

State of Alaska
FY2022 Governor's Operating Budget

Department of Revenue
Alaska Retirement Management Board
Component Budget Summary

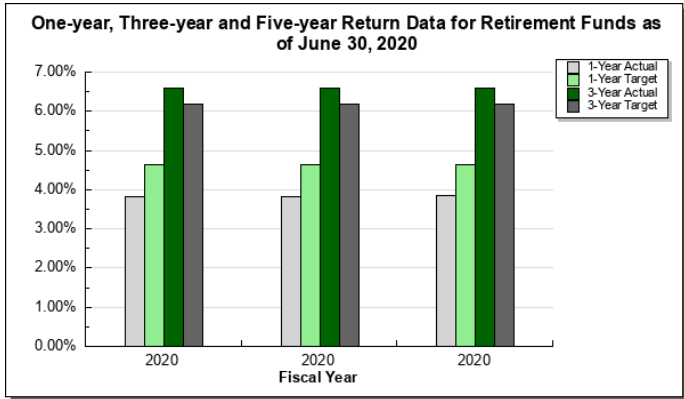
Component: Alaska Retirement Management Board

Contribution to Department's Mission

The mission of the Alaska Retirement Management Board is to manage the state's retirement and benefit plan funds.

Results

(Additional performance information is available on the web at <https://omb.alaska.gov/results>.)



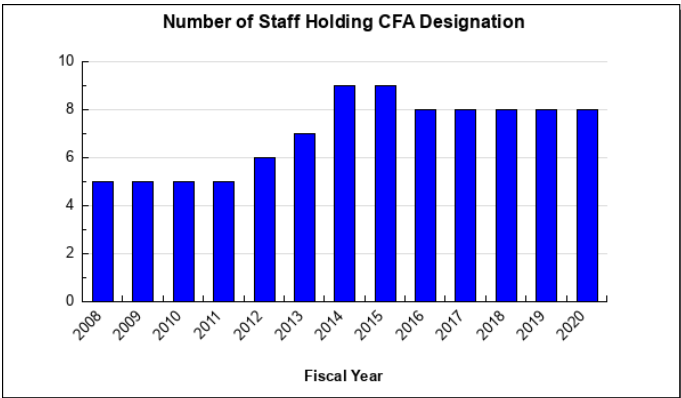
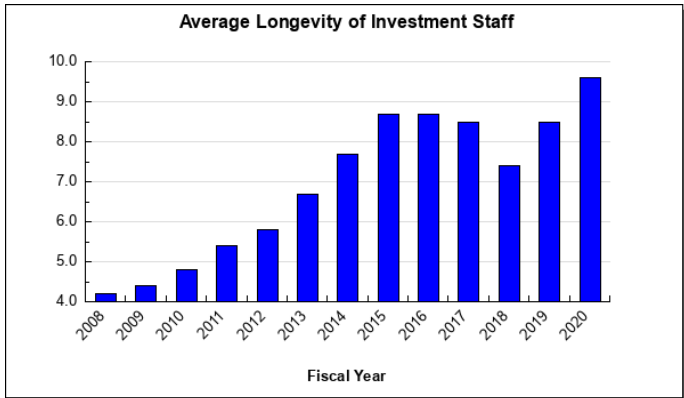
Core Services

- Manage the investment of ARMB funds.

Measures by Core Service

(Additional performance information is available on the web at <https://omb.alaska.gov/results>.)

1. Manage the investment of ARMB funds.



Major Component Accomplishments in 2020

- 3-year and 5-year gross returns for the Public Employees' Retirement System (PERS) and Teachers' Retirement System (TRS) defined benefit plans exceeded benchmark returns despite the 1-year returns lagging their targets.
- Decreased the Alaska Retirement Management Board (ARMB) investment management fees by \$30 million to \$69.6 million from FY2019 to FY2020 as a result of simplifying the external management structure.

- Changed new equity mandates to be managed in-house, contributing to the overall decrease in management fees paid to external investment managers.
- Used technology to capture data, perform analysis and report on investment data of alternative assets, resulting in the decrease of one investment officer in FY2020.
- Continued to improve ARMB investment options for defined contribution retirement plan participants.
- Aligned the portfolio return objective with the time horizon of liabilities as part of the developing the target asset allocations for the plans.

Key Component Challenges

- Managing investment risk during times of market volatility.
- Achieving actuarial rate of return or greater over long periods of time.
- Evaluating asset allocation and new investment opportunities for both defined benefit and defined contribution plans.

