

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." The System's primary responsibility is to provide retirement related benefits and services to 794,812 (as of June, 2006) active and retired educators in public schools from pre-kindergarten through the community college system.

3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)

	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
10 Service to Members and Employers	534.9	601.7	641.4	\$73,148	\$94,423	\$109,311
15 Corporate Governance	5.9	7.6	7.6	734	1,274	1,294
20 Administration	140.6	170.4	197.8	32,348	38,422	67,353
99 Unclassified (Benefit Payments)	-	-	-	7,452,460	8,040,469	8,655,897
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	681.4	779.7	846.8	\$7,558,690	\$8,174,588	\$8,833,855
FUNDING				2006-07*	2007-08*	2008-09*
0835 Teachers' Retirement Fund				\$7,526,368	\$8,137,556	\$8,793,684
0995 Reimbursements				159	339	339
8001 Teachers' Health Benefits Fund				31,647	35,145	37,561
8005 Teacher's Replacement Benefits Program Fund				514	1,028	1,542
8041 Teachers' Deferred Compensation Fund				-	275	484
8046 Teachers' Retirement Program Development Fund				2	245	245
TOTALS, EXPENDITURES, ALL FUNDS				\$7,558,690	\$8,174,588	\$8,833,855

There are also non-add General Fund (0001) retirement contributions to CalSTRS in the amounts of \$958,574 for 2006-07, \$1,622,917 for 2007-08 and \$1,199,463 for 2008-09 (See 6300 State Teachers' Retirement System Contributions). Also note that 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

	2007-08*			2008-09*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Baseline Adjustment Descriptions						
• Miscellaneous Baseline Adjustments	\$-	-\$363,837	-	\$-	\$260,832	-
• Various Workload Adjustments BCP	-	-	-	-	6,401	67.5
• Administratively Established Positions	-	-	1.6	-	-	1.2
Totals, Baseline Adjustments	\$-	-\$363,837	1.6	\$-	\$267,233	68.7
Policy Adjustment Descriptions						
• New Headquarters Furniture and Equipment	\$-	\$-	-	\$-	\$25,000	-
• Miscellaneous Policy Adjustments	-	-	-	-	3,197	-
Totals, Policy Adjustments	\$-	\$-	-	\$-	\$28,197	-
TOTALS, BUDGET ADJUSTMENTS	\$-	-\$363,837	1.6	\$-	\$295,430	68.7

PROGRAM DESCRIPTIONS (Program Objectives Statement)

10 - SERVICE TO MEMBERS AND EMPLOYERS

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

* Dollars in thousands, except in Salary Range.

1920 State Teachers' Retirement System - Continued

- 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.

The Teachers' Retirement Board (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, one school board member or community college trustee. Three representatives are elected by active CalSTRS members.

Income to the 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 of the Education Code.

The 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. The 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 (Summary By Object)

1 State Operations	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	681.4	825.1	825.1	\$41,276	\$50,132	\$51,237
Total Adjustments	-	-	71.0	-	-	4,209
Estimated Salary Savings	-	-45.4	-49.3	-	-2,757	-3,050
Net Totals, Salaries and Wages	681.4	779.7	846.8	\$41,276	\$47,375	\$52,396
Staff Benefits	-	-	-	16,912	20,108	23,239
Totals, Personal Services	681.4	779.7	846.8	\$58,188	\$67,483	\$75,635
OPERATING EXPENSES AND EQUIPMENT				\$48,042	\$66,636	102,323
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$106,230	\$134,119	\$177,958
4 Unclassified						
Teachers' Retirement Benefits				\$7,420,487	\$8,004,676	\$8,617,174
Teachers' Health Benefits				31,459	34,765	37,181
Teachers' Replacement Benefits				514	1,028	1,542
TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)				\$7,452,460	\$8,040,469	\$8,655,897

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

1 STATE OPERATIONS	2006-07*	2007-08*	2008-09*
0001 General Fund			
APPROPRIATIONS			
011 Budget Act appropriation	(\$958,573)	(\$1,122,917)	(\$1,119,800)
))
Revised estimate per Provision 1	(1)	(500,000)	-
TOTALS, EXPENDITURES	\$-	\$-	\$-
TOTALS, GENERAL FUND EXPENDITURES	\$-	\$-	\$-
0835 Teachers' Retirement Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$115,873	\$134,143	\$168,840

* Dollars in thousands, except in Salary Range.

