

OR SC

The Ohio Retirement Study Council
88 East Broad Street, Suite 1175
Columbus, OH 43215-3506
Phone: (614)228-1346
Fax: (614)228-0118
Website: www.orsc.org

Voting Members

Senators

Lynn Wachtmann, *Vice-Chair*
Teresa Fedor
Kirk Schuring

Representatives

Michelle Schneider, *Chair*
Todd Book
Clyde Evans

Governor's Appointees

Doug Gillum
Cheryl Grossman
Dale Van Vyven


Non-Voting Members

Damon Asbury, *STRS*
Richard Curtis, *HPRS*
William Estabrook, *OP&F*
Blake Sherry, *PERS* –
Interim
James Winfree, *SERS*

Director

Aristotle L. Hutras

To : ORSC Members

From : Aristotle L. Hutras 

Date : May 3, 2006

Re : Proposed Fiscal Year 2007 ORSC Budget

Attached for your review is a copy of the proposed fiscal year 2007 ORSC budget, along with the memorandum you received at the April 12th ORSC meeting. The budget needs to be approved by the Council no later than June 30, 2006.

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Director

Aristotle L. Hutras

To : ORSC Members
From : Aristotle L. Hutras
Date : April 12, 2006
Re : Proposed Fiscal Year 2007 ORSC Budget



Attached for your review is the proposed Budget Request for the operation of the Ohio Retirement Study Council for the fiscal year 2007 beginning July 1, 2006 and ending June 30, 2007. The budget request for FY 2007 is \$712,324.69, which, for the fifth year in a row, is a *0.00% increase* from the previous year's budget. The total budget request of \$712,324.69 is offset by an estimated ending balance of \$172,318.94 from fiscal year 2006; therefore, the systems will be required to pay only \$540,005.75.

The total assets of the five state retirement systems are \$153,434,713,146. The proposed annual ORSC budget represents only 0.0004643% 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.

Pursuant to statutory authority, the ORSC will be performing an independent actuarial review of STRS during FY 2007. The cost for this review has not been included in the FY 2007 budget and will be billed separately, with each retirement system paying its proportionate share of the total cost. This is consistent with the billing method used when the ORSC has completed these audits in the past. Staff is developing an RFP and will report to the Council once it is completed. The last two audits were completed by William M. Mercer in 1999 for OP&F and in 2000 for HPRS at a cost of \$112,639.94 and \$65,082, respectively.

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)).

The ORSC also is 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 2007 is the ORSC budget versus final estimated expenditures for fiscal year 2006. 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 2007 BUDGET REQUEST**

EXPENSE CATEGORIES	BUDGET REQUEST FY 2006	Estimated Expenses FY 2006	BUDGET REQUEST FY 2007	ESTIMATED FY 06 to FY 07 % +/-
101-PERSONNEL	\$306,833.00	\$289,091.14	\$306,833.00	
110-EMPL'ER-PERS	\$41,566.00	\$38,988.36	\$41,566.00	
115-INSURANCE	\$42,278.00	\$34,694.99	\$42,278.00	
120-CAPITAL EXPENSES	\$6,500.00	\$3,044.00	\$6,500.00	
125-ORSC MTGS/TVL	\$7,000.00	\$5,520.00	\$7,000.00	
130-COMMUNICATIONS	\$6,300.00	\$5,907.94	\$6,300.00	
135-OFC EXPS/POSTAGE.	\$12,000.00	\$10,500.00	\$12,000.00	
140-RENT & UTIL	\$36,300.00	\$33,495.96	\$36,300.00	
145-CONTRACT SVS	\$230,287.69	\$104,354.21	\$230,287.69	
150-PUBLICATIONS	\$8,080.00	\$8,904.15	\$8,080.00	
151-ORG. DUES	\$5,180.00	\$5,505.00	\$5,180.00	
155-AUDIT (STATE AUDITOR)	\$10,000.00	\$0.00	\$10,000.00	
TOTAL	\$712,324.69	\$540,005.75	\$712,324.69	0.00%
YEARLY BUDGET:		\$712,324.69	\$712,324.69	0.00%
BALANCE PER FY 05:		\$172,318.94		
\$ AMOUNT INCREASE IN BUDGET REQUEST:			\$0.00	0.00%
Total Budget Request for FY 2007 \$712,324.69 Minus Ending Balance for FY 2006 (\$172,318.94) Minus General Journal Adjustments \$0.00 Budget Request FY 2007 from all five systems..... \$540,005.75				

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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