

01/08/2016

**FISCAL YEAR 2017 BUDGET
ADMINISTRATION**

Service/Category	FY 2015 Actual Expenses	FY 2016 Budget As Passed	FY 2017 Request
<u>Salaries/Benefits</u>			
Salaries	1,855,324	2,032,490	2,161,824
Benefits	894,231	1,090,932	1,119,598
Other Benefits	1,349	7,821	7,370
Subtotal	2,750,904	3,131,243	3,288,792
<u>Agency Support</u>			
Attorney General/Legal	26,957	27,900	28,503
Auditor of Accounts	37,890	22,090	22,753
Human Resources	1,406	1,844	3,223
Subtotal	66,253	51,834	54,479
<u>Third Party Support</u>			
Other Third Party Support	4,464	35,000	20,000
Subtotal	4,464	35,000	20,000
<u>Office and Administrative Support</u>			
Per Diem and Other Service	-	-	-
Repairs & Maintenance	1,170	1,000	1,000
Insurance (not employee related)	1,566	2,182	1,194
IT Hardware/Software/Supplies	53,241	33,500	26,500
Communications	5,760	12,206	10,000
DII Allocated and Other Charges	11,704	9,794	34,702
Software Maintenance	16,500	16,500	16,500
Advertising & Other Media Costs	1,169	2,500	1,500
Printing/Binding	1,275	4,500	4,500
Postage/BGS	42,895	37,000	37,000
Fee for Space	40,190	41,937	46,200
Building Repair & Improvement	8,525	-	-
Other Rentals	311	3,000	3,000
Supplies	13,119	17,500	15,000
FMS/HRMS/VISION Assessment	19,952	18,209	16,940
Dues/Subscriptions	2,227	6,250	5,750
Office Equipment	444	4,750	3,750
Meetings and Conferences	1,790	5,000	5,000
Travel	7,947	8,500	8,500
Miscellaneous	838	2,516	2,126
Subtotal	230,623	226,844	239,162
Sub Total	3,052,244	3,444,921	3,602,433
Total	3,052,244	3,444,921	3,602,433
<u>Source of Funds:</u>			
General Fund	833,635	998,306	1,022,452
Special Funds-Retirement Funds	2,114,029	2,338,561	2,471,709
Private Purpose-Unclaimed Property	104,580	108,054	108,272
	3,052,244	3,444,921	3,602,433

01/08/2016

**FISCAL YEAR 2016 BUDGET
UNCLAIMED PROPERTY**

Service/Category	FY 2015 Actual Expenses	FY 2016 Budget	FY 2017 Request
<u>Salaries/Benefits</u>			
Salaries Vantage	\$ 167,904	\$ 221,103	\$ 208,773
Benefits Vantage	64,502	103,900	87,934
Other Benefits	1,767	1,164	1,745
Subtotal	234,173	326,167	298,452
<u>Agency Support</u>			
Attorney General/Legal	22,416	12,800	23,694
Audit	-	5,323	5,663
Human Resources	4,434	5,398	2,717
Subtotal	26,850	23,521	32,074
<u>Third Party Support</u>			
Unclaimed Property Audit Services	175,319	475,000	475,000
UPMS system	27,000	31,250	27,000
Other Administrative Support	33,173	25,000	35,000
Subtotal	235,492	531,250	537,000
<u>Office and Administrative Support</u>			
Administrative Support	108,323	108,054	108,272
Repairs & Maintenance	117	300	300
Insurance (not employee related)	747	196	367
IT Hardware/Software/Supplies	2,566	8,500	8,500
Communications	2,724	4,334	4,500
DII allocated and other charges	5,656	5,666	8,461
Advertising & Other Media Costs	63,926	70,000	70,000
Printing/Binding	87	1,500	1,500
Postage/BGS	6,116	12,000	8,000
Fee for Space	28,652	29,898	31,885
Other Rentals	631	2,000	600
Office Supplies	4,606	3,000	3,000
FMS/HRMS/VISION Assessment	1,813	1,824	1,940
Dues/Subscriptions	2,692	2,000	3,000
Office Equipment	209	750	750
Meetings and Conferences	90	2,000	2,000
Travel	3,346	2,000	2,000
Miscellaneous	1,751	4,233	3,100
Subtotal	234,052	258,255	258,175
Total	\$ 730,567	\$ 1,139,193	\$ 1,125,701
Source of Funds:			
Private Purpose Trust-(Unclaimed Prop)	\$ 730,567	\$ 1,139,193	\$ 1,125,701

