

Operating Budget for Fiscal Year 2018

Submitted to the Governor's Office of Budget,
Planning and Policy and the Legislative Budget Board



ERS
EMPLOYEES RETIREMENT
SYSTEM OF TEXAS

By the Employees Retirement System of Texas ★ December 1, 2017

Operating Budget

for Fiscal Year 2018

Submitted to the

Governor's Office of Budget and Policy Division
and the Legislative Budget Board

by

the Employees Retirement System of Texas

December 1, 2017



Employees Retirement System of Texas

Operating Budget

For Fiscal Year 2018

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Budget Overview
85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

327 Employees Retirement System
Appropriation Years: 2018-19

	GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS	
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
Goal: 1. Administer Comprehensive and Actuarially Sound Retirement Programs										
1.1.1. ERS Retirement Program	436,059,957	459,627,238	28,641,577	27,822,597	112,571,050	99,752,548	66,358,349	68,054,566	643,630,933	655,256,949
1.1.2. LECOS Retirement Program	8,572,770	8,964,464	126,558	129,978	28,803	29,510			8,728,131	9,123,952
1.1.3. Judicial Retirement System - Plan 2	7,738,047	7,675,069					4,756,781	4,718,067	12,494,828	12,393,136
1.1.4. Judicial Retirement System - Plan 1	24,280,863	24,876,724							24,280,863	24,876,724
1.1.5. Public Safety Death Benefits	9,326,175	8,089,984	3,500,000	3,196,324					12,826,175	11,286,308
1.1.6. Retiree Death Benefits	10,897,133	10,079,869							10,897,133	10,079,869
Total, Goal	496,874,945	519,313,348	32,268,135	31,148,899	112,599,853	99,782,058	71,115,130	72,772,633	712,858,063	723,016,938
Goal: 2. Provide Employees and Retirees with Quality Group Benefits										
2.1.1. Group Benefits Program	1,266,610,524	1,360,298,829	76,724,482	82,596,436	311,400,099	292,771,072	221,169,106	229,076,979	1,875,904,211	1,964,743,316
2.1.2. Probation Health Insurance		62,206,468								62,206,468
Total, Goal	1,266,610,524	1,422,505,297	76,724,482	82,596,436	311,400,099	292,771,072	221,169,106	229,076,979	1,875,904,211	2,026,949,784
Total, Agency	1,763,485,469	1,941,818,645	108,992,617	113,745,335	423,999,952	392,553,130	292,284,236	301,849,612	2,588,762,274	2,749,966,722
Total FTEs									374.3	403.0



2.A. Summary of Budget By Strategy

DATE : 12/1/2017

TIME : 2:21:51PM

85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 327 Agency name: Employees Retirement System

Goal/Objective/STRATEGY	EXP 2016	EXP 2017	BUD 2018
1 Administer Comprehensive and Actuarially Sound Retirement Programs			
1 <i>Ensure Actuarially Sound Retirement Programs</i>			
1 ERS RETIREMENT PROGRAM	\$633,629,338	\$643,630,933	\$655,256,949
2 LECOS RETIREMENT PROGRAM	\$8,629,546	\$8,728,131	\$9,123,952
3 JUDICIAL RETIREMENT SYSTEM - PLAN 2	\$12,374,378	\$12,494,828	\$12,393,136
4 JUDICIAL RETIREMENT SYSTEM - PLAN 1	\$25,538,175	\$24,280,863	\$24,876,724
5 PUBLIC SAFETY DEATH BENEFITS	\$8,781,195	\$12,826,175	\$11,286,308
6 RETIREE DEATH BENEFITS	\$10,075,369	\$10,897,133	\$10,079,869
TOTAL, GOAL 1	\$699,028,001	\$712,858,063	\$723,016,938
2 Provide Employees and Retirees with Quality Group Benefits			
1 <i>Manage GBP for State and Higher Education Employees</i>			
1 GROUP BENEFITS PROGRAM	\$1,724,998,232	\$1,875,904,211	\$1,964,743,316
2 PROBATION HEALTH INSURANCE	\$0	\$0	\$62,206,468
TOTAL, GOAL 2	\$1,724,998,232	\$1,875,904,211	\$2,026,949,784

2.A. Summary of Budget By Strategy

DATE : 12/1/2017

TIME : 2:21:51PM

85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 327 Agency name: Employees Retirement System

