

**CALIFORNIA
STATE TEACHERS' RETIREMENT SYSTEM**

**ANNUAL REPORT ON
THE PURCHASING POWER
OF ALLOWANCES**



APRIL 1, 2002

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STATE TEACHERS' RETIREMENT SYSTEM**

ANNUAL REPORT ON THE PURCHASING POWER OF ALLOWANCES

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**CALIFORNIA
STATE TEACHERS' RETIREMENT SYSTEM**

**2002 REPORT TO THE GOVERNOR AND LEGISLATURE
REQUIRED BY SECTION 24400 OF THE EDUCATION CODE**

I. LEGISLATIVE REQUIREMENT

Chapter 802, Statutes of 1979 (AB 604) added Section 24700 of the Education Code (renumbered in 1993 as 24400), which currently reads:

"The Legislature recognizes that inflation erodes the purchasing power of benefits paid under the plan under this part. It is the intent of the Legislature to understand the degree of erosion of these benefits. The board shall report to the Governor and Legislature no later than April 1 of each year on the extent to which inflation has eroded the purchasing power of benefits provided under the Defined Benefit Program. The board shall indicate the amount of supplementary increases in retirement allowances required to preserve the purchasing power of benefits provided by the Defined Benefit Program. The board shall also determine and report on the increases."

As a result, the Teachers' Retirement Board has prepared a report on:

- The current purchasing power of the allowances payable by the California State Teachers' Retirement System (CalSTRS).
- The allowance increases granted to date.
- The amount of supplementary increases needed to restore current allowances to a minimum of 80 percent of the purchasing power of the initial allowances.
- The amount of supplementary increases needed to restore current allowances to 90 and 100 percent of the purchasing power of the initial allowances.

II. BASE YEAR AND REPORTING PERIOD

The current CalSTRS retirement formula was implemented in 1956 and all existing allowances were increased to reflect the improved formula. As of December 2001, only 55 benefit recipients have benefit effective dates prior to 1956. Therefore, 1956 was selected as the beginning year for this report, and all allowances with benefit effective dates prior to 1956 have been combined in a single group.

CalSTRS has maintained benefit statistics and applied ad hoc allowance increases on a July 1 through June 30 fiscal year basis to coincide with the school year. For this report, however, the calendar year was selected because the California Consumer Price Index for the preceding December is the most current data available for preparation of this report.

III. HISTORY OF ALLOWANCE INCREASES

Under the Defined Benefit Program, allowances are increased by an annual benefit improvement factor equal to 2 percent of the initial allowance payable. Additional increases have been paid to recipients on an ad-hoc basis. The term "ad hoc increase" refers to a permanent increase in the allowance that is calculated once and paid as long as the allowance is payable. The design of ad hoc allowance increases has varied. Specified percentage increases in the first \$300 of allowance were applied as of July 1 of 1967, 1972, 1976 and 1978.

The minimum unmodified allowance was increased as of July 1, 1972, October 1, 1980, and September 1, 1981. This "minimum guarantee" is the lowest amount of monthly allowance payable for each year of service credit earned by the member. In 1980, the minimum guarantee was increased to \$16 per month for each year of service credit; and, in 1981, to \$18 per month for each year of service credit.

Effective January 1, 2000 certain benefit recipients received allowance increases to bring total annual CalSTRS benefit payments to specified minimum levels. These minimum benefit levels were based on the member's credited service under the Defined Benefit Program at the time of the member's retirement, disability or death. These increases were based on a graded scale beginning at \$15,000 with 20 years of service credit, increasing \$500 for each additional year of credited service, in one-year increments, to \$20,000 with 30 or more years of service credit. These increases receive the annual 2 percent benefit improvement beginning September 1, 2001, and are measured for purchasing power based on the January 1, 2000 effective date.

Effective January 1, 2001, an additional group of benefit recipients received allowance increases to bring total annual CalSTRS benefit payments to the specified minimum levels. These minimum benefit levels are based on the member's credited service under the Defined Benefit Program at the time of the member's retirement, disability or death. These increases are based on the same graded scale as those effective January 1, 2000 beginning at \$15,000 with 20 years of service credit, increasing \$500 for each additional year of credited service, in one-year increments, to \$20,000 with 30 or more years of service credit. These increases will receive the annual 2 percent benefit improvement beginning September 1, 2002, and will be measured for purchasing power based on the January 1, 2001 effective date.

