



STATE TEACHERS
RETIREMENT SYSTEM
OF OHIO

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RETIREMENT BOARD CHAIR
JEFFREY CHAPMAN

RETIREMENT BOARD VICE CHAIR
MARY ANN QUILTER CERVANTES

EXECUTIVE DIRECTOR
DAMON F. ASBURY

June 25, 2008

Mr. Aristotle Hutras, Director
Ohio Retirement Study Council
88 E. Broad St., Room 1175
Columbus, OH 43215

Dear Aris:

Enclosed please find the 2008–2009 budgets as approved by the STRS Ohio Retirement Board in June. Projected operating expenses have been reduced since STRS Ohio's proposed budget presentation to ORSC in May as a result of a recent ITS staff reduction. The total operating budget represents a 2.9% increase from the current year's budget.

Please feel free to contact me if you have questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Slater'.

Robert A. Slater
Deputy Executive Director

cc: Damon Asbury

Enclosure

**Ohio Retirement System Budget Presentation to ORSC
STRS Ohio 2008-2009 Budget to 2007-2008 Budget
and Increase (Decrease)**

Budget Periods	07/01/2008- 06/30/2009 2009 Budget	07/01/2007- 06/30/2008 2008 Budget	Increase (Decrease)	% Increase/ Decrease
Personnel	\$ 70,704,300	\$ 67,009,400	\$ 3,694,900	5.51%
Salaries and Wages	56,983,400	53,869,900	3,113,500	5.78%
OPERS Contributions	7,548,200	7,289,000	259,200	3.56%
Health Insurance	5,211,700	4,996,300	215,400	4.31%
Miscellaneous Expenses	961,000	854,200	106,800	12.50%
Professional Services	11,751,400	12,304,300	(552,900)	-4.49%
Actuarial	350,000	550,000	(200,000)	-36.36%
Audit	307,000	250,000	57,000	22.80%
Custodial Banking Fees	5,100,000	5,500,000	(400,000)	-7.27%
Investment Consulting	3,115,000	2,855,000	260,000	9.11%
Other Consulting	2,639,400	2,909,300	(269,900)	-9.28%
Banking Expense	240,000	240,000	0	0.00%
Communications Expense	3,626,400	3,392,800	233,600	6.89%
Printing and Postage	2,870,200	2,733,500	136,700	5.00%
Telephone	475,800	428,700	47,100	10.99%
Member/Employer Education	265,600	214,600	51,000	23.77%
Other Communications	14,800	16,000	(1,200)	-7.50%
Other Operating Expense	10,527,700	11,242,000	(714,300)	-6.35%
Conferences and Education	446,000	475,000	(29,000)	-6.11%
Travel	769,000	648,000	121,000	18.67%
Computer Technology	5,529,300	6,322,900	(793,600)	-12.55%
Other Operating	3,361,400	3,358,500	2,900	0.09%
Attorney General Reimbursement	60,000	55,600	4,400	7.91%
Ohio Retirement Study Council	340,000	360,000	(20,000)	-5.56%
Treasury of State Warrant Clearing Charges	22,000	22,000	0	0.00%
Net Building Expense	2,634,700	2,487,100	147,600	5.93%
Total Operating Budget	\$ 99,244,500	\$ 96,435,600	\$ 2,808,900	2.91%
Legacy Replacement Project	\$ 4,883,100	\$ 6,387,700	\$ (1,504,600)	-23.55%
Total Capital Budget	\$ 2,242,500	\$ 2,100,900	\$ 141,600	6.74%
Building Improvements	341,000	120,000		
Building Maintenance Equipment	100,000	84,200		
Infrastructure and Upgrades	1,631,000	1,702,700		
Copiers	66,000	39,000		
General Capital	104,500	155,000		



**Ohio Retirement System Budget Presentation to ORSC
STRS Ohio Board Budget**

	<u>2009 Budget</u>	<u>2008 Budget</u>	<u>Increase (Decrease)</u>	<u>% Increase/ Decrease</u>
Board Expenses				
Board Education and Travel	\$ 48,500	\$ 55,000	\$ (6,500)	-11.82%
Travel to Attend Board Meetings	15,000	15,000	0	0.00%
Other Board Expense	<u>15,000</u>	<u>20,500</u>	<u>(5,500)</u>	-26.83%
Total Board Expense	<u>\$ 78,500</u>	<u>\$ 90,500</u>	<u>\$ (12,000)</u>	-13.26%



**Ohio Retirement System Budget Presentation to ORSC
STRS Ohio Historical Investment Expenses**

	Fiscal 2007 <u>Actuals</u>	Fiscal 2006 <u>Actuals</u>	Fiscal 2005 <u>Actuals</u>
Investment Assets			
Total Internally Managed Assets	\$ 58,663,032,000	\$ 49,100,619,000	\$ 45,740,679,000
Total Externally Managed Assets	<u>18,539,744,000</u>	<u>16,097,388,000</u>	<u>13,496,115,000</u>
Total Investment Assets *	<u>\$ 77,202,776,000</u>	<u>\$ 65,198,007,000</u>	<u>\$ 59,236,794,000</u>
Investment Expenses			
Total Internal Investment Expenses	\$ 24,973,471	\$ 20,473,030	\$ 17,921,550
Total External Investment Expenses	119,969,454	123,222,156	97,215,017
Investment Consulting	668,675	921,907	961,974
Brokerage/Commissions	17,981,643	22,037,448	24,276,006
Custodian Fees	<u>5,040,071</u>	<u>6,317,067</u>	<u>6,011,721</u>
Total Investment Expenses	<u>\$ 168,633,314</u>	<u>\$ 172,971,608</u>	<u>\$ 146,386,268</u>
Total Investment Expenses as a Percent of Total Investment Assets	0.22%	0.27%	0.25%

*Real estate debt is removed from investment assets.