Significant Changes in Results to be Delivered in FY2022

No changes in results delivered.

Statutory and Regulatory Authority

AS 37.10.210-390 Alaska Retirement Management Board

Contact Information
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Component Detail All Funds
Department of Revenue

Component: Alaska Retirement Management Board (2813)
RDU: Taxation and Treasury (510)

Non-Formula Component

	FY2020 Actuals	FY2021 Conference Committee	FY2021 Authorized	FY2021 Management Plan	FY2022 Governor	FY2021 Management Plan vs FY2022 Governor	
71000 Personal Services	46.5	86.2	86.2	86.2	86.2	0.0	0.0%
72000 Travel	25.9	134.1	134.1	134.1	134.1	0.0	0.0%
73000 Services	8,125.4	9,686.4	9,686.4	9,686.4	9,686.4	0.0	0.0%
74000 Commodities	164.1	32.5	32.5	32.5	32.5	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	8,361.9	9,939.2	9,939.2	9,939.2	9,939.2	0.0	0.0%
Fund Sources:							
1017 Ben Sys (Other)	3,924.9	5,155.6	5,155.6	5,155.6	5,155.6	0.0	0.0%
1029 P/E Retire (Other)	2,806.9	2,962.0	2,962.0	2,962.0	2,962.0	0.0	0.0%
1034 Teach Ret (Other)	1,576.3	1,680.0	1,680.0	1,680.0	1,680.0	0.0	0.0%
1042 Jud Retire (Other)	43.3	51.1	51.1	51.1	51.1	0.0	0.0%
1045 Nat Guard (Other)	10.5	90.5	90.5	90.5	90.5	0.0	0.0%
Unrestricted General (UGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	8,361.9	9,939.2	9,939.2	9,939.2	9,939.2	0.0	0.0%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	0	0	0	0	0	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios with Descriptions
Department of Revenue

Component: Alaska Retirement Management Board (2813)
RDU: Taxation and Treasury (510)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2021 Conference Committee To FY2021 Authorized *****												
Conference Committee												
	ConfCom	9,939.2	86.2	134.1	9,686.4	32.5	0.0	0.0	0.0	0	0	0
1017 Ben Sys		5,155.6										
1029 P/E Retire		2,962.0										
1034 Teach Ret		1,680.0										
1042 Jud Retire		51.1										
1045 Nat Guard		90.5										
Subtotal		9,939.2	86.2	134.1	9,686.4	32.5	0.0	0.0	0.0	0	0	0
***** Changes From FY2021 Management Plan To FY2022 Governor *****												
Totals		9,939.2	86.2	134.1	9,686.4	32.5	0.0	0.0	0.0	0	0	0

Line Item Detail (1676)
Department of Revenue
Travel

Component: Alaska Retirement Management Board (2813)

Line Number	Line Name		FY2020 Actuals	FY2021 Management Plan	FY2022 Governor
2000	Travel		25.9	134.1	134.1
Object Class	Servicing Agency	Explanation	FY2020 Actuals	FY2021 Management Plan	FY2022 Governor
2000 Travel Detail Totals			25.9	134.1	134.1
2000	In-State Employee Travel	Airfare, lodging, surface transportation, reimbursable travel costs, meals and incidentals	6.6	31.2	31.2
2001	In-State Non-Employee Travel	Airfare, lodging, surface transportation, reimbursable travel costs, meals and incidentals	4.8	12.7	12.7
2002	Out of State Employee Travel	Airfare, lodging, surface transportation, reimbursable travel costs, meals and incidentals	14.3	67.5	67.5
2003	Out of State Non-Employee Travel	Airfare, lodging, surface transportation, reimbursable travel costs, meals and incidentals	0.0	22.1	22.1
2005	Moving Costs	Employee moving costs	0.2	0.6	0.6

Line Item Detail (1676)
Department of Revenue
Services

Component: Alaska Retirement Management Board (2813)

