
District of Columbia Retirement Board

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Table DY0-1

Description	FY 2016	FY 2017	FY 2018	% Change
	Actual	Approved	Proposed	from FY 2017
OPERATING BUDGET	\$37	\$39,095,618	\$41,643,704	6.5
FTEs	0.0	69.6	75.0	7.8

Note: Prior year actuals are not reported for the District of Columbia Retirement Board because the agency 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 administer 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 participant groups. In addition, the District's Treasurer serves on the Board as an ex-officio (non-voting) member, representing the District's Chief Financial Officer.

The agency's FY 2018 proposed budget is presented in the following tables:

FY 2018 Proposed Gross Funds Operating Budget and FTEs, by Revenue Type

Table DY0-2 contains the proposed FY 2018 budget by revenue type compared to the FY 2017 approved budget. It also provides FY 2016 actual data.

Table DY0-2

(dollars in thousands)

Appropriated Fund	Dollars in Thousands					Full-Time Equivalents				
	Actual FY 2016	Approved FY 2017	Proposed FY 2018	Change from FY 2017	Percentage Change*	Actual FY 2016	Approved FY 2017	Proposed FY 2018	Change from FY 2017	Percentage Change
ENTERPRISE AND OTHER										
ENTERPRISE AND OTHER FUNDS	0	39,096	41,644	2,548	6.5	0.0	69.6	75.0	5.4	7.8
TOTAL FOR ENTERPRISE AND OTHER	0	39,096	41,644	2,548	6.5	0.0	69.6	75.0	5.4	7.8
GROSS FUNDS	0	39,096	41,644	2,548	6.5	0.0	69.6	75.0	5.4	7.8

*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 2018 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2018 Proposed Operating Budget, by Comptroller Source Group

Table DY0-3 contains the proposed FY 2018 budget at the Comptroller Source Group (object class) level compared to the FY 2017 approved budget. It also provides FY 2015 and FY 2016 actual expenditures.

Table DY0-3

(dollars in thousands)

Comptroller Source Group	Actual FY 2015	Actual FY 2016	Approved FY 2017	Proposed FY 2018	Change from FY 2017	Percentage Change*
11 - REGULAR PAY - CONTINUING FULL TIME	0	0	7,020	7,652	633	9.0
12 - REGULAR PAY - OTHER	0	0	0	85	85	N/A
13 - ADDITIONAL GROSS PAY	0	0	273	299	27	9.7
14 - FRINGE BENEFITS - CURRENT PERSONNEL	0	0	1,843	2,408	565	30.7
15 - OVERTIME PAY	0	0	32	32	0	1.6
SUBTOTAL PERSONAL SERVICES (PS)	0	0	9,168	10,478	1,310	14.3
20 - SUPPLIES AND MATERIALS	0	0	117	137	21	17.8
31 - TELEPHONE, TELEGRAPH, TELEGRAM, ETC.	0	0	74	85	10	14.1
32 - RENTALS - LAND AND STRUCTURES	0	0	1,679	1,771	92	5.5
40 - OTHER SERVICES AND CHARGES	0	0	26,330	27,059	729	2.8
41 - CONTRACTUAL SERVICES - OTHER	0	0	1,400	1,669	269	19.2
70 - EQUIPMENT AND EQUIPMENT RENTAL	0	0	328	445	117	35.6
SUBTOTAL NONPERSONAL SERVICES (NPS)	0	0	29,928	31,166	1,238	4.1
GROSS FUNDS	0	0	39,096	41,644	2,548	6.5

*Percent change is based on whole dollars.

FY 2018 Proposed Operating Budget and FTEs, by Division/Program and Activity

Table DY0-4 contains the proposed FY 2018 budget by division/program and activity compared to the FY 2017 approved budget. It also provides FY 2016 actual data. For a more comprehensive explanation of divisions/programs and activities, please see the Division/Program Description section, which follows the table.

