



FY2024

ADMINISTRATIVE BUDGET

May 11, 2023



ACCOMPLISHMENTS IN FY2023



- The former backup site was successfully decommissioned after implementation of a cloud-based Disaster Recovery program
- Worked diligently to move all members to direct deposit, including refunds
- Negotiated contracts for medical and pharmacy benefits and implemented a Board-approved rule resulting in net savings and improved sustainability
- Completed system enhancement projects improving operational efficiencies and expanding functional capabilities on the Member Self-Serve Portal
- Technology upgrades focused on the wireless and network infrastructure and server hardware and backup storage capacity
- Advancements in our digital technology has given Member Services the opportunity to expand educational outreach

PROPOSED FY2024 DRAFT BUDGET



Comparison of FY2023 budget to FY2024 proposed

Budget Category	Budget		Forecast
	FY2024	FY2023	FY2023
Personnel	\$ 25,499,232	\$ 24,392,195	\$ 23,500,586
Professional Services	\$ 6,396,305	\$ 6,502,883	\$ 5,773,965
Communications	\$ 1,015,710	\$ 1,011,873	\$ 1,018,294
Other Operating Expense	\$ 4,412,442	\$ 3,912,379	\$ 3,681,508
Capital	\$ 0	\$ 54,109	\$ 54,109
Net Building Occupancy	\$ 1,477,961	\$ 1,813,137	\$ 1,390,873
TOTAL ADMINISTRATIVE BUDGET	\$ 38,801,650	\$ 37,686,576	\$ 35,419,335

FY2024 Draft budget reflects 3.1% increase over the FY2023 budget excluding Capital.

FY2024 PROPOSED PROJECTS



- Microfilm digitization project outsources the conversion of our records currently stored on microfilm to a digital format
- Expansion of software tools for Investment operational due diligence automation and implementation of an account reconciliation solution
- Continued investment in the SMART system expanding capabilities, enhancing security and improving functionality of the Member and Health Care portals
- Continued work on the replacement of our end-of-life telecommunications system that will offer improved member call center features and tracking
- Replacement of the general accounting system, which includes a cloud-based solution

PROPOSED FY2024 DRAFT BUDGET



Personnel Services: ↑ 4.5%

- 65.7% of the Total Budget
- One new position (FTE = 183)
- Performance-based merit increase of 4.5%
- Incentive payouts based on FY2023 Investment Portfolio Performance
- Level of benefits remains unchanged for FY2024

Professional Service: ↓ (1.6)%

- 16.5% of the Total Budget
- Actuarial and Audit fees
- Master Recordkeeper fees – decreased due to lower investment returns and transaction volumes
- Investment Consulting and Advisory, Performance Analytics and Investment-Related Technical Consulting
- Infrastructure third-party services, medical/pharmacy pricing advisement, strategic retirement guidance related to pension and health care sustainability, consulting services across the organization

PROPOSED FY2024 DRAFT BUDGET



Communications: ↑ 0.4%

- 2.6% of the Total Budget
- Increase in postage due to two board elections
- Telecommunication - includes services landlines, web services, hybrid work environment video/audio communication resources
- Member/Employer Education - includes costs associated with conducting meetings and outreach services
- Printing and Publications - includes costs of paper and supplies and large-quantity specific outsourced printing jobs

Other Operating: ↑ 12.8%

- 11.4% of the Total Budget
- Computer Support Services – includes Hardware and Software Maintenance as well as Software Subscriptions
- Office Equipment and Supplies
- Conferences and Education Transportation and Travel
- Memberships and Subscriptions
- Property and Fiduciary Insurance
- Maintenance
- Staff Support
- Board Member Reimbursement
- Mandatory ORSC costs
- Reimbursement from OSERS Broad Street, LLC for Leased Services

PROPOSED FY2024 DRAFT BUDGET



Capital:

- 0.0% of the Total Budget
- There are no Capital projects planned in FY24

Net Building Occupancy: ↓ (18.5)%

- 3.8% of the Total Budget
- Operating Revenue – includes Suite Lease revenue for tenants, parking, and miscellaneous rentals
- **Operating Expenses**
 - Property Management and Labor
 - Other Administrative Expenses
 - Building Operations and Maintenance
 - Utilities
 - Building/Equipment Insurance
- **Non-Operating Expenses**
 - Special Counsel
 - Remodeling – includes anticipated cost for tenant improvements

FIVE-YEAR TECHNOLOGY ROADMAP BUDGET



	FY2023 through FY2027 Plan	FY2023 Forecast	FY2024 Plan	Remaining Roadmap Amount
Total Project Budget	\$8,283,054	\$1,398,492	\$2,985,291	\$3,899,271

- Telecommunications
- Security Stack
- Network Infrastructure
- Hybrid Technology Replacement
- Server Infrastructure
- Backup and Recovery
- SMART Portals
- SMART Framework
- SMART Enhancements
- SMART Business Tools

Questions?

