

**IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS  
SEVENTH DIVISION**

**LT. GLENN SLIGH, CAPT. MYRON HALL,  
CORP. RICKY BRIGGS, CAPT. LOYD FRANKLIN,  
SGT. MACK THOMPSON, MAJOR CLEVE BARFIELD  
AND OTHERS SIMILARLY SITUATED**

**PLAINTIFFS**

**VS.**

**CASE NO. 60CV-12-344**

**ARKANSAS STATE POLICE  
RETIREMENT SYSTEM, KIRK BRADSHAW,  
JOHN W. ALLISON, BRANT TOSH, BLAKE WILSON,  
DONNIE UNDERWOOD, JOE MILES, DR. JOHN SHELNUTT,  
IN THEIR OFFICIAL CAPACITY AS MEMBERS OF THE  
BOARD OF TRUSTEES OF THE ARKANSAS  
STATE POLICE RETIREMENT SYSTEM**

**DEFENDANTS**

**AFFIDAVIT OF RICHARD WEISS**

I, Richard Weiss, after being sworn, state on oath as follows:

1. I am the Director of the Arkansas Department of Finance and Administration. As the Director of DF&A, I am the Chief Fiscal Officer of the State. My legal responsibility is to provide leadership and direction to ensure that state agencies operate uniformly and efficiently in their utilization of financial and human resources. I also oversee the Office of Economic Analysis and Tax Research which provides information on the economic and tax structure of the state and is responsible for preparing and evaluating the general revenue forecast for the state of Arkansas.

2. I began my career in state government in 1970, working for the state Department of Parks and Tourism. In 1973, I began serving as Assistant Director of Administration for the Parks Division of the Parks and Tourism Department, where I was responsible for managing the business affairs of the entire state park system. Then, in 1984, I became the state's Budget Director at DF&A, essentially the head of the state budget office. In 1989 I was promoted to



Deputy Director of the department and became DF&A Director in 1994, where I served until July 1999. In July of 1998 I also served as the Interim Director of the state Department of Human Services while continuing to hold the title of DF&A Director. I retired in August of 1999; however, my retirement was brief. In September 2000, I was appointed to serve as the Director of the Arkansas Department of Environmental Quality, which I held until 2002 when I was again appointed to serve as the Director of DF&A. I have served as the DF&A Director since that time.

3. As the state's Chief Fiscal Officer, I am well versed in the state's accounting, budgeting and taxing laws. During my 40-plus years in state service, I have been involved in state budget processes and policies. I assist in drafting or oversee the drafting of the Revenue Stabilization Act, the state's balanced budget law, which prioritizes state agency spending requests into categories and must be approved by the legislature.

4. As the State's Chief Fiscal Officer, I serve on several state boards and commissions, including the State Board of Finance, Arkansas Development Finance Authority, Public Employees Retirement System and Arkansas State Police Retirement System. I am authorized to send a designee to the ASPRS Board meetings, Ark. Code Ann. § 24-6-204(a)(2)(A)(iv). Dr. John Shelnett, Research Administrator, Economic Analysis and Tax Research, DF&A, has been my designee for the past nine years. At times I personally attend meetings involving significant issues.

5. The Arkansas State Police Retirement System was created by the Arkansas General Assembly in 1951. *See* Act 311 of 1951, the first page of which is attached hereto as Exhibit "A-1"; *also see* Ark. Code Ann. § 24-6-201, *et seq.* It is a product of comprehensive state legislation and the state has exclusive control over the System. *Id.* The Board of the

retirement system is comprised of seven members, four of whom are appointed by Arkansas's governor. Ark. Code Ann. § 24-6-204(a)(2)(A). Two of the members are enrolled in the ASPRS benefits program, i.e. they are state police officers. *Id.* I serve on the Board in my capacity as the Chief Fiscal Officer of the state. *Id.* The state attorney general is the legal advisor to the Board of Trustees. Ark. Code Ann. § 24-6-204(d).

6. The ASPRS trust fund is a part of the state treasury. Pursuant to Ark Code Ann. § 24-6-209(a), “[t]here is established on the books of the Treasurer of State, Auditor of State, and Chief Fiscal Officer of the State a fund to be known as the State Police Retirement Fund, which shall consist of the trust funds designated by law.”

