

# OR SC

The Ohio Retirement Study Council  
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## Voting Members

### Senators

Kirk Schuring, *Chair*  
Keith Faber  
Sue Morano

### Representatives

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

### Governor's Appointees


Doug Gillum  
Vacant  
Dale Van Vyven

### Non-Voting Members

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

### Director

Aristotle L. Hutras

To : ORSC Members  
From : Aristotle L. Hutras   
Date : March 12, 2008  
Re : Proposed Fiscal Year 2009 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 2009 beginning July 1, 2008 and ending June 30, 2009. The budget request for FY 2009 is \$770,805.00, which is a 6.14% increase from the previous year's budget. The total budget request of \$770,805.00 is offset by an estimated ending balance of \$159,089.29 from fiscal year 2008; therefore, the systems will be required to pay only \$611,715.71.

The total assets of the five state retirement systems are \$186,115,563,366 as of January 1, 2008. The proposed annual ORSC budget represents only 0.0003827% 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 proposed budget request for fiscal year 2009 includes a 2.9% cost-of-living increase as determined by the CPI-W under the personnel line item (101). It also includes an increase in the contract services line item (145) to cover the estimated cost of the actuarial audit of STRS as required by statute. The other line items generally remain the same as or less than the current budget for fiscal year 2008.

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 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 2009 is the ORSC budget versus final estimated expenditures for fiscal year 2008. 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 2009 BUDGET REQUEST**

EXPENSE CATEGORIES	BUDGET REQUEST FY 2008	Estimated Expenses FY 2008	BUDGET REQUEST FY 2009	ESTIMATED FY 08 to FY 09 % +/-
	101-PERSONNEL	\$313,000.00	\$312,788.43	\$322,500.00
110-EMPLER-PERS	\$43,350.00	\$43,267.48	\$44,900.00	
115-INSURANCE	\$43,300.00	\$38,227.47	\$41,000.00	
120-CAPITAL EXPENSES	\$6,500.00	\$0.00	\$6,500.00	
125-ORSC MTGS/TVL	\$8,500.00	\$5,853.37	\$8,500.00	
130-COMMUNICATIONS	\$6,500.00	\$5,213.00	\$6,500.00	
135-OFC EXPS/POSTAGE.	\$10,000.00	\$6,937.48	\$8,000.00	
140-RENT & UTIL	\$39,500.00	\$38,550.00	\$39,500.00	
145-CONTRACT SVS	\$230,287.00	\$100,338.00	\$267,155.00	
150-PUBLICATIONS	\$8,950.00	\$8,379.00	\$8,950.00	
151-ORG. DUES	\$6,300.00	\$6,493.00	\$7,300.00	
155-AUDIT (STATE AUDITOR)	\$10,000.00	\$1,050.48	\$10,000.00	
<b>TOTAL</b>	<b>\$726,187.00</b>	<b>\$567,097.71</b>	<b>\$770,805.00</b>	
<b>YEARLY BUDGET:</b>		<b>\$726,187.00</b>	<b>\$770,805.00</b>	<b>6.14%</b>
<b>BALANCE PER FY 08:</b>		<b>\$159,089.29</b>		
<b>\$ AMOUNT INCREASE IN BUDGET REQUEST:</b>			<b>\$44,618.00</b>	<b>6.14%</b>
<b>Total Budget Request for FY 2009</b>				<b>\$770,805.00</b>
Minus Ending Balance for FY 2008				<b>(\$159,089.29)</b>
Minus General Journal Adjustments				<b>\$0.00</b>
<b>Budget Request FY 2009 from all five systems.....</b>				<b>\$611,715.71</b>

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, 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