

<b>AGENCY NAME:</b>	Retirement System Investment Commission		
<b>AGENCY CODE:</b>	E19	<b>SECTION:</b>	99



## Fiscal Year 2017-18 Agency Budget Plan

### FORM A – SUMMARY

<b>RECURRING FUNDS (FORM B DECISION PACKAGES)</b>	<b>My agency is submitting the following recurring decision packages listed in priority order (Form B):</b> 10204 A \$1,430,000 decrease in Personal Services, a \$75,085 decrease in Employer Contributions and a \$53 decrease in Other Operating Expenses is requested.	
	<b>For FY 2017-18, my agency is (mark "X"):</b>	
	<input type="checkbox"/>	Requesting a net increase in recurring General Fund appropriations.
	<input checked="" type="checkbox"/>	Not requesting a net increase in recurring General Fund Appropriations.

<b>CAPITAL &amp; NON-RECURRING FUNDS (FORM C DECISION PACKAGES)</b>	<b>My agency is submitting the following one-time decision packages listed in priority order (Form C):</b> N/A	
	<b>For FY 2017-18, my agency is (mark "X"):</b>	
	<input checked="" type="checkbox"/>	Not requesting capital and/or non-recurring funds.

<b>PROVISOS (FORM D)</b>	<b>For FY 2017-18, my agency is (mark "X"):</b>	
	<input checked="" type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
	<input type="checkbox"/>	Only requesting technical proviso changes (such as date references).

Please identify your agency's preferred contacts for this year's budget process.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
<b>PRIMARY CONTACT:</b>	Michael Hitchcock	737-7698	<a href="mailto:mhitchcock@ic.sc.gov">mhitchcock@ic.sc.gov</a>
<b>SECONDARY CONTACT:</b>	Brian Wheeler	737-6843	<a href="mailto:bwheeler@ic.sc.gov">bwheeler@ic.sc.gov</a>

I have reviewed and approved the enclosed FY 2017-18 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

<b>SIGN/DATE:</b>  <b>TYPE/PRINT NAME:</b>	<b>Agency Director</b> 	<b>Board or Commission Chair</b> 
	Michael Hitchcock	Rebecca M. Gunnlaugsson

*This form must be signed by the department head – not a delegate.*

<b>AGENCY NAME:</b>	<b>Retirement System Investment Commission</b>		
<b>AGENCY CODE:</b>	<b>E19</b>	<b>SECTION:</b>	<b>99</b>

**FORM B – PROGRAM REVISION REQUEST**

<b>DECISION PACKAGE</b>	<b>10204</b>
-------------------------	--------------

*Provide the decision package number issued by the PBF system ("Governor's Request").*

<b>TITLE</b>	<b>Personal Services, Employer Contributions, and Other Operating Reduction</b>
--------------	---

*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>-\$1,505,138</b>
---------------	---------------------

*What is the net change in requested appropriations for FY 2017-18? This amount should correspond to the decision package's total in PBF across all funding sources.*

<b>ENABLING AUTHORITY</b>	SC Const. Art. X, § 16; SC Code, Title 9, Chapters 1 and 16; Title 30, Chapter 4.
---------------------------	---

*What specific state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority? Please avoid citing general provisions of law where possible, and instead cite to the most specific legal authority supporting the request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>
	<input type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> Consulted DTO during development
	<input type="checkbox"/> Related to a Non-Recurring request – If so, Decision Package # _____
	<input type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input type="checkbox"/> Change in case load / enrollment under existing program guidelines.
	<input type="checkbox"/> Non-mandated change in eligibility / enrollment for existing program.
	<input type="checkbox"/> Non-mandated program change in service levels or areas.
	<input type="checkbox"/> Proposed establishment of a new program or initiative.
<input type="checkbox"/> Loss of federal or other external financial support for existing program.	
<input type="checkbox"/> Exhaustion of fund balances previously used to support program.	

