

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		
		2013-14	2014-15	2015-16	2013-14*	2014-15*	2015-16*
6450	Service to Members and Employers	681.5	868.3	907.3	\$81,515	\$185,165	\$525,970
6455	Corporate Governance	9.2	9.1	9.1	2,062	42,457	44,499
6460	Administration	252.6	265.6	269.6	274,543	247,508	-
6465	Benefit Payments	-	-	-	12,076,393	12,324,479	12,888,650
TOTALS, POSITIONS AND EXPENDITURES (All Programs)		943.3	1,143.0	1,186.0	\$12,434,513	\$12,799,609	\$13,459,119
FUNDING					2013-14*	2014-15*	2015-16*
0835	Teachers Retirement Fund				\$12,393,399	\$12,756,981	\$13,416,445
0995	Reimbursements				22	339	339
8001	Teachers Health Benefits Fund				32,932	33,408	33,433
8005	Teachers Replacement Benefits Program Fund				7,314	7,661	7,600
8041	Teachers Deferred Compensation Fund				846	1,220	1,302
TOTALS, EXPENDITURES, ALL FUNDS					\$12,434,513	\$12,799,609	\$13,459,119

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

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

DETAILED BUDGET ADJUSTMENTS

	2014-15*			2015-16*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Pro Rata	\$-	\$-	-	\$-	\$744	-
• Miscellaneous Baseline Adjustments	-	-754,694	118.0	-	-115,710	139.0
Totals, Other Workload Budget Adjustments	\$-	-\$754,694	118.0	\$-	-\$114,966	139.0
Totals, Workload Budget Adjustments	\$-	-\$754,694	118.0	\$-	-\$114,966	139.0
Policy Adjustments						
• Technology Infrastructure and Licenses	\$-	\$-	-	\$-	\$3,768	-
• Member Service Center Development and Operations	-	-	-	-	3,270	8.0
• Investments Portfolio Complexity	-	-	-	-	2,705	10.0
• Enterprise Information Management	-	-	-	-	436	4.0
Totals, Policy Adjustments	\$-	\$-	-	\$-	\$10,179	22.0
Totals, Budget Adjustments	\$-	-\$754,694	118.0	\$-	-\$104,787	161.0

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† Past year appropriations are net of subsequent budget adjustments.

7920 State Teachers' Retirement System - Continued

Teachers' Retirement Fund Summaries

0835 Teachers' Retirement Fund	PY* 2013-14	CY* 2014-15	BY* 2015-16
Beginning Balance	\$166,148,490	\$190,277,825	\$209,556,442
Revenues:			
Investment Income	\$30,625,294	\$25,909,000	\$29,897,256
Other Income	9,174	15,207	9,871
State Contributions	1,359,827	1,486,004	1,928,472
Employer Contributions	2,264,852	2,412,039	2,899,710
Member Contributions	2,263,613	2,218,278	2,496,389
Contribution Refunds	(107,600)	(109,275)	(114,739)
Total Revenues	\$36,415,160	\$31,931,253	\$37,116,959
Expenditures:			
Pension Benefit Payments	\$11,725,101	\$11,968,043	\$12,531,811
Other Benefit Payments	203,746	206,500	201,500
Administrative Expenditures	153,054	232,274	294,140
Other Expenditures	203,924	245,819	266,173
Total Expenditures	\$12,285,825	\$12,652,636	\$13,293,624
Ending Fund Balance	\$190,277,825	\$209,556,442	\$233,379,777
8005 Teachers' Replacement Benefits Program Fund	PY* 2013-14	CY* 2014-15	BY* 2015-16
Beginning Balance	\$-	\$-	\$-
Revenues:			
Employer Contributions	7,314	7,661	7,600
Total Revenues	\$7,314	\$7,661	\$7,600
Expenditures:			
Pension Benefit Payments	\$7,314	\$7,661	\$7,600
Total Expenditures	\$7,314	\$7,661	\$7,600
Ending Fund Balance	\$-	\$-	\$-

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7920 State Teachers' Retirement System - Continued

PROGRAM DESCRIPTIONS

6450 - 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.