Chapter 1027, Statutes of 2000 (AB 429) provided an additional ad hoc increase for all benefit recipients who had begun receiving a benefit prior to January 1, 1998. The ad hoc

increase ranged from 1 percent for those who began receiving a benefit in 1997 to 6 percent for those who began receiving a benefit prior to 1975. The ad hoc increase is not applied to the minimum allowance increases provided in either 2000 or 2001. These increases will receive the annual 2 percent benefit improvement beginning September 1, 2002, and will be measured for purchasing power based on the January 1, 2001 effective date.

The first allowance purchasing power increase was applied as of January 1, 1980. The CalSTRS allowance "purchasing power" is measured by changes in the California Consumer Price Index (CCPI), and reflects changes in the cost-of-living since a benefit became effective. The purchasing power maintenance concept attempts to maintain the allowance at a specified percentage of the purchasing power of the initial allowance.

In addition to ad hoc allowance increases, which permanently increase the allowance, annual supplemental benefit payments (payable in quarterly installments) have been implemented. The supplemental benefit payments for any one-year are dependent upon the money available for that year. Beginning July 1, 1983, an appropriation from the General Fund equal to 5 percent of the average increase in the statewide payroll for certificated school employees over the previous three years was included in the Governor's Budget for the Retirees' Purchasing Power Protection Account. The proceeds of the account were distributed in supplemental payments to bring those allowances with the lowest purchasing power to a common minimum purchasing power level.

Since July 1, 1984, revenue derived from the use of School Lands has been provided to CalSTRS each year for quarterly supplemental benefit payments. The income derived from School Lands must be prorated among all benefit recipients whose allowances, after application of the annual 2 percent benefit improvement, are below a certain percent of the purchasing power of their initial allowances. From July 1, 1984 through December 31, 2001 the School Lands income was prorated between those whose allowances were below 75 percent. Since January 1, 2002, the School Lands income has been prorated between those whose allowances were below 80 percent.

Beginning July 1, 1990 and each July 1 thereafter, an amount equal to a specified percentage of total member salaries has been transferred from the General Fund to the Supplemental Benefit Maintenance Account (SBMA) in the Teachers' Retirement Fund. This replaced the appropriation that had been made to the Retirees' Purchasing Power Protection Account. The proceeds of the SBMA are distributed annually in quarterly supplemental benefit payments to restore the purchasing power of all allowances to a specified minimum of the purchasing power of the initial allowance. The amount of payment is equal to the amount needed to restore the current allowance to the minimum level of purchasing power, after any supplemental payment was made from School Lands funds. Like other supplemental payments, these payments were not vested and would only be made to the extent funds were available in the account.

Until April 1, 1998 the supplemental benefit payments restored allowances to 68.2 percent of the purchasing power of the initial allowance. Chapter 939, Statutes of 1997 (SB 1026), effective January 1, 1998, increased the supplemental benefit to a minimum of 75 percent of the purchasing power of the initial allowance. Partial funding for this increase was provided as a result of the federal sale of the Elk Hills Naval Petroleum Reserve and the federal payment of 9 percent of the proceeds of that sale to CalSTRS. This federal payment represents the school lands portion of this sale, which will be received by CalSTRS over a period of seven years. Chapter 939 also authorizes the CalSTRS Board to transfer funds from the Teachers' Retirement Fund, increase employer contributions, reduce the distribution below 75 percent, or to terminate distributions, if the resources in the SBMA are insufficient to maintain the 75 percent purchasing power payments.

Chapter 840, Statutes of 2001 (AB 135), effective with the 2001-02 fiscal year, increased the supplemental benefit to a minimum of 80 percent of the purchasing power of the initial allowance.

Chapter 1006, Statutes of 1998 (AB 1102) continuously appropriates an annual transfer from the General Fund to the Supplemental Benefit Maintenance Account, equal to 2.5 percent of the total creditable compensation of the immediately preceding calendar year, effective July 1, 1999. This provision established the supplemental payments as a vested benefit (to the extent sufficient funds are available in the SBMA) pursuant to a contractual obligation to make the annual transfer from the General Fund to the SBMA.

