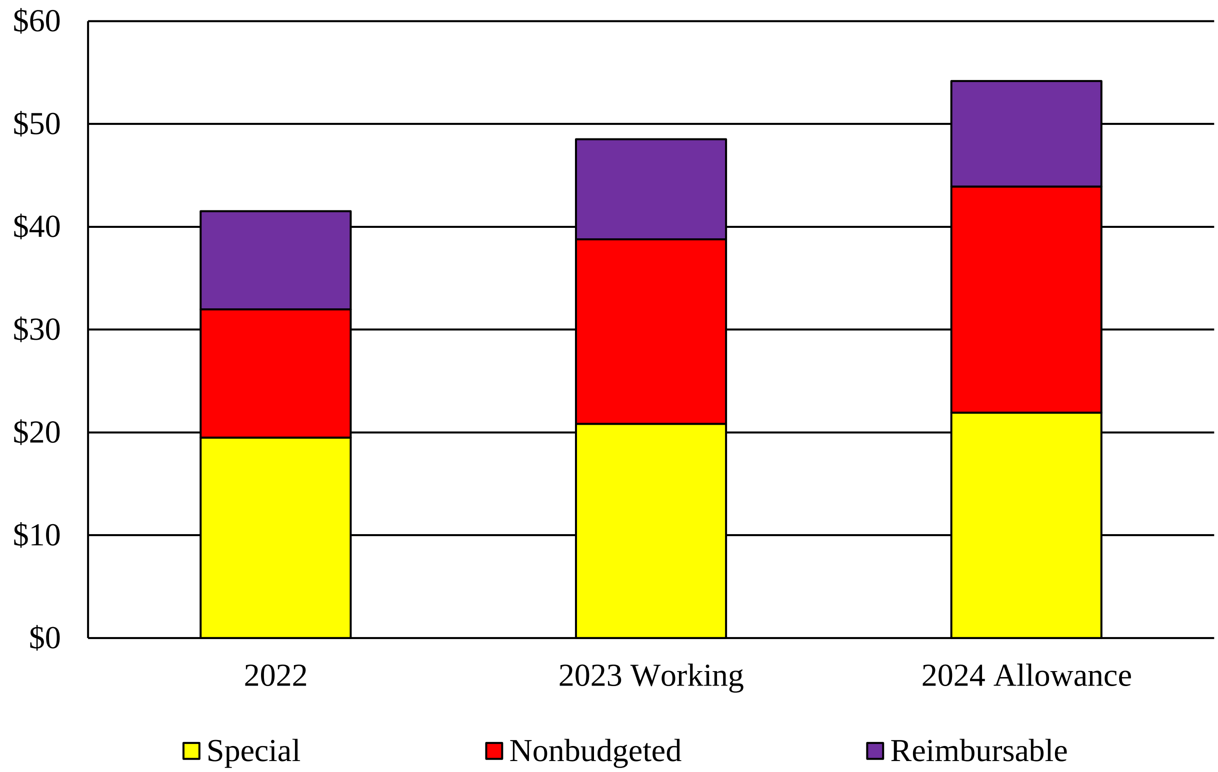
G20J01
State Retirement Agency

Executive Summary

The State Retirement Agency (SRA), under the direction of the Board of Trustees (BOT), is responsible for administering the State Retirement and Pension System (SRPS). SRA is responsible for policy development, legislation, and legal affairs related to the State's retirement systems as well as investments, benefit payments, and employer/employee contributions.

Operating Budget Summary

Fiscal 2024 Budget Increases $5.7 Million, or 11.7%, to $54.2 Million
($ in Millions)



Note: The fiscal 2023 working appropriation includes deficiency appropriations including this agency's share of a deficiency appropriation budgeted in the Statewide Account within the Department of Budget and Management (DBM). Fiscal 2024 salary enhancements are budgeted in the Statewide Account within DBM.

For further information contact: Jason A. Kramer Jason.Kramer@mlis.state.md.us

- The nonbudgeted Investment Division grows $4.1 million, or 23%, in the fiscal 2024 allowance, continuing the division's expansion.

- Reimbursable and special fund spending grows by $1.6 million, or 5.2%, primarily due to personnel increases.

Key Observations

- ***Call Center Delays Remain:*** SRA continues to struggle with long wait times and a large amount of dropped calls in its customer service call center.

- ***System Nears Funding Goals:*** The pension system achieved a 76.6% funding level at the close of fiscal 2022 and is projected to reach 80% funding by fiscal 2027.

- ***Amortization Policy Changes Needed:*** Legislation is required to change the pension system's amortization policy to avoid the potential for contribution spikes in the next decade.

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

Operating Budget Analysis

Program Description

SRA, under the direction of the 15-member SRPS BOT, is responsible for administering the State's retirement and pension systems. The board-appointed executive director is responsible for policy development, legislation, and legal affairs. The agency has identified four fundamental goals for its operation:

- to prudently invest system assets in a well-diversified manner to optimize long-term returns while controlling risk through the excellence in execution of investment objectives and strategies of the system;

- to effectively communicate to all retirement plan participants the benefits provided by the system and to educate them about planning and preparing for all aspects of their defined benefit;

- to pay all retirement allowances provided by State pension law to the system's retirees and their beneficiaries in an accurate and timely manner; and

- to efficiently collect the required employer and employee contributions necessary to fund the system.