DETAILED EXPENDITURES BY PROGRAM

		2013-14*	2014-15*	2015-16*
	PROGRAM REQUIREMENTS			
6450	SERVICE TO MEMBERS AND EMPLOYERS			
	State Operations:			
0835	Teachers Retirement Fund	\$80,369	\$183,537	\$300,711
0995	Reimbursements	-	-	339
8001	Teachers Health Benefits Fund	300	408	433
8041	Teachers Deferred Compensation Fund	846	1,220	1,302
	Totals, State Operations	\$81,515	\$185,165	\$302,785
	Unclassified:			
0835	Teachers Retirement Fund	\$-	\$-	\$223,185
	Totals, Unclassified	\$-	\$-	\$223,185
	PROGRAM REQUIREMENTS			
6455	CORPORATE GOVERNANCE			
	State Operations:			
0835	Teachers Retirement Fund	-\$201,862	\$2,559	\$2,911
	Totals, State Operations	-\$201,862	\$2,559	\$2,911
	Unclassified:			
0835	Teachers Retirement Fund	\$203,924	\$39,898	\$41,588
	Totals, Unclassified	\$203,924	\$39,898	\$41,588
	PROGRAM REQUIREMENTS			
6460	ADMINISTRATION			
	State Operations:			
0835	Teachers Retirement Fund	\$274,521	\$41,249	\$-
0995	Reimbursements	22	339	-
	Totals, State Operations	\$274,543	\$41,588	\$-
	Unclassified:			
0835	Teachers Retirement Fund	\$-	\$205,920	\$-
	Totals, Unclassified	\$-	\$205,920	\$-
	PROGRAM REQUIREMENTS			
6465	BENEFIT PAYMENTS			
	Unclassified:			
0835	Teachers Retirement Fund	\$12,036,447	\$12,283,818	\$12,848,050
8001	Teachers Health Benefits Fund	32,632	33,000	33,000
8005	Teachers Replacement Benefits Program Fund	7,314	7,661	7,600

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7920 State Teachers' Retirement System - Continued

	2013-14*	2014-15*	2015-16*
Totals, Unclassified	\$12,076,393	\$12,324,479	\$12,888,650
TOTALS, EXPENDITURES			
State Operations	154,196	229,312	305,696
Unclassified	<u>12,280,317</u>	<u>12,570,297</u>	<u>13,153,423</u>
Totals, Expenditures	\$12,434,513	\$12,799,609	\$13,459,119

EXPENDITURES BY CATEGORY

1 State Operations	Positions			Expenditures		
	2013-14	2014-15	2015-16	2013-14*	2014-15*	2015-16*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	943.3	1,025.0	1,025.0	\$68,329	\$72,280	\$72,502
Total Adjustments	-	118.0	161.0	-2,880	6,143	16,589
Net Totals, Salaries and Wages	943.3	1,143.0	1,186.0	\$65,449	\$78,423	\$89,091
Staff Benefits	-	-	-	30,351	26,210	35,760
Totals, Personal Services	943.3	1,143.0	1,186.0	\$95,800	\$104,633	\$124,851
OPERATING EXPENSES AND EQUIPMENT				\$58,261	\$124,458	\$180,624
SPECIAL ITEMS OF EXPENSES				135	221	221
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$154,196	\$229,312	\$305,696
				Expenditures		
				Actual	Estimated	Proposed
4 UNCLASSIFIED						
Consulting and Professional Services - External - Other				\$311,524	\$245,818	\$264,773
Retirement Disbursements				<u>11,968,793</u>	<u>12,324,479</u>	<u>12,888,650</u>
TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)				12,280,317	12,570,297	13,153,423

