

# District of Columbia Retirement Board

www.dcrb.dc.gov

Telephone: 202-343-3200

Description	FY 2011 Actual	FY 2012 Approved	FY 2013 Proposed	% Change from FY 2012
Operating Budget	\$100,711,629	\$30,338,398	\$30,338,398	0.0
FTEs	42.6	50.0	52.0	4.0

*Note: The District's FY 2011 CAFR shows \$21,440,823 of General Fund (Administrative) Expenditures for the D.C. Retirement Board (DCRB). An additional \$79,270,806 of benefit payments, which are non-budgeted expenditures, were made in FY 2011. The \$21,440,823 figure represents the agency's actual administrative expenditures and is analogous to the FY 2012 Approved Budget and FY 2013 Proposed Budget for the agency.*

The mission of the District of Columbia Retirement Board (DCRB) is to invest prudently the assets of the police officers, firefighters, and teachers of the District of Columbia, while providing those employees with retirement services.

## Summary of Services

DCRB is an independent agency that has exclusive authority and discretion to manage and control the District's retirement funds for teachers, police officers, and firefighters (hereinafter referred to as the "Fund") pursuant to Section 1-711(a) of the District of Columbia Official Code. In 2005, the responsibility of administering the teachers', police officers' and firefighters' retirement programs was transferred to DCRB.

The federal government assumed the District's unfunded liability for the retirement plans of teachers, police officers, firefighters, and judges under provisions of the National Capital Revitalization and Self-Government Improvement Act of 1997. Under this law, the federal government pays the retirement benefits and death benefits, and a share of disability payments, for members for years of service earned up to the freeze date of June 30, 1997. The District of Columbia government is responsible for all subsequently earned benefits for the members of the retirement plans.

The DCRB Board of Trustees is comprised of 12 voting trustees: 3 appointed by the Mayor, 3 appointed by the District Council, and 6 elected by employee participation groups. The District's Chief Financial Officer or his designee serves as a non-voting, ex-officio member of the Board.

The agency's FY 2013 proposed budget is presented in the following tables:

## FY 2013 Proposed Gross Funds Operating Budget, by Revenue Type

Table DY0-1 contains the proposed FY 2013 agency budget compared to the FY 2012 approved budget. It also provides FY 2010 and FY 2011 actual expenditures.

**Table DY0-1**  
(dollars in thousands)

Appropriated Fund	Actual FY 2010	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012	Percent Change*
<b>General Fund</b>						
Special Purpose Revenue Funds	86,053	100,712	30,338	30,338	0	0.0
<b>Total for General Fund</b>	<b>86,053</b>	<b>100,712</b>	<b>30,338</b>	<b>30,338</b>	<b>0</b>	<b>0.0</b>
<b>Gross Funds</b>	<b>86,053</b>	<b>100,712</b>	<b>30,338</b>	<b>30,338</b>	<b>0</b>	<b>0.0</b>

\*Percent change is based on whole dollars.

**Note:** If applicable, for a breakdown of each Grant (Federal and Private), Special Purpose Revenue type and Intra-District agreement, please refer to **Schedule 80 Agency Summary by Revenue Source** in the FY 2013 Operating Appendices located on the Office of the Chief Financial Officer's website.

## FY 2013 Proposed Full-Time Equivalents, by Revenue Type

Table DY0-2 contains the proposed FY 2013 FTE level compared to the FY 2012 approved FTE level by revenue type. It also provides FY 2010 and FY 2011 actual data.

**Table DY0-2**

Appropriated Fund	Actual FY 2010	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012	Percent Change
<b>General Fund</b>						
Special Purpose Revenue Funds	38.2	42.6	50.0	52.0	2.0	4.0
<b>Total for General Fund</b>	<b>38.2</b>	<b>42.6</b>	<b>50.0</b>	<b>52.0</b>	<b>2.0</b>	<b>4.0</b>
<b>Total Proposed FTEs</b>	<b>38.2</b>	<b>42.6</b>	<b>50.0</b>	<b>52.0</b>	<b>2.0</b>	<b>4.0</b>

## FY 2013 Proposed Operating Budget, by Comptroller Source Group

Table DY0-3 contains the proposed FY 2013 budget at the Comptroller Source Group (object class) level compared to the FY 2012 approved budget. It also provides FY 2010 and FY 2011 actual expenditures.