Line Number	Line Name		FY2020 Actuals	FY2021 Management Plan	FY2022 Governor
3000	Services		8,125.4	9,686.4	9,686.4
Object Class	Servicing Agency	Explanation	FY2020 Actuals	FY2021 Management Plan	FY2022 Governor
3000 Services Detail Totals			8,125.4	9,686.4	9,686.4
3000	Education Services	Training, educational conferences, agency memberships, tuition, books and fees for work-related courses	14.1	26.0	26.0
3001	Financial Services	Accounting, auditing, and management/consulting services	258.0	745.9	745.9
3002	Legal and Judicial Services	Transcription services	24.5	32.0	32.0
3003	Information Technology	IT training, consulting, software licensing, software maintenance, and IT equipment leases	1,059.5	1,096.7	1,096.7
3004	Telecommunications	Local, long distance, cellular, television, data/network telecommunications equipment charges	29.2	31.0	31.0
3006	Delivery Services	Freight, courier services, and postage	1.6	3.5	3.5
3007	Advertising and Promotions	Legal notices for regulations and public hearings	1.7	1.8	1.8
3008	Utilities	Records and confidential material disposal	0.1	1.2	1.2
3009	Structure/Infrastructure/Land	Infrastructure maintenance and repairs, rentals, and leases	6.1	11.0	11.0
3010	Equipment/Machinery	Office furniture and equipment repairs, maintenance, rentals and leases	4.0	26.5	26.5
3011	Other Services	Professional management and consulting services; printing and	0.6	2.2	2.2

Line Item Detail (1676)
Department of Revenue
Services

Component: Alaska Retirement Management Board (2813)

Object Class		Servicing Agency	Explanation	FY2020 Actuals	FY2021 Management Plan	FY2022 Governor
3000 Services Detail Totals				8,125.4	9,686.4	9,686.4
			copying services			
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide	Office of Information Technology (OIT) core services	101.8	99.0	0.0
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide	OIT Licensing (SQL Rates)	2.8	7.0	7.0
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide	OIT Server Hosting & Storage	8.0	12.0	12.0
3018	Inter-Agency Information Technology Telecommunications	Admin - Department-wide	Office of Information Technology (OIT) telecommunications services	8.9	17.0	17.0
3020	Inter-Agency Building Maintenance	Admin - Department-wide	Building maintenance performed by Shared Services of Alaska	0.0	3.0	3.0
3021	Inter-Agency Mail	Admin - Department-wide	Central mailroom services including pickup and delivery of mail, postage, and mailing of state warrants	1.5	1.5	1.5
3022	Inter-Agency Human Resources	Admin - Department-wide	Human resource and payroll services provided by the Division of Personnel	23.0	20.0	0.0
3023	Inter-Agency Building Leases	Admin - Department-wide	Cost of space in state-owned facilities and private leases	150.7	160.0	160.0
3024	Inter-Agency Legal	Law - Department-wide	ARMB Legal Services	92.8	124.0	124.0
3024	Inter-Agency Legal	Law - Department-wide	ARMB Litigation Legal Services	7.5	20.0	20.0
3024	Inter-Agency Legal	Law - Department-wide	ARMB Outside Legal Counsel	0.2	1.0	1.0
3026	Inter-Agency Insurance	Admin - Department-wide	Risk Management	0.6	0.9	0.9
3027	Inter-Agency Financial	Admin - Department-wide	Division of Finance chargeback for IRIS FIN, HRM, and ALDER	36.6	35.0	35.0
3028	Inter-Agency Americans with Disabilities Act Compliance	Admin - Department-wide	ADA compliance	0.2	0.1	0.1
3029	Inter-Agency Education/Training	Admin - Department-wide	Training provided by state agencies – Shared Services of Alaska and Division of Finance training for procurement and ALDER reporting	0.0	0.4	0.4

Line Item Detail (1676)
Department of Revenue
Services

Component: Alaska Retirement Management Board (2813)

Object Class		Servicing Agency	Explanation	FY2020 Actuals	FY2021 Management Plan	FY2022 Governor
3000 Services Detail Totals				8,125.4	9,686.4	9,686.4
3031	Inter-Agency Construction	Admin - Department-wide	Construction work provided by Division of General Services	0.0	1.0	1.0
3038	Inter-Agency Management/Consulting	Admin - Department-wide	Investment auditing and consulting services provided by Retirement & Benefits	96.0	98.0	98.0
3038	Inter-Agency Management/Consulting	Rev - Administrative Services (125)	Support services provided by the Administrative Services Division, including IT, fiscal, budget, contract management, procurement, and legislative support	110.9	400.0	400.0
3038	Inter-Agency Management/Consulting	Rev - Commissioner's Office (123)	Support services provided by the Commissioner's Office	0.0	40.0	40.0
3038	Inter-Agency Management/Consulting	Rev - Treasury Division (121)	Staffing provided by the Treasury Division	5,981.0	6,538.7	6,657.7
3038	Inter-Agency Management/Consulting	Admin - Department-wide	Actuarial Services	103.5	130.0	130.0