Goal/Objective/STRATEGY	EXP 2016	EXP 2017	BUD 2018
General Revenue Funds:			
1 General Revenue Fund	\$1,647,293,341	\$1,763,485,469	\$1,941,818,645
	\$1,647,293,341	\$1,763,485,469	\$1,941,818,645
General Revenue Dedicated Funds:			
994 GR Dedicated Accounts	\$101,002,513	\$108,992,617	\$113,745,335
	\$101,002,513	\$108,992,617	\$113,745,335
Federal Funds:			
555 Federal Funds	\$402,924,025	\$423,999,952	\$392,553,130
	\$402,924,025	\$423,999,952	\$392,553,130
Other Funds:			
6 State Highway Fund	\$254,429,588	\$273,052,252	\$283,365,208
573 Judicial Fund	\$4,710,926	\$4,756,781	\$4,718,067
998 Other Special State Funds	\$13,665,840	\$14,475,203	\$13,766,337
	\$272,806,354	\$292,284,236	\$301,849,612
TOTAL, METHOD OF FINANCING	\$2,424,026,233	\$2,588,762,274	\$2,749,966,722
FULL TIME EQUIVALENT POSITIONS	360.5	374.3	403.0

2.B. Summary of Budget By Method of Finance
 85th Regular Session, Fiscal Year 2018 Operating Budget
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 12/1/2017
 TIME: 2:22:31PM

Agency code: 327 Agency name: Employees Retirement System

METHOD OF FINANCING	Exp 2016	Exp 2017	Bud 2018
<u>GENERAL REVENUE</u>			
<u>1</u> General Revenue Fund			
<i>REGULAR APPROPRIATIONS</i>			
Regular Appropriations from MOF Table (2016-17 GAA)	\$1,627,641,925	\$1,742,017,391	\$0
Regular Appropriations from MOF Table (2018-19 GAA)	\$0	\$0	\$1,946,472,137
Estimated Appropriation Revision	\$5,570,668	\$12,013,598	\$0
<i>RIDER APPROPRIATION</i>			
Art IX, Sec 18.04, Additional Appropriation for Employee Benefits (2016-17 GAA)	\$7,961,704	\$13,787,192	\$0
Art IX, Sec 18.11, Contingency for HB9 (2016-17 GAA)	\$10,691,208	\$10,691,208	\$0
Art IX, Sec 18.69, Contingency for HB1278 (2016-17 GAA)	\$3,312,221	\$3,374,442	\$0
S.B. 11, 85th Leg. Regular Session, Art. II rider 33, (2018-19 GAA)	\$0	\$0	\$(4,653,492)
<i>TRANSFERS</i>			
Art. IX - 79 Sec 18.02 Appropriated for Pay Raise (2016-17 GAA)	\$11,029,859	\$11,029,859	\$0
Art IX, Sec 17.05, Salary Increases for State Employees in Salary Schedule C (2016-17)	\$38,375	\$38,375	\$0
<i>LAPSED APPROPRIATIONS</i>			
Law Enforcement and Custodial Officer Supplemental Retirement Fund	\$(220,050)	\$(229,817)	\$0
Judicial Retirement System Plan - 1 Contribution	\$(1,199,856)	\$(2,041,950)	\$0
Public Safety Benefits	\$(306,553)	\$0	\$0
Group Insurance	\$(17,226,160)	\$(27,194,829)	\$0
TOTAL, General Revenue Fund	\$1,647,293,341	\$1,763,485,469	\$1,941,818,645

2.B. Summary of Budget By Method of Finance
 85th Regular Session, Fiscal Year 2018 Operating Budget
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 12/1/2017
 TIME: 2:22:31PM

Agency code: 327 Agency name: Employees Retirement System

METHOD OF FINANCING		Exp 2016	Exp 2017	Bud 2018
TOTAL, ALL	GENERAL REVENUE	\$1,647,293,341	\$1,763,485,469	\$1,941,818,645
<u>GENERAL REVENUE FUND - DEDICATED</u>				
994	General Revenue Dedicated Accounts			
	<i>REGULAR APPROPRIATIONS</i>			
	Regular Appropriations from MOF Table (2016-17 GAA)	\$99,677,671	\$106,584,168	\$0
	Regular Appropriations from MOF Table (2018-19 GAA)	\$0	\$0	\$113,745,335
	Estimated Appropriation Revision	\$372,833	\$865,405	\$0
	<i>RIDER APPROPRIATION</i>			
	Art IX, Sec 18.04, Additional Appropriation for Employee Benefits (2016-17 GAA)	\$177,659	\$185,593	\$0
	Art IX, Sec 18.11, Contingency for HB 9 (2016-17 GAA)	\$728,691	\$728,691	\$0
	Art IX, Sec 18.69, Contingency for HB 1278 (2016-17 GAA)	\$1,500,000	\$1,500,000	\$0
	<i>TRANSFERS</i>			
	Art IX, Sec 18.02, Salary Increase for General State Employees (2016-17)	\$761,349	\$761,349	\$0
	Art IX, Sec 17.05, Salary Increases for State Employees in Salary Schedule C (2016-17)	\$18,987	\$18,987	\$0
	<i>LAPSED APPROPRIATIONS</i>			
	Law Enforcement and Custodial Officer Supplemental Retirement Fund	\$(3,125)	\$(3,421)	\$0
	Public Safety Benefits	\$(1,196,324)	\$0	\$0
	Group Insurance	\$(1,035,228)	\$(1,648,155)	\$0
TOTAL,	General Revenue Dedicated Accounts	\$101,002,513	\$108,992,617	\$113,745,335