**Table DY0-3**  
(dollars in thousands)

Comptroller Source Group	Actual FY 2010	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012	Percent Change*
11 - Regular Pay - Continuing Full Time	2,912	3,441	3,822	4,292	470	12.3
12 - Regular Pay - Other	335	214	120	120	0	0.0
13 - Additional Gross Pay	60	95	0	186	186	N/A
14 - Fringe Benefits - Current Personnel	786	853	965	1,220	255	26.4
15 - Overtime Pay	16	21	65	64	-1	-2.1
<b>Subtotal Personal Services (PS)</b>	<b>4,108</b>	<b>4,623</b>	<b>4,972</b>	<b>5,880</b>	<b>909</b>	<b>18.3</b>
20 - Supplies and Materials	120	166	232	346	114	49.3
31 - Telephone, Telegraph, Telegram, Etc.	13	14	14	45	31	214.8
32 - Rentals - Land and Structures	1,419	1,444	1,652	1,550	-103	-6.2
34 - Security Services	0	0	6	6	0	0.0
40 - Other Services and Charges	15,107	13,675	22,149	20,726	-1,423	-6.4
41 - Contractual Services - Other	114	785	957	1,200	243	25.4
50 - Subsidies and Transfers	65,107	79,271	0	0	0	N/A
70 - Equipment and Equipment Rental	65	734	356	585	229	64.2
<b>Subtotal Nonpersonal Services (NPS)</b>	<b>81,944</b>	<b>96,089</b>	<b>25,367</b>	<b>24,458</b>	<b>-909</b>	<b>-3.6</b>
<b>Gross Funds</b>	<b>86,053</b>	<b>100,712</b>	<b>30,338</b>	<b>30,338</b>	<b>0</b>	<b>0.0</b>

\*Percent change is based on whole dollars.

### Program Description

The District of Columbia Retirement Board operates through the following program:

**DCRB Agency Management** - provides administrative support and the required tools to achieve operational and programmatic results.

This program contains the following 8 activities:

- **Board of Trustees** - determines the overall investment strategy for the Fund and monitors staff implementation of the strategy. The Board of Trustees' activity expenses are paid from the earnings derived from the Fund;
- **Executive** - provides executive direction for all activities to achieve the mission of the agency. Executive activity expenses are paid from two sources: 1) earnings derived from the Fund; and 2) reimbursements from the United States Department of the Treasury (Treasury) for services provided by DCRB for programs for which the federal government is responsible;
- **Investments** - manages all activities and resources dedicated to the investment of the assets of the Fund. Investment activity expenses are paid from the earnings derived from the Fund;
- **Benefits** - provides administrative services for members and timely and accurate payment of benefits to retirees

and survivors. Benefits activity expenses are paid from two sources: 1) earnings derived from the Fund; and 2) reimbursements from the Treasury for services provided by DCRB for programs for which the federal government is responsible;

- **General Counsel** – provides legal support to the agency. General Counsel activity expenses are paid from the earnings derived from the Fund;
- **Operations** – provides operational and accounting support. Operations activity expenses are paid from two sources: 1) earnings derived from the Fund; and 2) reimbursements from Treasury for services provided by DCRB for programs for which the federal government is responsible;
- **Information Technology** - provides technology systems support to achieve programmatic results. Information Technology activity expenses are paid from the earnings derived from the Fund; and
- **Projects** - manages the special projects undertaken by the agency. Projects activity expenses are paid from the earnings derived from the Fund.

### Program Structure Change

The District of Columbia Retirement Board has no program structure changes in the FY 2013 proposed budget.

## FY 2013 Proposed Operating Budget and FTEs, by Program and Activity

Table DY0-4 contains the proposed FY 2013 budget by program and activity compared to the FY 2012 approved budget. It also provides the FY 2011 actual data.

**Table DY0-4**

(dollars in thousands)