IV. CUMULATIVE CHANGES IN CCPI AND THE IMPACT ON ALLOWANCE PURCHASING POWER

Exhibit A displays the CCPI figures for June of every calendar year since 1956 and the percent of increase in the CCPI that has occurred from June of each year through December 2001. The CCPI released by the California Department of Industrial Relations in 2001 demonstrates that there was a decrease rather than an increase in CCPI from June 2001 through December 2001. The result is that the purchasing power factor for 2001 is a negative number, as a result of the cost of living decreasing from June 2001 through December 2001.

Exhibit B displays the average impact of inflation, through December 2001, on allowances initially paid in each year since 1956. The exhibit includes, by calendar year, the change in CCPI, the average increase in allowances, the average purchasing power of allowances, and the average increase needed to restore full purchasing power.

A review of the average purchasing power of allowances as of December 2001 (Column 4 in Exhibit B) allows determination of the point at which supplemental payments will begin. This indicates that supplemental benefit payments are made to benefit recipients whose initial benefit was paid in 1985 or earlier.

V. EROSION OF ALLOWANCE PURCHASING POWER

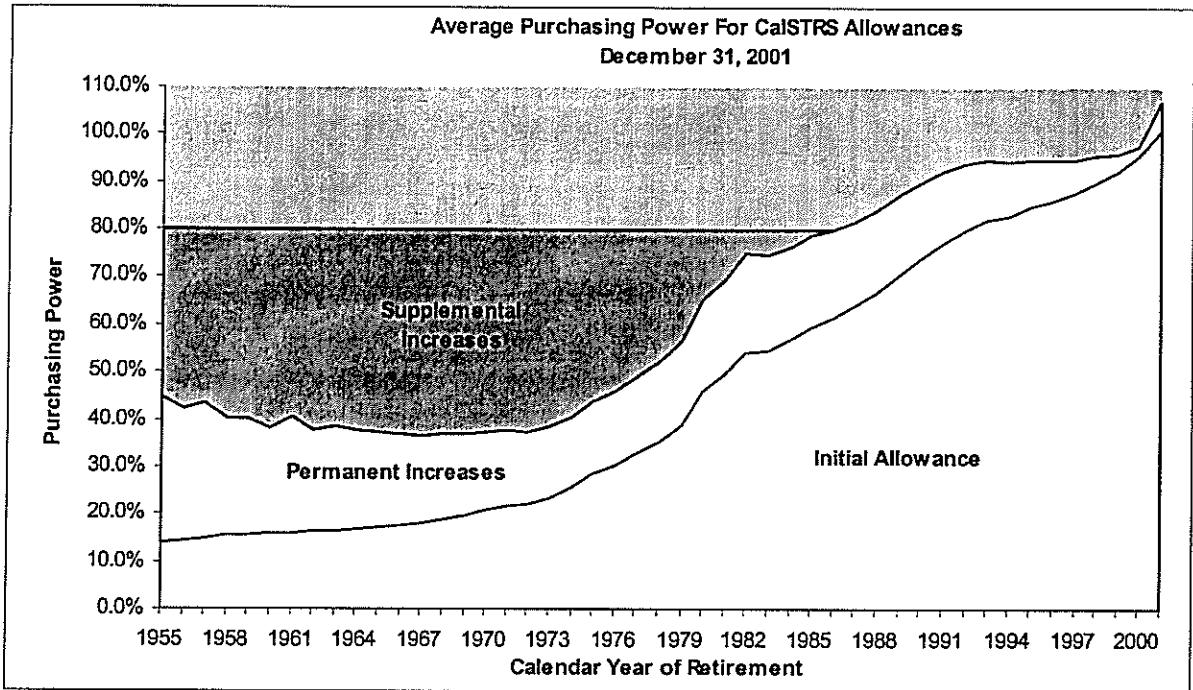
The current CalSTRS Defined Benefit Program was implemented in July 1972. As part of the basic benefits under this program, CalSTRS allowances are increased by an annual benefit improvement factor equal to 2 percent of the initial allowance payable. Based on the low rates of inflation during the preceding fifteen years, a 2 percent simple increase was expected to prevent significant erosion of the purchasing power of CalSTRS allowances. However, the rate of inflation increased significantly in the mid-1970's and through most of the 1980's. The CCPI rose 348.9 percent in the period from June 1972 to December 2001, for an annual average rate of 5.31 percent.

