

School Employees Retirement System  
2020 ORSC Budget Presentation

**FY2019 to FY2020 Operating Budget and Increase (Decrease)**

Budget Category	2020 Budget	2019 Budget	2019 Estimated Actual	2019-20 Increase (Decrease)	% Change (2019 to 2020)
<b>Personnel</b>	\$ 22,034,653	\$ 22,087,259	\$ 21,797,302	\$ (52,606)	(0.2)
Salaries and Wages	16,523,485	16,593,884	16,418,817	(70,399)	(0.4)
PERS Contributions	2,225,318	2,194,158	2,160,764	31,160	1.4
Health Insurance	3,283,350	3,299,217	3,214,721	(15,867)	(0.5)
Miscellaneous Expenses	2,500	-	3,000	2,500	0.0
<b>Professional Services</b>	\$ 6,683,192	\$ 6,412,991	\$ 6,358,710	\$ 270,201	4.2
Actuarial	328,260	330,000	248,909	(1,740)	(0.5)
Audit	270,000	342,700	220,000	(72,700)	(21.2)
Banking Fees	1,052,400	1,076,400	1,034,215	(24,000)	(2.2)
Master Recordkeeper	1,489,200	1,525,200	1,503,407	(36,000)	(2.4)
Investment Consulting	1,651,057	1,626,332	1,668,305	24,725	1.5
Other Consulting	1,744,135	1,387,779	1,551,963	356,356	25.7
Banking Expenses	148,140	124,580	131,911	23,560	18.9
<b>Communications Expense</b>	\$ 1,028,100	\$ 1,032,780	\$ 928,080	\$ (4,680)	(0.5)
Printing and Postage	810,160	800,020	724,466	10,140	1.3
Telecommunications	158,680	165,160	151,473	(6,480)	(3.9)
Member/Employer Education	59,260	67,600	52,141	(8,340)	(12.3)
<b>Other Operating Expenses</b>	\$ 3,427,925	\$ 3,354,443	\$ 3,214,287	\$ 73,482	2.2
Conferences and Education	287,774	262,459	211,713	25,315	9.6
Travel	256,197	258,557	196,177	(2,360)	(0.9)
Computer Technology	1,897,694	1,846,401	1,855,070	51,293	2.8
Other Operating	936,260	937,026	902,989	(766)	(0.1)
Ohio Retirement Study Council	50,000	50,000	48,338	-	0.0
<b>Net Building Expense</b>	\$ 1,169,064	\$ 1,209,804	\$ 1,020,067	\$ (40,740)	(3.4)
<b>Total Operating Budget</b>	\$ 34,342,934	\$ 34,097,277	\$ 33,318,446	\$ 245,657	0.7
<b>Full-Time Equivalent (FTE) Associates</b>	181	181	181		

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**FY2019 to FY2020 Capital Budget**

	2020 Budget	2019 Budget	2019 Estimate
<b>Total Capital Budget</b>	\$ 634,868	\$ 269,500	\$ 93,948
Furniture & Equipment	-	-	-
Computer Hardware > \$5,000	427,018	-	-
Computer Software > \$25,000	177,850	269,500	93,948
Vehicles	30,000	-	-

**Investment Expenses**

	FY 2018 Actual	FY 2017 Actual	% Change
<b>Total Investment Assets</b>	\$ 14,458,296,105	\$ 13,702,753,983	5.51
Total Internally Managed Assets	769,649,520	280,899,616	173.99
Total Externally Managed Assets	13,688,646,585	13,421,854,367	0.02
<b>Total Investment Expenses</b>	\$ 99,755,303	\$ 95,496,918	0.04
Total Internal Investment Expenses	3,625,532	3,648,037	(0.01)
Total External Investment Expenses	89,249,943	85,801,157	4.02
Investment Consulting	3,015,455	3,009,474	0.20
Brokerage/Commissions-Internal	-	-	0.00
Brokerage/Commissions-External	2,659,630	2,602,834	2.18
Custodian Fees	1,204,743	435,416	176.69
<b>Total Investment Expenses as a % of Total Investment Assets</b>	<b>0.690%</b>	<b>0.697%</b>	<b>-1.00%</b>
Expenses as % of Internally Managed	12.961%	33.997%	-61.88%
Expenses as % of Externally Managed	0.729%	0.712%	2.42%

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**Fiscal Year Board Member Expenses**

