

# Optional Retirement Program Summary of Budget Recommendations - House

Rachel Stegall, LBB Analyst

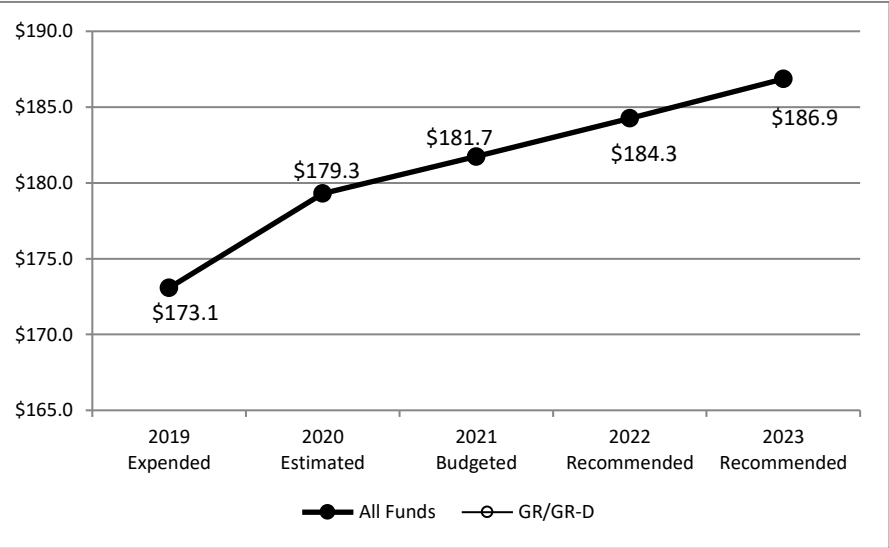
| Method of Financing    | 2020-21<br>Base | 2022-23<br>Recommended | Biennial<br>Change (\$) | Biennial<br>Change (%) |
|------------------------|-----------------|------------------------|-------------------------|------------------------|
| General Revenue Funds  | \$256,611,389   | \$259,742,796          | \$3,131,407             | 1.2%                   |
| GR Dedicated Funds     | \$104,434,519   | \$111,376,435          | \$6,941,916             | 6.6%                   |
| Total GR-Related Funds | \$361,045,908   | \$371,119,231          | \$10,073,323            | 2.8%                   |
| Federal Funds          | \$0             | \$0                    | \$0                     | 0.0%                   |
| Other                  | \$0             | \$0                    | \$0                     | 0.0%                   |
| All Funds              | \$361,045,908   | \$371,119,231          | \$10,073,323            | 2.8%                   |

|      | FY 2021<br>Budgeted | FY 2023<br>Recommended | Biennial<br>Change | Percent<br>Change |
|------|---------------------|------------------------|--------------------|-------------------|
| FTEs | 0.0                 | 0.0                    | 0.0                | 0.0%              |

## Agency Budget and Policy Issues and/or Highlights

The Optional Retirement Program is a defined contribution retirement program offered as an alternative to TRS retirement for certain higher education faculty and professionals who require interstate mobility during their careers.

Historical Funding Levels (Millions)



The bill pattern for this agency (2022-23 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2022-23 biennium.

**Optional Retirement Program**  
**Summary of Funding Changes and Recommendations - House**

| Funding Changes and Recommendations for the 2022-23 Biennium<br>compared to the 2020-21 Base Spending Level (in millions)                               |                                                                                                                                                                                                              | General<br>Revenue | GR-Dedicated | Federal<br>Funds | Other Funds  | All Funds     | Strategy in<br>Appendix A |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------|------------------|--------------|---------------|---------------------------|
| <i><b>SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):</b></i> |                                                                                                                                                                                                              |                    |              |                  |              |               |                           |
| A)                                                                                                                                                      | Projected growth in GR contributions: Based on the five year average from FY 15 to FY 20 actual, the projected growth in GR contributions is 0.6 percent annually                                            | \$3.1              | \$0.0        | \$0.0            | \$0.0        | \$3.1         | A.1.1                     |
| B)                                                                                                                                                      | Projected growth in GR-D contributions: Based on the five year average from FY 15 to FY 20 actual, the projected growth in Other Educational and General Income (GR-D) contributions is 3.3 percent annually | \$0.0              | \$6.9        | \$0.0            | \$0.0        | \$6.9         | A.1.1                     |
| <b>TOTAL SIGNIFICANT &amp; OTHER Funding Changes and Recommendations (in millions)</b>                                                                  |                                                                                                                                                                                                              | <b>\$3.1</b>       | <b>\$6.9</b> | <b>\$0.0</b>     | <b>\$0.0</b> | <b>\$10.0</b> | As Listed                 |

NOTE: Totals may not sum due to rounding.

**Optional Retirement Program  
Selected Fiscal and Policy Issues - House**

1. **State Contributions to the Optional Retirement Program.** Recommendations include an estimated \$371.1 million in All Funds, an increase of \$10.1 million or 2.8 percent from the 2020-21 projected actual spending. The biennial increase is due to a projected increase in the institutional use of GR and GR-D to fund ORP participant payroll. Recommendations provide a 6.6 percent state contribution rate for ORP participants in the 2022-23 biennium, the same rate as the 2020-21 biennium.

Recommendations assume an annual growth rate of 0.6 percent for GR and 3.3 percent for GR-D. These assumptions are based on the five year average growth from fiscal year 2015 to fiscal year 2020 actuals for GR and GR-D.

**Optional Retirement Program  
Appendices - House**

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| B                 | Summary of Federal Funds                        | *    |
| C                 | FTE Highlights                                  | *    |

\* Appendix is not included - no significant information to report

| Optional Retirement Program                                          |                 |                        |                    |             |                                                                                                                                                                                   |
|----------------------------------------------------------------------|-----------------|------------------------|--------------------|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Funding Changes and Recommendations by Strategy - House -- ALL FUNDS |                 |                        |                    |             |                                                                                                                                                                                   |
| Strategy/Goal                                                        | 2020-21<br>Base | 2022-23<br>Recommended | Biennial<br>Change | %<br>Change | Comments                                                                                                                                                                          |
| OPTIONAL RETIREMENT PROGRAM A.1.1                                    | \$361,045,908   | \$371,119,231          | \$10,073,323       | 2.8%        | Recommendations include a total estimated appropriation of \$371.1 million in All Funds, an increase of \$10.1 million or 2.8 percent from the 2020-21 projected actual spending. |
| Total, Goal A, OPTIONAL RETIREMENT PROGRAM                           | \$361,045,908   | \$371,119,231          | \$10,073,323       | 2.8%        |                                                                                                                                                                                   |
| Grand Total, All Strategies                                          | \$361,045,908   | \$371,119,231          | \$10,073,323       | 2.8%        |                                                                                                                                                                                   |