2.B. Summary of Budget By Method of Finance
 85th Regular Session, Fiscal Year 2018 Operating Budget
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 12/1/2017
 TIME: 2:22:31PM

Agency code: 327 Agency name: Employees Retirement System

METHOD OF FINANCING		Exp 2016	Exp 2017	Bud 2018
TOTAL, ALL	GENERAL REVENUE FUND - DEDICATED	\$101,002,513	\$108,992,617	\$113,745,335
<u>FEDERAL FUNDS</u>				
555	Federal Funds			
	<i>REGULAR APPROPRIATIONS</i>			
	Regular Appropriations from MOF Table (2016-17 GAA)	\$398,674,344	\$420,775,129	\$0
	Regular Appropriations from MOF Table (2018-19 GAA)	\$0	\$0	\$393,070,185
	Estimated Revision Appropriation	\$1,335,853	\$2,107,704	\$0
	<i>RIDER APPROPRIATION</i>			
	Art IX, Sec 18.04, Additional Appropriation for Employee Benefits (2016-17 GAA)	\$1,834,611	\$2,430,158	\$0
	Art IX, Sec 18.11, Contingency for HB 9 (2016-17 GAA)	\$2,883,119	\$2,883,119	\$0
	SB 11 85th Leg. Regular Session, Art. II rider 33, (2018-19 GAA)	\$0	\$0	\$(517,055)
	<i>TRANSFERS</i>			
	Art IX, Sec 18.02, Salary Increase for General State Employees (2016-17)	\$2,468,011	\$2,468,011	\$0
	Art IX, Sec 17.05, Salary Increases for State Employees in Salary Schedule C (2016-17)	\$2,195	\$2,195	\$0
	<i>LAPSED APPROPRIATIONS</i>			
	Law Enforcement and Custodial Officer Supplemental Retirement Fund	\$(1,032)	\$(707)	\$0
	Group Insurance	\$(4,273,076)	\$(6,665,657)	\$0
TOTAL,	Federal Funds	\$402,924,025	\$423,999,952	\$392,553,130
TOTAL, ALL	FEDERAL FUNDS	\$402,924,025	\$423,999,952	\$392,553,130

2.B. Summary of Budget By Method of Finance
 85th Regular Session, Fiscal Year 2018 Operating Budget
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 12/1/2017
 TIME: 2:22:31PM

Agency code: 327 Agency name: Employees Retirement System

METHOD OF FINANCING	Exp 2016	Exp 2017	Bud 2018
<u>OTHER FUNDS</u>			
6 State Highway Fund No. 006			
<i>REGULAR APPROPRIATIONS</i>			
Regular Appropriations from MOF Table (2016-17 GAA)	\$253,650,603	\$273,489,332	\$0
Regular Appropriations from MOF Table (2018-19 GAA)	\$0	\$0	\$283,365,208
Estimated Appropriation Revision	\$736,573	\$1,206,587	\$0
<i>RIDER APPROPRIATION</i>			
Art IX, Sec 18.11, Contingency for HB 9 (2016-17 GAA)	\$1,558,396	\$1,558,396	\$0
<i>TRANSFERS</i>			
Art IX, Sec 18.02, Salary Increase for General State Employees (2016-17)	\$1,456,688	\$1,456,688	\$0
<i>LAPSED APPROPRIATIONS</i>			
Group Insurance	\$(2,972,672)	\$(4,658,751)	\$0
TOTAL, State Highway Fund No. 006	\$254,429,588	\$273,052,252	\$283,365,208
573 Judicial Fund No. 573			
<i>REGULAR APPROPRIATIONS</i>			
Other Special State Funds 0573	\$4,629,968	\$4,629,968	\$0
Other Special State Funds 0573	\$0	\$0	\$4,718,067
Estimated Appropriation Revision	\$80,958	\$126,813	\$0
TOTAL, Judicial Fund No. 573	\$4,710,926	\$4,756,781	\$4,718,067

2.B. Summary of Budget By Method of Finance
 85th Regular Session, Fiscal Year 2018 Operating Budget
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 12/1/2017
 TIME: 2:22:31PM