1920 State Teachers' Retirement System - Continued

1 STATE OPERATIONS	2006-07*	2007-08*	2008-09*
Allocation for employee compensation	2,869	-	-
Adjustment per Section 3.60	404	-	-
002 Budget Act appropriation	(106,000)	(104,726)	(104,726)
Revised estimate per Provision 1	(36,123)	(-)	-
Education Code Section 22954	63	63	63
Education Code Section 22307 (Corporate Governance)	-	1,274	-
Education Code Section 22307 (Admin Costs)	-	-	1,294
Chapter 654, Statutes of 2006	290	-	-
Prior year balances available:			
Item 1920-001-0835, Budget Act of 2004 as reappropriated by Item 1920-490, Budget Act of 2005	1,689	-	-
Item 1920-001-0835, Budget Act of 2005 as reappropriated by Item 1920-490, Budget Act of 2006	1,857	-	-
Item 1920-001-0835, Budget Act of 2006 as reappropriated by Item 1920-490, Budget Act of 2007	-	3,476	2,289
Item 1920-001-0835, Budget Act of 2007 as reappropriated by Item 1920-490, Budget Act of 2008	-	-	4,024
Chapter 442, Statutes of 2004	5	5	-
Chapter 935, Statutes of 2004	12	11	-
Chapter 654, Statutes of 2006	-	237	-
Totals Available	\$123,062	\$139,209	\$176,510
Unexpended balance, estimated savings	-13,452	-16	-
Balance available in subsequent years	-3,729	-6,313	-
TOTALS, EXPENDITURES	\$105,881	\$132,880	\$176,510
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$159	\$339	\$339
8001 Teachers' Health Benefits Fund			
APPROPRIATIONS			
Education Code Sections 25930 and 25940 (Administration Expenses)	\$188	\$380	\$380
TOTALS, EXPENDITURES	\$188	\$380	\$380
8041 Teachers' Deferred Compensation Fund			
APPROPRIATIONS			
Education Code Section 24976 (403(b) Vendor Registry Operating Account)	\$-	\$275	\$484
TOTALS, EXPENDITURES	\$-	\$275	\$484
8046 Teachers' Retirement Program Development Fund			
APPROPRIATIONS			
Education Code Section 22307.5(a)	\$2	\$245	\$245
TOTALS, EXPENDITURES	\$2	\$245	\$245
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$106,230	\$134,119	\$177,958
4 UNCLASSIFIED			
0835 Teachers' Retirement Fund			
APPROPRIATIONS			
Education Code Section 24202 (Benefit Payments)	\$6,937,581	\$7,481,635	\$8,069,098
Education Code Section 24414 (Purchasing Power Benefit Payments)	230,337	245,337	245,337
Education Code Section 22307 (Administrative Costs)	252,569	277,704	302,739
TOTALS, EXPENDITURES	\$7,420,487	\$8,004,676	\$8,617,174
8001 Teachers' Health Benefits Fund			
APPROPRIATIONS			

* Dollars in thousands, except in Salary Range.

1920 State Teachers' Retirement System - Continued

4 UNCLASSIFIED	2006-07*	2007-08*	2008-09*
Education Code Sections 25930 and 25940 (Benefit Payments)	<u>\$31,459</u>	<u>\$34,765</u>	<u>\$37,181</u>
TOTALS, EXPENDITURES	\$31,459	\$34,765	\$37,181
8005 Teacher's Replacement Benefits Program Fund			
APPROPRIATIONS			
Education Code Section 24255 (Benefit Payments)	<u>\$514</u>	<u>\$1,028</u>	<u>\$1,542</u>
TOTALS, EXPENDITURES	\$514	\$1,028	\$1,542
TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)	\$7,452,460	\$8,040,469	\$8,655,897
TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Unclassified)	\$7,558,690	\$8,174,588	\$8,833,855