7. The Arkansas State Police Retirement System is funded with public monies from insurance premium taxes (Ark. Code Ann. § 24-6-209(b))<sup>1</sup>, court costs and filing fees (as appropriated most recently by Act 285 of 2014, the pertinent portions of which are attached as Exhibit A-2),<sup>2</sup> motor vehicle title fees (Ark. Code Ann. § 27-14-606 (2013 Supp.)),<sup>3</sup> driver's license reissuance fees (Ark. Code Ann. § 27-16-808), and employer contributions (Ark. Code Ann. §24-6-209(a)). Pursuant to Ark. Code Ann. § 24-6-209(a), “[t]he Department of Arkansas State Police, as employer, shall make contributions to the State Police Retirement System of twenty-two percent (22%) of active member payroll.” The funds for ASP's employer

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<sup>1</sup> In 1997, the legislature began tapping insurance premium taxes (which citizens pay passively when they pay insurance for car, home, casualty, etc.) to cover the cost of the ASPRS benefit program not covered by employer contributions and other state monies. *See* Act 1071 of 1997.

<sup>2</sup> Act 285 of 2014, known as the DF&A Disbursing Officer Act, is the appropriation act authorizing DF&A to disburse funds allocated to various agencies. Section 62 (4) of the act authorizes disbursement of \$1,499,256 for the State Police Retirement Fund for fiscal years 2014-2015. Exhibit A-2.

<sup>3</sup> In 2011, the legislature increased motor vehicle title fees to provide additional funding for the retirement system. *See* Act 718 of 2011. Note that Ark. Code Ann. § 27-14-606 (2013 Supp), the codification of Act 718 of 2011, provides that the fees shall be “[d]eposited into the State Treasury as trust funds and credited to the State Police Retirement Fund; and [u]sed for the State Police Retirement System for the Department of Arkansas State Police.” *Id.* at §(a)(2).

contributions have always come from the Department of Arkansas State Police's appropriation act. *See, e.g.*, Act 267 of 2014 (ASP's Appropriation Act for fiscal year 2014-2015).

8. The System is supplemented through retirement system investment earnings. State law imposes extensive requirements as to the investment of, and custody over, retirement system funds and the legislature has the power to amend and overhaul the System. For instance, in 2009, the General Assembly amended the statutes governing the System to provide that State Police Retirement System funds be merged and invested with the Arkansas Public Employees Retirement System (APERS) in order to ensure more state control and oversight of ASPRS. *See* Ark. Code Ann. § 24-4-752. ("All assets of the State Police Retirement System are transferred to the Arkansas Public Employees' Retirement System to hold in trust for the State Police Retirement System." *Id.* at § (a)). Currently, the ASPRS Board of Trustees has no control or decision making authority regarding investments. Ark. Code Ann. § 24-4-752.

9. No disbursements are allowed out of the System unless authorized by legislative appropriation. Only the legislature can appropriate funds from the state treasury. Ark. Const. of 1874, Art. XVI, § 12 ("No money shall be paid out of the treasury until the same shall have been appropriated by law, and then only in accordance with said appropriation."). Once the disbursements are authorized per the System's appropriation act, "[t]he executive secretary shall be the disbursing agent of all appropriations made by the General Assembly out of the State Police Retirement Fund." Ark. Code Ann. § 24-6-204(c)(3)(A) (emphasis added). It should be noted that at present, the appropriation act containing legislative authorization for disbursements of ASPRS benefits is contained in the Arkansas Public Employees Retirement System Appropriation Act due to the merger of ASPRS funds with APERS, discussed above. *See* Act 139 of 2014 at § 6 (APERS Appropriation Act), attached hereto as Exhibit "A-3".

10. Significantly, none of the funds at issue in this case come from employee contributions. The Arkansas State Police Retirement System became non-contributory on January 1, 1978 (*see* Act 793 of 1977) and the legislation creating the Arkansas State Police Officers Deferred Option Plan (“DROP”) was passed in 1995. *See* Ark. Code Ann. §§ 24-6-301, *et seq.* Arkansas Code Annotated § 24-6-303(a) provides that “[w]hen a member begins participation in the [DROP], the *employer contributions* shall continue to be paid.” (emphasis added). As explained above, the ASP’s employer contributions are appropriated from the legislature by way of the ASP’s appropriation acts.

11. For all of the foregoing reasons, the Arkansas State Police Retirement System is a state agency and all funds held by the System, including DROP funds, are state funds. As such, a judgment in Plaintiffs’ favor would subject the state to monetary liability. Even if the System could initially satisfy a judgment, the judgment would produce a shortfall that would have to be satisfied by an appropriation from the legislature. Thus, any judgment or relief for Plaintiffs resulting in a monetary pay-out, would impact the state treasury.