Agency code: 327 Agency name: Employees Retirement System

METHOD OF FINANCING	Exp 2016	Exp 2017	Bud 2018
998 Other Special State Funds			
<i>REGULAR APPROPRIATIONS</i>			
Other Special State Funds 0998	\$13,462,712	\$14,238,332	\$13,766,337
Estimated Appropriation Revision	\$64,456	\$129,667	\$0
<i>RIDER APPROPRIATION</i>			
Art IX, Sec 18.04, Additional Appropriation for Employee Benefits (2016-2017 GAA)	\$69,620	\$69,729	\$0
Art IX, Sec 18.11, Contingency for HB 9 (2016-2017 GAA)	\$138,586	\$138,586	\$0
<i>TRANSFERS</i>			
Art IX, Sec 18.02, Salary Increase for General State Employees (2016-2017 GAA)	\$137,139	\$137,139	\$0
<i>LAPSED APPROPRIATIONS</i>			
Group Insurance	\$(206,673)	\$(238,250)	\$0
TOTAL, Other Special State Funds	\$13,665,840	\$14,475,203	\$13,766,337
TOTAL, ALL OTHER FUNDS	\$272,806,354	\$292,284,236	\$301,849,612
GRAND TOTAL	\$2,424,026,233	\$2,588,762,274	\$2,749,966,722

2.B. Summary of Budget By Method of Finance
 85th Regular Session, Fiscal Year 2018 Operating Budget
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 12/1/2017
 TIME: 2:22:31PM

Agency code: 327 Agency name: Employees Retirement System

METHOD OF FINANCING	Exp 2016	Exp 2017	Bud 2018
FULL-TIME-EQUIVALENT POSITIONS			
REGULAR APPROPRIATIONS			
Regular Appropriations	356.0	360.0	0.0
Comments: Regular Appropriations from MOF table (2016-17 GAA)			
Regular Appropriations	0.0	0.0	403.0
Comments: Regular Appropriations from MOF table (2018-19 GAA)			
REQUEST TO EXCEED ADJUSTMENTS			
Request to Exceed Adjustments	4.5	14.3	0.0
Comments: Request to Exceed Adjustments			
TOTAL, ADJUSTED FTES	360.5	374.3	403.0
NUMBER OF 100% FEDERALLY FUNDED FTES	0.0	0.0	0.0

2.C. Summary of Budget By Object of Expense
 85th Regular Session, Fiscal Year 2018 Operating Budget
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **12/1/2017**
 TIME: **2:23:08PM**

Agency code: **327**

Agency name: **Employees Retirement System**

OBJECT OF EXPENSE	EXP 2016	EXP 2017	BUD 2018
1002 OTHER PERSONNEL COSTS	\$680,171,437	\$689,134,755	\$2,728,600,545
2009 OTHER OPERATING EXPENSE	\$1,724,998,232	\$1,875,904,211	\$0
3001 CLIENT SERVICES	\$18,856,564	\$23,723,308	\$21,366,177
Agency Total	\$2,424,026,233	\$2,588,762,274	\$2,749,966,722

For 2018, ABEST was changed to roll object code 7041 to 1002 Other Personnel Costs. In 2016 and 2017, this object code rolled to 2009 Other Operating Expense.



2.D. Summary of Budget By Objective Outcomes
 85th Regular Session, Fiscal Year 2018 Operating Budget
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 12/1/2017
 Time: 2:23:36PM

Agency code: 327 Agency name: **Employees Retirement System**

Goal/ Objective / OUTCOME	Exp 2016	Exp 2017	Bud2018
1 Administer Comprehensive and Actuarially Sound Retirement Programs			
1 <i>Ensure Actuarially Sound Retirement Programs</i>			
KEY 1 % of ERS Retirees Expressing Satisfaction with Member Benefit Services	97.00 %	97.70 %	97.00 %
2 # of Years to Amortize the ERS Unfunded Actuarial Accrued Liability	35.00	999,999,999.00	999,999,999.00
3 # Years to Amortize the LECOS Unfunded Actuarial Accrued Liability	999,999,999.00	999,999,999.00	999,999,999.00
4 # of Years to Amortize the JRS-2 Unfunded Actuarial Accrued Liability	49.00	63.00	63.00
5 ERS Time-weighted Rate of Return (5 Year Rolling Basis)	7.66 %	8.43 %	8.00 %
6 ERS Annual Operating Expense Per Member	56.96	63.91	62.00
KEY 7 Investment Expense as Basis Points of Net Position	14.09	12.77	16.00
8 Percent of Time the ERS On-line System is Available to Customers	95.60 %	96.67 %	95.00 %
2 Provide Employees and Retirees with Quality Group Benefits			
1 <i>Manage GBP for State and Higher Education Employees</i>			
KEY 1 Percent of HealthSelect Participants Satisfied with TPA Services	83.90 %	84.80 %	85.50 %



3.A. Strategy Level Detail

DATE: 12/1/2017
TIME: 2:24:11PM

85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 327 Agency name: Employees Retirement System

GOAL: 1 Administer Comprehensive and Actuarially Sound Retirement Programs
OBJECTIVE: 1 Ensure Actuarially Sound Retirement Programs
STRATEGY: 1 Provide Retirement Program for Employees and Retirees. Estimated.