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**FISCAL YEAR 2017 BUDGET
STATE RETIREMENT SYSTEM**

Service/Category	FY 2015 Actual Expenses	FY 2016 Budget	FY 2017 Request
<u>Investments</u>			
Investment Management Services	\$ 6,281,143	\$ 6,938,925	\$ 7,168,977
Investment Services-Actuarial/Custodial	311,056	522,446	532,592
Subtotal	6,592,199	7,461,371	7,701,569
<u>Agency Support</u>			
Attorney General/Legal	67,592	87,700	91,770
Auditor of Accounts	51,066	55,585	72,360
Human Resources	3,584	4,878	5,886
Subtotal	122,242	148,163	170,016
<u>Third Party Support</u>			
Health Consultant	35,940	20,000	36,000
Technical	9,071	19,000	15,000
Retirement System Project, V-PAS	661,304	-	-
Subtotal	706,315	39,000	51,000
<u>Benefits</u>			
Insurance/Health (See Note)	28,480,406	31,115,000	33,862,000
Insurance/Life (See Note)	94,567	115,000	115,000
Subtotal	28,574,973	31,230,000	33,977,000
<u>Office and Administrative Support</u>			
Administrative Support	779,357	844,141	916,208
Per Diem and Other Personal Service	214	750	750
Repairs & Maintenance	936	500	1,000
Insurance (not employee related)	1,097	1,566	1,748
IT Hardware/Software/Supplies	11,146	30,000	30,000
Communications	5,942	12,855	21,600
DII Allocated Charges	8,309	8,745	32,107
Software Maintenance	72,910	68,497	64,273
Advertising	516	1,500	1,500
Printing/Binding	14,813	30,000	20,000
Postage/BGS	56,401	70,000	62,500
Fee for Space	44,915	46,867	50,138
Other Rentals	2,469	-	1,500
Office Supplies	5,651	12,500	10,500
FMS/HRMS/VISION Assessment	13,907	15,069	16,815
Dues/Subscriptions	8,281	5,000	8,500
Staff Education & Training	110	3,450	3,450
Office Equipment	176	5,400	2,500
Meetings and Conferences	1,880	5,450	5,450
Travel	7,496	10,500	10,500
Miscellaneous	1,080	3,500	3,500
Subtotal	1,037,606	1,176,290	1,264,539
Total	\$ 37,033,335	\$ 40,054,824	\$ 43,164,124
<u>Source of Funds:</u>			
Special Funds-State Retirement System	\$ 37,033,335	\$ 40,054,824	\$ 43,164,124

Note: The employer portions of retiree health and life insurance premiums are paid through a separate and distinct fund, and are not appropriated expenditures of the State Employees Retirement System (VSERS) fund. These items are included above for reference.

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**FISCAL YEAR 2017 BUDGET
MUNICIPAL RETIREMENT SYSTEM**

Service/Category	FY 2015 Actual Expenses	FY 2016 Budget	FY 2017 Request
<u>Investments</u>			
Investment Management Services	\$ 2,000,838	\$ 2,200,147	\$ 2,273,090
Investment Services-Actuarial/Custodial	98,960	174,873	165,573
Subtotal	2,099,798	2,375,020	2,438,663
<u>Agency Support</u>			
Attorney General/Legal	36,692	33,700	36,019
Auditor of Accounts	92,011	114,862	156,064
Human Resources	2,241	2,845	3,484
Subtotal	130,944	151,407	195,567
<u>Third Party Support</u>			
Health Consultant	4,400	4,500	5,000
Technical	8,812	15,000	11,250
Retirement System Project - VPAS	358,934	-	-
Subtotal	372,146	19,500	16,250
<u>Benefits</u>			
Insurance/Health	4,431	9,000	10,000
Insurance/Life	-	-	-
Subtotal	4,431	9,000	10,000
<u>Office and Administrative Support</u>			
Administrative Support	433,216	492,416	495,485
Per Diem and Other Personal Service	62	250	250
Repairs & Maintenance	507	300	700
Insurance (not employee related)	619	979	941
IT Hardware/Software/Supplies	6,343	17,500	17,500
Communications	3,247	7,703	7,500
DII Allocated Charge	4,679	4,897	17,288
Software Maintenance	36,692	39,957	34,742
Advertising	1,030	1,000	1,250
Printing/Binding	11,267	17,500	15,000
Postage/BGS	30,846	40,000	36,000
Fee for Space	26,194	27,332	27,093
Other Rentals	1,400	-	1,500
Office Supplies	2,542	6,000	5,000
FMS/HRMS/VISION Assessment	7,860	9,418	9,054
Dues/Subscriptions	3,549	3,000	3,750
Staff Education & Training	30	2,200	2,200
Office Equipment	98	3,150	1,500
Meetings and Conferences	361	3,450	3,450
Travel	1,114	5,900	5,900
Miscellaneous	484	3,000	3,000
Subtotal	572,140	685,952	689,103
Total	\$ 3,179,459	\$ 3,240,879	\$ 3,349,583
<u>Source of Funds:</u>			
Special Funds-Municipal Retirement System	\$ 3,179,459	\$ 3,240,879	\$ 3,349,583