12. The funds in the State Police Retirement System are to be used for paying member benefits and cannot be used to pay other state obligations. This feature – that funds appropriated for the retirement system are not available for paying other state obligations – is true of all state appropriations. Merely because System funds are not available for any other state purpose, does not mean System funds are not a part of the state treasury. Appropriations for all of the various state agencies, boards, commissions, retirement systems, etc. can only be used for the purposes designated in a given appropriation act. For example, the Arkansas Department of Correction’s appropriation act designates the categories and amounts per category for which the ADC may use its appropriation. No other agency, board, commission, retirement


system, etc. can utilize the ADC's funds, nor may they be "invaded by the State General Treasury" or used for paying any other state obligation. Once appropriated to the ADC, the appropriated funds cannot be diverted elsewhere. Nevertheless, the funds appropriated to the ADC do not lose their characteristic as state funds.

13. It was proper and appropriate for the Board to consider the financial impact of the DROP interest rates on the System as a whole in making the decision to lower the interest rate on DROP balances in 2009 as authorized by Act 404 of 2007. The Trustees owe a fiduciary duty to the System as a whole, including DROP members. It would have been fiscally unsound and irresponsible not to lower DROP interest rates. This was especially true in light of the System's bleak financial condition at the time as noted by the General Assembly in legislation authorizing a one-time infusion of 9 million dollars into the System: "The State Police Retirement System has sustained investment losses of approximately one hundred million dollars (\$100,000,000) within the last two (2) years . . ." Act 1242 of 2009, § 1(a). In my opinion, it would have been a violation of the Trustees' fiduciary duty *not* to lower the interest rate on State Police DROP balances.

14. I have read Gail Stone's Affidavit and concur that the Board of Trustees' decision to reduce the interest rate on state troopers' DROP balances in 2009 was reasonable and necessary given the financial condition of the System at the time. My opinion is based on my financial background in managing the State's multi-billion dollar budget. There was a legitimate and significant public interest for the decision – as well as the legislation authorizing the decision – since any shortfall in System funds would have to be made up for by the tax payers. Allowing DROP interest to remain at extraordinarily high rates would have resulted in the System commanding more and more of the state's revenue, which I found to be untenable.

**ACKNOWLEDGMENT**

I, Richard Weiss, state on my oath that the above and foregoing facts are true and correct to the best of my knowledge, information and belief.

  
RICHARD WEISS

**STATE OF ARKANSAS/  
COUNTY OF PULASKI/**

SUBSCRIBED AND SWORN to before me, a Notary Public on this 6<sup>th</sup> day of October, 2014.

  
Notary Public

My Commission Expires:

November 8, 2016



[Act 310

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2,700.00

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Act 311]

institution to the Public Institutions Fund.

SECTION 3. All laws and parts of laws in conflict with this Act are hereby repealed.

APPROVED: March 19, 1951.

ACT 311.

AN ACT to Create a State Police Retirement System; to Provide for the Retirement of Police Officer Employees of the Department of the Arkansas State Police; and for Other Purposes.

*Be It Enacted by the General Assembly of the State of Arkansas:*

SECTION 1. There is hereby created and established in the State Treasury a trust fund which shall be designated and known as the State Police Retirement Fund; and to administer said fund, there is hereby created and established at the seat of government of this State a board consisting of five members which shall be designated and known as the Board of Trustees of the State Police Retirement System, hereinafter referred to as the Board.

The chairman of the Arkansas Police Commission and the Director of the Department of Arkansas State Police shall be, ex-officio, members and chairman and secretary, respectively, of the Board. There shall be three elective members of the Board whose terms of office shall expire on the 14th day of January of each year. One of such members shall be a member of the Arkansas Police Commission, other than the chairman, who shall be elected by the members of the Commission. The remaining two members shall be police officer employees of the Department of Arkansas





Stricken language will be deleted and underlined language will be added.  
Act 285 of the Fiscal Session

1 State of Arkansas *As Engrossed: H2/13/14 H2/19/14 H3/3/14 H3/5/14*  
2 89th General Assembly  
3 Fiscal Session, 2014

# A Bill

HOUSE BILL 1149

4  
5 By: Joint Budget Committee  
6

## For An Act To Be Entitled

8 AN ACT TO MAKE AN APPROPRIATION FOR MISCELLANEOUS  
9 GRANTS AND EXPENSES AND VARIOUS AGENCY TRANSFERS FOR  
10 THE DEPARTMENT OF FINANCE AND ADMINISTRATION -  
11 DISBURSING OFFICER FOR THE FISCAL YEAR ENDING JUNE  
12 30, 2015; AND FOR OTHER PURPOSES.  
13

### Subtitle

16 AN ACT FOR THE DEPARTMENT OF FINANCE AND  
17 ADMINISTRATION - DISBURSING OFFICER  
18 APPROPRIATION FOR THE 2014-2015 FISCAL  
19 YEAR.  
20  
21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
23