An administrative charge to all employers for whom the agency administers retiree benefits provides the revenue to fund the agency. In proportion to total system membership, administrative charge revenue from State agencies pays for roughly one-third of agency operations (represented as reimbursable funds), and revenue from local school boards and participating governmental units pay for the remaining two-thirds (represented as special funds). Based on the Governor's allowance and certified membership of 194,210, participating employers will pay approximately $166 per member in fiscal 2024; however, the final per member fee is based on actual expenditures. The agency is subject to a statutory spending cap of 0.22% of the active member payroll, retiree benefits, and compensation of vested former members, as codified by Chapters 723 and 724 of 2018. The calculated cap for fiscal 2024 is $43.5 million.

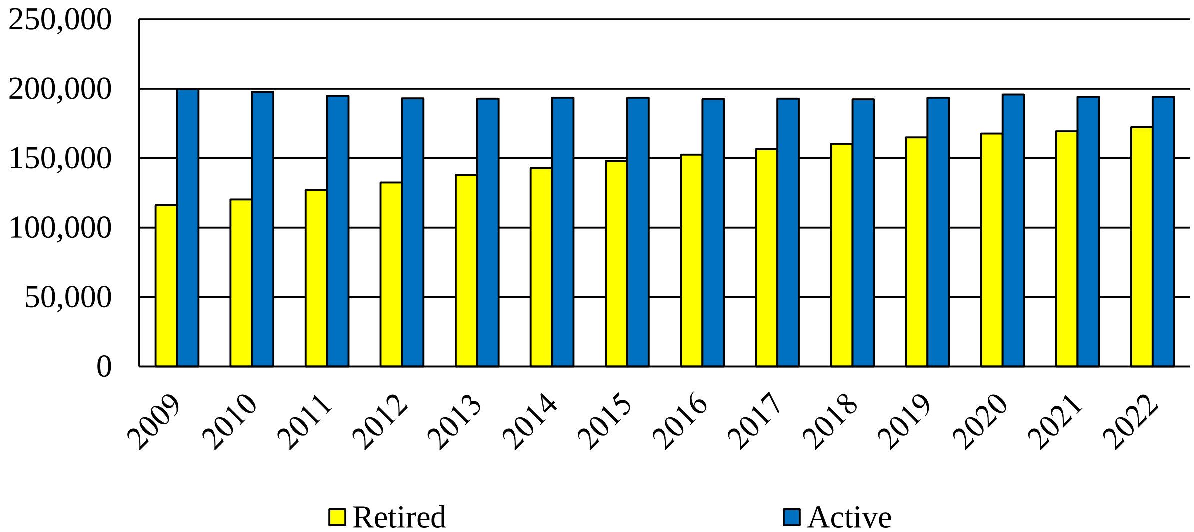
Chapters 727 and 728 of 2018 specified that compensation and other operational expenses for the Investment Division would be paid out of the accumulation of funds of the State's retirement systems (the pension trust fund) instead of from special or reimbursable funds representing administrative fees collected from participating employers for agency expenses. This effectively took the division off-budget starting in fiscal 2019, and costs associated with the Investment Division do not count against SRA's expense cap.

Performance Analysis: Managing for Results

1. Retirees Increasing While Active Membership in State Pension Stays Flat

As shown in **Exhibit 1**, active membership in the State's retirement system has remained relatively flat since fiscal 2011, totaling 194,210 members in fiscal 2022. During this same time period, retired members have increased from 127,165 to 172,235, an increase of 4.4% annually. In fiscal 2022, retirees represented 47% of the State's pension plan participation. The flattening of active participation means that less payroll is supporting retiree benefits, resulting in higher employer contribution rates.

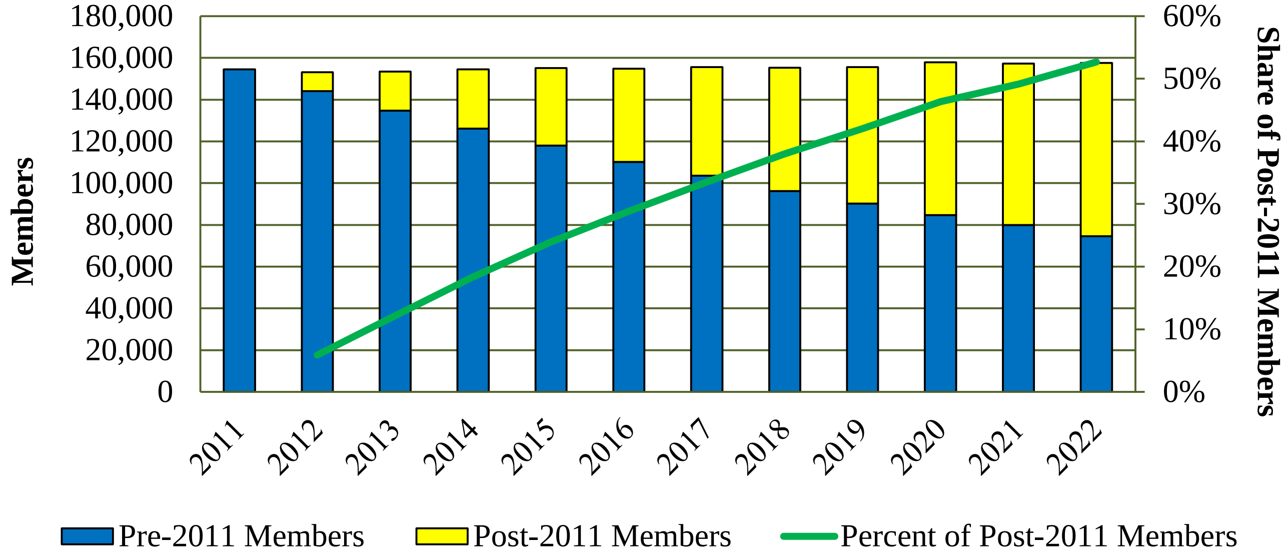
Exhibit 1
State Pension System Membership
Fiscal 2009-2022



Source: State Retirement Agency

Due to employee turnover, 52.7% of members in the Teachers' Pension System/Employees' Pension system are in the reformed pension system as of fiscal 2022, as shown in **Exhibit 2**. Per Chapter 397 of 2011, all members hired on or after July 1, 2011, are part of the reformed pension system that requires a longer vesting period (10 years instead of 5 years) and provides a less generous benefit calculation. Increasing membership in the reformed pension system results in a positive impact on the State's pension liabilities due to fewer employees vesting and reduced future benefits for employees who do vest. Employees who leave the State's service without vesting receive their contributions and a guaranteed return on their contributions (5%), but the State's contributions for the employee stay in the system.

