

**PUBLIC SCHOOL EMPLOYEE RETIREMENT SYSTEM**

**2010-2011 Administrative Budget Request**

COMMITMENT ITEM #	DESCRIPTION	Preliminary Allocation - 2008/2009	Expenditures & Encumbrances as of September 16, 2009 - 2008/2009	Preliminary Rebudget Allocation - 2009/2010	Budget Request 2010/2011	% of Change
6000000	<i>Budgetary Reserve</i>	229,000	0	575,400	0	
1	Salaries	16,829,558	15,806,090	17,065,266	17,867,531	4.70%
2	Wages	711,365	425,158	743,745	590,979	-20.54%
3	Overtime	500,000	881,192	496,320	518,596	4.49%
4	Hospitalization - State Share	1,821,102	1,727,770	1,973,912	1,822,073	-7.69%
5	Social Security Contributions - State Share	1,116,547	1,027,993	1,131,451	1,173,614	3.73%
6	Medicare - State Share	261,129	258,262	264,612	274,474	3.73%
7	Retirement Contributions - State Share	565,316	583,674	577,099	1,014,014	75.71%
8	State Workers Insurance Fund - State Share	316,267	317,869	343,993	306,483	-10.90%
9	Employee Life Insurance - State Share	32,645	29,019	32,645	34,314	5.11%
10	Health Benefits - State Share	2,770,071	2,445,116	2,482,573	3,727,657	50.15%
11	Leave Payout Assessment	0	378	364,984	378,587	3.73%
12	Leave Payout	96,000	120,006	0	0	
	<b>PERSONNEL SERVICES TOTAL</b>	<b>25,249,000</b>	<b>23,622,528</b>	<b>26,052,000</b>	<b>27,708,322</b>	<b>6.36%</b>
	Health Insurance Account Share	897,000	897,000	900,000	990,000	10.00%
	TOTAL Personnel Expenses	26,146,000	24,519,528	26,952,000	28,698,322	6.48%
13	Travel	200,000	143,592	229,000	227,000	-0.87%
14	Training & Conference Registration	100,000	56,465	116,000	134,000	15.52%
15	Telecomm - Recurring	700,000	583,584	720,000	651,000	-9.58%
16	Telecomm - Non recurring	0	2,764	15,000	15,000	0.00%
17	Telephone - Equipment	6,000	3,878	6,000	6,000	0.00%
18	Electricity	60,000	40,221	60,000	60,000	0.00%
19	Consultant Services - Non EDP	751,000	609,241	791,000	927,000	17.19%
20	Legal Services/Fees	0	36,026	-24,000	106,000	100.00%
21	Specialized Services	443,000	329,984	483,000	469,000	-2.90%
22	Advertising	10,000	10,006	10,000	10,000	0.00%
23	Medical, Mental, & Dental Services	2,000	1,180	2,000	2,000	0.00%
24	Contracted EDP Svcs - Vendor Provided	6,476,000	6,729,122	6,203,000	6,717,000	8.29%
25	Contracted Maintenance Services - EDP	264,000	136,588	159,000	118,000	-25.79%
26	Contracted Maintenance Non EDP	285,000	203,859	224,000	228,000	1.79%
27	Contracted Repairs - Non EDP	85,000	14,846	82,000	44,000	-46.34%
28	Contracted Repairs - Motorized Equipment	16,000	6,869	16,000	15,000	-6.25%
29	EDP Rental (Equipment & Software)	1,188,000	702,427	1,003,000	917,000	-8.57%
30	Real Estate Rental	1,758,000	1,769,475	1,932,000	1,979,000	2.43%
31	Vehicle Rental	7,000	688	2,000	4,000	100.00%
32	Office Equipment Rental	317,000	304,118	338,000	311,000	-7.99%