24 SECTION 1. APPROPRIATION - STATE'S CONTRIBUTIONS. There is hereby  
25 appropriated, to the Department of Finance and Administration - Disbursing  
26 Officer, to be payable from the Miscellaneous Agencies Fund Account, for  
27 disbursements for Arkansas' contribution to various interstate organizations  
28 by the Department of Finance and Administration - Disbursing Officer for the  
29 fiscal year ending June 30, 2015, the following:  
30

31 ITEM	FISCAL YEAR
32 NO.	2014-2015
33 (01) NATIONAL CENTER FOR STATE COURTS	\$128,037
34 (02) NATIONAL CONFERENCE OF INSURANCE	
35 LEGISLATORS	10,000
36 (03) NATIONAL CONFERENCE OF STATE	



1 DISTRIBUTION OF ADMINISTRATION OF JUSTICE FUNDS. In the event that the fund  
2 balance in the Administration of Justice Fund is inadequate to fund the  
3 monthly allocation to State Agencies, the funds will be distributed as  
4 follows:

5 (a) The available revenue and remaining State Administration of Justice  
6 Fund balance shall be distributed first to fully fund the monthly allocations  
7 found in Section 62 of this Act for

8 (1) The Auditor of State to fund the Trial Court Administrative  
9 Assistants Fund,

10 (2) the District Judges Association for the District Court Coordinator,  
11 and

12 (3) the Court Reporter Fund.

13 (b) The total funds remaining in the State Administration of Justice Fund  
14 after the monthly distribution is made under subdivision (a) of this section  
15 shall be distributed to the remaining state programs and state agencies  
16 listed in Section 62 of this Act but not listed in subdivision (a) of this  
17 section shall be funded in the percentage of the total funds available in the  
18 Administration of Justice Fund; that is if less than 100% of the total  
19 monthly allocation is available for distribution, monthly allocations for the  
20 remaining agencies will be funded at an equal percentage consistent with the  
21 remaining available funds, provided that any of the allocations listed in  
22 Section 62 that have been fully pledged prior to January 1, 2001 to the  
23 repayment of a bond issue or bond issues shall not be reduced below the  
24 amount listed in Section 62 of this Act. Any shortage from one month will be  
25 adjusted in future months' payments as funds become available.

26 The provisions of this section shall be in effect only from July 1, ~~2013~~  
27 2014 through June 30, ~~2014~~ 2015.

28  
29 SECTION 62. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
30 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

31 ALLOCATION RESTRICTIONS. There is hereby allocated to state programs and  
32 agencies, as set out herein, the following allocations of funds appropriated  
33 for State Agencies Distribution in Section 12, to the Department of Finance  
34 and Administration - Disbursing Officer, there to be used as provided by law.

35  
36 Item Maximum Allocation Fiscal Years

1 No.	<del>2013-2014</del> <u>2014-2015</u>
2 (1) Board of Trustees of the University of	
3 Arkansas for the purpose and as regulated	
4 by Arkansas Code Annotated 6-64-604-606	\$2,687,619
5 (2) Drug Abuse Prevention and Treatment	
6 Fund for use in the Drug Abuse Prevention	
7 And Treatment Program of the Bureau of	
8 Alcohol and Drug Abuse Prevention	342,000
9 (3) Highway Safety Special Fund for programs	
10 of the Arkansas Highway Safety Program	
11 within DHS	1,324,795
12 (4) Department of Arkansas State Police for	
13 the State Police Retirement Fund	1,499,256
14 (5) Department of Arkansas State Police Fund	400,000
15 (6) Crime Victims/Reparations Revolving Fund	
16 for the purpose and as regulated by	
17 Arkansas Code Annotated §16-90-701 et seq.	2,089,723
18 (7) Prosecutor Coordinator's Office for	
19 deposit in the Law Enforcement and	
20 Prosecutor Drug Enforcement Training Fund	70,660
21 (8) Crime Information System Fund	98,064
22 (9) Justice Building Construction Fund	990,000
23 (10) Municipal Court Judge and the	
24 Municipal Court Clerk Education Fund	100,000
25 (11) Arkansas Judicial Retirement System Fund	902,797
26 (12) State Central Services Fund for the	
27 benefit of the Public Defender Commission	6,908,027
28 (13) Court Reporter Fund	5,555,833
29 (14) Justice Building Fund	83,528
30 (15) Arkansas Counties Alcohol and Drug	
31 Abuse and Crime Prevention Fund	<del>375,000</del> <u>50,000</u>
32 (16) Auditor of State to fund Trial Court	
33 Administrative Assistants Fund	<del>7,035,365</del> <u>7,561,035</u>
34 (17) Drug Abuse Prevention and Treatment	
35 Fund for use in the Drug Abuse Prevention	
36 and Treatment program of the Bureau of	

