

**Ohio  
Retirement  
Study  
Council**

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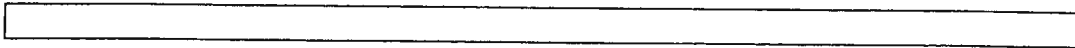
**MEMORANDUM**

To: ORSC Members

From: Bethany Rhodes, Director/General Counsel

Date: June 1, 2013

RE: Proposed Fiscal Year 2014 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 2014 beginning July 1, 2013, and ending June 30, 2014. The budget request for FY 2014 is \$731,300.00, which is a **5.08% decrease** from the previous five budgets. The total budget request of \$731,300.00 is offset by an estimated ending balance of \$166,613.87 from fiscal year 2013; therefore, the systems will be required to pay only \$564,686.13. This carryover balance varies annually, depending upon the previous fiscal year's activity, staff turnover, etc.

The total assets of the five state retirement systems have increased from \$157.6 billion as of January 1, 2012, to \$170.978 billion as of January 1, 2013. This represents an 8.49% increase in assets over the past year. The proposed annual ORSC budget represents only 0.0004277% 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, five different bills were recently enacted (Sub. SB 340, Sub. SB 341, Sub. SB 342, Sub. SB 343, and Sub SB 345) to implement substantial changes in the laws governing the retirement systems in order to ensure all are within the maximum 30-year funding period as required by law. The ORSC has instructed the staff to update all old reports including those regarding the disparity in

**Voting Members**

**Representatives**

Ann Wachtmann, *Chairman*  
Mark Schuring  
Luis Ramos

**Senators**

William Jones, *Vice-Chair*  
David Burke  
Charleta B. Tavares

**Governor's Appointees**

Jane Miller  
Keith Morgan  
Robert Cant

**Non-Voting Members**

Mark Atkeson, *HPRS*  
Loren Carraher, *PERS*  
John Gallagher, *OP&F*  
Lisa Morris, *SERS*  
Mike Nehf, *STRS*

**Director**

Bethany Rhodes

**THE OHIO RETIREMENT STUDY COUNCIL FY 2014 BUDGET REQUEST**

<b>EXPENSE CATEGORIES</b>	<b>BUDGET REQUEST FY 2013</b>	<b>ESTIMATED EXPENSES FY 2013</b>	<b>BUDGET REQUEST FY 2014</b>	<b>FY 2013 TO FY 2014 % +/-</b>
✓101- PERSONNEL	\$322,100.00	\$246,187.89	\$243,000.00	-24.56%
✓110- EMPL'ER- PERS	\$44,900.00	\$31,848.29	\$35,000.00	-22.05%
✓115- INSURANCE	\$43,600.00	\$26,880.50	\$35,000.00	-19.72%
✓120- CAPITAL EXPENSES	\$6,100.00	\$14,304.00	✓\$30,000.00	391.80%
✓125- ORSC MTGS/TVL	\$7,000.00	\$2,289.24	✓\$7,000.00	0.00%
✓130- COMMUNICATIONS	\$6,500.00	\$12,163.58	✓\$7,000.00	7.69%
✓135- OFC EXPS/POSTAGE	\$7,300.00	\$11,069.10	✓\$15,000.00	105.48%
✓140- RENT & UTIL	\$38,500.00	\$28,731.49	✓\$38,500.00	0.00%
✓145- CONTRACT SVS	\$264,155.00	\$195,443.99	✓\$275,000.00	4.10%
✓150- PUBLICATIONS	\$8,950.00	\$18,814.22	✓\$23,000.00	156.98%
✓151- ORG. DUES	\$7,300.00	\$3,375.00	✓\$7,300.00	0.00%
✓155- AUDIT (STATE AUDITOR)	\$14,000.00	\$12,683.83	✓\$15,500.00	10.71%
<b>TOTAL</b>	<b>\$770,405.00</b>	<b>\$603,791.13</b>	<b>\$731,300.00</b>	<b>-5.08%</b>
<b>YEARLY BUDGET REQUEST:</b>	<b>\$770,405.00</b>		<b>\$731,300.00</b>	<b>-5.08%</b>
<b>BALANCE PER FY 2013</b>		<b>\$166,613.87</b>		
<b>\$ AMOUNT INCREASE IN BUDGET REQUEST:</b>			<b>-\$39,105.00</b>	<b>-5.08%</b>
<b>Total Budget Request for FY 2014</b>				<b>\$731,300.00</b>
Minus Estimated Balance for FY 2013				<b>(\$166,613.87)</b>
Minus General Journal Adjustments				<b>\$0.00</b>
<b>BUDGET REQUEST FY 2014 FROM ALL FIVE SYSTEMS</b>				<b>\$564,686.13</b>

**FY 2014**

FY 2014- comparison table- Systems' Proportionate Share of ORSC Budget					
SYSTEM	ASSETS AS OF 1/1/13	% OF BUDGET	FY 2014 TOTAL BUDGET	TOTAL DUE MINUS FY 2013 BALANCES	TOTAL DUE PER QUARTER
PERS	\$81,447,193,509	47.6360%	\$ 348,362.07	\$268,993.89	\$67,248.47 ✓
STRS	\$66,070,941,000	38.6429%	\$ 282,595.53	\$218,211.10	\$54,552.77 ✓
OP&F	\$11,522,381,992	6.7391%	\$49,283.04	\$38,054.76	\$9,513.69 ✓
SERS	\$11,219,925,156	6.5622%	\$47,989.37	\$37,055.83	\$9,263.96 ✓
HPRS	\$717,867,679	0.4198%	\$3,069.99	\$2,370.55	\$592.64 ✓
<b>TOTAL</b>	<b>\$170,978,309,336</b>	<b>100.0000%</b>	<b>\$731,300.00</b>	<b>\$564,686.13</b>	<b>\$141,171.53</b>
<b>0.0004277%</b>	<b>% ORSC's budget is of reported System Assets</b>				

**INCREASE IN SYSTEM ASSETS FROM FY 2013: 8.49%**

**FY 2014**

FY2014- comparison table- Systems' Proportionate Share of ORSC Actuarial Services			
SYSTEM	ASSETS AS OF 1/1/13	% OF BUDGET	TOTAL DUE-- Billed Separately to each system
PERS	\$81,447,193,509	47.6360%	\$113,279.88
STRS	\$66,070,941,000	38.6429%	\$91,894.01
OP&F	\$11,522,381,992	6.7391%	\$16,025.79
SERS	\$11,219,925,156	6.5622%	\$15,605.12
HPRS	\$717,867,679	0.4198%	\$998.30
<b>TOTAL</b>	<b>\$170,978,309,336</b>	<b>100.0000%</b>	<b>\$237,803.10</b>