Program/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012
<b>(1000) DCRB Investments</b>								
(1100) DCRB	79,271	0	0	0	0.0	0.0	0.0	0.0
<b>Subtotal (1000) DCRB Investments</b>	<b>79,271</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(3000) DCRB Agency Management</b>								
(3001) Executive	1,224	1,122	1,489	367	5.4	7.0	9.0	2.0
(3002) Investments	12,204	17,396	15,853	-1,543	3.6	6.0	5.0	-1.0
(3003) Trustees	417	526	584	58	0.9	1.0	1.0	0.0
(3004) General Counsel	832	862	909	47	3.6	3.0	3.0	0.0
(3005) Benefits	1,834	2,687	2,257	-430	16.1	21.0	18.0	-3.0
(3006) Operations	1,668	1,465	1,690	224	9.5	8.0	9.0	1.0
(3007) Information Technology	3,316	2,879	4,157	1,277	3.6	4.0	6.0	2.0
(3008) Projects	0	3,400	3,400	0	0.0	0.0	1.0	1.0
(3100) DCRB Agency Management	-55	0	0	0	0.0	0.0	0.0	0.0
<b>Subtotal (3000) DCRB Agency Management</b>	<b>21,441</b>	<b>30,338</b>	<b>30,338</b>	<b>0</b>	<b>42.6</b>	<b>50.0</b>	<b>52.0</b>	<b>2.0</b>
<b>Total Proposed Operating Budget</b>	<b>100,712</b>	<b>30,338</b>	<b>30,338</b>	<b>0</b>	<b>42.6</b>	<b>50.0</b>	<b>52.0</b>	<b>2.0</b>

(Change is calculated by whole numbers and numbers may not add up due to rounding)

**Note:** For more detailed information regarding the proposed funding for the activities within this agency's programs, please see **Schedule 30-PBB Program Summary by Activity** in the **FY 2013 Operating Appendices** located on the Office of the Chief Financial Officer's website.

## FY 2013 Proposed Budget Changes

The District of Columbia Retirement Board's (DCRB) proposed FY 2013 gross budget is \$30,338,398, no change from its FY 2012 approved gross budget. The budget is comprised entirely of Special Purpose Revenue funds.

### Initial Adjusted Budget

**Cost Increase:** The proposed budget includes increases of \$469,538 and 2.0 FTEs in Regular Pay, for staff increases; \$255,025 in Fringe Benefits due to increase in Regular Pay; \$185,510 in Additional Gross Pay; \$243,273 in Contractual Services – Other, for increase in reimbursement to Treasury for upgrades to their System to Administer Retirement (STAR), which is the federal portion of what DCRB administers; \$228,800 in Equipment and Equipment Rental, for IT infrastructure and projects, (disaster recovery); \$114,196 in Supplies and Materials, for on-line services for investment research; and \$30,704 in Telecom, for a new telephone system with extra features.

**Cost Decrease:** The proposed budget includes decreases of \$1,422,958 in Other Services and Charges due to a reduction in the estimated investment fees resulting from the portfolio's shift to passively managed index funds; a \$102,712 decrease in Rent; and a \$1,377 decrease in Overtime Pay.

## FY 2012 Approved Budget to FY 2013 Proposed Budget, by Revenue Type

Table DY0-5 itemizes the changes by revenue type between the FY 2012 approved budget and the FY 2013 proposed budget.

**Table DY0-5**

(dollars in thousands)

	PROGRAM	BUDGET	FTE
<b>SPECIAL PURPOSE REVENUE FUNDS: FY 2012 Approved Budget and FTE</b>		<b>30,338</b>	<b>50.0</b>
Cost Increase: In Regular Pay due to staff and regular pay increases	DCRB Agency Management	470	2.0
Cost Increase: Adjust the budget for PS to reflect projected increase in Regular Pay (Fringe Benefits and Additional Gross Pay)	DCRB Agency Management	441	0.0
Cost Increase: For reimbursement to Treasury for upgrades to STAR	DCRB Agency Management	243	0.0
Cost Increase: For IT infrastructure and projects (disaster recovery)	DCRB Agency Management	229	0.0
Cost Increase: For online services for investment research	DCRB Agency Management	114	0.0
Cost Increase: For new telephone system	DCRB Agency Management	31	0.0
Cost Decrease: In Other Services and Charges for a reduction in investment fees	DCRB Agency Management	-1,423	0.0
Cost Decrease: In rent cost	DCRB Agency Management	-103	0.0
Cost Decrease: In Overtime Pay	DCRB Agency Management	-1	0.0
<b>FY 2013 Initial Adjusted Budget</b>		<b>30,338</b>	<b>52.0</b>
<b>SPECIAL PURPOSE REVENUE FUNDS: FY 2013 Proposed Budget and FTE</b>		<b>30,338</b>	<b>52.0</b>
<b>Gross for DY0 - District of Columbia Retirement Board</b>		<b>30,338</b>	<b>52.0</b>

(Change is calculated by whole numbers and numbers may not add up due to rounding)