1	Alcohol and Drug Abuse Prevention	312,000
2	(18) State Central Services Fund for the	
3	Benefit of the Administrative Office	
4	of the Courts Div of Dependency-Neglect	
5	Representation	4,284,838
6	(19) Miscellaneous Agencies Fund Account for	
7	the benefit of the State Crime Laboratory	576,988
8	(20) District Judges Association for the	
9	District Court Coordinator	62,528
10	(21) Public Legal Aid Fund	855,432
11	(22) Administrative Office of the Courts -	
12	County Reimbursements for Jurors	850,000
13	(23) Administrative Office of the Courts -	
14	Drug Court Coordinator to reimburse the	
15	State Central Services Fund	66,320
16	(24) Constitutional Officers Fund for	
17	District Judges Pilot Program	1,881,861
18	(25) State Central Services Fund for Court	
19	Security by Administrative Office of the	
20	Courts	<u>362,791</u>
21	TOTAL AMOUNT ALLOCATED	<u><del>\$39,715,425</del> \$39,916,095</u>

22 The provisions of this section shall be in effect only from July 1, ~~2013~~  
 23 2014 through June 30, ~~2014~~ 2015.

24  
 25 SECTION 63. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
 26 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. YEARLY  
 27 FUND TRANSFERS. On July 1, 2010 and each July 1, thereafter, if the fund  
 28 balance of the Crime Victims Reparation Revolving Fund falls below one  
 29 million dollars (\$1,000,000), the Chief Fiscal Officer of the State may  
 30 transfer on his or her books and those of the State Treasurer and the Auditor  
 31 of the State a sum not to exceed one million dollars (\$1,000,000) or so much  
 32 thereof as is available from fund balances that exceed seven million dollars  
 33 (\$7,000,000) as determined by the Chief Fiscal Officer of the State, from the  
 34 State Administration of Justice Fund to the Crime Victims Reparations  
 35 Revolving Fund to provide funds for personal services, operating expenses and  
 36 claims for the Office of the Attorney General - Crime Victims Reparations

1 State of Arkansas  
2 89th General Assembly  
3 Fiscal Session, 2014

# A Bill

HOUSE BILL 1042

4  
5 By: Joint Budget Committee  
6

## For An Act To Be Entitled

8 AN ACT TO MAKE AN APPROPRIATION FOR PERSONAL SERVICES  
9 AND OPERATING EXPENSES FOR THE ARKANSAS PUBLIC  
10 EMPLOYEES RETIREMENT SYSTEM FOR THE FISCAL YEAR  
11 ENDING JUNE 30, 2015; AND FOR OTHER PURPOSES.  
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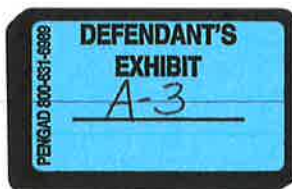
## Subtitle

14 AN ACT FOR THE ARKANSAS PUBLIC EMPLOYEES  
15 RETIREMENT SYSTEM APPROPRIATION FOR THE  
16 2014-2015 FISCAL YEAR.  
17  
18  
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
21

22 SECTION 1. REGULAR SALARIES. There is hereby established for the  
23 Arkansas Public Employees Retirement System for the 2014-2015 fiscal year,  
24 the following maximum number of regular employees.  
25

				Maximum Annual
			Maximum	Salary Rate
	Item	Class	No. of	Fiscal Year
	No.	Code	Employees	2014-2015
26	(1)	U014U	1	\$174,812
27	(2)	U078U	1	\$111,782
28	(3)	A003N	1	GRADE N910
29	(4)	N096N	1	GRADE N906
30	(5)	N159N	1	GRADE N901
31	(6)	D007C	1	GRADE C128
32	(7)	G047C	1	GRADE C126