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2013-14*†	2014-15*	2015-16*
0001 General Fund			
APPROPRIATIONS			
011 Budget Act appropriation	(\$1,359,827)	(\$1,486,004)	(\$1,928,472)
TOTALS, EXPENDITURES	\$-	\$-	\$-
0835 Teachers Retirement Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$154,969	\$162,648	\$184,584
Revised Expenditure Authority per Article 16 of the California Constitution	-	-48	-
002 Budget Act appropriation	(203,924)	(194,390)	(194,390)
003 Budget Act appropriation	18,500	80,065	81,599
Education Code Section 22307 (Admin Costs)	2,062	2,656	2,911
Revised Expenditure Authority per Article 16 of the California Constitution	-	-97	-
Prior Year Balances Available:			
Item 7920-001-0835, Budget Act of 2013 as reappropriated by Item 7920-490, Budget Act of 2014	-	4,649	4,649
Item 7920-003-0835, Budget Act of 2013 as reappropriated by Item 7920-490, Budget Act of 2014	-	12,000	6,000

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7920 State Teachers' Retirement System - Continued

1 STATE OPERATIONS	2013-14*†	2014-15*	2015-16*
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 and 2014	4,361	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	-	-
Revised Expenditure Authority per Article 16 of the California Constitution	-	-	4,880
Revised Expenditure Authority per Article 16 of the California Constitution	-	-	18,999
Revised Expenditure Authority per Article 16 of the California Constitution	-	-	-4,361
Totals Available	\$189,300	\$266,234	\$303,622
Unexpended balance, estimated savings	-15,262	-	-
Balance available in subsequent years	-21,010	-38,889	-
TOTALS, EXPENDITURES	\$153,028	\$227,345	\$303,622
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$22	\$339	\$339
TOTALS, EXPENDITURES	\$22	\$339	\$339
8001 Teachers Health Benefits Fund			
APPROPRIATIONS			
Education Code Sections 25930 and 25940 (Administration Expenses)	\$300	\$408	\$433
TOTALS, EXPENDITURES	\$300	\$408	\$433
8041 Teachers Deferred Compensation Fund			
APPROPRIATIONS			
Education Code Section 24976 (403(b) Vendor Registry Operating Account)	\$846	\$782	\$1,302
Revised Expenditure Authority per Article 16 of the California Constitution	-	438	-
TOTALS, EXPENDITURES	\$846	\$1,220	\$1,302
Total Expenditures, All Funds, (State Operations)	\$154,196	\$229,312	\$305,696
4 UNCLASSIFIED	2013-14*†	2014-15*	2015-16*
0835 Teachers Retirement Fund			
APPROPRIATIONS			
Education Code Section 24202 (Benefit Payments)	\$11,725,101	\$12,745,827	\$12,646,550
Revised Expenditure Authority per Article 16 of the California Constitution	-	-668,509	-
Education Code Section 24417 (Purchasing Power Benefit Payments)	203,746	208,190	201,500
Revised Expenditure Authority per Article 16 of the California Constitution	-	-1,690	-
Education Code Section 22307 (Administrative Costs)	311,524	303,761	264,773
Revised Expenditure Authority per Article 16 of the California Constitution	-	-57,943	-
TOTALS, EXPENDITURES	\$12,240,371	\$12,529,636	\$13,112,823
8001 Teachers Health Benefits Fund			
APPROPRIATIONS			
Education Code Section 25930 and 25940 (Benefit Payments)	\$32,632	\$36,104	\$33,000
Revised Expenditure Authority per Article 16 of the California Constitution	-	-3,104	-
TOTALS, EXPENDITURES	\$32,632	\$33,000	\$33,000
8005 Teachers Replacement Benefits Program Fund			
APPROPRIATIONS			
Education Code Section 24255 (Benefit Payments)	\$7,314	\$7,523	\$7,600
Revised Expenditure Authority per Article 16 of the California Constitution	-	138	-
TOTALS, EXPENDITURES	\$7,314	\$7,661	\$7,600
Total Expenditures, All Funds, (Unclassified)	\$12,280,317	\$12,570,297	\$13,153,423