Exhibit 2
Pre- and Post-2011 Pension Reform Members State Employees' and Teachers' Retirement Systems
Fiscal 2011-2022



Source: State Retirement Agency

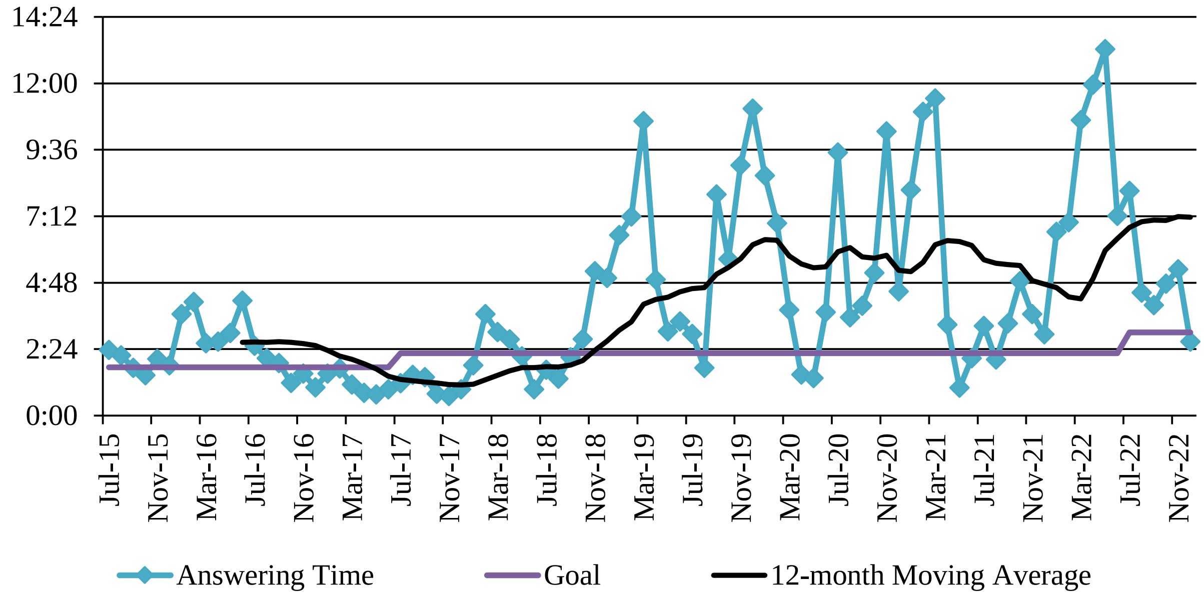
2. SRA Call Center Wait Times Continue to Miss Goals

As the administrator of retirement benefits, SRA's performance measures focus on customer service that the agency provides to participants of the State's pension plans. After struggling for several years to meet its dual goals of fewer than 6% of calls being dropped and callers waiting no more than 1:45 minutes for a counselor to pick up their call, the agency raised its call center goals to no more than 7.5% of calls being dropped and callers waiting no more than 2:15 minutes, starting in fiscal 2018. The agency has now increased the goal to 3 minutes and 10% of calls dropped after several years of failing to meet the previous goals.

At least 15% of calls to the call center – which has a call volume of approximately 130,000 annually – have been dropped by the phone system every fiscal year since 2019. And as shown in **Exhibit 3**, long wait times were the norm for much of calendar 2022. SRA attributes the call center delays primarily to staffing shortages, which can be exacerbated due to the 14-week training period required for employees providing retirement information to State employees and retirees at the call center. A typical call center employee can handle approximately 45 calls per day. The fiscal 2024 allowance includes 4 new positions for the call center – 3 retirement benefits specialists and

1 administrative specialist. The 3 retirement benefits specialists would provide services in the call center. At this time, a retirement specialist staffs the SRA front desk, removing their ability to handle calls in the call center. The addition of an administrative specialist to staff the front desk would allow an additional retirement specialist to take calls in the call center.

Exhibit 3
Member Services Call Answering Time
July 2015 to December 2022
(in Minutes)