1	(8)	A027C	ACCOUNTING OPERATIONS MANAGER	1	GRADE C125
2	(9)	G076C	ADMINISTRATIVE SERVICES MANAGER	1	GRADE C124
3	(10)	D030C	INFORMATION SYSTEMS COORDINATOR	1	GRADE C124
4	(11)	A034C	RETIREMENT SECTION MANAGER	4	GRADE C123
5	(12)	D044C	SYSTEMS ANALYST	1	GRADE C122
6	(13)	A052C	ACCOUNTING COORDINATOR	1	GRADE C121
7	(14)	A066C	INTERNAL AUDITOR	1	GRADE C119
8	(15)	A062C	RETIREMENT COORDINATOR	5	GRADE C119
9	(16)	A082C	ACCOUNTANT II	9	GRADE C117
10	(17)	A079C	INVESTMENT ANALYST	4	GRADE C117
11	(18)	A078C	RETIREMENT COUNSELOR	15	GRADE C117
12	(19)	C022C	BUSINESS OPERATIONS SPECIALIST	1	GRADE C116
13	(20)	P027C	PUBLIC INFORMATION SPECIALIST	1	GRADE C116
14	(21)	A083C	RETIREMENT ANALYST	7	GRADE C116
15	(22)	X115C	SOCIAL SECURITY ANALYST	1	GRADE C116
16	(23)	R033C	BENEFITS ANALYST	2	GRADE C115
17	(24)	C056C	ADMINISTRATIVE SPECIALIST III	2	GRADE C112
18	(25)	A098C	FISCAL SUPPORT SPECIALIST	13	GRADE C112
19	(26)	C073C	ADMINISTRATIVE SPECIALIST II	<u>5</u>	GRADE C109
20			MAX. NO. OF EMPLOYEES	82	

21

22 SECTION 2. EXTRA HELP - PUBLIC EMPLOYEES RETIREMENT SYSTEM. There is  
 23 hereby authorized, for the Arkansas Public Employees Retirement System for  
 24 the 2014-2015 fiscal year, the following maximum number of part-time or  
 25 temporary employees, to be known as "Extra Help", payable from funds  
 26 appropriated herein for such purposes: six (6) temporary or part-time  
 27 employees, when needed, at rates of pay not to exceed those provided in the  
 28 Uniform Classification and Compensation Act, or its successor, or this act  
 29 for the appropriate classification.

30

31 SECTION 3. APPROPRIATION - PUBLIC EMPLOYEES RETIREMENT OPERATIONS.  
 32 There is hereby appropriated, to the Arkansas Public Employees Retirement  
 33 System, to be payable from the Arkansas Public Employees' Retirement System  
 34 Fund, for personal services and operating expenses of the Arkansas Public  
 35 Employees Retirement System for the fiscal year ending June 30, 2015, the  
 36 following:

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ITEM	FISCAL YEAR
<u>NO.</u>	<u>2014-2015</u>
(01) REGULAR SALARIES	\$3,697,010
(02) EXTRA HELP	75,000
(03) PERSONAL SERVICES MATCHING	1,216,462
(04) MAINT. & GEN. OPERATION	
(A) OPER. EXPENSE	1,607,473
(B) CONF. & TRAVEL	42,500
(C) PROF. FEES	10,583,645
(D) CAP. OUTLAY	0
(E) DATA PROC.	0
(05) BENEFITS-NON EMPLOYEE	40,000,000
(06) REFUNDS/REIMBURSEMENTS	<u>75,000,000</u>
TOTAL AMOUNT APPROPRIATED	<u>\$132,222,090</u>

SECTION 4. APPROPRIATION - PUBLIC EMPLOYEES RETIREMENT CASH. There is hereby appropriated, to the Arkansas Public Employees Retirement System, to be payable from cash funds as defined by Arkansas Code 19-4-801 of the Arkansas Public Employees Retirement System, for payment to beneficiaries by check or wired transfer by the Arkansas Public Employees Retirement System for the fiscal year ending June 30, 2015, the following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2014-2015</u>
(01) BENEFITS	<u>\$450,000,000</u>

SECTION 5. APPROPRIATION - STATE POLICE RETIREMENT OPERATIONS. There is hereby appropriated, to the Arkansas Public Employees Retirement System, to be payable from the State Police Retirement Fund, for operating expenses of the State Police Retirement System by the Arkansas Public Employees Retirement System for the fiscal year ending June 30, 2015, the following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2014-2015</u>
(01) MAINT. & GEN. OPERATION	

1	(A) OPER. EXPENSE	\$77,610
2	(B) CONF. & TRAVEL	0
3	(C) PROF. FEES	265,950
4	(D) CAP. OUTLAY	0
5	(E) DATA PROC.	0
6	(02) BENEFITS-NON EMPLOYEE	10,000,000
7	(03) REFUNDS/REIMBURSEMENTS	<u>20,000,000</u>
8	TOTAL AMOUNT APPROPRIATED	<u>\$30,343,560</u>

