
District of Columbia Retirement Board

www.dcrb.dc.gov

Telephone: 202-343-3200

Description	FY 2015 Approved	FY 2016 Proposed	% Change from FY 2015
Operating Budget	\$30,338,398	\$32,301,624	6.5
FTEs	57.6	62.6	8.7

Note: The District of Columbia Retirement Board does not use the District's financial system for its actual transactions.

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. In addition, the District's Treasurer serves on the Board an ex-officio member, representing the District's Chief Financial Officer.

The agency's FY 2016 proposed budget is presented in the following tables:

FY 2016 Proposed Gross Funds Operating Budget, by Revenue Type

Table DY0-1 contains the proposed FY 2016 agency budget compared to the FY 2015 approved budget.

Table DY0-1
(dollars in thousands)

Appropriated Fund	Approved FY 2015	Proposed FY 2016	Change from FY 2015	Percent Change*
Enterprise and Other				
Enterprise and Other Funds	30,338	32,302	1,963	6.5
Total for Enterprise and Other	30,338	32,302	1,963	6.5
Gross Funds	30,338	32,302	1,963	6.5

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

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 2016 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2016 Proposed Full-Time Equivalents, by Revenue Type

Table DY0-2 contains the proposed FY 2016 FTE level compared to the FY 2015 approved FTE level by revenue type.

Table DY0-2

Appropriated Fund	Approved FY 2015	Proposed FY 2016	Change from FY 2015	Percent Change*
Enterprise and Other				
Enterprise and Other Funds	57.6	62.6	5.0	8.7
Total for Enterprise and Other	57.6	62.6	5.0	8.7
Total Proposed FTEs	57.6	62.6	5.0	8.7

FY 2016 Proposed Operating Budget, by Comptroller Source Group

Table DY0-3 contains the proposed FY 2016 budget at the Comptroller Source Group (object class) level compared to the FY 2015 approved budget.

Table DY0-3
(dollars in thousands)

Comptroller Source Group	Approved FY 2015	Proposed FY 2016	Change from FY 2015	Percent Change*
11 - Regular Pay - Continuing Full Time	5,523	6,172	649	11.8
13 - Additional Gross Pay	218	221	3	1.3
14 - Fringe Benefits - Current Personnel	1,438	1,622	184	12.8
15 - Overtime Pay	24	51	27	112.5
Subtotal Personal Services (PS)	7,203	8,066	863	12.0
20 - Supplies and Materials	232	121	-111	-47.6
31 - Telephone, Telegraph, Telegram, Etc.	75	73	-2	-2.4
32 - Rentals - Land and Structures	1,702	1,679	-23	-1.4
34 - Security Services	10	18	8	80.0
40 - Other Services and Charges	19,253	20,936	1,683	8.7
41 - Contractual Services - Other	1,077	1,200	123	11.4
70 - Equipment and Equipment Rental	786	208	-578	-73.6
Subtotal Nonpersonal Services (NPS)	23,135	24,235	1,100	4.8
Gross Funds	30,338	32,302	1,963	6.5

*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:

- **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;
- **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;
- **General Counsel** – provides legal support to the agency. General Counsel 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;
- **Operations** – provide operational and accounting support. Operations 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;
- **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 2016 proposed budget.

FY 2016 Proposed Operating Budget and FTEs, by Program and Activity

Table DY0-4 contains the proposed FY 2016 budget by program and activity compared to the FY 2015 approved budget.