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**FISCAL YEAR 2017 BUDGET
TEACHER RETIREMENT SYSTEM**

Service/Category	FY 2015 Actual Expenses	FY 2016 Budget	FY 2017 Request
<u>Investments</u>			
Investment Management Services	\$ 6,594,943	\$ 7,108,168	\$ 7,343,831
Investment Services-Actuarial/Other	316,963	548,769	533,528
Subtotal	6,911,906	7,656,937	7,877,359
<u>Agency Support</u>			
Attorney General/Legal	78,791	97,300	98,450
Auditor of Accounts	112,509	112,230	167,473
Human Resources	4,444	5,828	6,341
Subtotal	195,744	215,358	272,264
<u>Third Party Support</u>			
Health Consultant	10,238	6,000	12,000
Technical	11,140	20,000	15,000
Retirement System Project, V-PAS	809,280	-	-
Subtotal	830,658	26,000	27,000
<u>Benefits</u>			
Insurance/Health (see Note)	28,438,006	30,030,000	31,531,500
Insurance/Life	-	-	-
Subtotal	28,438,006	30,030,000	31,531,500
<u>Office and Administrative Support</u>			
Administrative Support	952,610	1,008,280	1,064,883
Per Diem and Other Personal Service	268	750	750
Repairs & Maintenance	1,170	600	1,200
Insurance (not employee related)	1,336	1,891	2,015
IT Hardware/Software/Supplies	14,186	36,000	36,000
Communications	5,540	15,306	15,000
DII allocated and other charges	10,057	10,494	37,046
Software Maintenance	89,112	81,816	74,695
Advertising	645	1,700	1,700
Printing/Binding	19,221	35,000	25,000
Postage/BGS	69,848	85,000	75,000
Fee for Space	53,646	55,977	58,279
Other Rentals	3,430	-	1,500
Office Supplies	9,300	15,000	12,500
FMS/HRMS/VISION Assessment	16,929	18,209	19,402
Dues/Subscriptions	9,038	7,250	9,500
Staff Education & Training	188	3,950	3,950
Office Equipment	215	6,450	3,000
Meetings and Conferences	3,138	5,950	5,950
Travel	9,514	12,900	12,900
Miscellaneous	1,077	4,000	4,000
Subtotal	1,270,468	1,406,523	1,464,270
Total	\$37,646,782	\$39,334,818	\$ 41,172,393
<u>Source of Funds:</u>			
Special Funds-Teachers' Retirement System	\$37,646,782	\$39,334,818	\$ 41,172,393

Note: Beginning in FY2015, the employer portion of retiree health insurance premiums are paid through a separate and distinct fund, and are no longer an appropriated expenditure of the Teachers' Retirement System (VSTRS) fund. The estimated cost for FY2016 and FY2017 are included above for reference. Prior to FY2015 these costs were expended from the VSTRS fund.

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State of Vermont
 FY2017 Governor's Recommended Budget: Detail Report

Organization: 1260020000 - State Payment to the Teachers Retirement System

Budget Object Group: 3. GRANTS

Grants Rollup	Description	Code	FY2015 Actuals	FY2016 Original As Passed Budget	FY2016 Governor's BAA Recommended Budget	FY2017 Governor's Recommended Budget	Difference Between FY2017 Governor's Recommendation and FY2016 As Passed	Percent Change FY2017 Governor's Recommendation and FY2016 As Passed
Grants								
Other Grants		550220	0	0	0	0	0	0.0%
Total: Grants Rollup		550500	83,609,170	73,102,909	73,102,909	82,659,576	9,556,667	13.1%
Total: 3. GRANTS			83,609,170	73,102,909	73,102,909	82,659,576	9,556,667	13.1%
Total Expenses:			83,609,170	73,102,909	73,102,909	82,659,576	9,556,667	13.1%

Fund Name	Fund Code	FY2015 Actuals	FY2016 Original As Passed Budget	FY2016 Governor's BAA Recommended Budget	FY2017 Governor's Recommended Budget	Difference Between FY2017 Governor's Recommendation and FY2016 As Passed	Percent Change FY2017 Governor's Recommendation and FY2016 As Passed
General Fund	10000	81,109,170	73,102,909	73,102,909	82,659,576	9,556,667	13.1%
Supplemental Property Tax Relief Fund	21927	2,500,000	0	0	0	0	0.0%
Funds Total:		83,609,170	73,102,909	73,102,909	82,659,576	9,556,667	13.1%
Position Count							
FTE Total							

ELIZABETH A. PEARCE
STATE TREASURER

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STATE OF VERMONT
OFFICE OF THE STATE TREASURER

TO: Representative Mitzi Johnson, Chair, House Committee on Appropriations
Senator Jane Kitchell, Chair, Senate Committee on Appropriations

