

# SECTION 2 - PSERS FY2015/16 BUDGET

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## Section 2 - FY2015/16 Budget

### Public School Employees' Retirement System Fiscal Year 2015/16 Administrative Budget

	<u>Budget 2013/2014</u>	<u>Budget 2014/2015</u>	<u>Governor's Budget Recommendation 2015/2016</u>
<b>Total Personnel Services</b>	\$ 23,613,000	\$ 24,339,000	\$ 26,188,000
<b>Operating Expenses</b>			
Travel	\$ 134,600	\$ 145,300	\$ 144,000
Training & Conference Registration	123,500	122,000	141,200
Telecomm - Recurring	417,000	388,000	383,500
Telecomm - Non-Recurring	11,000	11,000	11,300
Telecomm - Voice Hardware less than \$5,000	2,100	3,000	3,000
Electricity	41,700	44,000	44,500
Consultant Services - Non EDP	722,000	800,600	795,600
Consulting - Maint & Support - (post implementation)	75,000	49,000	30,000
Consulting - Security	-	-	65,000
Consulting - General IT Support	275,500	218,000	160,000
Consulting - Outsourced Infrastructure Svcs (DPH)	2,030,000	2,130,000	2,130,000
Legal Services/Fees	58,000	48,000	-
Specialized Services	420,400	394,200	404,300
Other Specialized Services	241,300	128,200	221,500
Advertising	10,000	10,000	10,000
Medical, Mental, & Dental Services	2,500	4,500	4,100
Software Licensing - Maintenance	1,030,900	1,075,200	1,099,500
Hardware Server - Maintenance	1,000	1,000	1,000
Hardware Network - Maintenance	13,000	22,000	21,500
Hardware Periph - Maintenance	20,000	10,000	-
Hardware Desktop - Maintenance	4,000	3,000	3,000
Contracted Maintenance Non EDP	187,800	155,300	184,900
Telecomm Data Services	60,000	85,000	38,200
Contracted Repairs - Non EDP	16,400	15,500	19,000
Real Estate Rental	1,777,000	1,885,400	1,998,200
Vehicle Rental	1,700	1,700	1,600
Office Equipment Rental	286,400	318,500	305,200
Other Rentals	35,500	35,300	34,800
Office Supplies	211,900	211,800	221,000
Educational Supplies (Books)	11,300	11,200	11,000
Medical Supplies	100	5,300	5,300
Software License non-recurring less than \$5,000	55,250	9,000	18,500
Hardware Desktop less than \$5,000	139,900	93,900	66,000
Furniture and Fixtures	35,500	41,500	44,500