Table DY0-4
(dollars in thousands)

Program/Activity	Dollars in Thousands			Full-Time Equivalents		
	Approved FY 2015	Proposed FY 2016	Change from FY 2015	Approved FY 2015	Proposed FY 2016	Change from FY 2015
(3000) DCRB Agency Management						
(3001) Executive	1,817	1,704	-112	11.0	9.0	-2.0
(3002) Investments	11,637	13,010	1,372	5.0	6.0	1.0
(3003) Trustees	515	466	-49	0.0	0.0	0.0
(3004) General Counsel	978	1,215	237	3.0	3.0	0.0
(3005) Benefits	2,074	2,465	391	19.6	22.6	3.0
(3006) Operations	3,410	3,649	239	10.0	11.0	1.0
(3007) Information Technology	5,461	5,423	-38	8.0	10.0	2.0
(3008) Projects	4,447	4,370	-76	1.0	1.0	0.0
Subtotal (3000) DCRB Agency Management	30,338	32,302	1,963	57.6	62.6	5.0
Total Proposed Operating Budget	30,338	32,302	1,963	57.6	62.6	5.0

(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 2016 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2016 Proposed Budget Changes

The District of Columbia Retirement Board's (DCRB) proposed FY 2016 gross budget is \$32,301,624, which represents a 6.5 percent increase over its FY 2015 approved gross budget of \$30,338,398. The budget is comprised entirely of Enterprise and Other Funds.

Agency Budget Submission

Increase: The proposed budget includes an increase of \$1,805,766, which supports higher professional service costs related to the ongoing work on the Pension Information Management System (PIMS), as well as higher estimated investment manager fees. PIMS is a multi-year project that will require collaboration with other District agencies and other stakeholders and will enable DCRB to provide a full range of retirement services for members including benefits statements, benefit estimates, member self-service, and pension payments. In addition, the increase will continue the SharePoint project server upgrade, which will allow DCRB to use SharePoint to establish an intranet system and document collaboration tool and will support its Data Quality Assurance project, which catalogs member information. Personal services costs increased by \$863,011 to cover projected Fringe Benefits and Overtime Pay costs, and support 5.0 new FTEs. The FTEs will provide support to DCRB with the monitoring of compliance issues within the Investments department, as well as assist the Information Technology and Benefits departments with the ongoing implementation of the pension information management system.

Decrease: The proposed budget includes a net decrease of \$16,800 in Fixed Costs due to reduced projections for telephone and rent commodities. It is important to note that although Fixed Costs experienced a net reduction, Security Services experienced an 80 percent increase from the previous year. DCRB moved into newly renovated space that includes more points of entry requiring electronic keys and additional security monitoring systems. Lastly, the budget includes a net reduction of \$688,751, which includes a reduction of \$110,501 in Supplies and Materials to align costs with actual expenses and lower anticipated needs; and \$578,250 in Equipment and Equipment Rental due to the early acquisition of certain items in FY 2015 and purchasing delays related to PIMS. The purchasing of equipment for PIMS will be completed in FY 2017 and FY 2018.

Mayor's Proposed Budget

No Change: The District of Columbia Retirement Board's budget proposal reflects no change from the agency's budget submission to the Mayor's proposed budget.

FY 2015 Approved Budget to FY 2016 Proposed Budget, by Revenue Type

Table DY0-5 itemizes the changes by revenue type between the FY 2015 approved budget and the FY 2016 proposed budget.

Table DY0-5
(dollars in thousands)

DESCRIPTION	PROGRAM	BUDGET	FTE
ENTERPRISE AND OTHER FUNDS: FY 2015 Approved Budget and FTE		30,338	57.6
Increase: To align funding with nonpersonal services costs	DCRB Agency Management	1,806	0.0
Increase: To adjust personal services	DCRB Agency Management	863	5.0
Decrease: To align Fixed Costs with proposed estimates	DCRB Agency Management	-17	0.0
Decrease: To align resources with operational goals	DCRB Agency Management	-689	0.0
ENTERPRISE AND OTHER FUNDS: FY 2016 Agency Budget Submission		32,302	62.6
No Change		0	0.0
ENTERPRISE AND OTHER FUNDS: FY 2016 Mayor's Proposed Budget		32,302	62.6
Gross for DY0 - District of Columbia Retirement Board		32,302	62.6

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