

Sunset Advisory Commission 2022 Board and Commission Questionnaire

The Sunset Advisory Commission reviews every State board and commission and takes testimony regarding whether each board or commission should continue to operate or be eliminated and whether the powers and duties of any board or commission should be revised. Each board and commission has the burden of justifying its continued operation.

Please answer the following questions about the specific board or commission under review. If asked to testify before the Sunset Advisory Commission, please plan to provide concise recommendations regarding the continued operation of the board or commission under review and any revisions to its powers, duties, or membership.

1. In general, how often does the board and commission meet? Provide specific information on how often the board or commission has met in the past two fiscal years. Provide information on where agendas and minutes of meetings can be found.

The Vermont State Teachers' Retirement System (VSTRS) Board meets monthly and as needed. All minutes and agendas can be found [here](#). Attachment A is the calendar for all Retirement Boards including VSTRS.

2. Provide the names of members of the board or commission, their term length and expiration, their appointing authority, and the amount of any per diem they receive.

Jon Harris, Chair, VREA Representative, July 2024

Erin Carter, Vice Chair, Active Member Representative, July 2023

Sandra Mings-Lamar, Active Member Representative, July 2025

Perry Lessing, VREA Alternate Representative, July 2024

Genevieve Hamby, Active Member Alternate Representative, July 2025

Elizabeth Pearce, State Treasurer, Ex-Officio

Dan Raddock, Representative of Dept of Financial Regulation, Ex-Officio

Emily Simmons, Representative of Dept of Education, Ex-Officio

3. Provide an overview of the board or commission's purpose.

The purpose of the VSTRS Board of Trustees is the general administration and responsibility for the proper operation of the System as outlined in Vermont Statute Title 16, Chapter 55.

4. Is that purpose still needed? What would happen if the board or commission no longer fulfilled that purpose?

Yes, if the Board did not fulfill its purpose there would be no functional governing body overseeing the operation of VSTRS.

5. How well is the board or commission performing in executing that purpose? What evidence can you provide to substantiate that performance?

The Board is a model of effective administration by continually finding cost-saving solutions for the System as well as timely evaluations of disability retirements, actuarial valuations, and investment reviews.

6. If the purpose is still needed, can State government be more effective and efficient if the purpose was executed in a different manner?

In our view, no. The VSTRS Board consists of relevant and representative membership and therefore their purview and scope of work is oriented specifically to the Teacher Retirement System. Moreover, day-to-day administration functions are delegated to the Retirement Division in the State Treasurer's Office, which provides similar services to the other statewide public retirement systems, thereby achieving efficiencies and economies of scale.

7. If the purpose is still needed, do any of your board or commission's functions overlap or duplicate those of another State board or commission or federal or State agency? If so, is your board or commission still the best entity to fulfill the purpose?

While many of the functions of each Retirement Systems' Board are similar, they are focused specifically on the System they respectively administer. In the case of the VSTRS Board, there are no redundant functions as they remain the only body charged with general administration of the Teachers' Retirement System. As noted above, common functions among the systems are delegated to the Retirement Division of the State Treasurer's Office.

8. Does the board or commission's enabling law continue to correctly reflect the purpose and activities of the board or commission?

In our view, the enabling law continues to capture the purpose and scope of the functions for which the Board is responsible.

9. Provide a list of the board and commission's last fiscal year expenditures including staffing costs. How are these funded?

