

1920 State Teachers' Retirement System

The mission of the California State Teachers' Retirement System (CalSTRS) is: "Securing the financial future and sustaining the trust of California's educators." CalSTRS' primary responsibility is to provide retirement-related benefits and services to 852,316 (as of June, 2010) active and retired educators in public schools from pre-kindergarten through the community college system.

3-YR EXPENDITURES AND PERSONNEL YEARS

	Personnel Years			Expenditures		
	2010-11	2011-12	2012-13	2010-11*	2011-12*	2012-13*
10 Service to Members and Employers	615.5	644.9	663.8	\$93,481	\$120,158	\$129,414
15 Corporate Governance	8.0	7.6	7.6	1,524	1,685	1,685
20 Administration	202.5	233.0	233.0	36,582	43,913	45,925
99 Unclassified (Benefit Payments)	-	-	-	10,377,715	11,381,102	12,394,788
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	826.0	885.5	904.4	\$10,509,302	\$11,546,858	\$12,571,812
FUNDING				2010-11*	2011-12*	2012-13*
0835 Teachers' Retirement Fund				\$10,466,428	\$11,489,552	\$12,510,845
0995 Reimbursements				339	339	339
8001 Teachers' Health Benefits Fund				36,137	48,338	51,699
8005 Teacher's Replacement Benefits Program Fund				5,913	7,900	8,200
8041 Teachers' Deferred Compensation Fund				485	729	729
TOTALS, EXPENDITURES, ALL FUNDS				\$10,509,302	\$11,546,858	\$12,571,812

There are non-add General Fund (0001) retirement contributions to CalSTRS in the amounts of \$1,257,340 for 2010-11, \$1,316,108 for 2011-12, and \$1,358,297 for 2012-13 (See 6300 State Teachers' Retirement System Contributions). The expenditures for funds 0835, 8001, and 8005 include unclassified expenditures for benefit payments, which are detailed in the Detail of Appropriations and Adjustments.

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

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

DETAILED BUDGET ADJUSTMENTS

	2011-12*			2012-13*		
	General Fund	Other Funds	Personnel Years	General Fund	Other Funds	Personnel Years
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Board Realignment	\$-	-\$231,188	-	\$-	\$785,677	-
• Miscellaneous Adjustments	-	-	-	-	914	-
Totals, Other Workload Budget Adjustments	\$-	-\$231,188	-	\$-	\$786,591	-
Totals, Workload Budget Adjustments	\$-	-\$231,188	-	\$-	\$786,591	-
Policy Adjustments						
• Corporate Accounting and Resource Maintenance (CARM)	\$-	\$-	-	\$-	\$2,500	-
• Additional Funding for the Bay Area Member Service Center	-	-	-	-	1,813	-
• Technology Maintenance and Licensing Costs	-	-	-	-	1,812	-
• Identify and Prevent Pension Spiking	-	-	-	-	746	-
• Systems Operation Support	-	-	-	-	304	-
• Information Technology Project Funding	-	-	-	-	-	-
Totals, Policy Adjustments	\$-	\$-	-	\$-	\$7,175	-
Totals, Budget Adjustments	\$-	-\$231,188	-	\$-	\$793,766	-

* Dollars in thousands, except in Salary Range.

1920 State Teachers' Retirement System - Continued

PROGRAM DESCRIPTIONS

10 - SERVICE TO MEMBERS AND EMPLOYERS

The primary functions of the California State Teachers' Retirement System (CalSTRS) are as follows:

- Maintain a financially sound retirement system.
- Maintain an efficient operational system for the administration of CalSTRS.
- Continuously improve the delivery of benefits, products and services to CalSTRS members.
- Develop and improve upon benefits and products to CalSTRS members.

CalSTRS Board has exclusive control over the investment and administration of the Teachers' Retirement Fund. The Board makes rules, sets policies, and has the power and authority to hear and determine all facts pertaining to application for benefits under the retirement system. The twelve-member Board consists of four ex-officio members, including the Superintendent of Public Instruction, the State Treasurer, the State Controller, and the Director of Finance. The Governor-appointed members of the Board include three Public Members, one retiree of CalSTRS, and one school board member or community college trustee. Three representatives are elected by active CalSTRS members.