9

10 SECTION 6. APPROPRIATION - STATE POLICE RETIREMENT CASH. There is

11 hereby appropriated, to the Arkansas Public Employees Retirement System, to

12 be payable from cash funds as defined by Arkansas Code 19-4-801 of the

13 Arkansas Public Employees Retirement System, for payment to beneficiaries of

14 the State Police Retirement System by check or wired transfer by the Arkansas

15 Public Employees Retirement System for the fiscal year ending June 30, 2015,

16 the following:

17		
18	ITEM	FISCAL YEAR
19	<u>NO.</u>	<u>2014-2015</u>
20	(01) BENEFITS	<u>\$30,000,000</u>

21

22 SECTION 7. APPROPRIATION - JUDICIAL RETIREMENT OPERATIONS. There is

23 hereby appropriated, to the Arkansas Public Employees Retirement System, to

24 be payable from the Judges Retirement Fund, for operating expenses of the

25 Judicial Retirement System by the Arkansas Public Employees Retirement System

26 for the fiscal year ending June 30, 2015, the following:

27		
28	ITEM	FISCAL YEAR
29	<u>NO.</u>	<u>2014-2015</u>
30	(01) MAINT. & GEN. OPERATION	
31	(A) OPER. EXPENSE	\$40,510
32	(B) CONF. & TRAVEL	0
33	(C) PROF. FEES	122,879
34	(D) CAP. OUTLAY	0
35	(E) DATA PROC.	0
36	(02) BENEFITS-NON EMPLOYEE	4,000,000



1	(03) REFUNDS/REIMBURSEMENTS	<u>6,000,000</u>
2	TOTAL AMOUNT APPROPRIATED	<u>\$10,163,389</u>

3

4 SECTION 8. APPROPRIATION - JUDICIAL RETIREMENT CASH. There is hereby  
 5 appropriated, to the Arkansas Public Employees Retirement System, to be  
 6 payable from cash funds as defined by Arkansas Code 19-4-801 of the Arkansas  
 7 Public Employees Retirement System, for payment to beneficiaries of the  
 8 Judicial Retirement System by check or wired transfer by the Arkansas Public  
 9 Employees Retirement System for the fiscal year ending June 30, 2015, the  
 10 following:

11

12	ITEM	FISCAL YEAR
13	<u>NO.</u>	<u>2014-2015</u>
14	(01) BENEFITS	<u>\$20,000,000</u>

15

16 SECTION 9. APPROPRIATION - APERS PENSION ADMINISTRATION SYSTEM. There  
 17 is hereby appropriated, to the Arkansas Public Employees Retirement System,  
 18 to be payable from the Arkansas Public Employees' Retirement System Fund, for  
 19 the operational expenses, capital outlay, and professional fees and services  
 20 relating to the development, acquisition, and implementation of a new APERS  
 21 Pension Administration System of the Arkansas Public Employees Retirement  
 22 System for the fiscal year ending June 30, 2015, the following:

23

24	ITEM	FISCAL YEAR
25	<u>NO.</u>	<u>2014-2015</u>
26	(01) PENSION ADMINISTRATION SYSTEM	<u>\$21,000,000</u>

27

28 SECTION 10. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
 29 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. JUDICIAL  
 30 RETIREMENT FUND TRANSFERS. A sum not to exceed ~~\$54,663~~ \$56,303 in the ~~2013-~~  
 31 ~~2014~~ 2014-2015 fiscal year may be transferred from the Judges Retirement Fund  
 32 to the Arkansas Public Employees Retirement System Fund for costs incurred by  
 33 the Arkansas Public Employees Retirement System in administering the Judicial  
 34 Retirement System. Such transfer request shall be made to the Chief Fiscal  
 35 Officer of the State, and upon his approval, said transfer shall be made on  
 36 his books and those of the Treasurer of the State and the Auditor of the

1 State.

2 The provisions of this section shall be in effect only from July 1, ~~2013~~  
 3 2014 through June 30, ~~2014~~ 2015.

4

5 SECTION 11. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
 6 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. STATE  
 7 POLICE RETIREMENT FUND TRANSFERS. A sum not to exceed ~~\$101,294~~ \$104,333 in  
 8 the ~~2013-2014~~ 2014-2015 fiscal year may be transferred from the State Police  
 9 Retirement Fund to the Arkansas Public Employees Retirement System Fund for  
 10 costs incurred by the Arkansas Public Employees Retirement System in  
 11 administering the State Police Retirement System. Such transfer request  
 12 shall be made to the Chief Fiscal Officer of the State, and upon his  
 13 approval, said transfer shall be made on his books and those of the Treasurer  
 14 of the State and the Auditor of the State.

15 The provisions of this section shall be in effect only from July 1, ~~2013~~  
 16 2014 through June 30, ~~2014~~ 2015.