Legislation requiring this report was enacted in 1979. The CCPI has risen 156.1 percent in the period from June 1979 to December 2001. During this period, 22 annual 2 percent simple benefit improvements have been applied to allowances, for a total increase of 44 percent.

On January 1, 1980, CalSTRS benefit recipients received a substantial ad hoc increase intended to adjust allowances up to 72 percent of the purchasing power of the initial allowance based on an estimated September 1979 CCPI. The increase effectively raised the purchasing power of CalSTRS allowances to an average of 71 percent of the initial allowances based on the June 1979 CCPI.

Exhibit C displays the number of benefit recipients by percentage of allowance purchasing power level. As indicated in Exhibit D, the allowances paid to 61,612 (35.7 percent) benefit recipients are expected to be below 80 percent of the purchasing power of their initial allowances in June 2002, while 111,081 (64.3 percent) are expected to be at or above the targeted 80 percent purchasing power maintenance level.

The graph below indicates the purchasing power of current CalSTRS allowances. The Initial Allowance area of this graph shows the current average purchasing power of the initial CalSTRS allowances using the change in the California Consumer Price Index from June of the calendar year in which the benefits became effective to December of 2001. The Permanent Increases area shows how the permanent allowance increases (the annual 2 percent benefit improvement plus any applicable ad hoc increases) have added to the purchasing power of the initial allowances. During 2001-2002, the purchasing power of the allowances has been raised to the level indicated by the Supplemental Increase area of the chart by means of quarterly supplemental benefit payments. These quarterly payments are payable on an annual basis subject to the availability of revenues from the Supplemental Benefit Maintenance Account Reserve, School Lands and General Fund contributions to the Supplemental Benefit Maintenance Account.



VI. COST OF RESTORING ALLOWANCE PURCHASING POWER

The estimated cost of the supplemental benefit payments needed to restore the allowances payable in 2002-2003 to 80 percent of the original purchasing power is shown in Exhibit D. The State Lands Commission estimates that there will be \$4.6 million in revenues for supplemental benefit payments to CalSTRS benefit recipients in 2002-2003. These payments will be prorated among those benefit recipients whose allowances, after application of the annual 2 percent benefit improvement, have fallen below 80 percent of the purchasing power of their initial allowances.

An additional \$261,024,779 will be required to bring the purchasing power level of all allowances to a minimum of 80 percent of the initial allowance. This amount will be provided from the SBMA.

A history of supplemental benefit payments and the source of income for those payments is displayed in Exhibit E. This exhibit shows that, prior to 1992-93, the Teachers' Retirement Fund provided the balance of the amount needed in the SBMA to restore purchasing power to a minimum of 68.2 percent of the purchasing power of the initial allowance. General Fund contributions made in subsequent years that were in excess of that needed to restore purchasing power to a minimum of 68.2 percent were used to repay the Teachers' Retirement Fund. With completion of the full repayment of amounts from the Teachers' Retirement Fund, excess General Fund contributions are now accumulated in the SBMA to assist with funding subsequent supplemental benefit payments.

**CALIFORNIA
STATE TEACHERS' RETIREMENT SYSTEM
INCREASE IN CALIFORNIA CONSUMER PRICE INDEX FROM YEAR OF
BENEFIT EFFECTIVE DATE THROUGH DECEMBER 2001**

