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Kirk Schuring, *Vice-Chair*  
Keith Faber  
Sue Morano

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Dan Dodd  
Lynn Wachtmann

**Governor's Appointees**

Doug Gillum  
Rich Murray  
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**Non-Voting Members**

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William Estabrook, *OP&F*  
Mike Nehf, *STRS*  
Dan Weiss, *HPRS*  
James Winfree, *SERS*

**Director**

Aristotle L. Hutras

To : ORSC Members  
From : Aristotle L. Hutras  
Date : April 14, 2010  
Re : Proposed Fiscal Year 2011 ORSC Budget



Attached for your review is the proposed budget request for the operation of the Ohio Retirement Study Council (ORSC) for the fiscal year 2011 beginning July 1, 2010 and ending June 30, 2011. The budget request for FY 2011 is \$770,405.00, which, for the second year in a row, is a **0.00% increase** from the previous year's budget. The total budget request of \$770,405.00 is offset by an estimated ending balance of \$136,791.15 from fiscal year 2010; therefore, the systems will be required to pay only \$633,613.85.

The total assets of the five state retirement systems have increased from \$128.8 billion as of January 1, 2009 to \$149.5 billion as of January 1, 2010. This represents a 16% increase in assets over the past year. The proposed annual ORSC budget represents only 0.0005152% of the systems' combined total assets. Each pension fund is statutorily required to pay a percentage of the annual expenses of the ORSC determined by the ratio of its assets to the total assets of all five state pension funds; the ORSC receives **no** legislative appropriations to fund its operation.

The ORSC is required by statute to study all changes in the retirement laws proposed to the General Assembly and report on their probable costs, actuarial implications, and desirability as a matter of public policy (R.C. §171.04(C)). As you know, the boards of all five systems have submitted plans to bring the systems within the maximum 30-year funding period as required by S.B. 82. We anticipate the majority of the money allocated to contract services will be spent on reviewing these proposals once they are introduced as legislation.

The ORSC is also required by statute to have prepared for the Ohio General Assembly the following reports:

- Bi-annual review of the investment performance of the five state pension funds pursuant to R.C. §171.04(D);

- Annual review of the adequacy of the OP&F contribution rates pursuant to R.C. §742.331;
- Triennial review of the supplemental contributions payable under the alternative retirement plan for higher education employees pursuant to R.C. §171.07;
- An actuarial audit of the five state pension funds at least once every ten years pursuant to R.C. §171.04(E).
- A fiduciary performance audit of each of the state retirement systems at least once every ten years that is paid for by the audited system pursuant to R.C. §171.04(F).

Moreover, the ORSC prepares various ad hoc reports covering a wide range of retirement issues pursuant to requests and serves as a pension information resource both within and outside of Ohio. Revised Code section 171.03(B) provides that the Council may employ or hire on a consulting basis such actuarial, legal, investment, or other technical service required for the performance of its statutory duties.

Included with the proposed annual budget for fiscal year 2011 is the ORSC budget versus final estimated expenditures for fiscal year 2010. You have received the quarterly ORSC budget amounts for each line item versus the actual expenditures at the end of each quarter for the current fiscal year.

**THE OHIO RETIREMENT STUDY COUNCIL  
FY 2011 BUDGET REQUEST**

EXPENSE CATEGORIES	BUDGET REQUEST FY 2010	Estimated Expenses FY 2010	BUDGET REQUEST FY 2011	FINAL
				FY10 to FY 11 % +/-
101-PERSONNEL	\$322,100.00	\$296,977.30	\$322,100.00	
110-EMPLER-PERS	\$44,900.00	\$41,403.86	\$44,900.00	
115-INSURANCE	\$43,600.00	\$39,234.95	\$43,600.00	
120-CAPITAL EXPENSES	\$6,100.00	\$0.00	\$6,100.00	
125-ORSC MTGS/TVL	\$7,000.00	\$5,500.00	\$7,000.00	
130-COMMUNICATIONS	\$6,500.00	\$6,011.02	\$6,500.00	
135-OFC EXPS/POSTAGE.	\$7,300.00	\$6,803.84	\$7,300.00	
140-RENT & UTIL	\$42,500.00	\$41,246.40	\$42,500.00	
145-CONTRACT SVS	\$264,155.00	\$177,059.04	\$264,155.00	
150-PUBLICATIONS	\$8,950.00	\$8,927.44	\$8,950.00	
151-ORG. DUES	\$7,300.00	\$6,950.00	\$7,300.00	
155-AUDIT (STATE AUDITOR)	\$10,000.00	\$3,500.00	\$10,000.00	
<b>TOTAL</b>	<b>\$770,405.00</b>	<b>\$633,613.85</b>	<b>\$770,405.00</b>	
<b>YEARLY BUDGET:</b>				
<b>BALANCE PER FY 10:</b>				<b>\$770,405.00</b>
<b>\$ AMOUNT INCREASE IN BUDGET REQUEST:</b>				<b>\$0.00</b>
				<b>0.00%</b>
<b>Total Budget Request for FY 2011</b>				<b>\$770,405.00</b>
Minus Estimated Balance for FY 2010				<b>(\$136,791.15)</b>
Minus General Journal Adjustments				<b>\$0.00</b>
<b>Budget Request FY 2011 from all five systems.....</b>				<b>\$633,613.85</b>

April 9, 2010

## ORSC ACCOUNT CATEGORIES

- 101 = PERSONNEL
  - Federal, State, City, SDIT, Medicare Withholding;
  - PERS employee contribution, Deferred Comp,
  - Credit Union, Net Pay
- 110 = PERS
- 115 = INSURANCE
  - Employer Contribution
  - Unemployment, Workers' Comp,
  - Health, Dental, Life
- 120 = CAPITAL EXPENSES
  - Individual items costing \$500 or more
- 125 = TRAVEL EXPENSES
  - Conferences, Council member meeting reimbursements
  - and business meetings
- 130 = COMMUNICATIONS
  - Local and Long Distance, Internet
- 135 = OFFICE EXPENSES/POSTAGE
- 140 = RENT AND UTILITIES
- 145 = CONTRACT SERVICES -
  - Legislative Reports required of ORSC
  - Actuarial Services: Milliman & EAI, Computer Support, Phone Maint.,
  - Website Support/Maintenance, Parking, Copies
- 150 = PUBLICATIONS
- 151 = ORGANIZATION DUES
  - GFOA, NASRA, NAPPA, NCTR, NCPERS, IFEBP, Supreme Court
- 155 = AUDITS