

7920 State Teachers' Retirement System

The California State Teachers' Retirement System (CalSTRS) administers retirement benefits for 868,493 (as of June 30, 2013) active and retired educators in public schools from pre-kindergarten through the community college system in California. Benefits include retirement, disability, and survivor's retirement benefits.

CalSTRS is governed by the Teachers' Retirement Board. The California Constitution provides that the Teachers' Retirement Board has authority over the administration of the retirement system; therefore, while the budget data presented here is subject to a Budget Act appropriation, the proposed appropriations are not reviewed or approved by the Governor.

3-YR EXPENDITURES AND POSITIONS

	Positions			Expenditures		
	2012-13	2013-14	2014-15	2012-13*	2013-14*	2014-15*
10 Service to Members and Employers	638.5	716.3	750.3	\$109,134	\$121,328	\$193,873
15 Corporate Governance	8.0	9.1	9.1	2,138	2,097	2,155
20 Administration	204.1	260.6	265.6	30,604	44,642	69,129
99 Unclassified (Benefit Payments)	-	-	-	11,649,299	12,457,431	13,301,405
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	850.6	986.0	1,025.0	\$11,791,175	\$12,625,498	\$13,566,562
FUNDING				2012-13*	2013-14*	2014-15*
0835 Teachers' Retirement Fund				\$11,748,695	\$12,581,435	\$13,521,406
0995 Reimbursements				12	339	339
8001 Teachers' Health Benefits Fund				35,029	35,796	36,513
8005 Teacher's Replacement Benefits Program Fund				6,836	7,165	7,523
8041 Teachers' Deferred Compensation Fund				603	763	781
TOTALS, EXPENDITURES, ALL FUNDS				\$11,791,175	\$12,625,498	\$13,566,562

There are non-add General Fund (0001) retirement contributions to CalSTRS in the amounts of \$1,359,674 for 2012-13, \$1,359,827 for 2013-14, and \$1,423,915 for 2014-15 (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

	2013-14*			2014-15*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Miscellaneous Adjustments	\$-	-\$385,876	-	\$-	\$488,978	-
Totals, Other Workload Budget Adjustments	\$-	-\$385,876	-	\$-	\$488,978	-
Totals, Workload Budget Adjustments	\$-	-\$385,876	-	\$-	\$488,978	-
Policy Adjustments						
• BusinessRenew - Pension Solution	\$-	\$-	-	\$-	\$61,564	-
• Investment Portfolio Internal Management	-	-	-	-	2,186	19.0
• Member Service Center - Inland Empire	-	-	-	-	1,389	-
• IT Infrastructure Security Workload and ISO Audit Coordinator/Risk Management	-	-	-	-	544	5.0
• Member Service Improvement	-	-	-	-	205	3.0
• Actuarial Resources	-	-	-	-	165	1.0
• Expansion of Sustainability Program	-	-	-	-	100	1.0
• Increased Legal Administrative Support	-	-	-	-	57	1.0

* Dollars in thousands, except in Salary Range.

7920 State Teachers' Retirement System - Continued

	2013-14*			2014-15*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
• Reduce Reliance on Contractor Staff	-	-	-	-	-	9.0
Totals, Policy Adjustments	\$-	\$-	-	\$-	\$66,210	39.0
Totals, Budget Adjustments	\$-	-\$385,876	-	\$-	\$555,188	39.0

* Dollars in thousands, except in Salary Range.

7920 State Teachers' Retirement System - Continued

Teachers' Retirement Fund Summaries

0835 Teachers' Retirement Fund	PY 2012-13	CY 2013-14	BY 2014-15
Beginning Balance	\$151,278,117	\$166,282,364	\$172,076,391
Revenues:			
Investment Income	\$20,873,051	\$12,603,833	\$13,032,920
Other Income	11,295	8,490	9,339
State Contributions	1,359,674	1,359,827	1,423,915
Employer Contributions	2,277,185	2,290,758	2,281,150
Member Contributions	2,336,731	2,219,715	2,210,198
Contribution Refunds	(104,994)	(107,161)	(109,371)
Total Revenues	\$26,752,942	\$18,375,462	\$18,848,151
Expenditures:			
Pension Benefit Payments	\$11,130,525	\$11,908,649	\$12,745,827
Other Benefit Payments	221,451	213,860	208,190
Administrative Expenditures	140,934	166,565	263,628
Other Expenditures	255,785	292,361	303,761
Total Expenditures	\$11,748,695	\$12,581,435	\$13,521,406
Ending Fund Balance	\$166,282,364	\$172,076,391	\$177,403,136
8005 Teachers' Replacement Benefits Program Fund	PY 2012-13	CY 2013-14	BY 2014-15
Beginning Balance	\$-	\$-	\$-
Revenues:			
Employer Contributions	6,836	7,165	7,523
Total Revenues	\$6,836	\$7,165	\$7,523
Expenditures:			
Pension Benefit Payments	\$6,836	\$7,165	\$7,523
Total Expenditures	\$6,836	\$7,165	\$7,523
Ending Fund Balance	\$-	\$-	\$-

* Dollars in thousands, except in Salary Range.