<u>Calendar Year Of Benefit Effective Date</u>	<u>CA Consumer Price Index as of June</u>	<u>Percent Increase through December 2001</u>
1956	26.2	593.9
1957	27.1	570.8
1958	28.1	547.0
1959	28.5	537.9
1960	29.1	524.7
1961	29.5	516.3
1962	30.0	506.0
1963	30.2	502.0
1964	30.8	490.3
1965	31.6	475.3
1966	32.1	466.4
1967	32.9	452.6
1968	34.3	430.0
1969	36.0	405.0
1970	37.9	379.7
1971	39.4	361.4
1972	40.5	348.9
1973	42.7	325.8
1974	47.1	286.0
1975	52.0	249.6
1976	55.2	229.3
1977	59.5	205.5
1978	64.6	181.4
1979	71.0	156.1
1980	83.3	118.2
1981	90.1	101.8
1982	98.5	84.6
1983	99.1	83.5
1984	103.6	75.5
1985	108.4	67.7
1986	112.2	62.0
1987	116.3	56.3
1988	121.7	49.4
1989	128.2	41.8
1990	134.3	35.4
1991	140.1	29.8
1992	145.2	25.2
1993	148.9	22.1
1994	150.7	20.6
1995	154.2	17.9
1996	156.6	16.1
1997	160.0	13.6
1998	163.6	11.1
1999	167.8	8.3
2000	174.0	4.5
2001	183.2	-0.8

The percent increase from calendar year of the benefit effective date was calculated by dividing the December 2001 CCPI (181.8) by the index figure for the year of retirement and adjusting the results to reflect the percentage increase. For example, the calculation for 1956 is: $181.8 / 26.2 = 6.939 - 1.000 = 5.939 \times 100 = 593.9$

**CALIFORNIA
STATE TEACHERS' RETIREMENT SYSTEM
AVERAGE ALLOWANCE PURCHASING POWER AS OF DECEMBER 2001**

Calendar Year Of Benefit Effective Date	CCPI Increases through December 2001	Average Allowance Increases through December 2001	Average Purchasing Power December 2001 Allowance	Average Increases Needed to Restore Full Purchasing Power	Average Annual Supplemental Increase
(1)	(2)	(3)	(4)	(5)	(6)
Prior to 1956	607.4%	217.4%	44.9%	122.9%	\$2,731
1956	593.9%	193.7%	42.3%	136.3%	\$5,359
1957	570.8%	192.5%	43.6%	129.3%	\$4,472
1958	547.0%	161.5%	40.4%	147.4%	\$4,473
1959	537.9%	155.5%	40.1%	149.7%	\$5,580
1960	524.7%	139.3%	38.3%	161.1%	\$5,647
1961	516.3%	150.6%	40.7%	145.9%	\$4,781
1962	506.0%	128.2%	37.7%	165.6%	\$5,977
1963	502.0%	131.0%	38.4%	160.6%	\$6,335
1964	490.3%	122.5%	37.7%	165.3%	\$7,215
1965	475.3%	114.9%	37.4%	167.7%	\$6,919
1966	466.4%	108.2%	36.8%	172.0%	\$7,185
1967	452.6%	103.0%	36.7%	172.2%	\$7,663
1968	430.0%	96.1%	37.0%	170.3%	\$9,231
1969	405.0%	87.1%	37.1%	169.9%	\$9,119
1970	379.7%	80.0%	37.5%	166.5%	\$8,676
1971	361.4%	74.6%	37.8%	164.3%	\$9,150
1972	348.9%	67.2%	37.2%	168.5%	\$10,639
1973	325.8%	63.9%	38.5%	159.8%	\$10,345
1974	286.0%	56.7%	40.6%	146.3%	\$9,194
1975	249.6%	53.5%	43.9%	127.8%	\$8,347
1976	229.3%	51.3%	45.9%	117.6%	\$7,945
1977	205.5%	49.0%	48.8%	105.0%	\$7,359
1978	181.4%	46.8%	52.2%	91.7%	\$6,520
1979	156.1%	44.7%	56.5%	77.0%	\$5,356
1980	118.2%	42.5%	65.3%	53.1%	\$3,181
1981	101.8%	40.2%	69.5%	43.9%	\$2,422
1982	84.6%	38.5%	75.0%	33.3%	\$1,325
1983	83.5%	36.9%	74.6%	34.0%	\$1,513
1984	75.5%	34.1%	76.4%	30.9%	\$1,152
1985	67.7%	32.1%	78.7%	26.9%	\$636
1986	62.0%	29.8%	80.1%	24.8%	\$0
1987	56.3%	28.0%	81.9%	22.1%	\$0
1988	49.4%	26.0%	84.3%	18.6%	\$0
1989	41.8%	23.9%	87.4%	14.4%	\$0
1990	35.4%	22.0%	90.1%	11.0%	\$0
1991	29.8%	19.8%	92.3%	8.3%	\$0
1992	25.2%	17.9%	94.2%	6.2%	\$0
1993	22.1%	15.8%	94.8%	5.4%	\$0
1994	20.6%	13.9%	94.4%	5.9%	\$0
1995	17.9%	11.9%	94.9%	5.4%	\$0
1996	16.1%	9.9%	94.7%	5.6%	\$0
1997	13.6%	7.9%	95.0%	5.3%	\$0
1998	11.1%	6.0%	95.4%	4.8%	\$0
1999	8.3%	3.9%	96.0%	4.2%	\$0
2000	4.5%	2.1%	97.7%	2.4%	\$0
2001	-0.8%	0.5%	101.3%	-1.3%	\$0