FROM: Beth Pearce, State Treasurer *Beth Pearce*

DATE: March 17, 2015

RE: Teachers' Pension System ARC/Teacher Health Care

The Retired Teachers' Health and Medical Benefits Fund was created last year to pay for teacher health care payments and incorporated a number of funding sources. One such funding source is federal grants. Specifically, the statute requires:

§ 1944c. EMPLOYER CHARGES FOR FEDERAL GRANTS OR REIMBURSEMENTS

(a) Notwithstanding any provision of law to the contrary, effective on July 1, 2015, the employer retirement costs and administrative operating expenses related to the retirement plans applicable to those teachers whose funding is provided from federal grants or through federal reimbursement shall be paid by local school systems or educational entities that participate in the Vermont Teachers' Retirement Fund from those federal monies.

(b) The percentage rates to be applied shall be determined by an actuary approved by the Board of Trustees of the State Teachers' Retirement System of Vermont and shall be applied to the total earnable compensation of members prepared by the actuary in compliance with subsection 1942(r) of this title. The Secretary of Education shall annually provide an accounting of federal grants and federal reimbursements, by school system, upon which payment by the participating schools shall be determined.

Given the first year of implementation, the Agency of Education has undertaken a survey of education agencies to determine the estimate of amounts to be remitted. On Friday, March 12th Jim Reardon and I met with the Secretary of Education and her staff. Based on their data, a preliminary estimate of \$3,000,000, to be remitted has been recommended for inclusion in the budget. We are therefore recommending the following change to the budget:

Section B.514 State Teachers Retirement System General Fund Grants (Note: decrease of \$3 million)	\$73,102,909
Section B.515 Retired Teachers' Health Care and Medical Benefits General Fund Grants (Note: increase of \$3 million)	\$15,576,468

The Agency of Education is in the process of finalizing this estimate and will advise of any changes for inclusion in the final budget. We believe that this number is an appropriate placeholder in the budget.

This action is needed to properly reflect the receipt of employer retirement costs related to federal grants from local education agencies and to appropriately apply to the pension fund. An equal amount of general fund appropriation is therefore made available to fund the Retired Teachers' Health and Medical Benefits Fund, as contemplated when developing this new funding approach. This will not change the annual actuarially required contribution or ARC for the teachers' retirement system, established by the actuary at \$76,102,909 but simply reflect that \$3,000,000 will be remitted through federal grants. The \$3,000,000 appropriation is now available to fund the Retired Teachers' Health and Medical Benefits Fund as required in Act 179.

Please let me know if you have any questions.

cc: Justin Johnson, Secretary of Administration
Jim Reardon, Commissioner of Finance and Management
Rebecca Holcombe, Secretary of Education
Speaker of the House Shap Smith
President Pro Tempore John Campbell

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State of Vermont
 FY2017 Governor's Recommended Budget: Rollup Report

Organization: 1260980000 - Debt service
 Budget Object Group: 2. OPERATING

Budget Object Rollup Name	FY2015 Actuals	FY2016 Original As Passed Budget	FY2016 Governor's BAA Recommended Budget	FY2017 Governor's Recommended Budget	Difference Between FY2017 Governor's Recommend and FY2016 As Passed	Percent Change FY2017 Governor's Recommend and FY2016 As Passed
Other Operating Expenses	68,452,081	0	0	0	0	0.0%
Debt Service and Interest	70,953,767	73,569,975	73,569,975	76,991,491	3,421,516	4.7%
Budget Object Group Total: 2. OPERATING	139,405,848	73,569,975	73,569,975	76,991,491	3,421,516	4.7%
Total Expenses	139,405,848	73,569,975	73,569,975	76,991,491	3,421,516	4.7%

Fund Name	FY2015 Actuals	FY2016 Original As Passed Budget	FY2016 Governor's BAA Recommended Budget	FY2017 Governor's Recommended Budget	Difference Between FY2017 Governor's Recommend and FY2016 As Passed	Percent Change FY2017 Governor's Recommend and FY2016 As Passed
General Funds	64,564,485	67,337,515	67,337,515	71,119,465	3,781,950	5.6%
Transportation Fund	2,094,555	1,946,969	1,946,969	1,884,089	(62,880)	-3.2%
Special Fund	632,940	628,420	628,420	336,000	(292,420)	-46.5%
ARRA Funds	1,160,101	1,152,158	1,152,158	1,150,524	(1,634)	-0.1%
TIB Debt Service Fund	70,953,767	2,504,913	2,504,913	2,501,413	(3,500)	-0.1%
Funds Total	139,405,848	73,569,975	73,569,975	76,991,491	3,421,516	4.7%

Position Count
 FTE Total