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7920 State Teachers' Retirement System - Continued

4 UNCLASSIFIED	2013-14*†	2014-15*	2015-16*
TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Unclassified)	\$12,434,513	\$12,799,609	\$13,459,119

FUND CONDITION STATEMENTS

	2013-14*	2014-15*	2015-16*
8001 Teachers Health Benefits Fund ^N			
BEGINNING BALANCE	\$540	\$1,012	\$613
Adjusted Beginning Balance	\$540	\$1,012	\$613
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4163000 Investment Income - Surplus Money Investments	10	10	10
4170900 Contributions to Fiduciary Funds	33,395	33,000	33,449
Total Revenues, Transfers, and Other Adjustments	\$33,405	\$33,010	\$33,459
Total Resources	\$33,945	\$34,022	\$34,072
EXPENDITURE AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
7920 State Teachers' Retirement System (State Operations)	300	409	434
7920 State Teachers' Retirement System (Unclassified)	32,632	33,000	33,000
Total Expenditures and Expenditure Adjustments	\$32,933	\$33,409	\$33,434
FUND BALANCE	\$1,012	\$613	\$638
Reserve for economic uncertainties	1,012	613	638
8041 Teachers Deferred Compensation Fund ^N			
BEGINNING BALANCE	\$763	\$1,159	\$1,310
Prior Year Adjustments	-3	-	-
Adjusted Beginning Balance	\$760	\$1,159	\$1,310
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4163000 Investment Income - Surplus Money Investments	4	4	4
4172500 Miscellaneous Revenue	1,241	1,365	1,365
Total Revenues, Transfers, and Other Adjustments	\$1,245	\$1,369	\$1,369
Total Resources	\$2,005	\$2,528	\$2,679
EXPENDITURE AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
7920 State Teachers' Retirement System (State Operations)	846	1,219	1,301
Total Expenditures and Expenditure Adjustments	\$846	\$1,219	\$1,301
FUND BALANCE	\$1,159	\$1,310	\$1,378
Reserve for economic uncertainties	1,159	1,310	1,378

CHANGES IN AUTHORIZED POSITIONS

	Positions			Expenditures		
	2013-14	2014-15	2015-16	2013-14*	2014-15*	2015-16*
Totals, Authorized Positions	943.3	1,025.0	1,025.0	\$68,329	\$72,280	\$72,502
Salary and Other Adjustments	-	118.0	139.0	-2,880	6,143	14,245
Proposed New Positions						
Enterprise Information Management						
Assoc Govtl Program Analyst	-	-	2.0	-	-	124
Research Program Spec I	-	-	1.0	-	-	68
Staff Svcs Mgr III	-	-	1.0	-	-	91
Investments Portfolio Complexity						
Assoc Govtl Program Analyst	-	-	1.0	-	-	82

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7920 State Teachers' Retirement System - Continued

	Positions			Expenditures		
	2013-14	2014-15	2015-16	2013-14*	2014-15*	2015-16*
Investment Officer I	-	-	1.0	-	-	58
Investment Officer II	-	-	1.0	-	-	62
Investment Officer III	-	-	2.0	-	-	245
Portfolio Mgr	-	-	5.0	-	-	1,417
Member Service Center Development and Operations						
Assoc Govtl Program Analyst	-	-	1.0	-	-	62
Assoc Pension Program Analyst	-	-	4.0	-	-	83
Pension Program Mgr I	-	-	1.0	-	-	24
Sr Pension Program Rep	-	-	2.0	-	-	28
TOTALS, PROPOSED NEW POSTIONS	-	-	22.0	\$-	\$-	\$2,344
Totals, Adjustments	-	118.0	161.0	-\$2,880	\$6,143	\$16,589
TOTALS, SALARIES AND WAGES	943.3	1,143.0	1,186.0	\$65,449	\$78,423	\$89,091

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