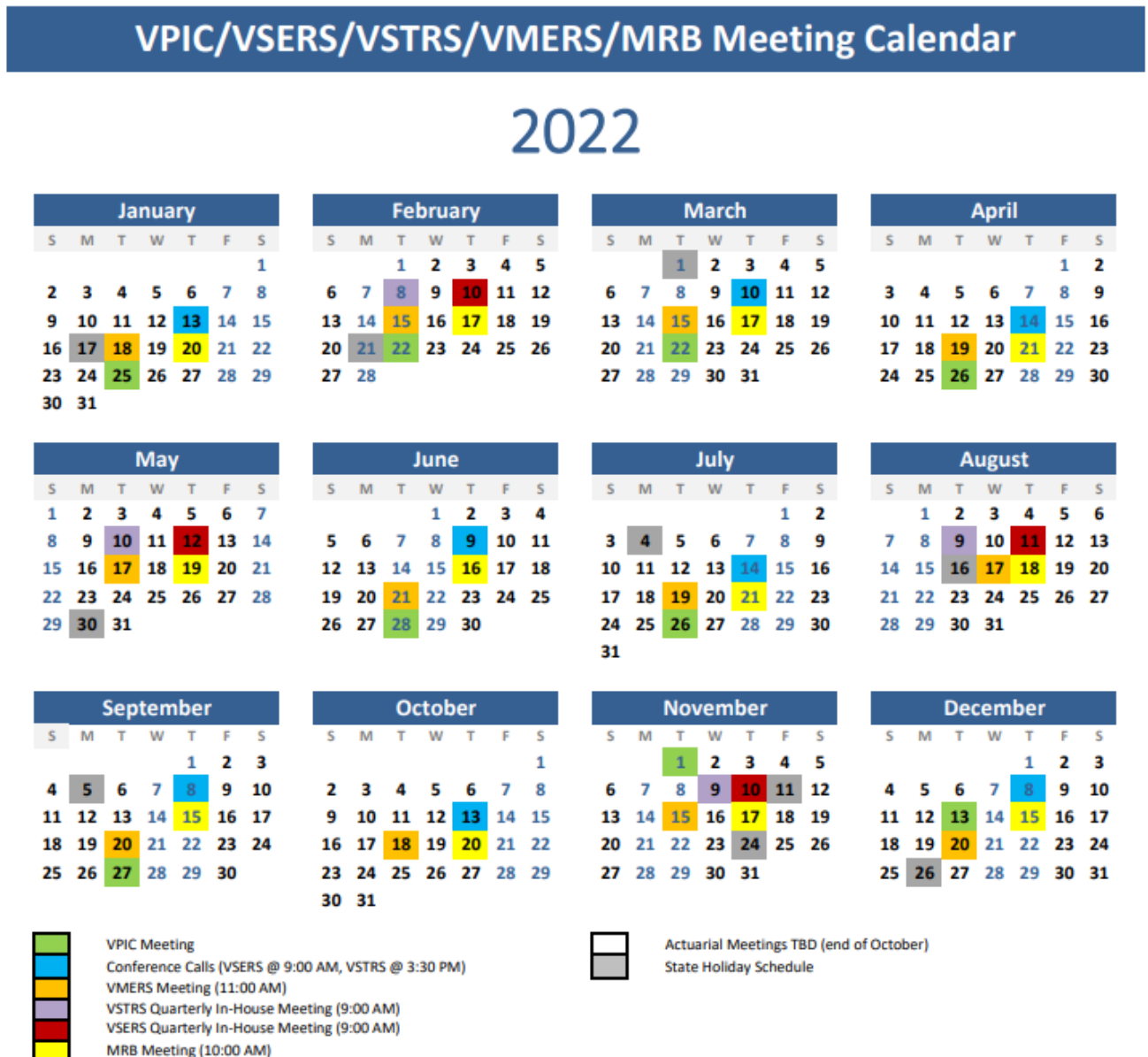
Attachment B details the entire Teacher Retirement System's budget and actual expenses for FY2021, the budget for FY2022, and the budget request for FY2023. This budget is funded entirely by the System's fund.

10. Is the board or commission required by law to prepare any reports or studies for the Legislature, the Governor, or any State agency or officer? If so, have those reports or studies been produced? Does the board or commission have ongoing reporting obligations?

The VSTRS Board is responsible for approving the actuarial valuations of the Teacher Retirement System. In turn, they are responsible for adopting the Actuarially Determined Employer Contribution (ADEC) which is then recommended by the Treasurer to the Governor and the Legislature. Statute also requires an experience study to be conducted at three-year intervals which are then adopted by the VSTRS Board.

The Treasurer is responsible for filing an annual report which includes updates on the operation of the Retirement Systems and gives information regarding current opportunities and challenges being faced. The current report can be found [here](#).

Attachment A



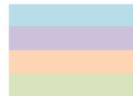
Attachment B

Draft
12/09/2021
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TEACHER RETIREMENT SYSTEM
(to be viewed in conjunction with separate VPIC budget)