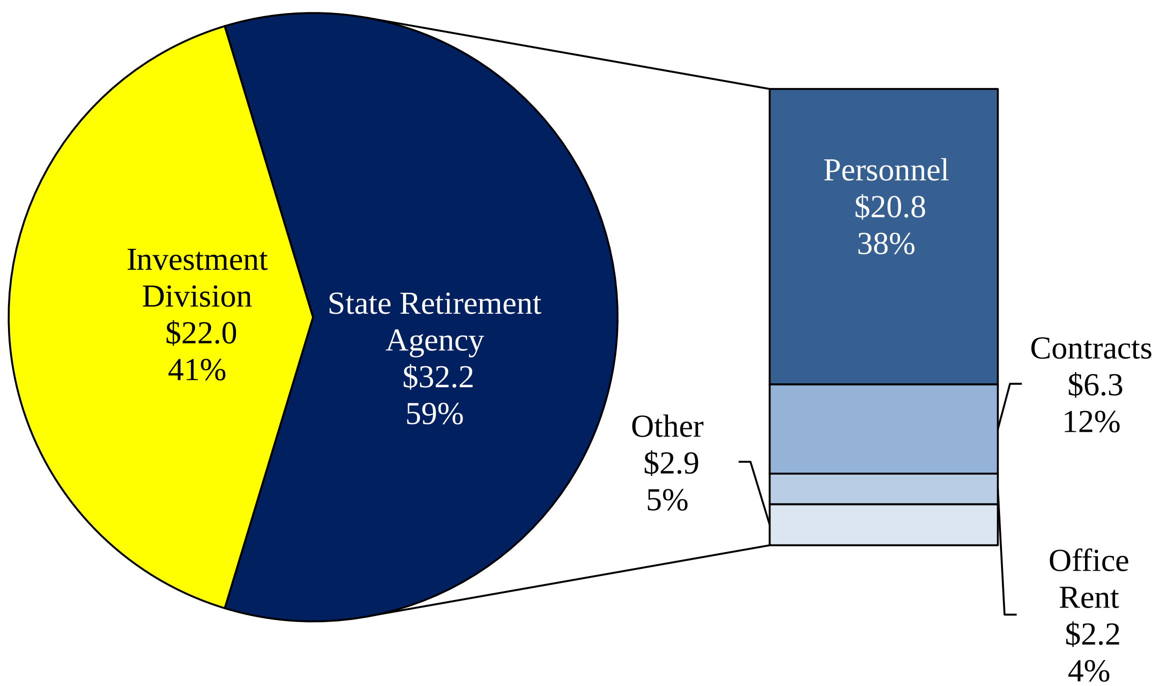


Source: Governor's Fiscal 2024 Budget Books; State Retirement Agency

Fiscal 2024 Overview of Agency Spending

The SRA fiscal 2024 allowance totals $54.2 million and is comprised of two components: SRA operations (59%); and the Investment Division (41%), as shown in **Exhibit 4**. Personnel makes up the largest portion of the SRA operations budget.

Exhibit 4
Overview of Agency Spending
Fiscal 2024 Allowance
($ in Millions)



Source: Governor's Fiscal 2024 Budget Books

Proposed Budget Change

The fiscal 2024 allowance increases by $5.7 million, or 11.7%, compared to the fiscal 2023 working appropriation, as shown in **Exhibit 5**. Nearly three-quarters of the increase is in the nonbudgeted Investment Division.

Exhibit 5
Proposed Budget
State Retirement Agency
($ in Thousands)

How Much It Grows:	Special Fund	Nonbudgeted Fund	Reimb. Fund	Total
Fiscal 2022 Actual	$19,508	$12,453	$9,550	$41,511
Fiscal 2023 Working Appropriation	20,847	17,949	9,717	48,513
Fiscal 2024 Allowance	21,919	22,011	10,240	54,171
Fiscal 2023-2024 Amount Change	$1,072	$4,062	$524	$5,658
Fiscal 2023-2024 Percent Change	5.1%	22.6%	5.4%	11.7%

Where It Goes:	Change
Personnel Expenses (Excluding the Investment Division)	
Health insurance premiums	$416
5 new positions	269
Annualization of November 2022 4.5% cost-of-living adjustment	233
Regular earnings	193
Retirement contributions	103
Other compensation	34
Social Security contributions	16
Other fringe benefit adjustments	1
Turnover expectations	-16
SRA Administration and Major Information Technology Changes	
Replacement backup and recovery solution	347
Office rent	94
Other changes	87
Completion of MPAS-3 project	-181
Investment Division (Nonbudgeted)	
Regular earnings	1,753
Contractual costs	976
6 new positions	753
Retirement contributions	371
Turnover expectations	288
Social Security contributions	68
Other	28
Unemployment Insurance	8
Bonuses and other compensation	-183
Total	**$5,658**

MPAS-3: The Maryland Pension Administration System
SRA: State Retirement Agency

Note: Numbers may not sum to total due to rounding.

5 New Positions in Administration

The fiscal 2024 allowance includes funding for 5 new positions in administration at a total fiscal 2024 cost of $269,063. The new positions include 1 new program manager along with 3 retirement benefits specialists and 1 administrative specialist, discussed earlier in this analysis. The program manager position would take on responsibility of management of the Maryland Pension Administration System (MPAS), which is currently being handled by an outside vendor.

Data Storage Cost Increases

SRA costs increase by approximately $347,000 for data processing costs, primarily related to a replacement backup and recovery solution for MPAS. The transition away from paper and to digital automation has significantly increased the agency’s need for data storage. Additionally, the increased in-house management of the system’s portfolio has increased data storage needs. The new backup system would expand storage capacity, while also increasing protection against cyberattacks.

MPAS-3 Completion

The fiscal 2023 working appropriation includes $181,000 for the completion of MPAS, and no funding in fiscal 2024. The project automated the business practices of the agency and provides real-time member account services. Functions include automated workflow, secure Internet transactions for members, new customer relationship and document management systems, and integration of existing systems. The project had been expected to be completed by the close of fiscal 2022, but delays required funding into fiscal 2023.

Investment Division

Investment Division costs, which are nonbudgeted, increase by more than $4 million, or 23%, in the fiscal 2024 allowance, to $22 million. Personnel cost increases make up approximately $3 million of the change from the fiscal 2023 working appropriation.