Explanation of source and/or calculation of data in columns 3, 4 and 5:

- Column 3 - Increases from all sources as a percentage of initial allowance. Obtained by dividing total current allowance by total initial allowance and adjusting to a percentage.
- Column 4 - Purchasing Power as of December 2001. Obtained by dividing total current allowance payable by full CCPI adjusted allowance. Based on totals for all benefit types by calendar year effective date.
- Column 5 - Percentage increase in current allowance payable required to restore full 100 percent purchasing power as of December 2001. Obtained by dividing the fully adjusted CCPI allowance factor (column 2) by the percentage increase to date (column 3) and adjusting to a percentage. Example: $(607.4 + 100) / (217.4 + 100) = 2.229 \times 100 = 222.9 - 100 = 122.9$ percent.

**CALIFORNIA
STATE TEACHERS' RETIREMENT SYSTEM**

**ESTIMATED NUMBER OF BENEFIT RECIPIENTS
BY PURCHASING POWER LEVEL
AS OF JUNE 30, 2002**

<u>Purchasing Power Level</u>	<u>Benefit Recipients</u>	
	<u>Number</u>	<u>Percent</u>
Greater Than 100%	1,279	0.74%
95.1% - 100.0%	17,331	10.03%
90.1% - 95.0%	67,276	38.95%
85.1% - 90.0%	13,198	7.64%
80.1% - 85.0%	12,024	6.96%
75.1% - 80.0%	12,076	6.99%
70.1% - 75.0%	14,664	8.49%
65.1% - 70.0%	4,632	2.68%
60.1% - 65.0%	3,967	2.30%
55.1% - 60.0%	3,923	2.27%
50.1% - 55.0%	3,978	2.30%
45.1% - 50.0%	3,608	2.09%
40.1% - 45.0%	5,306	3.07%
0.0% - 40.0%	<u>9,470</u>	<u>5.48%</u>
	172,732	100.00%

In this exhibit benefit recipients are grouped by the percentage of allowance purchasing power level of their current allowances. Those with initial allowances plus permanent increases from all sources equal to and below 40 percent of full purchasing power are combined in one group.

**CALIFORNIA
STATE TEACHERS' RETIREMENT SYSTEM**

**ESTIMATED COST OF RESTORING
ALLOWANCE PURCHASING POWER
THROUGH SUPPLEMENTAL BENEFIT PAYMENTS
DURING FISCAL YEAR 2002-2003**

<u>Restoration Level</u>	<u>Benefit Recipients</u>	<u>Total Amount Required</u>	<u>Amount from School Lands</u>	<u>Additional Amount Required</u>
80.0%	61,612	\$265,669,779	\$4,645,000	\$261,024,779
90.0%	86,834	\$441,511,550	\$4,645,000	\$436,866,550
100.0%	166,191	\$803,917,982	\$4,645,000	\$799,272,982

**CALIFORNIA
STATE TEACHERS' RETIREMENT SYSTEM**

**RESTORATION OF ALLOWANCE PURCHASING POWER
THROUGH SUPPLEMENTAL BENEFIT PAYMENTS**

Retirees' Purchasing Power Protection Account Payments

<u>Year</u>	<u>Purchasing Power</u>	<u>Count</u>	<u>Total \$ Paid</u>	<u>Income Source</u>		
				<u>School Lands</u>	<u>Investment Earnings</u>	<u>General Fund</u>
83-84	58.4%	35,654	\$ 21,394,183	\$ n/a	\$ 894,183	\$ 20,500,000
84-85	62.4%	57,189	54,306,976	10,119,124	2,426,456	41,761,396
85-86	65.5%	56,811	85,675,243	7,770,757	3,994,458	73,910,028
86-87	68.2%	57,343	122,275,289	4,167,970	5,511,448	112,595,871
87-88	68.2%	59,092	128,231,357	6,083,374	5,317,456	116,830,527
88-89	68.2%	58,037	143,061,285	4,479,266	5,956,019	132,626,000
89-90	68.2%	55,971	158,274,048	2,751,075	n/a	155,522,973 ^a