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

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. The basic retirement allowance is determined on the basis of a member's age, years of credited 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.

EXPENDITURES BY CATEGORY

1 State Operations	Positions/Personnel Years			Expenditures		
	2010-11	2011-12	2012-13	2010-11*	2011-12*	2012-13*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	826.0	937.0	937.0	\$51,974	\$62,523	\$64,791
Total Adjustments	-	-	20.0	-	-	1,233
Estimated Salary Savings	-	-51.5	-52.6	-	-3,439	-3,631
Net Totals, Salaries and Wages	826.0	885.5	904.4	\$51,974	\$59,084	\$62,393
Staff Benefits	-	-	-	21,847	25,310	26,601
Totals, Personal Services	826.0	885.5	904.4	\$73,821	\$84,394	\$88,994
OPERATING EXPENSES AND EQUIPMENT				\$57,767	\$81,362	88,030
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$131,588	\$165,756	\$177,024

4 Unclassified	Expenditures		
	2010-11*	2011-12*	2012-13*
Teachers' Retirement Benefits	\$10,336,016	\$11,325,244	\$12,335,269
Teachers' Health Benefits	35,785	47,958	51,319
Teachers' Replacement Benefits	5,913	7,900	8,200
TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)	\$10,377,714	\$11,381,102	\$12,394,788

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2010-11*	2011-12*	2012-13*
0001 General Fund			
APPROPRIATIONS			

* Dollars in thousands, except in Salary Range.

1920 State Teachers' Retirement System - Continued

1 STATE OPERATIONS	2010-11*	2011-12*	2012-13*
011 Budget Act appropriation	(\$1,257,340	(\$1,316,109	(\$1,358,297
)))
Revised estimate per Provisional language	(1)	(-)	-
TOTALS, EXPENDITURES	\$-	\$-	\$-
0835 Teachers' Retirement Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$150,440	\$167,072	\$145,366
002 Budget Act appropriation	(166,548)	(177,476)	(189,964)
Revised estimate per Provision 1	(-32,840)	(6,084)	-
003 Budget Act appropriation	-	-	18,500
Education Code Section 22954	63	63	-
Education Code Section 22307 (Admin Costs)	1,524	2,185	2,185
Prior year balances available:			
Item 1920-001-0835, Budget Act of 2008 as reappropriated by Item 1920-490, Budget Act of 2009	5,065	-	-
Item 1920-001-0835, Budget Act of 2009 as reappropriated by Item 1920-490, Budget Act of 2010	4,813	4,813	-
Item 1920-001-0835, Budget Act of 2010 as reappropriated by Item 1920-490, Budget Act of 2011	-	4,513	4,513
Item 1920-001-0835, Budget Act of 2011 as reappropriated by Item 1920-490, Budget Act of 2012	-	-	5,012
Totals Available	\$161,905	\$178,646	\$175,576
Unexpended balance, estimated savings	-22,167	-4,813	-
Balance available in subsequent years	-9,326	-9,525	-
TOTALS, EXPENDITURES	\$130,412	\$164,308	\$175,576
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$339	\$339	\$339
8001 Teachers' Health Benefits Fund			
APPROPRIATIONS			
Education Code Sections 25930 and 25940 (Administration Expenses)	\$352	\$380	\$380
TOTALS, EXPENDITURES	\$352	\$380	\$380
8041 Teachers' Deferred Compensation Fund			
APPROPRIATIONS			
Education Code Section 24976 (403(b) Vendor Registry Operating Account)	\$485	\$729	\$729
TOTALS, EXPENDITURES	\$485	\$729	\$729
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$131,588	\$165,756	\$177,024
4 UNCLASSIFIED			
0835 Teachers' Retirement Fund			
APPROPRIATIONS			
Education Code Section 24202 (Benefit Payments)	\$9,848,603	\$10,746,976	\$11,728,307
Education Code Section 24417 (Purchasing Power Benefit Payments)	237,573	273,000	289,400
Education Code Section 22307 (Administrative Costs)	249,840	305,268	317,562
TOTALS, EXPENDITURES	\$10,336,016	\$11,325,244	\$12,335,269
8001 Teachers' Health Benefits Fund			
APPROPRIATIONS			
Education Code Sections 25930 and 25940 (Benefit Payments)	\$35,785	\$47,958	\$51,319
TOTALS, EXPENDITURES	\$35,785	\$47,958	\$51,319
8005 Teacher's Replacement Benefits Program Fund			
APPROPRIATIONS			