Regular earnings increase by $1.8 million, and fringe benefit costs increase by approximately $735,000. Those increases are offset by a $183,000 decrease in bonuses and other compensation. The significant compensation increases are due to the division’s independent salary-setting authority. SRA anticipated annual salary increases of approximately 10% when the division was moved off-budget.

Additionally, costs increase by approximately $753,000 for the addition of 6 new positions in the Investment Division. The positions include a chief operations officer, an investment accountant, an investment analyst, and 2 portfolio managers. The division will have 47 authorized positions in fiscal 2024, up from 26 in fiscal 2020.

Personnel Data

	FY 22 Actual	FY 23 Working	FY 24 Allowance	FY 23-24 Change
Regular Positions	215.00	214.00	225.00	11.00
Contractual FTEs	2.31	7.00	7.00	0.00
Total Personnel	**217.31**	**221.00**	**232.00**	**11.00**

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	11.79	5.51%
Positions and Percentage Vacant as of 12/31/22	19.00	8.88%
Vacancies Above Turnover	7.21	

- The fiscal 2024 allowance includes 5 new positions in SRA administration, bringing the number of authorized positions from 173 to 178.

- The Investment Division will add 6 new positions, bringing total from 41 to 47.

- The fiscal 2024 allowance includes $383,775 in funding and 7 contractual positions. However, actual spending on contractual positions in fiscal 2021 and 2022 was $197,560 and $150,702, respectively, or about 50% less than the allowance, due to the difficulty in filling contractual positions.

Issues

1. System Faces 3% Loss in Fiscal 2022 but Beats Benchmark

The system's investment return for fiscal 2022 was -2.97% net of management fees below the assumed rate of return of 6.80%. The system exceeded its policy benchmarks for the system as a whole. As shown in **Exhibit 6**, the system's assets' market value totaled $64.6 billion as of June 30, 2022 – a decrease over the $67.9 billion in assets at the end of fiscal 2021.

Exhibit 6
State Retirement and Pension System of Maryland
Fund Investment Performance for Periods Ending June 30, 2022
($ in Millions)

			Time Weighted Total Returns		
	Assets	**% Total**	**1 Year**	**5 Years**	**10 Years**
Growth Equity					
Public Equity	$18,426	28.5%	-19.38%	6.44%	8.90%
Private Equity	13,881	21.5%	24.53%	21.38%	17.69%
Subtotal	***$32,307***	***50.0%***	***-5.04%***	***11.33%***	***11.67%***
Rate Sensitive					
Nominal Fixed Income	$8,535	13.2%	-18.03%	0.77%	1.93%
Inflation Sensitive	2,838	4.4%	-5.61%	3.25%	2.18%
Subtotal	***$11,373***	***17.6%***	***-15.28%***	***1.41%***	***2.16%***
Credit/Debt					
High Yield Bonds and Bank Loans	$2,735	4.2%	-10.03%	2.69%	n/a
Private Credit	1,789	2.8%	15.70%	8.28%	9.79%
Credit Hedge Fund	41	0.1%	-0.40%	-2.02%	0.96%
Non-U.S. Credit	515	0.8%	-19.37%	-1.27%	–1.55%
Subtotal	***$5,080***	***7.9%***	***-4.54%***	***3.44%***	***5.27%***
Real Assets					
Real Estate	$7,127	11.0%	30.64%	10.72%	11.06%
Natural Resources and Infrastructure	2,693	4.2%	13.70%	n/a	n/a
Subtotal	***$9,820***	***15.2%***	***25.70%***	***9.22%***	***4.81%***
Absolute Return	**$4,897**	**7.6%**	**1.40%**	**3.97%**	**3.15%**
Multi-asset	**$246**	**0.4%**	**-19.04%**	**n/a**	**n/a**
Cash	**$912**	**1.4%**	**-0.23%**	**4.23%**	**3.29%**
Total Fund	**$64,634**	**100.0%**	**–2.97%**	**7.93%**	**7.79%**

Note: Returns beyond one year are annualized. Returns are net of fees. Columns may not add to total due to rounding.

Source: State Street – State Retirement Agency of Maryland – Rates of Return – Net Mgr – Periods Ending June 30, 2022

In spite of the losses in fiscal 2022, **Exhibit 7** shows that the system performed 0.51% (51 basis points) above the benchmark.

Exhibit 7
Benchmark Performance
Fiscal 2022

	Return	Return Benchmark	Excess
Growth Equity	**-5.04%**	**-3.79%**	**-1.25%**
Public Equity	-19.38%	-18.05%	-1.34%
Private Equity	24.53%	24.00%	0.53%
Rate Sensitive	**-15.28%**	**-13.70%**	**-1.58%**
Nominal Fixed Income	-19.97%	-17.74%	-2.23%
Inflation Sensitive	-5.61%	-5.73%	0.11%
Credit	**-4.54%**	**-12.57%**	**8.03%**
High Yield Bonds and Bank Loans	-10.03%	-10.85%	0.82%
Private Credit	15.70%	n/a	n/a
Credit Hedge Fund	-0.40%	-2.80%	2.40%
Non-U.S. Credit	-19.37%	-20.80%	1.43%
Real Assets	**25.70%**	**19.88%**	**5.82%**
Real Estate	30.64%	28.71%	1.94%
Natural Resources and Infrastructure	13.70%	2.28%	11.43%
Absolute Return	**1.40%**	**2.99%**	**-1.59%**
Multi-asset	**-19.04%**	**-3.48%**	**-15.56%**
Cash and Cash Equitization	**-0.23%**	**0.19%**	**-0.43%**
Total Fund	**-2.97%**	**-3.48%**	**0.51%**