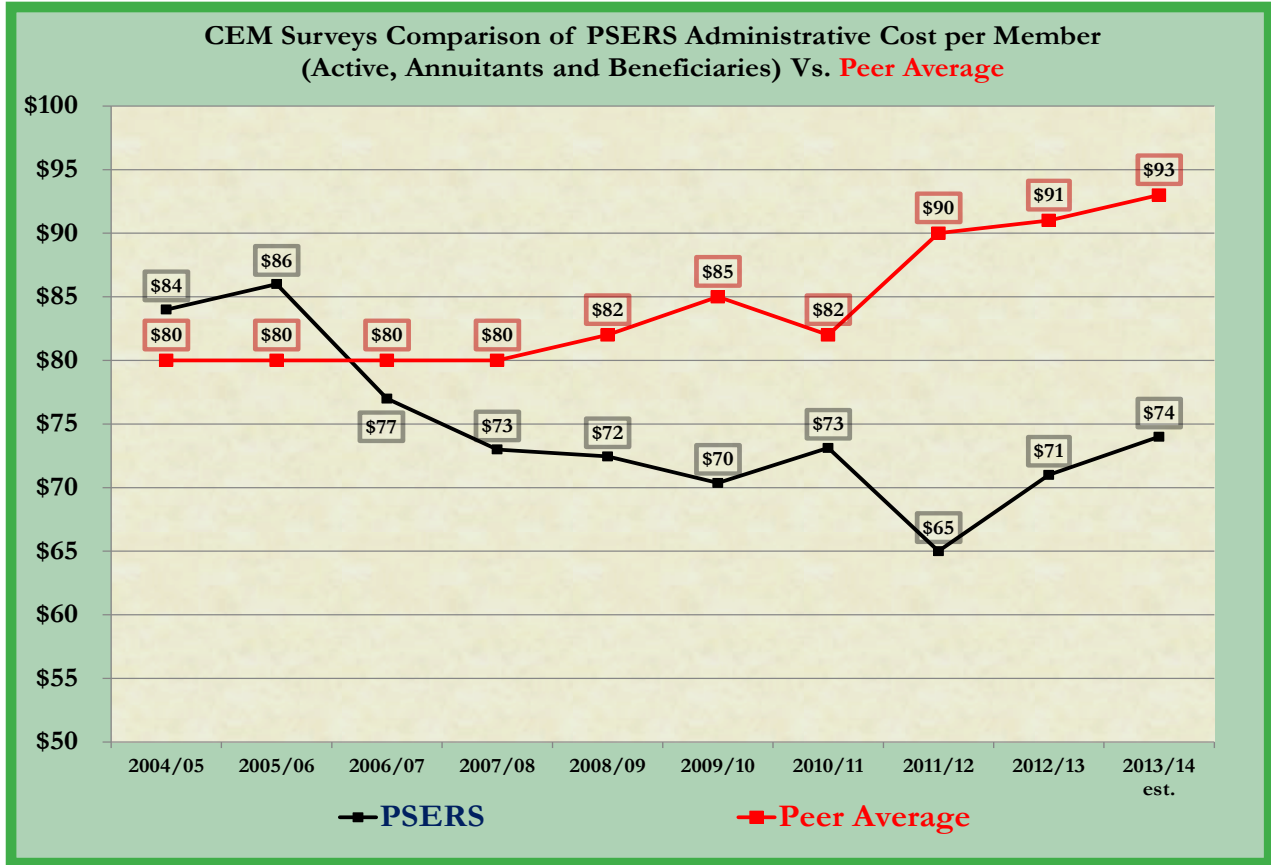
## Section 2 - FY2015/16 Budget

### Public School Employees' Retirement System Fiscal Year 2015/16 Administrative Budget (continued)

	<u>Budget 2013/2014</u>	<u>Budget 2014/2015</u>	<u>Governor's Budget Recommendation 2015/2016</u>
Other Equipment	2,600	13,000	2,000
Motorized Equipment Supplies	22,000	23,000	21,000
Postage	1,138,200	1,051,700	1,051,300
Freight	5,400	7,000	5,000
Printing	270,600	246,700	237,700
Subscriptions	137,350	137,200	178,800
Membership Dues	32,800	35,200	34,000
Conference Expense	51,000	51,000	50,000
Insurance, Surety & Fidelity Bonds	23,000	23,000	23,000
Other Operational Expenses	<u>1,783,800</u>	<u>1,707,800</u>	<u>1,787,000</u>
<b>Total Operating Expenses</b>	<b>\$ 11,919,000</b>	<b>\$ 11,772,000</b>	<b>\$ 12,011,000</b>
<b>Fixed Assets</b>			
Automobiles	\$ -	\$ 20,000	\$ 20,000
Software License non-recurring greater than \$5,000	30,000	58,000	58,000
Software License recurring greater than \$5,000	<u>6,127,000</u>	<u>5,500,000</u>	<u>5,500,000</u>
<b>Total Fixed Assets</b>	<b>\$ 6,157,000</b>	<b>\$ 5,578,000</b>	<b>\$ 5,578,000</b>
<b>Total Administrative Budget</b>	<b><u>\$ 41,689,000</u></b>	<b><u>\$ 41,689,000</u></b>	<b><u>\$ 43,777,000</u></b>

**Section 2 - FY2015/16 Budget**

**Public School Employees' Retirement System  
Fiscal Year 2015/16 Administrative Budget  
(continued)**



**Administrative Cost per Member**

PSERS participates in an international benchmarking survey evaluating its costs and service performance in comparison to other similar public pension funds. Based on the most recent survey, PSERS had a 22% lower pension administration cost per member than the average cost for its peer group. The System has accomplished this without significantly increasing the size of its staff.

PSERS continues to be prudent in its use of funds and managing its annual budget. In FY2013/2014, PSERS replaced individual desktop printers with shared Multi-Function Devices, saving the agency money on printing supplies. As of September 1, 2013, all new retirees are required to receive their monthly annuities by electronic funds transfer, saving PSERS their postage and Treasury processing fees each month. Working with its actuary, PSERS has utilized interactive models to bring a portion of its actuarial analysis in-house. This led to a meaningful reduction in actuarial fees in FY2013/2014 despite a large number of pension funding requests from the General Assembly. Other reductions were made to overtime, training, and electricity, all part of PSERS' ongoing efforts to control costs and improve operational efficiency.



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**Directed Commissions  
Recapture Program  
(unaudited)**

Directed Commissions Recapture is a program whereby a portion of commissions incurred by PSERS through investment trading activity is returned to PSERS. These funds can be used for the administration of the Fund or can be reinvested back into the asset allocation through a transfer to the PSERS Retirement Account. Expenditures paid from the Directed Commissions Recapture Program Budget have the same PSERS' internal approval process as any other expenditure made by the Fund.

**Directed Commissions Recapture Program -  
Directed Commissions Appropriation #6012700000**

	<b>Actual Expenditures FY2013/14</b>	<b>Available FY2014/15</b>	<b>PSERS' Budget 2015/2016</b>
Budgetary Reserve	-	<u>\$2,000,000</u>	<u>\$2,000,000</u>
Total	-	<u>\$2,000,000</u>	<u>\$2,000,000</u>



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