Texas Emergency Services Retirement System
Summary of Budget Recommendations - House

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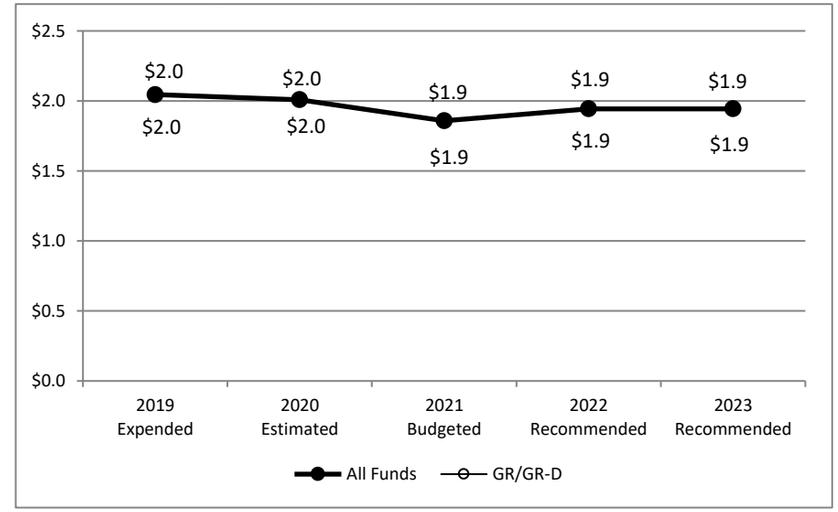
Method of Financing	2020-21 Base	2022-23 Recommended	Biennial Change ($)	Biennial Change (%)
General Revenue Funds	$1,341,277	$1,361,323	$20,046	1.5%
GR Dedicated Funds	$2,525,526	$2,525,526	$0	0.0%
Total GR-Related Funds	*$3,866,803*	*$3,886,849*	*$20,046*	*0.5%*
Federal Funds	$0	$0	$0	0.0%
Other	$0	$0	$0	0.0%
All Funds	**$3,866,803**	**$3,886,849**	**$20,046**	**0.5%**

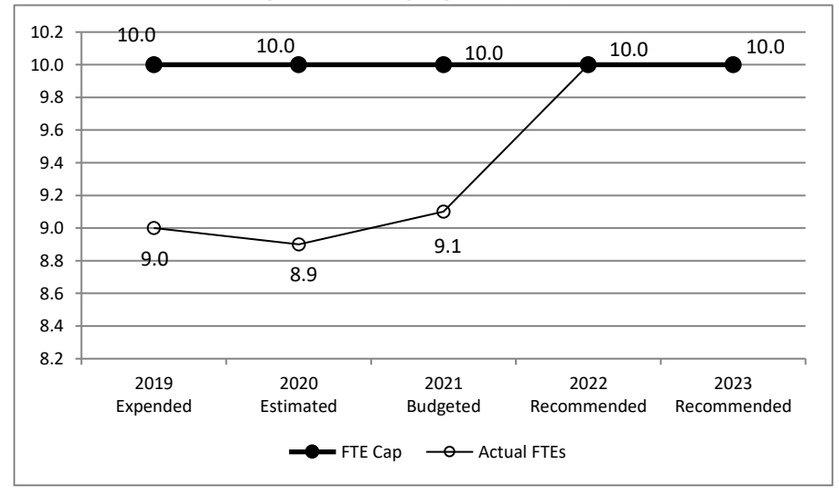
	FY 2021 Budgeted	FY 2023 Recommended	Biennial Change	Percent Change
FTEs	9.1	10.0	0.9	9.9%

The Texas Emergency Services Retirement System provides retirement, survivor, and disability benefits for volunteer firefighters and EMS personnel in particiating departments across the state. The state's contribution to the system is from General Revenue-Dedicated Volunteer Fire Department Assistance Account No. 5064.

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2022-23 Recommended) represents an estimated 2.7% of the agency's estimated total available funds for the 2022-23 biennium.

Texas Emergency Services Retirement System
Summary of Funding Changes and Recommendations - House

	Funding Changes and Recommendations for the 2022-23 Biennium compared to the 2020-21 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):							
A)	Increase in General Revenue of $20,046 from the 2020-21 base spending level. The agency reduced their 2020-21 base by an additional $20,046 beyond the 5 percent reduction target. The additional savings came from leaving 1.0 FTE, a benefits specialist position, vacant for six months during 2020-21 biennium. Recommendations reinstate this amount to provide full funding during the 2022-23 biennium.	$0.02	$0.0	$0.0	$0.0	$0.02	A.1.1
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		**$0.02**	**$0.0**	**$0.0**	**$0.0**	**$0.02**	As Listed
SIGNIFICANT & OTHER Funding Increases		$0.02	$0.0	$0.0	$0.0	$0.02	As Listed

Texas Emergency Services Retirement System
Selected Fiscal and Policy Issues - House

1. **Increased state contributions to the pension system.** TESRS is requesting $110,448 to increase state contributions to this pension system. This funding was reduced as part of the agency's 5 percent reduction this summer. The funding would come from GR-D account 5064, Volunteer Fire Dept Assistance which is administered by the Texas A&M Forest Service. The requested funds are not included in the recommendations.