COMMITMENT ITEM #	DESCRIPTION	Preliminary Allocation - 2008/2009	Expenditures & Encumbrances as of September 16, 2009 - 2008/2009	Preliminary Rebudget Allocation - 2009/2010	Budget Request 2010/2011	% of Change
33	6351500 Other Rentals	15,000	8,880	15,000	10,000	-33.33%
34	6361100 Office Supplies	400,000	223,117	384,000	339,000	-11.72%
35	6361300 Educational Supplies (Books)	12,000	13,900	13,000	16,000	23.08%
36	6362100 Medical Supplies	0	8,760	4,000	0	0.00%
37	6371000 EDP Software	3,000	149,491	89,000	100,000	12.36%
38	6372000 Other Computer Equipment	173,000	160,980	73,000	83,000	13.70%
39	6373000 Furniture and Fixtures	50,000	34,482	51,000	51,000	0.00%
40	6374000 Other Equipment	4,000	1,616	22,000	5,000	-77.27%
41	6380710 Motorized Equipment Supplies	23,000	16,027	30,000	25,000	-16.67%
42	6391010 Postage	1,713,000	1,247,362	1,615,000	1,478,000	-8.48%
43	6391020 Freight	17,000	9,768	17,000	15,000	-11.76%
44	6391030 Printing	428,000	401,465	490,000	478,000	-2.45%
45	6391040 Subscriptions	25,000	27,974	29,000	62,000	113.79%
46	6391050 Membership Dues	45,000	24,916	37,000	37,000	0.00%
47	6391070 Conference Expense	65,000	33,832	73,000	80,000	9.59%
48	6391120 Insurance, Surety & Fidelity Bonds	16,000	16,846	21,000	23,000	9.52%
49	6399998 Graphic Services	5,000	108	3,000	1,000	-66.67%
50	6399999 Other Operational Expenses	1,326,000	1,592,975	1,292,000	1,631,000	26.24%
	<b>OPERATING EXPENSES TOTAL</b>	<b>16,988,000</b>	<b>15,657,431</b>	<b>16,625,000</b>	<b>17,374,000</b>	<b>4.51%</b>
51	6450210 Automobiles	30,000	0	0	75,000	0.00%
52	6450280 EDP - Computers and Peripherals	0	0	500,000	40,000	0.00%
53	6450350 Telecommunications Equipment	30,000	0	50,000	0	-100.00%
	<b>FIXED ASSETS TOTAL</b>	<b>60,000</b>	<b>0</b>	<b>550,000</b>	<b>115,000</b>	<b>-79.09%</b>
	<b>TOTAL</b>	<b>42,297,000</b>	<b>39,279,959</b>	<b>43,227,000</b>	<b>45,197,322</b>	<b>4.56%</b>
		% of Change for Operating & Fixed Assets Combined:				1.83%