FUND CONDITION STATEMENTS

	2006-07*	2007-08*	2008-09*
0835 Teachers' Retirement Fund ^N			
BEGINNING BALANCE	\$144,218,518	\$164,957,911	\$169,008,987
Prior year adjustments	<u>-5,604</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$144,212,914	\$164,957,911	\$169,008,987
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
215000 Income From Investments:			
Purchasing Power Receipts (State Lands Royalties)	6,298	4,580	4,580
Other Investment Income	29,906,492	13,700,000	13,400,000
221000 Member Contributions	2,334,954	2,405,003	2,477,153
299000 State Contribution (Benefits Funding)	481,405	501,416	535,603
299000 Purchasing Power Receipts (SBMA)	596,684	1,121,501	663,860
299000 Purchasing Power Receipts (SBMA) Federal	-	24,480	24,480
299000 Employer Contributions	2,285,728	2,365,728	2,448,529
299000 Other Receipts	547	600	600
299000 Securities Lending Income (Net)	<u>79,816</u>	<u>70,000</u>	<u>70,000</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$35,691,924</u>	<u>\$20,193,308</u>	<u>\$19,624,805</u>
Total Resources	\$179,904,838	\$185,151,219	\$188,633,792
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0840 State Controller (State Operations)	72	-	79
1920 State Teachers' Retirement System			
State Operations	105,881	132,880	176,510
Unclassified	7,420,487	8,004,676	8,617,174
Benefits:			
Retired Benefits	6,382,985	6,890,432	7,438,222
Disability Family Benefits	148,725	158,868	169,703
Survivor Benefits	342,026	370,243	400,788
Death Benefits	63,775	62,024	60,319
Subvention Payments	70	68	66
Purchasing Power Payments (SBMA and State Lands Royalties)	230,337	245,337	245,337
Other:			
Investment Advisors	146,426	159,948	172,113
Refunds	106,153	117,756	130,626
Transfer to Other Agencies	<u>-10</u>	<u>-</u>	<u>-</u>
Total Expenditures and Expenditure Adjustments	<u>\$14,946,927</u>	<u>\$16,142,232</u>	<u>\$17,410,937</u>
FUND BALANCE	\$164,957,911	\$169,008,987	\$171,222,855

* Dollars in thousands, except in Salary Range.

1920 State Teachers' Retirement System - Continued

	2006-07*	2007-08*	2008-09*
8001 Teachers' Health Benefits Fund ^N			
BEGINNING BALANCE	\$2,742	\$3,593	\$3,137
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
221600 Contributions	32,257	34,515	36,931
250300 Other Receipts	<u>241</u>	<u>250</u>	<u>250</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$32,498</u>	<u>\$34,765</u>	<u>\$37,181</u>
Total Resources	\$35,240	\$38,358	\$40,318
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0840 State Controller (State Operations)	-	76	-
1920 State Teachers' Retirement System			
State Operations	188	380	380
Unclassified	<u>31,459</u>	<u>34,765</u>	<u>37,181</u>
Total Expenditures and Expenditure Adjustments	<u>\$31,647</u>	<u>\$35,221</u>	<u>\$37,561</u>
FUND BALANCE	\$3,593	\$3,137	\$2,757
8005 Teacher's Replacement Benefits Program Fund ^N			
BEGINNING BALANCE	-	-	-
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
221600 Employer Contributions	<u>\$514</u>	<u>\$1,028</u>	<u>\$1,542</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$514</u>	<u>\$1,028</u>	<u>\$1,542</u>
Total Resources	\$514	\$1,028	\$1,542
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
1920 State Teachers' Retirement System (Unclassified)	<u>514</u>	<u>1,028</u>	<u>1,542</u>
Total Expenditures and Expenditure Adjustments	<u>\$514</u>	<u>\$1,028</u>	<u>\$1,542</u>
FUND BALANCE	-	-	-
8041 Teachers' Deferred Compensation Fund ^N			
BEGINNING BALANCE	-	-	\$334
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
216000 Fees	-	\$30	50
250300 Income from Surplus Money Investment Fund	-	15	15
299000 Other Receipts	-	230	230
Transfers and Other Adjustments:			
FO0942 Transfer from Special Deposit Fund	<u>-</u>	<u>334</u>	<u>-</u>
Total Revenues, Transfers, and Other Adjustments	<u>-</u>	<u>\$609</u>	<u>\$295</u>
Total Resources	-	\$609	\$629
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
1920 State Teachers' Retirement System (State Operations)	<u>-</u>	<u>275</u>	<u>484</u>
Total Expenditures and Expenditure Adjustments	<u>-</u>	<u>\$275</u>	<u>\$484</u>
FUND BALANCE	-	\$334	\$145
8046 Teachers' Retirement Program Development Fund ^N			
BEGINNING BALANCE	-	\$198	\$228
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
216000 Fees	-	20	40

* Dollars in thousands, except in Salary Range.

