

# OR SC

The Ohio Retirement Study Council  
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## Voting Members

### Senators

Keith Faber  
Sue Morano  
Kirk Schuring, *Chair*

### Representatives

Todd Book  
Michelle Schneider, *Vice-Chair*  
Lynn Wachtmann

### Governor's Appointees


Doug Gillum  
Cheryl Grossman  
Dale Van Vyven

## Non-Voting Members

Damon Asbury, *STRS*  
Richard Curtis, *HPRS*  
Chris DeRosa, *PERS*  
William Estabrook, *OP&F*  
James Winfree, *SERS*

### Director

Aristotle L. Hutras

To : ORSC Members   
From : Aristotle Hutras  
Re : Proposed Annual Budget for FY 2008  
Date : April 17, 2007

Attached for your review is the proposed annual budget for the operation of the ORSC for the fiscal year beginning July 1, 2007 and ending June 30, 2008. The ORSC annual budget has not been increased for the past five consecutive years. The proposed annual budget represents a 1.95% increase from the current annual budget. This is the first increase since 2002 and is less than the 3.2% annual inflation rate, as measured by the U.S. Bureau of Labor Statistics.

The total assets of the five state retirement systems are \$174,091,297,112 as of January 1, 2007. The proposed annual budget for the ORSC to perform its legislative oversight responsibilities represents only 0.0004% of the systems' total assets. *By statute, each state retirement system is 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 retirement systems; 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)]. In addition, the ORSC is required by statute to have prepared for the Ohio General Assembly the following reports:

- Annual report covering its evaluation and recommendations with respect to the operations of the five state pension funds pursuant

to R.C. §171.04(B);

- 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 audit of the five state pension funds 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. The ORSC has established its own Web page (*orsc.org*) that is administered in-house and provides easy and direct public access to all ORSC analyses, reports and other pertinent information regarding the five state pension funds. Staff recently completed the archiving of all changes to the laws governing the ORSC and the retirement systems dating from 1953 to the present, which are now available on the website. R.C. §171.03(B) provides that the ORSC may employ or hire on a consulting basis such actuarial, legal, investment or other technical services required for the performance of its responsibilities.

Included with the proposed annual budget for fiscal year 2008 is the ORSC budget versus final estimated expenditures for fiscal year 2007. 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.

Please review the proposed annual budget and contact me should you have any questions or concerns. R.C. §171.05 requires the ORSC to adopt an annual budget before June 30 of each year.

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**THE OHIO RETIREMENT STUDY COUNCIL  
FY 2008 BUDGET REQUEST**

EXPENSE CATEGORIES	BUDGET REQUEST FY 2007	Estimated Expenses FY 2007	BUDGET REQUEST FY 2008	ESTIMATED
				FY 07 to FY 08 % +/-
101-PERSONNEL	\$306,833.00	\$304,145.16	\$313,000.00	
110-EMPLER-PERS	\$41,566.00	\$41,687.94	\$43,350.00	
115-INSURANCE	\$42,278.00	\$40,154.29	\$43,300.00	
120-CAPITAL EXPENSES	\$6,500.00	\$0.00	\$6,500.00	
125-ORSC MTGS/TVL	\$7,000.00	\$8,111.80	\$8,500.00	
130-COMMUNICATIONS	\$6,300.00	\$6,055.25	\$6,500.00	
135-OFC EXPS/POSTAGE.	\$12,000.00	\$9,488.87	\$10,000.00	
140-RENT & UTIL	\$36,300.00	\$38,161.32	\$39,500.00	
145-CONTRACT SVS	\$230,287.69	\$62,391.09	\$230,287.00	
150-PUBLICATIONS	\$8,080.00	\$8,273.65	\$8,950.00	
151-ORG. DUES	\$5,180.00	\$5,332.00	\$6,300.00	
155-AUDIT (STATE AUDITOR)	\$10,000.00	\$0.00	\$10,000.00	
<b>TOTAL</b>	<b>\$712,324.69</b>	<b>\$523,801.37</b>	<b>\$726,187.00</b>	
<b>YEARLY BUDGET:</b>			<b>\$726,187.00</b>	<b>1.95%</b>
<b>BALANCE PER FY 07:</b>		<b>\$712,324.69</b>		
<b>\$ AMOUNT INCREASE IN BUDGET REQUEST:</b>		<b>\$188,523.32</b>	<b>\$13,862.31</b>	<b>1.95%</b>

<b>Total Budget Request for FY 2008</b>	.....	<b>\$726,187.00</b>
Minus Ending Balance for FY 2007	.....	<b>(\$188,523.32)</b>
Minus General Journal Adjustments	.....	<b>\$0.00</b>
<b>Budget Request FY 2008 from all five systems.....</b>		<b>\$537,663.68</b>

April 18, 2007

## ORSC ACCOUNT CATEGORIES

- 101 = PERSONNEL
  - Federal, State, City, SDIT, Medicare Withholding;
  - PERS employee contribution, Deferred Comp,
  - Credit Union, Net Pay
- 110 = PERS
  - Employer Contribution
- 115 = INSURANCE
  - 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
  - Milliman USA, EAI, Computer Support, Phone Maint., Parking
  - Website Support/Maintenance, Lexis Nexis, Copies, Ads
- 150 = PUBLICATIONS
- 151 = ORGANIZATION DUES
  - GFOA, NASRA, NAPPA, NCTR, NCPERS, IFEBP
- 155 = AUDITS