**2010-2011 Administrative Budget Request --- Notes of Explanation**

Line #	Commitment Item Number & Description	Notes:
1	6111000 Salaries	No new positions are being requested. Includes the general salary increase of 4% effective in October 2010 as well as the longevity increases effective January 2011.
2	6121000 Wages	Board Per Diem, Legal (1 Summer Intern for 12 weeks, 1 Intern each semester to work 10-15 hours a week during the school year. 3 Limited Term Clerk Positions. 10 Limited Term Clerk 3's. 12 Gov Svc Interns (700 hrs). PSERS has traditionally participated in the Office of Administration's program by funding a Pennsylvania Management Associate or a Human Resources Management Trainee. Funds are requested in the event the programs continue for FY 10-11. Total 27.
3	6131000 Overtime	Overtime funds are needed to sufficiently support the implementation of Agency's Strategic Projects and to continue support of the on-going maintenance of the New Pension Administration System, Continuing backlogs in Finalized Retirements, Death Process, NQPT and the cyclical backlogs in Audit require staff to work overtime. To meet Retirement Code time frames for payment with in 60 days (8505(g)), overtime is needed to handle the peak season where the bulk of retirements are scheduled for the end of school year, generally June 30th.
4	6142000 Hospitalization - State Share	REHP - Annuitant group health program costs. \$240 per person/pay - Is \$260 for 0910.
5	6143000 Social Security Contributions - State Share	.062 - same as 0910.
6	6144000 Medicare - State Share	.0145 - same as 0910.
7	6145000 Retirement Contributions - State Share	5.52% - is 3.29% in 0910.
8	6146000 State Workers Insurance Fund - State Share	.016191 -- is .018486 in 0910.
9	6147000 Employee Life Insurance - State Share	\$4.52/person/pay - is \$4.30 in 0910 (up to \$1,000 of payroll/month -- up to a \$40,000 salary limit).
10	6148000 Health Benefits - State Share	Active employee group health program costs of \$491/person/pay - is \$400 in 0910.
11	6151000 Leave Payout Assessment	.02/person/pay - same as 0910.
12	6162000 Leave Payout Prior Year	Leave Payout, effective in 2009-10, is charged at the rate of .02/person/pay. In prior years the budget was estimated based on analysis of employees intent to retire and/or age and service.
13	6311000 Travel	Estimate - Travel to attend various conferences, meetings and benefit counseling sessions.
14	6321000 Training & Conference Registration	Estimate. Includes GFOA, Public Pension Forum, Oracle World, VM Users group, IFEBP, CPE courses, ARMA, Disaster preparedness, Aqualogic, OA (including leadership) training as part of Personal Training inventories.
15	6331100 Telecomm - Recurring	Estimate. All telephony and data services and circuits from Verizon & ATT.
16	6331200 Telecomm - Non Recurring	Estimate. Is used for charges that are not covered under contract nor do they occur every month. This would include things such as field office moves to cover any installation expenses (such as cabling) and any other expenses that would not be covered under the contract for adds, moves and changes.
17	6331300 Telephone - Equipment	An estimate. Used for the purchase of telephones, headsets, and phone cords to replace broken equipment and for stock.
18	6332300 Electricity	Electricity estimate for the computer room. 2009-2010 is the first year with the expected rate hike from deregulation.
19	6341100 Consultant Services - Non EDP	Financial Audit, review of Actuarial Audit \$120,000 - 5 year study required by Code, Actuarial services, and medical services related to disability retirement applications.
20	6342100 Legal Services/Fees	On-going tax qualification study that is coordinated through PSERS and outside counsel. Also includes an estimate for Court fees and reporting services, hearing examiners and service to monitor Security Class Actions, as well as offset from the Municipal Retirement System. 2009-2010 reflects the reimbursement from Municipal as greater than expected expense.
21	6343100 Specialized Services	Includes Board Elections, GFOA Award Filing, IES Billing, Comptroller, Payroll & Travel Services, Clerical Pool, and SEAP.
22	6343200 Advertising	Estimate for ads in newspapers for recruiting.
23	6343300 Medical, Mental, & Dental Services	Maintenance of AED (Automated External Defibrillator) equipment.
24	6344100 Contracted EDP Svcs - Vendor Provided	Includes Pension System contract including estimate of change requests, Data Powerhouse services as well as networking and Aqualogic services. ("Aqualogic" is web portal software that is the Commonwealth's standard.)