Source: State Street – State Retirement Agency of Maryland – Rates of Return – Net Mgr – Periods Ending June 30, 2022

One method of evaluating the system's investment performance is to compare the system's investment performance with the performance of other systems. The Wilshire Trust Universe Comparison Service (TUCS) rankings are useful for providing a big picture, snapshot assessment of the system's performance relative to other large public pension plans. In the TUCS analysis, the one-hundredth percentile represents the lowest investment return, and the first percentile is the highest investment return. According to TUCS, the system's fiscal 2022 total fund investment performance was rated in the thirty-seventh percentile among the public pension funds with at least

$25 billion in assets, as shown in **Exhibit 8**. As the system has historically had a low allocation to equity investments compared to its peers – and domestic equity in particular – the system's investment policy will have a low TUCS ranking when equity markets are experiencing strong performance, as has been the case for a number of recent years. The long-term relative performance rankings have placed SRPS' relative total fund performance in the bottom quartile, with improvement in recent years. The TUCS rankings are based on returns gross of fees.

Exhibit 8
TUCS Percentile Rankings for Periods Ending June 30
Fiscal 2019-2022

	2019	2020	2021	2022
1 Year	60	53	64	37
3 Years	92	60	57	37
5 Years	88	71	75	43
10 Years	87	87	88	75

TUCS: Wilshire Trust Universe Comparison Services

Note: Rankings are for systems greater than $25 billion.

Source: Wilshire Trust Universe Comparison Service

The SRPS BOT sets the allocation of assets to each investment class and continuously monitors the appropriateness of the allocation in light of its investment objectives. The assets allocation is structured into five categories:

- ***Growth Equity:*** public equity (domestic, international developed, and international emerging markets) and private equity investments;
- ***Rate Sensitive:*** investments in bonds, loans, or associated derivatives with an average portfolio credit quality of investment grade;
- ***Credit:*** investments in bonds, loans, or associated derivatives with an average portfolio credit quality of below investment grade;
- ***Real Assets:*** investments whose performance is expected to exceed the rate of inflation over an economic cycle; and
- ***Absolute Return:*** consists of investments that are expected to exceed the three-month U.S. Treasury bill by 4% to 5% over a full market cycle and exhibit low correlation to public stocks.

Included within these asset classes are sub-asset classes. The board approves adjustments to the asset allocations and sets transitional targets. The board also approves target ranges for sub-asset classes as well as constraints on hedge fund exposure, with total hedge fund investments capped across all asset classes. **Exhibit 9** shows system asset allocations in relation to the strategic targets in effect on June 30, 2021. The actual allocation of plan funds is very close to the board's targets.

Exhibit 9
Allocation of Plan Funds

Asset Class	Actual June 30, 2022	Target July 1, 2022
Growth Equity		
U.S. Equity	16%	15%
International Equity	10%	9%
Emerging Markets Equity	11%	10%
Private Equity	13%	16%
Subtotal	***50%***	***50%***
Rate Sensitive		
Long-term Government Bonds	10%	10%
Securitized Bonds	5%	3%
Corporate Bonds	n/a	3%
Inflation-linked Bonds	4%	5%
Subtotal	***19%***	***21%***
Credit/Debt		
High Yield Bonds and Bank Loans	7%	7%
Emerging Market Debt	2%	1%
Subtotal	***9%***	***8%***
Real Assets		
Real Estate	10%	10%
Natural Resources and Infrastructure	4%	5%
Subtotal	***14%***	***15%***
Absolute Return	**8%**	**6%**
Total Fund	**100%**	**100%**

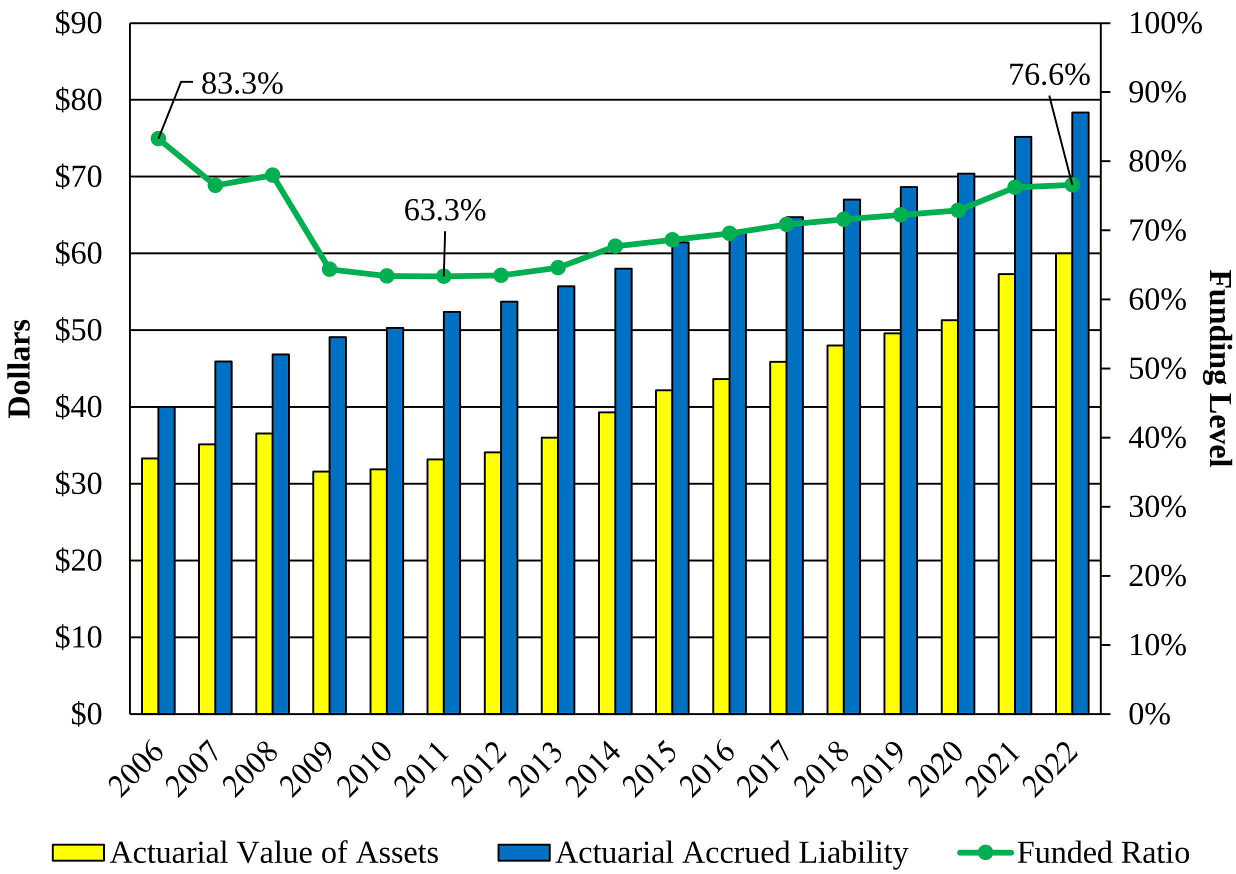
Note: Numbers may not add to total due to rounding.