Service Categories:
Service: 06 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018
Output Measures:				
1	Number of ERS Annuitants Added to Annuity Payroll	6,318.00	6,556.00	6,145.00
KEY 2	Number of ERS Accounts Maintained	256,512.00	255,294.00	264,000.00
Explanatory/Input Measures:				
1	Number of ERS Annuitants	100,689.00	104,278.00	107,500.00
Objects of Expense:				
1002	OTHER PERSONNEL COSTS	\$633,629,338	\$643,630,933	\$655,256,949
TOTAL, OBJECT OF EXPENSE		\$633,629,338	\$643,630,933	\$655,256,949
Method of Financing:				
1	General Revenue Fund	\$427,319,626	\$436,059,957	\$459,627,238
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$427,319,626	\$436,059,957	\$459,627,238
Method of Financing:				
994	GR Dedicated Accounts	\$28,323,231	\$28,641,577	\$27,822,597
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$28,323,231	\$28,641,577	\$27,822,597
Method of Financing:				
555	Federal Funds			
00.327.001	ERS Retirement	\$112,405,845	\$112,571,050	\$99,752,548
CFDA Subtotal, Fund	555	\$112,405,845	\$112,571,050	\$99,752,548
SUBTOTAL, MOF (FEDERAL FUNDS)		\$112,405,845	\$112,571,050	\$99,752,548
Method of Financing:				
6	State Highway Fund	\$60,194,787	\$60,887,486	\$63,038,742
998	Other Special State Funds	\$5,385,849	\$5,470,863	\$5,015,824

3.A. Strategy Level Detail

DATE: 12/1/2017
 TIME: 2:24:11PM

85th Regular Session, Fiscal Year 2018 Operating Budget
 Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **327** Agency name: **Employees Retirement System**

GOAL: 1 Administer Comprehensive and Actuarially Sound Retirement Programs

OBJECTIVE: 1 Ensure Actuarially Sound Retirement Programs

STRATEGY: 1 Provide Retirement Program for Employees and Retirees. Estimated.

Service Categories:

Service: 06 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018
SUBTOTAL, MOF (OTHER FUNDS)		\$65,580,636	\$66,358,349	\$68,054,566
TOTAL, METHOD OF FINANCE :		\$633,629,338	\$643,630,933	\$655,256,949
FULL TIME EQUIVALENT POSITIONS:		360.5	374.3	403.0

3.A. Strategy Level Detail

DATE: 12/1/2017
 TIME: 2:24:11PM

85th Regular Session, Fiscal Year 2018 Operating Budget
 Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 327 Agency name: Employees Retirement System

GOAL: 1 Administer Comprehensive and Actuarially Sound Retirement Programs
 OBJECTIVE: 1 Ensure Actuarially Sound Retirement Programs
 STRATEGY: 2 Provide Retirement Program for Law Enf and Corr Officers. Estimated.

Service Categories:
 Service: 06 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018
Output Measures:				
1	Number of LECOS Annuitants Added to Annuity Payroll	945.00	1,005.00	876.00
2	Number of LECOS Accounts Maintained	62,159.00	61,957.00	62,500.00
Explanatory/Input Measures:				
1	Number of LECOS Annuitants	11,936.00	12,702.00	13,600.00
Objects of Expense:				
1002	OTHER PERSONNEL COSTS	\$8,629,546	\$8,728,131	\$9,123,952
TOTAL, OBJECT OF EXPENSE		\$8,629,546	\$8,728,131	\$9,123,952
Method of Financing:				
1	General Revenue Fund	\$8,474,214	\$8,572,770	\$8,964,464
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$8,474,214	\$8,572,770	\$8,964,464
Method of Financing:				
994	GR Dedicated Accounts	\$126,854	\$126,558	\$129,978
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$126,854	\$126,558	\$129,978
Method of Financing:				
555	Federal Funds			
00.327.003	LECOS Retirement	\$28,478	\$28,803	\$29,510
CFDA Subtotal, Fund	555	\$28,478	\$28,803	\$29,510
SUBTOTAL, MOF (FEDERAL FUNDS)		\$28,478	\$28,803	\$29,510
Method of Financing:				
6	State Highway Fund	\$0	\$0	\$0

3.A. Strategy Level Detail

DATE: 12/1/2017
 TIME: 2:24:11PM

85th Regular Session, Fiscal Year 2018 Operating Budget
 Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **327** Agency name: **Employees Retirement System**

GOAL: 1 Administer Comprehensive and Actuarially Sound Retirement Programs

OBJECTIVE: 1 Ensure Actuarially Sound Retirement Programs

STRATEGY: 2 Provide Retirement Program for Law Enf and Corr Officers. Estimated.