^a The 89-90 appropriation was from the Teachers' Retirement Fund. This amount plus regular interest was repaid from General Fund contributions to the Supplemental Benefit Maintenance Account.

Supplemental Benefit Payments

<u>Year</u>	<u>Purchasing Power</u>	<u>Count</u>	<u>Total \$ Paid</u>	<u>Income Source</u>		
				<u>School Lands</u>	<u>Teachers' Retirement Fund</u>	<u>SBMA</u>
90-91	68.2%	52,199	\$168,922,827	\$2,964,211	\$111,103,596	\$54,855,020
91-92	68.2%	48,650	178,057,887	2,913,338	56,985,521	118,159,028
92-93	68.2%	54,029	184,551,442	6,658,800	0	177,892,642
93-94	68.2%	49,113	178,886,980	4,225,808	0	174,661,172
94-95	68.2%	46,459	168,359,918	4,973,687	0	163,386,231
95-96	68.2%	41,703	168,517,183	1,171,779	0	167,345,404
96-97	68.2%	38,939	159,786,522	1,870,825	0	157,915,697
97-98	68.2% ^b /75.0%	44,887	179,308,000	2,586,920	0	176,721,080
98-99	75.0%	42,624	197,860,324	4,168,363	0	193,691,961
99-00	75.0%	41,048	190,478,334	2,704,171	0	187,774,163
2000-01	75.0%	44,699	189,388,495	4,023,007	0	185,365,488
2001-02 ^c	80.0%	50,126	216,665,913	6,716,644	0	209,949,269

^b Percentage changed to 75% effective 1/1/98 and payable 4/1/98 (Chapter 939, Statutes of 1997)

^c Estimated for current fiscal year; percentage changed to 80% effective 1/1/2002 and payable 10/1/2001 (Chapter 840, Statutes of 2001)

**CALIFORNIA
STATE TEACHERS' RETIREMENT SYSTEM**

**RESTORATION OF ALLOWANCE PURCHASING POWER
THROUGH SUPPLEMENTAL BENEFIT PAYMENTS**

SUPPLEMENTAL BENEFIT MAINTENANCE ACCOUNT RESERVE

<u>Year</u>	<u>General Fund Contributions</u>	<u>Benefit Payment</u>	<u>Interest</u>	<u>Reserve</u>
95-96	\$ 0	\$ 0	\$ 0	\$ 0
96-97	271,223,100	157,915,697	0	113,307,403 ^d
97-98	367,227,622	176,721,080	9,064,592	312,878,537
98-99	119,479,543 ^e	193,691,962	25,030,283	263,696,401
99-00	417,943,519	187,774,163	21,095,712	514,961,469
2000-01	483,670,301 ^f	185,365,488	44,795,031	858,061,313
2001-02 ^f	523,024,624 ^h	209,949,269	68,644,905	1,239,781,573

^d Total contributions received from the General Fund were \$332,513,817 of which \$61,290,717 was used to pay the loan balance from the Teachers' Retirement Fund, and \$157,915,697 was used for purchasing power payments. The remaining balance of \$113,307,403 established the SBMA reserve account at June 30, 1997.

^e General Fund contributions of \$403,479,543 minus a one time reduction of \$320,000,000 per Chapter 939, Statutes of 1997 which occurred as a direct result of the sale of the Elk Hills Naval Petroleum Reserve by the Federal Government. In addition, the Federal Government provided \$36,000,000 as a first payment for Elk Hills School lands, to the SBMA, from the proceeds of the sale.

^f Estimated

^g Includes second \$36,000,000 Federal payment for Elk Hills school lands received October 2000.

^h Includes third \$36,000,000 Federal payment for Elk Hills school lands received October 2001.