7920 State Teachers' Retirement System - Continued

PROGRAM DESCRIPTIONS

10 - SERVICE TO MEMBERS AND EMPLOYERS

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. Basic retirement benefits are generally based upon three factors: age at retirement, years of 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. A member's retirement benefits, benefits for survivors, and disability benefits are determined by statute and/or contract provisions.

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

EXPENDITURES BY CATEGORY

1 State Operations	Positions			Expenditures		
	2012-13	2013-14	2014-15	2012-13*	2013-14*	2014-15*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	850.6	986.0	986.0	\$56,827	\$68,816	\$70,122
Total Adjustments	-	-	39.0	-	-	2,158
Net Totals, Salaries and Wages	850.6	986.0	1,025.0	\$56,827	\$68,816	\$72,280
Staff Benefits	-	-	-	24,118	29,173	32,189
Totals, Personal Services	850.6	986.0	1,025.0	\$80,945	\$97,989	\$104,469
OPERATING EXPENSES AND EQUIPMENT				\$60,931	\$70,078	\$160,688
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$141,876	\$168,067	\$265,157

4 Unclassified	Expenditures		
	2012-13*	2013-14*	2014-15*
Teachers' Retirement Benefits	\$11,607,761	\$12,414,870	\$13,257,778
Teachers' Health Benefits	34,702	35,396	36,104
Teachers' Replacement Benefits	6,836	7,165	7,523
TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)	\$11,649,299	\$12,457,431	\$13,301,405

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2012-13*	2013-14*	2014-15*
0001 General Fund			
APPROPRIATIONS			
011 Budget Act appropriation	\$-	(\$1,359,827	(\$1,423,915
))
011 Budget Act appropriation (Renumbered from Item 1920-011-0001)	(1,359,674)	-	-
Revised estimate per provisional language	(1)	(-)	-
TOTALS, EXPENDITURES	\$-	\$-	\$-
0835 Teachers' Retirement Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$-	\$154,971	\$162,649
002 Budget Act appropriation	-	(160,234)	(194,390)
Revised estimate per Provision 1	(-)	(24,966)	-
003 Budget Act appropriation	-	18,500	80,064

* Dollars in thousands, except in Salary Range.

7920 State Teachers' Retirement System - Continued

1 STATE OPERATIONS	2012-13*	2013-14*	2014-15*
001 Budget Act appropriation (Renumbered from Item 1920-001-0835)	145,366	-	-
002 Budget Act appropriation (Renumbered from Item 1920-002-0835)	(189,964)	-	-
Revised estimate per Provision 1	(-39,174)	(-)	-
003 Budget Act appropriation (Renumbered from Item 1920-003-0835)	18,500	-	-
Education Code Section 22307 (Admin Costs)	2,138	2,597	2,655
Prior year balances available:			
Item 7920-001-0835, Budget Act of 2013 as proposed reappropriation by Item 7920-490, Budget Act of 2014	-	-	4,649
Item 7920-003-0835, Budget Act of 2013 as proposed reappropriation by Item 7920-490, Budget Act of 2014	-	-	9,250
Item 1920-001-0835, Budget Act of 2010 as reappropriated by Item 1920-490, Budget Act of 2011 and 2012	4,513	-	-
Item 1920-001-0835, Budget Act of 2011 as reappropriated by Item 1920-490, Budget Act of 2012, and Item 7920-490, Budget Act of 2013	5,012	-	-
Renumbered from Item 1920-001-0835, Budget Act of 2011, as reappropriated by Item 1920-490, Budget Act of 2012, and Item 7920-490, Budget Act of 2013	-	5,012	-
Renumbered from Item 1920-001-0835, Budget Act of 2012, as reappropriated by Item 7920-490, Budget Act of 2013	-	4,361	4,361
Renumbered from Item 1920-003-0835, Budget Act of 2012 as reappropriated by Item 7920-490, Budget Act of 2013	-	4,396	-
Totals Available	\$175,529	\$189,837	\$263,628
Unexpended balance, estimated savings	-20,826	-5,012	-
Balance available in subsequent years	-13,769	-18,260	-
TOTALS, EXPENDITURES	\$140,934	\$166,565	\$263,628
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$12	\$339	\$339
8001 Teachers' Health Benefits Fund			
APPROPRIATIONS			
Education Code Sections 25930 and 25940 (Administration Expenses)	<u>\$327</u>	<u>\$400</u>	<u>\$409</u>
TOTALS, EXPENDITURES	\$327	\$400	\$409
8041 Teachers' Deferred Compensation Fund			
APPROPRIATIONS			
Education Code Section 24976 (403(b) Vendor Registry Operating Account)	<u>\$603</u>	<u>\$763</u>	<u>\$781</u>
TOTALS, EXPENDITURES	\$603	\$763	\$781
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$141,876	\$168,067	\$265,157
4 UNCLASSIFIED			
0835 Teachers' Retirement Fund			
APPROPRIATIONS			
Education Code Section 24202 (Benefit Payments)	\$11,130,525	\$11,908,649	\$12,745,827
Education Code Section 24417 (Purchasing Power Benefit Payments)	221,451	213,860	208,190
Education Code Section 22307 (Administrative Costs)	<u>255,785</u>	<u>292,361</u>	<u>303,761</u>
TOTALS, EXPENDITURES	\$11,607,761	\$12,414,870	\$13,257,778
8001 Teachers' Health Benefits Fund			
APPROPRIATIONS			
Education Code Section 25930 and 25940 (Benefit Payments)	<u>\$34,702</u>	<u>\$35,396</u>	<u>\$36,104</u>
TOTALS, EXPENDITURES	\$34,702	\$35,396	\$36,104
8005 Teacher's Replacement Benefits Program Fund			
APPROPRIATIONS			
Education Code Section 24255 (Benefit Payments)	\$6,836	\$7,165	\$7,523