Table DY0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2016	Approved FY 2017	Proposed FY 2018	Change from FY 2017	Actual FY 2016	Approved FY 2017	Proposed FY 2018	Change from FY 2017
(3000) DCRB AGENCY MANAGEMENT								
(3001) EXECUTIVE	0	1,611	2,004	393	0.0	9.0	9.0	0.0
(3002) INVESTMENTS	0	13,240	13,734	494	0.0	6.0	6.0	0.0
(3003) TRUSTEES	0	594	558	-35	0.0	0.0	0.0	0.0
(3004) GENERAL COUNSEL	0	1,572	1,615	43	0.0	4.0	4.0	0.0
(3005) BENEFITS	0	2,952	3,522	570	0.0	26.6	31.0	4.4
(3006) OPERATIONS	0	3,721	4,302	580	0.0	11.0	11.0	0.0
(3007) INFORMATION TECHNOLOGY	0	6,724	8,305	1,581	0.0	12.0	13.0	1.0
(3008) PROJECTS	0	8,682	7,604	-1,078	0.0	1.0	1.0	0.0
SUBTOTAL (3000) DCRB AGENCY MANAGEMENT	0	39,096	41,644	2,548	0.0	69.6	75.0	5.4
TOTAL PROPOSED OPERATING BUDGET	0	39,096	41,644	2,548	0.0	69.6	75.0	5.4

(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 2018 Operating Appendices** located on the Office of the Chief Financial Officer's website. "No Activity Assigned" indicates budget or actuals that are recorded at the division/program level.

Program Description

The District of Columbia Retirement Board (DCRB) 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** – provides 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 2018 proposed budget.

FY 2017 Approved Budget to FY 2018 Proposed Budget, by Revenue Type

Table DY0-5 itemizes the changes by revenue type between the FY 2017 approved budget and the FY 2018 proposed budget. For a more comprehensive explanation of changes, please see the FY 2018 Proposed Budget Changes section, which follows the table.

Table DY0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
ENTERPRISE AND OTHER FUNDS: FY 2017 Approved Budget and FTE		39,096	69.6
Increase: To align personal services and Fringe Benefits with projected costs	DCRB Agency Management	1,310	5.4
Increase: To align resources with operational spending goals	DCRB Agency Management	867	0.0
Increase: To adjust the Contractual Services budget	DCRB Agency Management	269	0.0
Increase: To align Fixed Costs with proposed estimates	DCRB Agency Management	103	0.0
ENTERPRISE AND OTHER FUNDS: FY 2018 Agency Budget Submission		41,644	75.0
No Change		0	0.0
ENTERPRISE AND OTHER FUNDS: FY 2018 Mayor's Proposed Budget		41,644	75.0
No Change		0	0.0
ENTERPRISE AND OTHER FUNDS: FY 2018 District's Proposed Budget		41,644	75.0
GROSS FOR DY0 - DISTRICT OF COLUMBIA RETIREMENT BOARD		41,644	75.0

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

FY 2018 Proposed Budget Changes

The District of Columbia Retirement Board's (DCRB) proposed FY 2018 gross budget is \$41,643,704, which represents a 6.5 percent increase over its FY 2017 approved gross budget of \$39,095,618. The budget is comprised entirely of Enterprise and Other Funds.

Agency Budget Submission

Increase: The DCRB FY 2018 budget proposal reflects an increase of \$1,310,064 and 5.4 Full-Time Equivalents (FTEs) to begin installing the selected Pension Information Management System (PIMS), while concurrently continuing to process and pay benefits with existing processes. PIMS is a multi-year project that will require collaboration with other District agencies and stakeholders, and will enable DCRB to provide a full range of retirement services for members. Nonpersonal services increased by \$866,676 to support ongoing operations and costs associated with new applications.

Additionally, the proposed budget increased by \$268,641 to correspond with higher projections provided by the U.S. Department of the Treasury for its System to Administer Retirement (STAR), which is a core system utilized by Treasury. DCRB is responsible for approximately 27 percent of the costs to operate STAR. Fixed Costs projections account for an increase of \$102,705 due to higher Rent and Telecommunications estimates. The rising Telecommunications costs are driven by proposed upgrades of the telephone system and mobile applications, along with content management solutions to facilitate the dissemination and availability of information throughout the agency.

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.

District's Proposed Budget

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