| Service/Category | FY 2021 Actual Expenses | FY 2021 Budget | FY 2022 Budget | FY 2023 Request | Dollar Change FY2022 Budget to FY2023 Request | Percentage Change FY2022 Budget to FY2023 Request |
|---|-------------------------------|----------------------|----------------------|----------------------|--|--|
| VPIC Administrative Support | \$ - | \$ - | \$ - | \$ 29,502 | \$ 29,502 | |
| Investment Management Services | 2,039,000 | 3,520,423 | 2,705,673 | - | (2,705,673) | -100.00% |
| Investment Services-Actuarial/Other | 485,703 | 497,929 | 497,929 | 94,929 | (403,000) | -80.94% |
| Subtotal | 2,524,703 | 4,018,352 | 3,203,602 | 124,431 | (3,079,171) | -96.12% |
| Agency Support | | | | | | |
| Attorney General/Legal | 71,528 | 79,600 | 51,800 | 20,134 | (31,666) | -61.13% |
| Auditor of Accounts | 43,832 | 51,411 | 54,592 | 23,439 | (31,153) | -57.07% |
| Human Resources | 6,238 | 7,080 | 6,453 | 8,663 | 2,210 | 34.25% |
| Subtotal | 121,598 | 138,091 | 112,845 | 52,236 | (60,609) | -53.71% |
| Third Party Support | | | | | | |
| Health Consultant | 5,200 | 12,000 | 12,000 | 12,000 | - | 0.00% |
| Technical | 17,739 | 47,500 | 47,500 | 47,500 | - | 0.00% |
| Audits | 53,331 | 45,000 | 45,000 | 54,000 | 9,000 | 20.00% |
| Retirement System Software Maintenance | 82,221 | 90,973 | 90,973 | 95,440 | 4,467 | 4.91% |
| Subtotal | 158,491 | 195,473 | 195,473 | 208,940 | 13,467 | 6.89% |
| Benefits | | | | | | |
| Insurance/Health | 38,126,018 | 40,062,501 | 42,569,048 | 35,697,298 | (6,871,750) | -16.14% |
| Insurance/Life | - | - | - | - | - | |
| Subtotal | 38,126,018 | 40,062,501 | 42,569,048 | 35,697,298 | (6,871,750) | -16.14% |
| Office and Administrative Support | | | | | | |
| Administrative Support | 1,245,533 | 1,240,456 | 1,258,169 | 1,118,458 | (139,711) | -11.10% |
| Per Diem and Other Personal Service | 1,808 | 1,750 | 1,750 | 2,000 | 250 | 14.29% |
| Repairs & Maintenance | 6,922 | 4,500 | 4,500 | 5,000 | 500 | 11.11% |
| Insurance (not employee related) | 3,635 | 3,803 | 3,841 | 6,048 | 2,207 | 57.46% |
| IT Hardware/Software/Supplies | 41,663 | 41,000 | 41,000 | 40,000 | (1,000) | -2.44% |
| Communications | 11,776 | 11,000 | 11,000 | 12,000 | 1,000 | 9.09% |
| ADS allocated and other charges | 30,360 | 29,575 | 28,287 | 28,000 | (287) | -1.01% |
| Advertising | - | 1,700 | 1,700 | 1,700 | - | 0.00% |
| Printing/Binding | 77,945 | 47,000 | 47,000 | 67,000 | 20,000 | 42.55% |
| Postage/BGS | 56,062 | 43,250 | 43,250 | 50,000 | 6,750 | 15.61% |
| Fee for Space | 63,304 | 75,589 | 78,734 | 74,459 | (4,275) | -5.43% |
| Other Rentals | 915 | 3,750 | 4,538 | 1,750 | (2,788) | -61.44% |
| Office Supplies | 4,609 | 12,500 | 12,500 | 12,500 | - | 0.00% |
| FMS/HRMS/VISION Assessment | 16,637 | 20,206 | 19,718 | 18,806 | (912) | -4.63% |
| Dues/Subscriptions | 11,994 | 12,000 | 12,000 | 5,125 | (6,875) | -57.29% |
| Staff Education & Training | 38 | 3,950 | 3,950 | 3,950 | - | 0.00% |
| Office Equipment | 387 | 3,000 | 3,000 | 3,000 | - | 0.00% |
| Meetings and Conferences | 305 | 5,950 | 5,950 | 4,610 | (1,340) | -22.52% |
| Travel | - | 12,900 | 12,900 | 2,050 | (10,850) | -84.11% |
| Miscellaneous | 460 | 4,000 | 4,000 | 4,000 | - | 0.00% |
| Subtotal | 1,574,353 | 1,577,879 | 1,597,787 | 1,460,456 | (137,331) | -8.60% |
| Total | \$ 42,505,163 | \$ 45,992,296 | \$ 47,678,755 | \$ 37,543,361 | \$ (10,135,394) | -21.26% |
| Source of Funds: | | | | | | |
| Special Funds-Teachers' Retirement System | 4,379,145 | 5,929,795 | 5,109,707 | 1,816,561 | (3,293,146) | -64.45% |
| Vermont Pension Investment Commission | - | - | - | 29,502 | 29,502 | |
| Other Funds-OPEB Trust Funds | 38,126,018 | 40,062,501 | 42,569,048 | 35,697,298 | (6,871,750) | -16.14% |
| Total Sources of Funds | \$ 42,505,163 | \$ 45,992,296 | \$ 47,678,755 | \$ 37,543,361 | \$ (10,135,394) | -21.26% |

Administrative Service Charges
OST Calculated State services
Internal service fund overhead
OST managed overhead



Note: Health insurance amount represents premiums only. This amount does not represent the contribution to the fund which would be necessary for prefunding.