Service Categories:

Service: 06 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018
SUBTOTAL, MOF (OTHER FUNDS)		\$0	\$0	\$0
TOTAL, METHOD OF FINANCE :		\$8,629,546	\$8,728,131	\$9,123,952
FULL TIME EQUIVALENT POSITIONS:				

3.A. Strategy Level Detail

DATE: 12/1/2017
TIME: 2:24:11PM

85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 327 Agency name: Employees Retirement System

GOAL: 1 Administer Comprehensive and Actuarially Sound Retirement Programs
OBJECTIVE: 1 Ensure Actuarially Sound Retirement Programs
STRATEGY: 3 Provide Retirement Program for State Judicial Officers. Estimated.

Service Categories:
Service: 06 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018
Output Measures:				
1	Number of JRS-2 Annuitants Added to Annuity Payroll	20.00	54.00	16.00
2	Number of JRS-2 Accounts Maintained	741.00	742.00	775.00
Explanatory/Input Measures:				
1	Number of JRS-2 Annuitants	347.00	391.00	405.00
Objects of Expense:				
1002	OTHER PERSONNEL COSTS	\$12,374,378	\$12,494,828	\$12,393,136
TOTAL, OBJECT OF EXPENSE		\$12,374,378	\$12,494,828	\$12,393,136
Method of Financing:				
1	General Revenue Fund	\$7,663,452	\$7,738,047	\$7,675,069
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$7,663,452	\$7,738,047	\$7,675,069
Method of Financing:				
573	Judicial Fund	\$4,710,926	\$4,756,781	\$4,718,067
SUBTOTAL, MOF (OTHER FUNDS)		\$4,710,926	\$4,756,781	\$4,718,067
TOTAL, METHOD OF FINANCE :		\$12,374,378	\$12,494,828	\$12,393,136
FULL TIME EQUIVALENT POSITIONS:				

3.A. Strategy Level Detail

DATE: 12/1/2017
 TIME: 2:24:11PM

85th Regular Session, Fiscal Year 2018 Operating Budget
 Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **327** Agency name: **Employees Retirement System**

GOAL: 1 Administer Comprehensive and Actuarially Sound Retirement Programs
 OBJECTIVE: 1 Ensure Actuarially Sound Retirement Programs
 STRATEGY: 4 Provide Payment of JRS-1 Benefits as Required by Law. Estimated.

Service Categories:
 Service: 06 Income: A.2 Age: B.2

CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018
Output Measures:				
1	Number of JRS-1 Annuitants Added to Annuity Payroll	8.00	10.00	3.00
2	Number of JRS-1 Accounts Maintained	13.00	10.00	4.00
Explanatory/Input Measures:				
1	Number of JRS-1 Annuitants	385.00	366.00	371.00
Objects of Expense:				
1002	OTHER PERSONNEL COSTS	\$25,538,175	\$24,280,863	\$24,876,724
TOTAL, OBJECT OF EXPENSE		\$25,538,175	\$24,280,863	\$24,876,724
Method of Financing:				
1	General Revenue Fund	\$25,538,175	\$24,280,863	\$24,876,724
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$25,538,175	\$24,280,863	\$24,876,724
TOTAL, METHOD OF FINANCE :		\$25,538,175	\$24,280,863	\$24,876,724
FULL TIME EQUIVALENT POSITIONS:				

3.A. Strategy Level Detail

DATE: 12/1/2017
TIME: 2:24:11PM

85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 327 Agency name: Employees Retirement System

GOAL: 1 Administer Comprehensive and Actuarially Sound Retirement Programs
OBJECTIVE: 1 Ensure Actuarially Sound Retirement Programs
STRATEGY: 5 Provide Benefits to Beneficiaries of Public Safety Workers. Estimated.

Service Categories:
Service: 06 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018
Output Measures:				
1	Number of Death Benefit Claims Processed	18.00	29.00	19.00
2	Number of Beneficiaries Receiving Benefits	137.00	136.00	148.00
Objects of Expense:				
3001	CLIENT SERVICES	\$8,781,195	\$12,826,175	\$11,286,308
TOTAL, OBJECT OF EXPENSE		\$8,781,195	\$12,826,175	\$11,286,308
Method of Financing:				
1	General Revenue Fund	\$6,781,195	\$9,326,175	\$8,089,984
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$6,781,195	\$9,326,175	\$8,089,984
Method of Financing:				
994	GR Dedicated Accounts	\$2,000,000	\$3,500,000	\$3,196,324
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$2,000,000	\$3,500,000	\$3,196,324
TOTAL, METHOD OF FINANCE :		\$8,781,195	\$12,826,175	\$11,286,308
FULL TIME EQUIVALENT POSITIONS:				

3.A. Strategy Level Detail

DATE: 12/1/2017
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85th Regular Session, Fiscal Year 2018 Operating Budget
 Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **327** Agency name: **Employees Retirement System**

GOAL: 1 Administer Comprehensive and Actuarially Sound Retirement Programs

OBJECTIVE: 1 Ensure Actuarially Sound Retirement Programs

Service Categories:

STRATEGY: 6 Provide Lump-sum Retiree Death Benefits. Estimated.