2. **Increase in General Revenue of $20,046 from the 2020-21 base spending level.** The agency reduced their 2020-21 base by an additional $20,046 in General Revenue beyond the 5 percent reduction target. The additional savings came from leaving 1.0 FTE, a benefits specialist position, vacant for six months during 2020-21 biennium. Recommendations reinstate this amount to provide full funding during the 2022-23 biennium.

3. **Performance measure controls.** An audit report by the SAO entitled *Performance Measures at the Texas Emergency Services Retirement System* (SAO Report No. 20-001, October 2019) stated the agency lacked adequate controls over the collection, calculation, review and reporting of three key performance measures. Those measures are the number of benefit payments distributed (Strategy A.1.1, Administer Pension Fund), the average annual administrative cost per pension plan member (Strategy A.1.1, Administer Pension Fund), and the number of onsite visits (Strategy A.2.1, Recruiting and Technical Assistance). While the numbers the agency entered for those measures in their LAR (and replicated in the LBE in Appendix F) for fiscal year 2019 are correct, the numbers the agency entered for those measures into the Automated Budget and Evaluation System of Texas (ABEST) for fiscal year 2019 are incorrect. The SAO made recommendations to address the issues identified in the audit, and the agency agreed with the recommendations. Specifically, the agency agreed to develop written policies and procedures to document all steps performed in the collection, calculation, review, and reporting of its performance measure data. The agency also agreed to enhance its reviews of performance measure results entered into ABEST prior to submitting those results into the system.

4. **Recruiting and technical assistance key performance measure.** For Strategy A.2.1, Recruiting and Technical Assistance, TESRS estimated they will have zero onsite visits for fiscal year 2021. The agency estimates they will have zero onsite visits for this key performance measure due to travel restrictions imposed as a result of the coronavirus pandemic. The agency anticipates being able to resume onsite visits in fiscal years 2022 and 2023. Since travel restrictions have prevented onsite visits, the agency indicated that they conducted four virtual meetings in fiscal year 2020 and estimated they would conduct 24 virtual meetings in fiscal year 2021.

Texas Emergency Services Retirement System
Items Not Included in Recommendations - House

		2022-23 Biennial Total					
		GR & GR-D	All Funds	FTEs	Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2024-25
Agency Exceptional Items Not Included (in agency priority order)							
1)	State Contributions to Pension System. The agency is requesting $110,448 to increase state contributions to this pension system provided for volunteer firefighters and EMS personnel in participating departments across the state. The funding would come from GR-D account 5064, Volunteer Fire Dept Assistance. The funding was reduced as part of the agency's 5 percent reduction this summer.	$110,448	$110,448	0.0	No	No	$110,000
TOTAL Items Not Included in Recommendations		**$110,448**	**$110,448**	**0.0**			**$110,000**

Texas Emergency Services Retirement System
Appendices - House

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* Appendix is not included - no significant information to report

Texas Emergency Services Retirement System
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS

Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
ADMINISTER PENSION FUND A.1.1	$3,634,023	$3,654,927	$20,904	0.6%	
RECRUITING AND TECHNICAL ASSISTANCE A.2.1	$232,780	$231,922	($858)	(0.4%)	
Total, Goal A, SOUND PENSION FUND	**$3,866,803**	**$3,886,849**	**$20,046**	**0.5%**	
Grand Total, All Strategies	**$3,866,803**	**$3,886,849**	**$20,046**	**0.5%**	The agency reduced their 2020-21 base by an additional $20,046 beyond the 5 percent reduction target. Recommendations reinstate this amount to provide full funding during the 2022-23 biennium.

Texas Emergency Services Retirement System
FTE Highlights - House

Full-Time-Equivalent Positions	Expended 2019	Actual 2020	Budgeted 2021	Recommended 2022	Recommended 2023
Cap	10.0	10.0	10.0	10.0	10.0
Actual/Budgeted	9.0	8.9	9.1	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Director, Group 3	$109,599	$118,826	$118,826	$118,826	$118,826

Notes:

a) The agency is not requesting any changes to its exempt position. The State Auditor's Office Report, Executive Compensation at State Agencies (Report 20-706, August 2020), indicates a market average salary of $125,550 for the Executive Director position at the Texas Emergency Services Retirement System.

b) The State Auditor's Office is the source for the FY 2019 and FY 2020 annual average (actual) FTE levels.