* Dollars in thousands, except in Salary Range.

1920 State Teachers' Retirement System - Continued

4 UNCLASSIFIED	2010-11*	2011-12*	2012-13*
Education Code Section 24255 (Benefit Payments)	\$5,913	\$7,900	\$8,200
TOTALS, EXPENDITURES	\$5,913	\$7,900	\$8,200
TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)	\$10,377,714	\$11,381,102	\$12,394,788
TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Unclassified)	\$10,509,302	\$11,546,858	\$12,571,812

FUND CONDITION STATEMENTS

	2010-11*	2011-12*	2012-13*
0835 Teachers' Retirement Fund ^N			
BEGINNING BALANCE	\$120,020,945	\$155,283,269	\$161,553,609
Prior year adjustments	9,661,774	-	-
Adjusted Beginning Balance	\$129,682,719	\$155,283,269	\$161,553,609
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
215000 Income From Investments:			
Purchasing Power Receipts (State Lands Royalties)	1,903	4,208	4,208
Other Investment Income	30,048,255	12,034,453	12,967,124
221000 Member Contributions	2,355,910	2,134,524	2,075,755
299000 State Contribution (Benefits Funding)	567,707	653,365	717,210
299000 Purchasing Power Receipts (SBMA)	689,633	662,744	641,087
299000 Employer Contributions	2,304,339	2,201,228	2,140,622
299000 Other Receipts	77	-	-
299000 Securities Lending Income (Net)	99,435	70,000	70,000
Total Revenues, Transfers, and Other Adjustments	\$36,067,259	\$17,760,522	\$18,616,006
Total Resources	\$165,749,978	\$173,043,791	\$180,169,615
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0840 State Controller (State Operations)	181	131	140
1920 State Teachers' Retirement System			
State Operations	130,412	164,308	175,576
Unclassified	10,336,016	11,325,244	12,335,269
Benefits:			
Retired Benefits	(9,109,250)	(9,961,876)	(10,894,307)
Disability Family Benefits	(187,044)	(196,808)	(207,081)
Survivor Benefits	(463,638)	(498,504)	(535,991)
Death Benefits	(88,662)	(89,788)	(90,928)
Subvention Payments	(9)	(-)	(-)
Purchasing Power Payments (SBMA and State Lands Royalties)	(237,573)	(273,000)	(289,400)
Other:			
Investment Advisors	(133,708)	(183,560)	(189,964)
Refunds	(116,089)	(121,708)	(127,598)
Delinquent Benefit Payment Penalties	(2)	(-)	(-)
Benefit Related Legal and Tax Claims	(41)	(-)	(-)
8880 Financial Information System for California (State Operations)	100	499	132
Total Expenditures and Expenditure Adjustments	\$10,466,709	\$11,490,182	\$12,511,117
FUND BALANCE	\$155,283,269	\$161,553,609	\$167,658,498
8001 Teachers' Health Benefits Fund ^N			
BEGINNING BALANCE	\$645	\$676	\$603
Prior year adjustments	13	-	-
Adjusted Beginning Balance	\$658	\$676	\$603

* Dollars in thousands, except in Salary Range.