Service: 06 Income: A.2 Age: B.2

CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018
Output Measures:				
1	Number of Retiree Death Benefits Paid	2,574.00	2,761.00	2,750.00
Efficiency Measures:				
1	Average Number of Days to Process Retiree Death Benefits	3.51	3.68	7.00
Objects of Expense:				
3001	CLIENT SERVICES	\$10,075,369	\$10,897,133	\$10,079,869
TOTAL, OBJECT OF EXPENSE		\$10,075,369	\$10,897,133	\$10,079,869
Method of Financing:				
1	General Revenue Fund	\$10,075,369	\$10,897,133	\$10,079,869
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$10,075,369	\$10,897,133	\$10,079,869
TOTAL, METHOD OF FINANCE :		\$10,075,369	\$10,897,133	\$10,079,869
FULL TIME EQUIVALENT POSITIONS:				

3.A. Strategy Level Detail

DATE: 12/1/2017
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85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **327** Agency name: **Employees Retirement System**

GOAL: 2 Provide Employees and Retirees with Quality Group Benefits

OBJECTIVE: 1 Manage GBP for State and Higher Education Employees

STRATEGY: 1 Provide Basic Insurance Program to General State Employees. Estimated.

Service Categories:

Service: 06 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018
Output Measures:				
1	In-Network Services as a Percentage of Total Services	92.20 %	92.90 %	92.50 %
2	Mental Health/Substance Abuse Costs as % of Total HealthSelect Costs	2.10 %	2.10 %	2.00 %
3	Prescription Drug Program Costs as Percent of Total HealthSelect Costs	19.40 %	16.80 %	20.00 %
Efficiency Measures:				
KEY 1	Percent of Medical Claims Paid within 22 Business Days	99.82 %	99.82 %	99.00 %
2	% of Electronic Retail Pharmacy Claims Paid within 15 Business Days	100.00 %	100.00 %	100.00 %
KEY 3	HealthSelect Admin Fees as Percent of Total HealthSelect Costs	2.80 %	2.70 %	3.00 %
Explanatory/Input Measures:				
1	# Employees, Retirees & Dependents Covered by GBP Health Care Plans	532,619.00	532,943.00	533,361.00
2	Percent of Participants in HMOs	4.80 %	4.90 %	4.80 %
Objects of Expense:				
1002	OTHER PERSONNEL COSTS	\$0	\$0	\$1,964,743,316
2009	OTHER OPERATING EXPENSE	\$1,724,998,232	\$1,875,904,211	\$0
TOTAL, OBJECT OF EXPENSE		\$1,724,998,232	\$1,875,904,211	\$1,964,743,316
Method of Financing:				
1	General Revenue Fund	\$1,161,441,310	\$1,266,610,524	\$1,360,298,829
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,161,441,310	\$1,266,610,524	\$1,360,298,829
Method of Financing:				
994	GR Dedicated Accounts	\$70,552,428	\$76,724,482	\$82,596,436
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$70,552,428	\$76,724,482	\$82,596,436
Method of Financing:				
555	Federal Funds			

3.A. Strategy Level Detail

DATE: 12/1/2017
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85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 327 Agency name: Employees Retirement System
GOAL: 2 Provide Employees and Retirees with Quality Group Benefits
OBJECTIVE: 1 Manage GBP for State and Higher Education Employees
STRATEGY: 1 Provide Basic Insurance Program to General State Employees. Estimated.

Service Categories:
Service: 06 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018
00.327.002	ERS Insurance	\$290,489,702	\$311,400,099	\$292,771,072
CFDA Subtotal, Fund	555	\$290,489,702	\$311,400,099	\$292,771,072
SUBTOTAL, MOF (FEDERAL FUNDS)		\$290,489,702	\$311,400,099	\$292,771,072
Method of Financing:				
6	State Highway Fund	\$194,234,801	\$212,164,766	\$220,326,466
998	Other Special State Funds	\$8,279,991	\$9,004,340	\$8,750,513
SUBTOTAL, MOF (OTHER FUNDS)		\$202,514,792	\$221,169,106	\$229,076,979
TOTAL, METHOD OF FINANCE :		\$1,724,998,232	\$1,875,904,211	\$1,964,743,316
FULL TIME EQUIVALENT POSITIONS:				

For 2018, ABEST was changed to roll object code 7041 to 1002 Other Personnel Costs. In 2016 and 2017, this object code rolled to 2009 Other Operating Expense.