Line Item Detail (1676)
Department of Revenue
Commodities

Component: Alaska Retirement Management Board (2813)

Line Number	Line Name		FY2020 Actuals	FY2021 Management Plan	FY2022 Governor
4000	Commodities		164.1	32.5	32.5
Object Class	Servicing Agency	Explanation	FY2020 Actuals	FY2021 Management Plan	FY2022 Governor
4000 Commodities Detail Totals			164.1	32.5	32.5
4000	Business	Business supplies including book and educational equipment and furniture; office supplies; desktop computers, printers and IT equipment less than \$5,000 per item; and subscriptions including electronic access to information	163.8	31.5	31.5
4002	Household/Institutional	Institutional supplies	0.3	1.0	1.0

Inter-Agency Services (1682)
Department of Revenue

Component: Alaska Retirement Management Board (2813)

				FY2020 Actuals	FY2021 Management Plan	FY2022 Governor
Component Totals				6,726.0	7,708.6	7,708.6
With Department of Administration				533.6	584.9	465.9
With Department of Law				100.5	145.0	145.0
With Department of Revenue				6,091.9	6,978.7	7,097.7
Object Class	Servicing Agency	Explanation	FY2020 Actuals	FY2021 Management Plan	FY2022 Governor	
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide Office of Information Technology (OIT) core services	101.8	99.0	0.0	
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide OIT Licensing (SQL Rates)	2.8	7.0	7.0	
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide OIT Server Hosting & Storage	8.0	12.0	12.0	
3018	Inter-Agency Information Technology Telecommunications	Admin - Department-wide Office of Information Technology (OIT) telecommunications services	8.9	17.0	17.0	
3020	Inter-Agency Building Maintenance	Admin - Department-wide Building maintenance performed by Shared Services of Alaska	0.0	3.0	3.0	
3021	Inter-Agency Mail	Admin - Department-wide Central mailroom services including pickup and delivery of mail, postage, and mailing of state warrants	1.5	1.5	1.5	
3022	Inter-Agency Human Resources	Admin - Department-wide Human resource and payroll services provided by the Division of Personnel	23.0	20.0	0.0	
3023	Inter-Agency Building Leases	Admin - Department-wide Cost of space in state-owned facilities and private leases	150.7	160.0	160.0	
3024	Inter-Agency Legal	Law - Department-wide ARMB Legal Services	92.8	124.0	124.0	
3024	Inter-Agency Legal	Law - Department-wide ARMB Litigation Legal Services	7.5	20.0	20.0	
3024	Inter-Agency Legal	Law - Department-wide ARMB Outside Legal Counsel	0.2	1.0	1.0	
3026	Inter-Agency Insurance	Admin - Department-wide Risk Management	0.6	0.9	0.9	
3027	Inter-Agency Financial	Admin - Department-wide Division of Finance chargeback for IRIS FIN, HRM, and ALDER	36.6	35.0	35.0	
3028	Inter-Agency Americans with	Admin - Department-wide ADA compliance	0.2	0.1	0.1	

Inter-Agency Services (1682)
Department of Revenue

Component: Alaska Retirement Management Board (2813)

Object Class	Servicing Agency	Explanation	FY2020 Actuals	FY2021 Management Plan	FY2022 Governor
Disabilities Act Compliance					
3029 Inter-Agency Education/Training	Admin - Department-wide	Training provided by state agencies – Shared Services of Alaska and Division of Finance training for procurement and ALDER reporting	0.0	0.4	0.4
3031 Inter-Agency Construction	Admin - Department-wide	Construction work provided by Division of General Services	0.0	1.0	1.0
3038 Inter-Agency Management/Consulting	Admin - Department-wide	Investment auditing and consulting services provided by Retirement & Benefits	96.0	98.0	98.0
3038 Inter-Agency Management/Consulting	Rev - Administrative Services (125)	Support services provided by the Administrative Services Division, including IT, fiscal, budget, contract management, procurement, and legislative support	110.9	400.0	400.0
3038 Inter-Agency Management/Consulting	Rev - Commissioner's Office (123)	Support services provided by the Commissioner's Office	0.0	40.0	40.0
3038 Inter-Agency Management/Consulting	Rev - Treasury Division (121)	Staffing provided by the Treasury Division	5,981.0	6,538.7	6,657.7
3038 Inter-Agency Management/Consulting	Admin - Department-wide	Actuarial Services	103.5	130.0	130.0