<b>RECIPIENTS OF FUNDS</b>	The reduction in funds request is solely related to Personal Services, Employer Contributions, and Other Operating.
----------------------------	---

*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

<b>AGENCY NAME:</b>	<b>Retirement System Investment Commission</b>		
<b>AGENCY CODE:</b>	<b>E19</b>	<b>SECTION:</b>	<b>99</b>

<b>ACCOUNTABILITY OF FUNDS</b>	Not Applicable
--------------------------------	----------------

*What specific agency objective, as outlined in the agency's accountability report, does this funding request support? How would this request advance that objective?*

<b>POTENTIAL OFFSETS</b>	Not Applicable
--------------------------	----------------

*For decision packages that request non-mandatory funding increases to programs or initiatives, please identify a potential offset within an existing lower priority or ineffective program(s).*

<b>MATCHING FUNDS</b>	Funds will not be matched.
-----------------------	----------------------------

*Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.*

<b>FUNDING ALTERNATIVES</b>	Restricted - Other funds Fund 42170000 RS Investment Commission Operating
-----------------------------	---

*What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.*

<b>AGENCY NAME:</b>	<b>Retirement System Investment Commission</b>		
<b>AGENCY CODE:</b>	<b>E19</b>	<b>SECTION:</b>	<b>99</b>

<b>SUMMARY</b>	<b>FY18 Budget Proposal Summary</b>				
		<u>FY 18</u>	<u>FY 17</u> <u>Approved</u>	<u>FY 17</u> <u>Requested</u>	
	<b>Total Personal Service</b>	7,200,000	8,630,000	8,630,000	
	<b>Operating Expense</b>	6,803,000	6,803,053	6,803,053	
	<b>Employer Contribution</b>	1,875,000	1,875,085	1,875,085	
	<b>Total Budget</b>	15,803,000	17,308,138	17,308,138	
		<b>Requested New FTEs</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>Total FTEs</b>	<b>51</b>	<b>51</b>	<b>51</b>
	<p>For FY18, we are requesting a reduction from our prior year request/approved amount as the result of projected payroll savings resulting from the revised compensation plan(s).</p> <p>The Commission is requesting no additional FTEs for FY18 as we believe we are fully staffed thanks to the granting of prior FTE requests.</p>				

*Using as much detail as necessary to make an informed decision regarding this request, provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.*

<b>METHOD OF CALCULATION</b>	<b>FY18 Budget Proposal Summary</b>					
		<u>FY 18</u>	<u>FY 17</u> <u>Approved</u>	<u>\$ Change</u>	<u>% Change</u>	
	<b>Total Personal Service</b>	7,200,000	8,630,000	1,430,000	-16.57%	
	<b>Operating Expense</b>	6,803,000	6,803,053	-53	0.00%	
	<b>Employer Contribution</b>	1,800,000	1,875,085	-75,085	-4.00%	
	<b>Total Budget</b>	15,803,000	17,308,138	1,505,138	-8.70%	
		<b>FTEs</b>	<b>51</b>	<b>51</b>	<b>0</b>	<b>0.00%</b>
	<p>Calculations are based upon the goals of the Commission as illustrated in the Annual Investment Plan and Statement of Investment Objectives and Principles. It encompasses prior budget requests, which were calculated thru analysis of the Commission needs for both personal service, employer contribution and operating expenses. The only significant change in the FY18 request is a reduction in our personal services, which is the result of projected personal service cost decrease resulting from the revised compensation plan(s).</p>					

*How was the amount of the request calculated? List the per unit or per FTE costs of implementation. What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?*

<b>AGENCY NAME:</b>	<b>Retirement System Investment Commission</b>		
<b>AGENCY CODE:</b>	<b>E19</b>	<b>SECTION:</b>	<b>99</b>

<b>FUTURE IMPACT</b>	<p>All of the Commission’s funding comes directly from the South Carolina Retirement System trust funds. There are no maintenance-of-effort or other obligations as a result of the proposed decrease. The proposed decrease in personal services will bring our FY18 Budget proposal more in line with the anticipated expenditures in this area associated with the revised compensation plan(s).</p>
----------------------	---

*Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?*

<b>PRIORITIZATION</b>	<p>No additional funds are requested.</p>
-----------------------	---

*If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2017-18? Please be specific.*

<b>INTENDED IMPACT</b>	<p>No intended impact on service delivery or program outcomes is expected due to this budget request. Except for a small realignment (-\$75,138), we believe the FY17 budget approved amounts in Operating Expenses and Employer Contribution will continue to meet our needs in FY18. The proposed decrease in Personal Services will not impact our previously granted FTEs, but instead will be more in line with the anticipated decreased expenditures associated with the revised compensation plan(s) utilizing the same FTE headcount.</p>
------------------------	--

*What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?*

<b>PROGRAM EVALUATION</b>	<p>The Commission’s mission is to manage the assets of the South Carolina Retirement System trust funds in a prudent manner in order to secure the Fund for the sole benefit of Plan participants.</p> <p>This budget request is not for any new programs.</p>
---------------------------	--

*How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?*

<b>AGENCY NAME:</b>	<b>Retirement System Investment Commission</b>		
<b>AGENCY CODE:</b>	<b>E19</b>	<b>SECTION:</b>	<b>99</b>

**FORM D – PROVISO REVISION REQUEST**

<b>NUMBER</b>	<b>99.3</b>
---------------	-------------

*Cite the proviso according to the renumbered list for FY 2017-18 (or mark "NEW").*

<b>TITLE</b>	<b>Administrator Retention</b>
--------------	--------------------------------

*Provide the title from the FY 2016-17 Appropriations Act or suggest a short title for any new request.*

<b>BUDGET PROGRAM</b>	
-----------------------	--

*Identify the associated budget program(s) by name and budget section.*

<b>DECISION PACKAGE</b>	
-------------------------	--

*Is this request associated with a decision package you have submitted for FY 2017-18? If so, cite it here.*

<b>REQUESTED ACTION</b>	<b>Delete</b>
-------------------------	---------------

*Choose from: Add, Delete, Amend, or Codify.*

<b>OTHER AGENCIES AFFECTED</b>	None
--------------------------------	------

*Which other agencies would be affected by the recommended action? How?*

<b>SUMMARY</b>	<p>99.3 (RSIC: Administrator Retention) The Retirement System Investment Commission shall retain twenty-five percent of the annual amount invoiced for its third-party administrator system for the purpose of ensuring the performance of the third-party administrator. The funds must be held in a retainage account and may only be distributed after verification of satisfactory performance by the Investment Commission and Procurement Services pursuant to the service agreement with the third-party administrator. All undistributed funds in the retainage account may be carried forward from the prior fiscal year and used for the same purpose.</p>
----------------	--

*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it.*

<b>AGENCY NAME:</b>	<b>Retirement System Investment Commission</b>		
<b>AGENCY CODE:</b>	<b>E19</b>	<b>SECTION:</b>	<b>99</b>

<b>EXPLANATION</b>	<p>The Retirement System Investment Commission’s 3<sup>rd</sup> party administrator’s performance was verified by the Investment Commission and Procurement Services. The retained amount was paid in FY17. This proviso is no longer necessary.</p>
--------------------	--

*Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

<b>FISCAL IMPACT</b>	<p>There is no fiscal impact as a result of this request.</p>
----------------------	---

*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

<b>AGENCY NAME:</b>	<b>Retirement System Investment Commission</b>		
<b>AGENCY CODE:</b>	<b>E19</b>	<b>SECTION:</b>	<b>99</b>

<p><b>PROPOSED PROVISO TEXT</b></p>	<p><b>99.3.</b> <del>(RSIC: Administrator Retention) The Retirement System Investment Commission shall retain twenty five percent of the annual amount invoiced for its third party administrator system for the purpose of ensuring the performance of the third party administrator. The funds must be held in a retainage account and may only be distributed after verification of satisfactory performance by the Investment Commission and Procurement Services pursuant to the service agreement with the third party administrator. All undistributed funds in the retainage account may be carried forward from the prior fiscal year and used for the same purpose.</del></p>
---	---

*Paste FY 2016-17 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*