17

18 SECTION 12. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
 19 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. EXEMPTION  
 20 FROM PRIOR REVIEW. The Arkansas Public Employees Retirement System is hereby  
 21 exempted from seeking prior review by the Arkansas Legislative Council with  
 22 regard to transfers between the Benefits line item in the Cash Fund  
 23 Appropriation and the Benefits-Non-Employee line item in the Operations  
 24 Appropriation which are specifically related to transfers necessitated by the  
 25 changes in retirees' selection of the method of payment of retirement  
 26 benefits. All other provisions of Arkansas Code §19-4-522 shall be  
 27 applicable.

28 The provisions of this section shall be in effect only from July 1, ~~2013~~  
 29 2014 through June 30, ~~2014~~ 2015.

30

31 SECTION 13. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
 32 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. SPECIAL  
 33 STATE POLICE RETIREMENT FUND TRANSFERS. A sum not to exceed \$50,000 in each  
 34 fiscal year of the 2013-2015 biennium may be transferred from the State  
 35 Police Retirement Fund to the Arkansas Public Employees Retirement Fund to  
 36 share in the costs incurred by the Arkansas Public Employees Retirement

1 System in the purchase and implementation of a new pension administration  
2 system, which will be utilized to administer State Police pension  
3 transactions for members and retirees. Said transfer shall sunset at the end  
4 of fiscal year 2017. Such transfer request shall be made to the Chief Fiscal  
5 officer of the State, and upon his approval, said transfer shall be made on  
6 his books and those of the Treasurer of the State and the Auditor of the  
7 State.

8 The provisions of this section shall be in full effect only from July  
9 1, ~~2013~~ 2014 through June 30, ~~2014~~ 2015.

10  
11 SECTION 14. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
12 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. SPECIAL  
13 JUDICIAL RETIREMENT FUND TRANSFERS. A sum not to exceed \$50,000 in each  
14 fiscal year of the 2013-2015 biennium may be transferred from the Judicial  
15 Retirement Fund to the Arkansas Public Employees Retirement Fund to share in  
16 the costs incurred by the Arkansas Public Employees Retirement System in the  
17 purchase and implementation of a new pension administration system, which  
18 will be utilized to administer Judicial pension transactions for members and  
19 retirees. Said transfer shall sunset at the end of fiscal year 2017. Such  
20 transfer request shall be made to the Chief Fiscal Officer of the State, and  
21 upon his approval, said transfer shall be made on his books and those of the  
22 Treasurer of State and the Auditor of the State.

23 The provisions of this section shall be in effect only from July 1,  
24 ~~2013~~ 2014 through June 30, ~~2014~~ 2015.

25  
26 SECTION 15. COMPLIANCE WITH OTHER LAWS. Disbursement of funds  
27 authorized by this act shall be limited to the appropriation for such agency  
28 and funds made available by law for the support of such appropriations; and  
29 the restrictions of the State Procurement Law, the General Accounting and  
30 Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary  
31 Procedures and Restrictions Act, or their successors, and other fiscal  
32 control laws of this State, where applicable, and regulations promulgated by  
33 the Department of Finance and Administration, as authorized by law, shall be  
34 strictly complied with in disbursement of said funds.

35  
36 SECTION 16. LEGISLATIVE INTENT. It is the intent of the General

1 Assembly that any funds disbursed under the authority of the appropriations  
2 contained in this act shall be in compliance with the stated reasons for  
3 which this act was adopted, as evidenced by the Agency Requests, Executive  
4 Recommendations and Legislative Recommendations contained in the budget  
5 manuals prepared by the Department of Finance and Administration, letters, or  
6 summarized oral testimony in the official minutes of the Arkansas Legislative  
7 Council or Joint Budget Committee which relate to its passage and adoption.

8  
9 SECTION 17. EMERGENCY CLAUSE. It is found and determined by the  
10 General Assembly, that the Constitution of the State of Arkansas prohibits  
11 the appropriation of funds for more than a one (1) year period; that the  
12 effectiveness of this Act on July 1, 2014 is essential to the operation of  
13 the agency for which the appropriations in this Act are provided, and that in  
14 the event of an extension of the legislative session, the delay in the  
15 effective date of this Act beyond July 1, 2014 could work irreparable harm  
16 upon the proper administration and provision of essential governmental  
17 programs. Therefore, an emergency is hereby declared to exist and this Act  
18 being necessary for the immediate preservation of the public peace, health  
19 and safety shall be in full force and effect from and after July 1, 2014.

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22 **APPROVED: 02/25/2014**  
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