3.A. Strategy Level Detail

DATE: 12/1/2017
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85th Regular Session, Fiscal Year 2018 Operating Budget
 Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 327 Agency name: Employees Retirement System

GOAL: 2 Provide Employees and Retirees with Quality Group Benefits
 OBJECTIVE: 1 Manage GBP for State and Higher Education Employees
 STRATEGY: 2 Insurance Contributions for Local CSCD Employee Estimated

Service Categories:

Service: NA Income: NA Age: NA

CODE	DESCRIPTION	EXP 2016	EXP 2017	BUD 2018
Objects of Expense:				
	1002 OTHER PERSONNEL COSTS	\$0	\$0	\$62,206,468
TOTAL, OBJECT OF EXPENSE		\$0	\$0	\$62,206,468
Method of Financing:				
	1 General Revenue Fund	\$0	\$0	\$62,206,468
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$0	\$0	\$62,206,468
TOTAL, METHOD OF FINANCE :		\$0	\$0	\$62,206,468
FULL TIME EQUIVALENT POSITIONS:				

3.A. Strategy Level Detail

DATE: 12/1/2017

TIME: 2:24:11PM

85th Regular Session, Fiscal Year 2018 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$2,424,026,233	\$2,588,762,274	\$2,749,966,722
METHODS OF FINANCE :	\$2,424,026,233	\$2,588,762,274	\$2,749,966,722
FULL TIME EQUIVALENT POSITIONS:	360.5	374.3	403.0

4.B. Federal Funds Supporting Schedule
 85th Regular Session, Fiscal Year 2018 Operating Budget
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 12/1/2017
 TIME: 2:24:51PM

Agency code: 327 Agency name: Employees Retirement System

CFDA NUMBER/ STRATEGY	EXP 2016	EXP 2017	BUD 2018
00.327.001 ERS Retirement			
1 - 1 - 1 ERS RETIREMENT PROGRAM	112,405,845	112,571,050	99,752,548
TOTAL, ALL STRATEGIES	\$112,405,845	\$112,571,050	\$99,752,548
ADDL FED FNDS FOR EMPL BENEFITS	0	0	0
TOTAL, FEDERAL FUNDS	\$112,405,845	\$112,571,050	\$99,752,548
ADDL GR FOR EMPL BENEFITS	\$0	\$0	\$0
00.327.002 ERS Insurance			
2 - 1 - 1 GROUP BENEFITS PROGRAM	290,489,702	311,400,099	292,771,072
TOTAL, ALL STRATEGIES	\$290,489,702	\$311,400,099	\$292,771,072
ADDL FED FNDS FOR EMPL BENEFITS	0	0	0
TOTAL, FEDERAL FUNDS	\$290,489,702	\$311,400,099	\$292,771,072
ADDL GR FOR EMPL BENEFITS	\$0	\$0	\$0
00.327.003 LECOS Retirement			
1 - 1 - 2 LECOS RETIREMENT PROGRAM	28,478	28,803	29,510
TOTAL, ALL STRATEGIES	\$28,478	\$28,803	\$29,510
ADDL FED FNDS FOR EMPL BENEFITS	0	0	0
TOTAL, FEDERAL FUNDS	\$28,478	\$28,803	\$29,510
ADDL GR FOR EMPL BENEFITS	\$0	\$0	\$0

4.B. Federal Funds Supporting Schedule
 85th Regular Session, Fiscal Year 2018 Operating Budget
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 12/1/2017
 TIME: 2:24:51PM

Agency code: 327 Agency name: Employees Retirement System

CFDA NUMBER/ STRATEGY	EXP 2016	EXP 2017	BUD 2018
<u>SUMMARY LISTING OF FEDERAL PROGRAM AMOUNTS</u>			
00.327.001 ERS Retirement	112,405,845	112,571,050	99,752,548
00.327.002 ERS Insurance	290,489,702	311,400,099	292,771,072
00.327.003 LECOS Retirement	28,478	28,803	29,510
TOTAL, ALL STRATEGIES	\$402,924,025	\$423,999,952	\$392,553,130
TOTAL , ADDL FED FUNDS FOR EMPL BENEFITS	0	0	0
TOTAL, FEDERAL FUNDS	\$402,924,025	\$423,999,952	\$392,553,130
TOTAL, ADDL GR FOR EMPL BENEFITS	\$0	\$0	\$0