Source: State Retirement and Pension System; State Street – State Retirement Agency of Maryland – Rates of Return – Net Mgr – Periods Ending June 30, 2022

Funding Levels Increase

In 2011, the General Assembly passed comprehensive pension reform (Chapter 397) aimed at addressing the long-term sustainability of the State's defined benefit pension plans and the affordability of the State's contributions to those plans. At that time, SRPS had only 64% of assets necessary to cover its liability. Due to a combination of the reforms and supplemental funding, SRPS is projected to achieve 80% actuarial funding by fiscal 2027, two years later than was projected a year ago, primarily due to poor investment returns in fiscal 2022. As shown in **Exhibit 10**, the actual funded ratio in fiscal 2022 was 76.6% for all State plans.

Exhibit 10
State Plans' Pension Assets, Liabilities, and Funded Ratio
Fiscal 2006-2022
($ in Billions)



Source: State Retirement Agency

2. Amortization Policy Changes Required

Changes are needed to the retirement system's amortization policy in order to fix an issue from the major pension reforms of 10 years ago (Chapters 475 and 476 of 2013). The enacted amortization policy for State liabilities amortizes gains and losses over a single, closed, 25-year amortization period. The amortization policy eliminated a projected (at the time) employer contribution spike. While the policy relieved a potential contribution spike, it was understood at the time that the risk of contribution volatility would increase as the close of the period approached, and that a permanent fix would be required around 10 years after implementation.

In recognition of the need to address the potential for significant contribution volatility, the SRPS convened a group to review the amortization policy. The system's actuary (GRS) provided four recommendations; discussion among BOT focused on two options, as shown in **Exhibit 11**. A recent white paper from the Conference of Consulting Actuaries (CCA) recommends treating gains and losses differently based on their origin: current liabilities; experience (such as investment results); assumption changes; or plan changes (such as benefit changes).

Exhibit 11
Amortization Policy Alternatives

	Alternative 1	Alternative 2
Timing of Policy Change	Current period reaches 10 to 15 years	Current period reaches 15 years
Current Unfunded Actuarially Accrued Liability	Continue closed schedule	Continue closed schedule
Gains and Losses	15 years layered; closed	15 years pooled; rolling
Assumption Changes	25 years layered; closed	25 years layered; closed
Plan Amendments	10 to 15 years layered depending on group affected; closed	10 to 15 years layered depending on group affected; closed
Evaluation	Model practice	Acceptable with condition

Source: State Retirement Agency; Department of Legislative Services

Alternative 1 generally reflects the CCA model practices, while Alternative 2 mostly reflects the model practices, with the exception of the treatment of gains and losses due to experience. Both options would maintain the existing closed amortization period (now 17 years remaining) for the current unfunded liabilities; a 25-year, closed amortization period for changes in assumptions; and a 10 to 15 year layered period for plan changes. "Closed" amortization periods end, while rolling periods are reset every year to the desired length.

The difference in the alternatives is in how gains and losses due to experience are treated. Alternative 1 would amortize annual gains and losses over layered 15-year closed periods; Alternative 2 amortizes annual gains and losses over a 15-year open period. This resembles the current policy in that annual gains and losses are combined rather than treated separately, but it uses an open 15-year period rather than a closed 25-year period. The disadvantage of the closed, layered amortization is the potential for contribution spikes. The disadvantage of the pooled, rolling amortization is the fact that liabilities get reset every year so that the system never approaches full funding.

BOT recommended Alternative 2, which was presented to the Joint Committee on Pensions (JCP) during the 2022 interim. At the JCP meeting, the General Assembly's consulting actuary raised concerns that the CCA model approach was not chosen. JCP voted to modify the board's proposal to use the closed, 15-year, layered amortization (Alternative 1), and to also grant the board authority to engage in active management of the various liability bases to provide protection against employer contribution rate volatility. The policy changes require legislative action.

