

**COMMONWEALTH OF PENNSYLVANIA
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM**
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SUBJECT: Conversion of Two Investment Accounting Division Positions to Investment Professional Status

TO: Personnel Committee

FROM: Jeffrey B. Clay, Executive Director *JMC*

At the next Personnel Committee meeting on June 19, 2008, Staff will present a series of amendments to the Board's *Policy Manual for Investment Office Professional Staff*, (Policy). A blacklined copy of the proposed amendments is attached for the Committee's review and consideration. Also attached is a proposed resolution approving these amendments.

These amendments are required given the Office of Administration's (OA) approval of PSERS' request that the following two current PSERS' job classifications should be deemed to be investment professionals:

- ◆ Investment Accounting Manager, (single position, which is currently vacant), and
- ◆ Investment Accountant Specialist, (currently two positions, both occupied, although one is functioning as the acting Investment Accounting Manager).

As a result of PSERS' request and OA's approval:

- ◆ The Board has both compensation and classification authority over these positions under Section 8502(a) of the Public School Employees' Retirement Code, 24 PA.C.S. §8502(a), and
- ◆ These positions will no longer be in the classified service, i.e. civil service.

Therefore, the proposed amendments seek to do the following, effective July 1, 2007:

1. Convert the existing two job classifications into three, i.e., a Junior Investment Accounting Specialist, an Investment Accounting Specialist, and, a Director, Investment Accounting and Financial Management;

2. Slot the three positions on the current salary schedule for the PSERS' Investment Professionals approved by the Board last year at a point that approximates pay range 10 on the Commonwealth's standard pay schedule for the Investment Accounting Specialists and pay range 11 for the Director, Investment Accounting and Financial Management; and
3. Grant the incumbents a 2.25% longevity increase in January 2009, as they would have received this increase had they remained on the Commonwealth's standard pay schedule.

The net effects of these amendments are as follows:

Incumbent	New Job Title	Pay Group	Current Salary	Proposed Salary
Brian Koleno	Jr Investment Accounting Specialist	1	\$63,218	7/1/08 - \$71,101 1/1/09 - \$72,705
Andrew Fiscus	Investment Accounting Specialist	2	\$78,827	7/1/08 - \$88,705 1/1/09 - \$90,661
Vacant	Director, Investment Accounting and Financial Management	3	Salary Range \$59,189-\$89,976	New salary to be determined when filled.

From Staff's perspective these amendments are the bare minimum necessary to implement the conversion of these positions to investment professional status effective with the new fiscal year. Therefore, the proposed compensation for each position is simply targeted to eliminate the pay discrepancy that exists between these positions (currently at pay range 9 on the Commonwealth's standard pay schedule for the Investment Accounting Specialists and pay range 10 for the Investment Accounting Manager) and the comparable positions at SERS, which are at pay range 10 and 11, respectively, on the Commonwealth's standard pay schedule. The suggested compensation adjustments will also maintain parity with the comparable SERS' positions for the next fiscal year in view of pending longevity and general pay increases for the SERS' positions. As an aside, this disparity in compensation between the SERS' and PSERS' positions was one of the motivating factors for Staff's request to have these positions moved under the Board's compensation authority.

Staff recommends that any additional changes will be addressed next year in conjunction with the normal annual Board review of status of the Investment Professionals' compensation and classification.

Finally, although the positions noted above are deemed to be investment professionals, they will still remain in PSERS' Investment Accounting Division, in the Office of Financial Management, which is under the supervision of PSERS' Chief Financial Officer.

If you have any questions concerning the above, please feel free to contact me.