* Dollars in thousands, except in Salary Range.

7920 State Teachers' Retirement System - Continued

4 UNCLASSIFIED	2012-13*	2013-14*	2014-15*
TOTALS, EXPENDITURES	\$6,836	\$7,165	\$7,523
TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)	\$11,649,299	\$12,457,431	\$13,301,405
TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Unclassified)	\$11,791,175	\$12,625,498	\$13,566,562

FUND CONDITION STATEMENTS

	2012-13*	2013-14*	2014-15*
8001 Teachers' Health Benefits Fund^N			
BEGINNING BALANCE	\$543	\$540	\$1,029
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
221600 Contributions	35,022	36,281	37,585
250300 Other Receipts	6	4	3
Total Revenues, Transfers, and Other Adjustments	\$35,028	\$36,285	\$37,588
Total Resources	\$35,571	\$36,825	\$38,617
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
7920 State Teachers' Retirement System			
State Operations	327	400	409
Unclassified	34,702	35,396	36,104
8880 Financial Information System for California (State Operations)	2	-	-
Total Expenditures and Expenditure Adjustments	\$35,031	\$35,796	\$36,513
FUND BALANCE	\$540	\$1,029	\$2,104
8041 Teachers' Deferred Compensation Fund^N			
BEGINNING BALANCE	\$811	\$763	\$603
Prior year adjustments	-6	-	-
Adjusted Beginning Balance	\$805	\$763	\$603
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
250300 Income from Surplus Money Investment Fund	3	2	2
299000 Other Receipts	563	601	640
Total Revenues, Transfers, and Other Adjustments	\$566	\$603	\$642
Total Resources	\$1,371	\$1,366	\$1,245
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0840 State Controller (State Operations)	1	-	-
7920 State Teachers' Retirement System (State Operations)	603	763	781
8880 Financial Information System for California (State Operations)	4	-	-
Total Expenditures and Expenditure Adjustments	\$608	\$763	\$781
FUND BALANCE	\$763	\$603	\$464

CHANGES IN AUTHORIZED POSITIONS

	Positions			Expenditures		
	2012-13	2013-14	2014-15	2012-13*	2013-14*	2014-15*
Totals, Authorized Positions	850.6	986.0	986.0	\$56,827	\$68,816	\$70,122
Salary Adjustments	-	-	-	-	-	-
Workload and Administrative Adjustments:				Salary Range		
Executive (Enterprise Strategy Management):						
Staff Services Manager I	-	-	1.0	5,079-6,411	-	68
Plan Design & Communication Branch:						
Sr Pension Actuary	-	-	1.0	8,511-10,654	-	115

* Dollars in thousands, except in Salary Range.

7920 State Teachers' Retirement System - Continued

	Positions			Expenditures		
	2012-13	2013-14	2014-15	2012-13*	2013-14*	2014-15*
Investments:						
Investment Officer III	-	-	4.0	7,794-9,294	-	410
Investment Officer II	-	-	5.0	5,831-7,300	-	394
Staff Services Manager I	-	-	1.0	5,079-6,411	-	68
Associate Governmental Program Analyst	-	-	2.0	4,400-5,508	-	119
Investment Officer I	-	-	1.0	3,185-6,050	-	55
Benefits and Services:						
Pension Program Analyst	-	-	3.0	4,400-5,348	-	131
Financial Services Branch:						
Investment Officer II	-	-	2.0	5,831-7,300	-	158
Investment Officer I	-	-	2.0	3,185-6,050	-	111
Associate Governmental Program Analyst	-	-	2.0	4,400-5,508	-	119
General Counsel:						
Sr Legal Typist	-	-	1.0	2,589-3,621	-	37
Enterprise Initiatives and Technology (EIT):						
Systems Software Specialist III (Technician)	-	-	1.0	6,110-8,030	-	85
Systems Software Specialist II (Technician)	-	-	1.0	5,561-7,310	-	77
Systems Software Specialist II (Technician)	-	-	9.0	5,561-7,310	-	-
Systems Software Specialist I (Technician)	-	-	3.0	5,064-6,659	-	211
Totals, Workload & Admin Adjustments	-	-	39.0	\$-	\$-	\$2,158
Total Adjustments	-	-	39.0	\$-	\$-	\$2,158
TOTALS, SALARIES AND WAGES	850.6	986.0	1,025.0	\$56,827	\$68,816	\$72,280

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