Line #	Commitment Item Number & Description	Notes:
25	6344300 Contracted Maintenance Services - EDP	Includes Voice Mail Maintenance, Turrent System Support & Voice Logger System, Firewall Support, PC Maintenance, UPS Maint Contract 4th Floor Trade Room (Uninterrupted Power Supply) – This is the large battery backup in the server room and in the investment office if power goes out, air compressor and maintenance for 2 PDU's (Power Distribution Unit). PDU is similar to a specialized circuit box - used to regulate voltage and power amps needed to run different computer equipment.
26	6344400 Contracted Maintenance Non EDP	Includes Bell & Howell Duplicators & 5 Reader/Printers Maintenance, PowerPoint Projector Maintenance and wireless scanners.
27	6344600 Contracted Repairs - Non EDP	An estimate that includes services provided by an electrical service contractor; and estimates for Headquarter/Field Office renovations.
28	6344700 Contracted Repairs - Motorized Equipment	An estimate for repairs on PSERS' 17 owned vehicles.
29	6351100 EDP Rental (Equipment & Software)	Maintenance support and license renewal for database development and analysis software used by the PSERS' critical business applications and support personnel. Also, for maintenance and support for financial and work management application software.
30	6351200 Real Estate Rental	Includes building, parking and storage rentals.
31	6351300 Vehicle Rental	Vehicle lease for the Mail Center, temporary transportation when required, and leasing service costs.
32	6351400 Office Equipment Rental	Copier and printer leases.
33	6351500 Other Rentals	Includes Priority Systems, Hasler - Field Postage, Pitney Bowes - Postage, ADT Monitoring & 14 water cooler rentals & water.
34	6361100 Office Supplies	Miscellaneous office supplies and post processing equipment supplies.
35	6361300 Educational Supplies (Books)	An estimate including reference material for the Chief Counsel's Office.
36	6362100 Medical Supplies	No budget necessary - AED units or batteries do not need replacing in 10/11FY.
37	6371000 EDP Software	Includes an additional Web Ex license. Web Ex is on-line conferencing used for training, presentations and conferences for groups at difference locations. Includes Team Track Licenses used for Pension system revision/enhancement and problem tracking. Includes Safeboot for Laptops - Safeboot is OA/OIT required software. Includes Investment Manager Fee Billing software.
38	6372000 Other Computer Equipment	Replace older printers. New PCs & printers for 3-4 Board Members. Laptops for Investment Accounting managers.
39	6373000 Furniture and Fixtures	An estimate of furniture requirements - chair replacements within the agency & replace worn furniture and/or buy new items for BOCC headquarters/regional offices.
40	6374000 Other Equipment	Includes printer for photo badging system that can be connected to current security operating system.
41	6380710 Motorized Equipment Supplies	An estimate. Fuel prices have increased.
42	6391010 Postage	An estimate of postage requirements that includes Board Election (Active Certified and Annuitant Members). Once the 2009-2010 Rebudget is available, a reduction will be made to account for the anticipation of smaller postage expense.
43	6391020 Freight	An estimate for United Parcel Service.
44	6391030 Printing	Printing costs for annual updates to members, CAFR, newsletters and other member communications, Fiche to Image conversion and anticipated increase of Imaging documents, and their conversion to microfilm.
45	6391040 Subscriptions	Includes an estimate as well as a Gartner Research annual subscription for the CTO.
46	6391050 Membership Dues	An estimate.
47	6391070 Conference Expense	Includes Board Meetings, Field Offices Room Rentals & Exit Counseling Meetings & Employee Recognition Program.
48	6391120 Insurance, Surety & Fidelity Bonds	An estimate.
49	6399998 Graphic Services	An estimate.
50	6399999 Other Operational Expenses	An estimate, based on actual 2008-2009 costs, for shared service billings from Civil Service Commission, Classification & Pay, Purchasing and Treasury Services. Increase represents inadvertent underbudgeting in 2009-2010 year (to be adjusted once Rebudget is available).
51	6450210 Automobiles	5 replacement automobiles. (PSERS owns 17 automobiles & leases 1 van used by the Mail Center). Vehicles will be reaching the 100,000 mile replacement mark. PSERS has not purchased automobiles since the 2006-2007 Fiscal Year.

Line #	Commitment Item Number & Description	Notes:
52	6450280 EDP - Computers and Peripherals	Replacement of domain controllers. The domain controllers are reaching replacement age. The domain controllers are the pieces of equipment that help to connect PSERS into CWOPA.
53	6450350 Telecommunications Equipment	No budget for 2010-2011.

The following information is provided for your information:  
 The domain controllers are currently running Windows Server 2003 R2 Enterprise Edition. The current version of Windows Server 2003 R2 Enterprise Edition is 6002. The current version of Windows Server 2003 R2 Enterprise Edition is 6002. The current version of Windows Server 2003 R2 Enterprise Edition is 6002.

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**DIRECTED COMMISSIONS RECAPTURE PROGRAM -- DIRECTED  
COMMISSIONS APPROPRIATION**

Services are included as part of the Investment Related Expense Appropriation #5003300000.

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

	2008-2009 Actual	2009-2010 Rebudget	2010-2011 Request
<b>Investment Information Services Total</b>			
<b>Budgetary Reserve</b>	1,000,000	1,000,000	1,000,000
<b>Total</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>