information System for California (State Operations)	<u>-</u>	<u>100</u>	<u>690</u>
Total Expenditures and Expenditure Adjustments	<u>\$19,361,817</u>	<u>\$21,302,675</u>	<u>\$23,271,358</u>
FUND BALANCE	\$120,020,945	\$114,983,684	\$107,629,808
8001 Teachers' Health Benefits Fund ^N			
BEGINNING BALANCE	\$4,574	\$645	\$600
Prior year adjustments	<u>1</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$4,575	\$645	\$600
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
221600 Contributions	31,750	44,849	48,465
250300 Other Receipts	<u>33</u>	<u>3</u>	<u>3</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$31,783</u>	<u>\$44,852</u>	<u>\$48,468</u>
Total Resources	\$36,358	\$45,497	\$49,068
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
1920 State Teachers' Retirement System			
State Operations	292	380	380

* Dollars in thousands, except in Salary Range.

1920 State Teachers' Retirement System - Continued

	2009-10*	2010-11*	2011-12*
Unclassified	35,421	44,517	48,088
8880 Financial Information System for California (State Operations)	-	-	2
Total Expenditures and Expenditure Adjustments	<u>\$35,713</u>	<u>\$44,897</u>	<u>\$48,470</u>
FUND BALANCE	\$645	\$600	\$598
8005 Teacher's Replacement Benefits Program Fund ^N			
BEGINNING BALANCE	-	-	-
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
221600 Employer Contributions	<u>\$3,577</u>	<u>\$3,827</u>	<u>\$4,018</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$3,577</u>	<u>\$3,827</u>	<u>\$4,018</u>
Total Resources	\$3,577	\$3,827	\$4,018
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
1920 State Teachers' Retirement System (Unclassified)	<u>3,577</u>	<u>3,827</u>	<u>4,018</u>
Total Expenditures and Expenditure Adjustments	<u>\$3,577</u>	<u>\$3,827</u>	<u>\$4,018</u>
FUND BALANCE	-	-	-
8041 Teachers' Deferred Compensation Fund ^N			
BEGINNING BALANCE	\$547	\$748	\$445
Prior year adjustments	<u>19</u>	-	-
Adjusted Beginning Balance	\$566	\$748	\$445
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
250300 Income from Surplus Money Investment Fund	5	5	5
299000 Other Receipts	<u>539</u>	<u>421</u>	<u>442</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$544</u>	<u>\$426</u>	<u>\$447</u>
Total Resources	\$1,110	\$1,174	\$892
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
1920 State Teachers' Retirement System (State Operations)	362	729	729
8880 Financial Information System for California (State Operations)	-	-	<u>3</u>
Total Expenditures and Expenditure Adjustments	<u>\$362</u>	<u>\$729</u>	<u>\$732</u>
FUND BALANCE	\$748	\$445	\$160

CHANGES IN AUTHORIZED POSITIONS

	Positions/Personnel Years			Expenditures		
	2009-10	2010-11	2011-12	2009-10*	2010-11*	2011-12*
Totals, Authorized Positions	797.3	915.0	915.0	\$52,702	\$60,738	\$62,110
Furlough Adjustments	-	-	-	-	-1,878	-
PLP Adjustments	-	-	-	-	-1,641	-
Workload and Administrative Adjustments:				Salary Range		
Accounting:						
Investment Off II	-	-	2.0	5,831-7,087	-	155
Investments:						
Investment Support:						
Portfolio Mgr	-	-	1.0	12,083-16,250	-	170
Investment Off III	-	-	1.0	7,794-9,023	-	101
Investment Off II	-	-	2.0	5,831-7,087	-	155
Staff Services Analyst-Gen	-	-	1.0	2,817-4,446	-	44
Plan Design & Communications:						

* Dollars in thousands, except in Salary Range.

1920 State Teachers' Retirement System - Continued

	<u>Positions/Personnel Years</u>			<u>Expenditures</u>		
	2009-10	2010-11	2011-12	2009-10*	2010-11*	2011-12*
Client Outreach & Guidance:						
Pension Prog Mgr I	-	-	1.0	5,114-6,170	-	68
Assoc Pension Prog Analyst	-	-	12.0	4,400-5,348	-	702
Sr Pension Prog Rep	-	-	2.0	2,951-3,588	-	78
Totals, Workload & Admin Adjustments	<u>-</u>	<u>-</u>	<u>22.0</u>	<u>\$-</u>	<u>\$-</u>	<u>\$1,473</u>
Total Adjustments	<u>-</u>	<u>-</u>	<u>22.0</u>	<u>\$-</u>	<u>-\$3,519</u>	<u>\$1,473</u>
TOTALS, SALARIES AND WAGES	797.3	915.0	937.0	\$52,702	\$57,219	\$63,583

* Dollars in thousands, except in Salary Range.