1920 State Teachers' Retirement System - Continued

	2010-11*	2011-12*	2012-13*
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
221600 Contributions	36,145	48,255	51,691
250300 Other Receipts	10	10	10
Total Revenues, Transfers, and Other Adjustments	<u>\$36,155</u>	<u>\$48,265</u>	<u>\$51,701</u>
Total Resources	\$36,813	\$48,941	\$52,304
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
1920 State Teachers' Retirement System			
State Operations	352	380	380
Unclassified	<u>35,785</u>	<u>47,958</u>	<u>51,319</u>
Total Expenditures and Expenditure Adjustments	<u>\$36,137</u>	<u>\$48,338</u>	<u>\$51,699</u>
FUND BALANCE	\$676	\$603	\$605

8005 Teacher's Replacement Benefits Program Fund ^N

BEGINNING BALANCE	-	-	-
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
221600 Employer Contributions	<u>\$5,913</u>	<u>\$7,900</u>	<u>\$8,200</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$5,913</u>	<u>\$7,900</u>	<u>\$8,200</u>
Total Resources	\$5,913	\$7,900	\$8,200
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
1920 State Teachers' Retirement System (Unclassified)	<u>5,913</u>	<u>7,900</u>	<u>8,200</u>
Total Expenditures and Expenditure Adjustments	<u>\$5,913</u>	<u>\$7,900</u>	<u>\$8,200</u>
FUND BALANCE	-	-	-

8041 Teachers' Deferred Compensation Fund ^N

BEGINNING BALANCE	\$748	\$783	\$859
Prior year adjustments	19	-	-
Adjusted Beginning Balance	<u>\$767</u>	<u>\$783</u>	<u>\$859</u>
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
250300 Income from Surplus Money Investment Fund	4	4	4
299000 Other Receipts	<u>497</u>	<u>801</u>	<u>1,003</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$501</u>	<u>\$805</u>	<u>\$1,007</u>
Total Resources	\$1,268	\$1,588	\$1,866
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0840 State Controller (State Operations)	-	-	1
1920 State Teachers' Retirement System (State Operations)	<u>485</u>	<u>729</u>	<u>729</u>
Total Expenditures and Expenditure Adjustments	<u>\$485</u>	<u>\$729</u>	<u>\$730</u>
FUND BALANCE	\$783	\$859	\$1,136

CHANGES IN AUTHORIZED POSITIONS

	Positions/Personnel Years			Expenditures		
	2010-11	2011-12	2012-13	2010-11*	2011-12*	2012-13*
Totals, Authorized Positions	826.0	937.0	937.0	\$51,974	\$62,523	\$64,791
Workload and Administrative Adjustments:				Salary Range		
Benefits and Services:						
Member Account Services:						
Pension Prog Mgr II	-	-	1.0	5,616-6,775	-	74

* Dollars in thousands, except in Salary Range.

1920 State Teachers' Retirement System - Continued

	Positions/Personnel Years			Expenditures		
	2010-11	2011-12	2012-13	2010-11*	2011-12*	2012-13*
Staff Counsel	-	-	1.0	4,674-7,828	-	75
Assoc Pension Prog Analyst	-	-	2.0	4,400-5,348	-	117
Pension Prog Analyst	-	-	3.0	2,817-4,446	-	131
Enterprise Initiatives and Techonology: Information Technology Services:						
Sr Info Systems Analyst-Spec	-	-	6.0	5,571-7,109	-	456
Plan Design & Communications: Bay Area Member Service Center:						
Pension Prog Mgr I	-	-	1.0	5,114-6,170	-	68
Assoc Pension Prog Analyst	-	-	4.0	4,400-5,348	-	234
Sr Pension Prog Rep	-	-	2.0	2,951-3,588	-	78
Totals, Workload & Admin Adjustments	-	-	20.0	\$-	\$-	\$1,233
Total Adjustments	-	-	20.0	\$-	\$-	\$1,233
TOTALS, SALARIES AND WAGES	826.0	937.0	957.0	\$51,974	\$62,523	\$66,024

* Dollars in thousands, except in Salary Range.