

Optional Retirement Program Summary of Budget Recommendations - House

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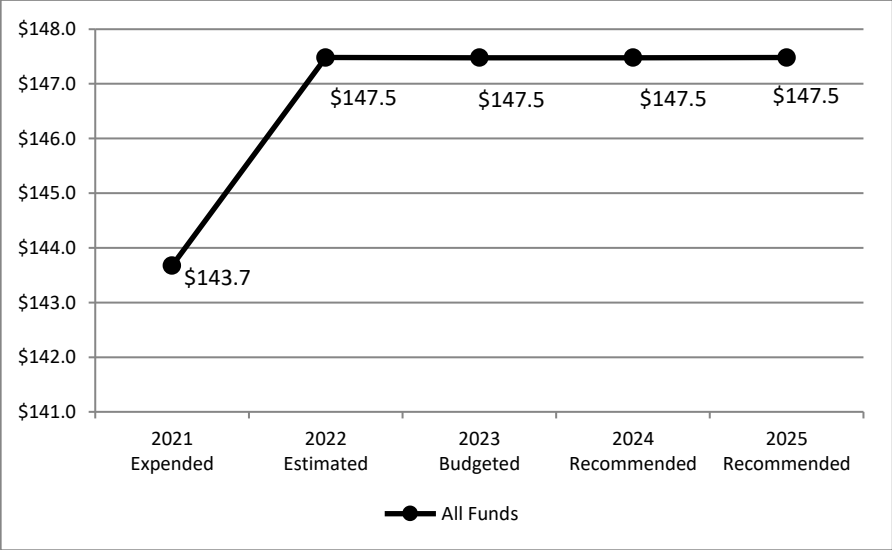
Method of Financing	2022-23 Base	2024-25 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$246,034,923	\$245,051,767	(\$983,156)	(0.4%)
GR Dedicated Funds	\$48,926,321	\$49,909,741	\$983,420	2.0%
Total GR-Related Funds	\$294,961,244	\$294,961,508	\$264	0.0%
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$0	\$0	\$0	0.0%
All Funds	\$294,961,244	\$294,961,508	\$264	0.0%

	FY 2023 Budgeted	FY 2025 Recommended	Biennial Change	Percent 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 (2024-25 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2024-25 biennium.

Optional Retirement Program
Summary of Funding Changes and Recommendations - House

Section 2

Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 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)	Decreased funding due to a projected decline of payroll covered by GR.	(\$1.0)	\$0.0	\$0.0	\$0.0	(\$1.0)	A.1.1
B)	Increased funding due to projected growth of payroll covered by GR-Dedicated.	\$0.0	\$1.0	\$0.0	\$0.0	\$1.0	A.1.1
TOTAL SIGNIFICANT Funding Changes and Recommendations (in millions)		(\$1.0)	\$1.0	\$0.0	\$0.0	\$0.0	As Listed

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

1. **State Contributions to the Optional Retirement Program.** Recommendations for the 2024-25 biennium total an estimated \$295.0 million in All Funds, an increase of \$264 from the 2022-23 base. Recommendations provide a 6.6 percent state contribution rate for ORP participants in the 2024-25 biennium, the same rate as the 2022-23 biennium.

Recommendations assume 2.15 percent annual payroll growth. Due to a decline in the institutional use of GR to fund ORP participant payroll, recommendations assume an annual negative growth rate of 0.2 percent for GR covered contributions. Recommendations assume an annual growth rate of 1.0 percent for GR-D covered contributions. These assumptions are based on the five-year average growth rates from fiscal year 2018 to fiscal year 2022 for GR and GR-D.

**Optional Retirement Program
Appendices - Senate**

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* Appendix is not included - no significant information to report

Optional Retirement Program					
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS					
Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
OPTIONAL RETIREMENT PROGRAM A.1.1	\$294,961,244	\$294,961,508	\$264	0.0%	Recommendations include a state contribution rate of 6.6 percent of active member payroll. Estimated appropriations assume an annual (0.2) percent decrease in GR covered payroll and an annual 1.0 percent increase in GR-Dedicated covered payroll from FY 2022 to FY 2025. The 2022-23 base has been adjusted to reflect actual 2022 expenditures and updated projections for 2023.
Total, Goal A, OPTIONAL RETIREMENT PROGRAM	\$294,961,244	\$294,961,508	\$264	0.0%	
Grand Total, All Strategies	\$294,961,244	\$294,961,508	\$264	0.0%	