1920 State Teachers' Retirement System - Continued

	2006-07*	2007-08*	2008-09*
221600 Employer Contributions	\$200	245	245
250300 Income from Surplus Money Investment Fund	-	10	10
Total Revenues, Transfers, and Other Adjustments	\$200	\$275	\$295
Total Resources	\$200	\$473	\$523
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
1920 State Teachers' Retirement System (State Operations)	2	245	245
Total Expenditures and Expenditure Adjustments	\$2	\$245	\$245
FUND BALANCE	\$198	\$228	\$278
Reserve for Repayment to the Teachers' Retirement Fund	200	245	245
Unreserved-Undesignated	-2	-17	33

CHANGES IN AUTHORIZED POSITIONS

	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
Totals, Authorized Positions	681.4	825.1	825.1	\$41,276	\$50,132	\$51,237
Workload and Administrative Adjustments:				Salary Range		
Office of General Counsel:						
Legal Office:						
Staff Counsel III-Spec	-	-	1.0	7,682-9,478	-	103
Office Techn-Typing	-	-	1.0	2,686-3,264	-	35
Administration:						
Human Resources:						
Assoc Personnel Analyst	-	-	5.0	4,400-5,348	-	283
Staff Services Analyst-Gen	-	-	1.0	3,050-3,708	-	39
Personnel Techn I	-	-	1.0	2,817-3,426	-	36
Quality & Training Services:						
Assoc Govtl Prog Analyst	-	-	4.0	4,400-5,348	-	226
Facilities & Central Services:						
Mailing Mach Opr II	-	-	5.0	2,649-3,216	-	170
Accounting:						
Acctg Administrator I-Spec	-	-	1.0	4,833-5,874	-	62
Assoc Admin Analyst-Acctg	-	-	1.0	4,619-5,616	-	59
Acctg Officer-Spec	-	-	1.0	3,841-4,670	-	49
Accountant I-Spec	-	-	1.0	2,870-3,488	-	37
Investments:						
Investment Support:						
Portfolio Mgr	-	-	2.0	12,083-16,250	-	305
Investment Off III	-	-	1.0	7,794-8,593	-	95
Investment Off II	-	-	3.0	5,831-7,087	-	225
Investment Off I	-	-	1.0	4,833-5,874	-	62
Benefits & Services:						
Member Account Services:						
Pension Prog Analyst	-	-	2.0	3,050-3,708	-	78
Disability & Survivor Services:						
Assoc Pension Prog Analyst	-	-	2.0	4,400-5,348	-	113
Pension Prog Analyst	-	-	6.0	3,050-3,708	-	235
Customer Service - Correspondence Center:						
Pension Prog Analyst	-	-	2.0	3,050-3,708	-	78

* Dollars in thousands, except in Salary Range.

1920 State Teachers' Retirement System - Continued

	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
Enterprise Initiative Technology:						
Information Technology Services:						
DP Mgr II	-	-	1.0	5,849-7,464	-	77
Sr Info Systems Analyst-Spec	-	-	5.0	5,571-7,109	-	369
Sr Programmer Analyst-Spec	-	-	5.0	5,571-7,109	-	368
Staff Services Mgr I	-	-	1.0	5,079-6,127	-	65
Staff Programmer Analyst-Spec	-	-	1.0	5,065-6,466	-	67
Assoc Govtl Prog Analyst	-	-	1.0	4,400-5,348	-	57
Plan Design & Communications:						
Communications:						
Info Officer II	-	-	2.0	5,312-6,409	-	136
Graphic Services Supvr	-	-	1.0	4,837-5,835	-	62
Info Officer I	-	-	1.0	4,400-5,348	-	57
Mgt Services Techn	-	-	1.0	2,817-3,426	-	36
Governmental Affairs & Program Analysis:						
Assoc Govtl Prog Analyst	-	-	1.0	4,400-5,348	-	57
Assoc Pension Prog Analyst	-	-	4.0	4,400-5,348	-	226
Office Techn-Typing	-	-	1.0	2,686-3,264	-	35
Client Outreach & Guidance:						
Pension Prog Mgr II	-	-	1.0	5,616-6,775	-	72
Pension Prog Mgr I	-	-	1.0	5,114-6,170	-	65
Assoc Pension Prog Analyst	-	-	3.0	4,400-5,348	-	170
Totals, Workload & Admin Adjustments	-	-	71.0	\$-	\$-	\$4,209
Total Adjustments	-	-	71.0	\$-	\$-	\$4,209
TOTALS, SALARIES AND WAGES	681.4	825.1	896.1	\$41,276	\$50,132	\$55,446

* Dollars in thousands, except in Salary Range.