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

Appendix 1
2022 *Joint Chairmen's Report* Responses from Agency

The 2022 *Joint Chairmen's Report* (JCR) requested that SRA prepare two reports. Electronic copies of the full JCR responses can be found on the Department of Legislative Services Library website.

- ***Report on COVID-19-related Disability Claims:*** The budget committees requested a report regarding disability applications and awards related to COVID-19. As of November 1, 2022, SRA received 12 disability claims where COVID-19 was listed as a disabling condition. Of these, 6 were granted due to preexisting comorbidities; 2 were denied, and a reconsideration was not requested; and 4 were denied, and a reconsideration is pending.

- ***Retirement Date Flexibility:*** Pension members who retire are required to retire on the first day of a month. The budget committees requested a report on the changes necessary to allow for different retirement dates. With some exceptions, the change would require significant statutory and regulatory changes as well as significant programmatic changes to the retirement system's information technology infrastructure. The main issues revolve around service credit determination, prorated benefit payments, the timing of first payments, retiree health benefits, and the estimation of benefits.

Appendix 2
Projected Retirement Appropriations
Fiscal 2015-2024
($ in Millions)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
State Employer Base	$1,388.6	$1,440.1	$1,533.8	$1,547.5	$1,569.8	$1,627.7	$1,669.6	$1,736.6	$1,698.3	$1,426.4
Supplemental	100.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0
Sweeper	0.0	0.0	50.0	0.0	0.0	0.0	0.0	0.0	25.0	15.0
Governor	0.0	0.0	25.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total State	**$1,488.6**	**$1,515.1**	**$1,683.8**	**$1,622.5**	**$1,644.8**	**$1,702.7**	**$1,744.6**	**$1,811.6**	**$1,798.3**	**$1,516.4**
Local School Boards	$221.6	$254.8	$279.8	$280.5	$283.8	$288.6	$293.8	$296.5	$373.0	$380.2
Total Employer	**$1,710.2**	**$1,769.9**	**$1,963.6**	**$1,903.0**	**$1,928.6**	**$1,991.3**	**$2,038.4**	**$2,108.1**	**$2,171.3**	**$1,896.6**

Source: State Retirement Agency; Department of Legislative Services

Appendix 3
Object/Fund Difference Report
State Retirement Agency

Object/Fund	FY 22 Actual	FY 23 Working Appropriation	FY 24 Allowance	FY 23 - FY 24 Amount Change	Percent Change
Positions					
01 Regular	174.00	173.00	178.00	5.00	2.9%
02 Contractual	2.06	7.00	7.00	0.00	0%
Total Positions	**176.06**	**180.00**	**185.00**	**5.00**	**2.8%**
Objects					
01 Salaries and Wages	$ 17,882,394	$ 19,104,664	$ 20,819,497	$ 1,714,833	9.0%
02 Technical and Special Fees	496,808	755,755	740,616	-15,139	-2.0%
03 Communication	583,760	753,800	750,700	-3,100	-0.4%
04 Travel	34,399	98,292	106,342	8,050	8.2%
06 Fuel and Utilities	4,851	0	0	0	0.0%
07 Motor Vehicles	136,573	128,511	132,990	4,479	3.5%
08 Contractual Services	6,570,076	6,459,218	6,294,902	-164,316	-2.5%
09 Supplies and Materials	130,196	117,129	117,308	179	0.2%
10 Equipment – Replacement	198,273	108,593	295,756	187,163	172.4%
11 Equipment – Additional	82,663	61,298	224,114	162,816	265.6%
12 Grants, Subsidies, and Contributions	160,606	160,606	160,606	0	0%
13 Fixed Charges	2,346,680	2,342,997	2,516,631	173,634	7.4%
14 Land and Structures	430,107	0	0	0	0.0%
Total Objects	**$ 29,057,386**	**$ 30,090,863**	**$ 32,159,462**	**$ 2,068,599**	**6.9%**
Funds					
03 Special Fund	$ 19,507,571	$ 20,373,892	$ 21,918,987	$ 1,545,095	7.6%
09 Reimbursable Fund	9,549,815	9,716,971	10,240,475	523,504	5.4%
Total Funds	**$ 29,057,386**	**$ 30,090,863**	**$ 32,159,462**	**$ 2,068,599**	**6.9%**

Note: The fiscal 2023 appropriation does not include deficiencies. The fiscal 2024 allowance does not include contingent reductions or cost-of-living adjustments.

Appendix 4
Fiscal Summary
State Retirement Agency

Program/Unit	FY 22 Actual	FY 23 Wrk Approp	FY 24 Allowance	Change	FY 23 - FY 24 % Change
01 State Retirement Agency	$ 27,423,847	$ 29,909,720	$ 32,159,462	$ 2,249,742	7.5%
02 Major Information Technology Development	1,633,539	181,143	0	-181,143	-100.0%
Total Expenditures	**$ 29,057,386**	**$ 30,090,863**	**$ 32,159,462**	**$ 2,068,599**	**6.9%**
Special Fund	$ 19,507,571	$ 20,373,892	$ 21,918,987	$ 1,545,095	7.6%
Total Appropriations	**$ 19,507,571**	**$ 20,373,892**	**$ 21,918,987**	**$ 1,545,095**	**7.6%**
Reimbursable Fund	$ 9,549,815	$ 9,716,971	$ 10,240,475	$ 523,504	5.4%
Total Funds	**$ 29,057,386**	**$ 30,090,863**	**$ 32,159,462**	**$ 2,068,599**	**6.9%**

Note: The fiscal 2023 appropriation does not include deficiencies, targeted revenues, or across-the-board reductions. The fiscal 2024 allowance does not include contingent reductions or cost-of-living adjustments.