	2011	2012	2013	2014	2015	2016	2017	2018	2019 (est.)	2020 (budget)
<b>Total Board Expenses</b>	<b>\$ 114,329</b>	<b>\$ 159,077</b>	<b>\$ 99,148</b>	<b>\$ 71,179</b>	<b>\$ 149,339</b>	<b>\$ 88,590</b>	<b>\$ 203,406</b>	<b>\$ 78,113</b>	<b>\$ 71,389</b>	<b>\$ 105,798</b>
Board/Subcommittee Meetings	\$ 31,133	\$ 40,364	\$ 23,979	\$ 19,014	\$ 94,442	\$ 25,459	\$ 151,328	\$ 21,862	\$ 20,371	\$ 21,279
Travel to Attend Board Meetings	\$ 26,316	\$ 30,895	\$ 22,833	\$ 25,719	\$ 28,863	\$ 30,279	\$ 30,363	\$ 25,183	\$ 20,264	\$ 31,618
Education and Travel	\$ 55,630	\$ 86,742	\$ 50,963	\$ 24,891	\$ 23,573	\$ 32,192	\$ 18,675	\$ 28,083	\$ 27,002	\$ 48,975
Member Services	\$ 1,250	\$ 1,076	\$ 1,373	\$ 1,555	\$ 2,461	\$ 660	\$ 3,040	\$ 2,985	\$ 3,752	\$ 3,926



Board expenses include the cost of the Internal Auditor search in FY2015 and the Executive Director search in FY2017.

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**Staff Training and Travel (Budget to Budget)**

	2020	2019	Increase (Decrease)	% Increase (Decrease)
<b>Executive</b>				
Conferences, Seminars & Travel	\$ 55,955	\$ 45,030	\$ 10,925	24.3
In-House Training	\$ -	\$ -	\$ -	-
#FTE	21	21	-	-
Expense per FTE	\$ 2,665	\$ 2,144	\$ 520	24.3

	2020	2019	Increase (Decrease)	% Increase (Decrease)
<b>Investments</b>				
Conferences, Seminars & Travel	\$ 94,800	\$ 99,800	\$ (5,000)	(5.0)
In-House Training	\$ -	\$ -	\$ -	-
#FTE	12	12	-	-
Expense per FTE	\$ 7,900	\$ 8,317	\$ (417)	(5.0)

	2020	2019	Increase (Decrease)	% Increase (Decrease)
<b>Finance</b>				
Conferences, Seminars & Travel	\$ 52,146	\$ 51,270	\$ 876	1.7
In-House Training	\$ -	\$ -	\$ -	-
#FTE	25.5	25.5	-	-
Expense per FTE	\$ 2,045	\$ 2,011	\$ 34	1.7

	2020	2019	Increase (Decrease)	% Increase (Decrease)
<b>Information Technology</b>				
Conferences, Seminars & Travel	\$ 150,648	\$ 118,930	\$ 31,718	26.7
In-House Training	\$ -	\$ -	\$ -	-
#FTE	35	35	-	-
Expense per FTE	\$ 4,304	\$ 3,398	\$ 906	26.7

	2020	2019	Increase (Decrease)	% Increase (Decrease)
<b>Member Services</b>				
Conferences, Seminars & Travel	\$ 5,175	\$ 2,000	\$ 3,175	158.8
In-House Training	\$ -	\$ -	\$ -	-
#FTE	51.5	51.5	-	-
Expense per FTE	\$ 100	\$ 39	\$ 62	158.8

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	2020	2019	Increase (Decrease)	% Increase (Decrease)
<b>Health Care</b>				
Conferences, Seminars & Travel	\$ 22,540	\$ 13,050	\$ 9,490	72.7
In-House Training	\$ -	\$ -	\$ -	-
#FTE	14	14	-	-
Expense per FTE	\$ 1,610	\$ 932	\$ 678	72.7

	2020	2019	Increase (Decrease)	% Increase (Decrease)
<b>Administrative Services</b>				
Conferences, Seminars & Travel	\$ 12,375	\$ 9,620	\$ 2,755	28.6
In-House Training	\$ -	\$ -	\$ -	-
#FTE	18	18	-	-
Expense per FTE	\$ 688	\$ 534	\$ 153	28.6

	2020	2019	Increase (Decrease)	% Increase (Decrease)
<b>Human Resources**</b>				
Conferences, Seminars & Travel	\$ 4,798	\$ 5,623	\$ (825)	(14.7)
In-House Training	\$ 17,500	\$ 12,000	\$ 5,500	45.8
#FTE	4	4	-	-
Expense per FTE	\$ 5,575	\$ 4,406	\$ 1,169	26.5

Travel costs for Investment and Finance include costs attributed to due diligence visits.

The Human Resources In-House Training is system-wide employee training, across all departments.

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**Supplementary Statistical Information**

	2015	2016	2017	2018	2019
Active Members	122,855	124,540	157,981	158,343	NA
Inactive Members	96,657	90,448	272,632	283,014	NA
Benefit Recipient (Age, Dis., Survivor)	62,756	63,964	66,406	68,005	NA
Re-employed Retirees	11,616	12,316	12,751	13,327	NA
<b>Total Membership</b>	<b>293,884</b>	<b>291,268</b>	<b>509,770</b>	<b>522,689</b>	<b>NA</b>
<b>Members Per FTE</b>	<b>1689</b>	<b>1609</b>	<b>2816</b>	<b>2888</b>	<b>NA</b>