



FY 2026 Budget Request

JUNE 13, 2024

Budget Overview

	<u>Expended (est) FY 2024</u>	<u>Received FY 2024</u>	<u>Received FY 2025</u>	<u>Request FY 2026</u>	<u>% change</u>
PERSONAL SERVICES					
Total FTEs	33.00	35.00	35.00	35.00	
Total Base Compensation	7,802,458	9,259,883	9,831,138	9,738,387	-0.94%
Total Investment Performance Incentives	6,207,462	16,429,394	16,641,845	17,256,901	3.70%
Total Personal Services	14,009,919	25,689,277	26,472,983	26,995,288	1.97%
OPERATING EXPENSES					
Contractual Total	2,323,225	2,706,948	2,904,042	2,993,484	3.08%
Travel	42,000	86,431	88,681	88,681	0.00%
Office Supplies	3,450	7,000	5,000	5,000	0.00%
Capital Assets	71,909	40,520	40,520	40,520	0.00%
Total Operating Expenses	2,440,583	2,840,899	3,038,243	3,127,685	2.94%
TOTAL BUDGET	16,450,503	28,530,177	29,511,227	30,122,973	2.07%
UNIT COST SUMMARY *					
Internal Expenses as % of Total Adjusted Assets			0.102%	0.100%	
Total Expenses as % of Total Adjusted Assets			0.336%	0.335%	

* Unit cost based on total assets adjusted to long-term value, expenses using assumed average investment performance incentives, long-term average of retirement & resignation flexibility funds, and an assumed 2.5% salary policy for FY26.

Personal Services Budget

	Expended (est) FY 2024	Received FY 2024	Received FY 2025	Request FY 2026	% change
PERSONAL SERVICES					
Total FTEs	33.00	35.00	35.00	35.00	
Base Compensation					
Base Compensation - Investment Staff	5,988,056	6,694,725	7,178,312	7,141,002	-0.52%
Base Comp - Admin, Acct, Legal, Longevity	665,571	794,708	844,120	800,038	-5.22%
TOTAL STAFF - FULL TIME	6,653,627	7,489,433	8,022,432	7,941,040	-1.01%
Part-Time - Legal & Interns	15,293	97,005	42,586	42,586	0.00%
Investment Council	2,400	7,927	11,948	11,948	0.00%
Retirement & resignation flexibility funds	0	203,288	211,420	211,420	0.00%
Benefits	1,131,137	1,462,228	1,542,752	1,531,393	-0.74%
Total Base Compensation	7,802,458	9,259,883	9,831,138	9,738,387	-0.94%
Investment Performance Incentives					
Maximum Potential Investment Perf Incentive	5,837,628	14,612,825	15,063,132	15,603,604	3.59%
Benefits	369,834	1,816,569	1,578,713	1,653,297	4.72%
Total Investment Performance Incentives	6,207,462	16,429,394	16,641,845	17,256,901	3.70%
TOTAL PERSONAL SERVICES	14,009,919	25,689,277	26,472,983	26,995,288	1.97%

Operating Budget

	Expended (est) FY 2024	Received FY 2024	Received FY 2025	Request FY 2026	% chng
CONTRACTUAL SERVICES					
Investment Services					
Consulting Services	37,287	180,000	180,000	180,000	0.00%
Investment Accounting, Performance Benchmarking	304,159	251,377	427,905	388,730	-9.16%
Investment Databases, Newsfeeds & Quote Fees	761,507	802,063	827,100	886,133	7.14%
Investment Research Services	435,633	450,910	496,179	493,121	-0.62%
Flexibility - From Brokerage to Independent Research	0	225,000	225,000	225,000	0.00%
Total Investment Services (see next page for further details)	1,538,586	1,909,350	2,156,184	2,172,984	0.78%
Administrative Expenses					
Office Rent	168,604	168,605	168,605	168,605	0.00% No change
Bond/Liability Insurance	8,571	8,385	8,385	8,600	2.56% \$200/FTE & Council 35+8 adj per BFM
Telephone	21,607	18,000	18,000	24,336	35.20% BIT rate increase
Office Equip Rental/Maintenance/Misc	20,858	7,800	7,800	7,800	0.00% No change
Bureau of Info & Telecommunications (BIT)	136,298	169,285	114,103	153,813	34.80% BIT rate increase
State Central Services	15,103	14,828	14,994	16,023	6.86% Allows 3% incr from actual 25/26
Legislative Audit	70,000	65,351	70,579	74,814	6.00% Allows 3% incr from actual 25/26
Janitorial	0	3,682	3,730	3,730	0.00% No change
Custodial Fees - Global	299,155	305,162	305,162	311,280	2.00% Per contract
Seminars/Educational Programs	43,706	35,000	35,000	50,000	42.86% Incr in dues & conference attendance
Business Publications	737	1,500	1,500	1,500	0.00% No change
Total Administrative Expenses	784,639	797,598	747,858	820,501	9.71%
TOTAL CONTRACTUAL SERVICES	2,323,225	2,706,948	2,904,042	2,993,484	3.08%
TRAVEL	42,000	86,431	88,681	88,681	0.00% No change
OFFICE SUPPLIES & POSTAGE	3,450	7,000	5,000	5,000	0.00% No change
CAPITAL ASSETS	71,909	40,520	40,520	40,520	0.00% No change
TOTAL OPERATING EXPENSES	2,440,583	2,840,899	3,038,243	3,127,685	2.94%

Investment Services Details

<u>INVESTMENT SERVICES-DETAILED</u>	<u>Expended (est) FY 2024</u>	<u>Received FY 2024</u>	<u>Received FY 2025</u>	<u>Request FY 2026</u>	
Consulting Services					
Benchmarking/Compensation	0	30,000	30,000	30,000	0.00%
Legal/Tax Consulting Services	37,287	150,000	150,000	150,000	0.00%
Subtotal	37,287	180,000	180,000	180,000	0.00%
Investment Accounting, Performance, Benchmarking					
BNY/Mellon Performance & Risk Analysis	12,800	8,400	8,400	18,100	115.48% Vendor changed payment structure
S&P 1200	19,316	18,232	19,144	30,450	59.06% 5% incr from FY25 anticipated of \$29k
S&P 1200 Custom	10,000	10,000	10,000	10,000	0.00% No change
S&P US	29,400	15,435	16,052	30,870	92.31% Allows 5% incr from 24 actual
FTSE Index	55,306	20,000	20,000	35,000	75.00% Added index FY24-pd 2 yrs-allow 5% incr from 24/25
Cusip Global Services	21,000	24,310	24,310	24,310	0.00% No change
MSCI Index	24,985	30,000	30,000	30,000	0.00% No change
SS&C Portia/Aloha	131,353	125,000	300,000	210,000	-30.00% Per contract - done with implementation cost
Subtotal	304,159	251,377	427,906	388,730	-9.16%
Investment Databases, Newsfeeds & Quote Fees					
Bloomberg	132,980	145,110	145,110	145,110	0.00% Sufficient for 5% incr from actual FY24
Trade Order Management System	150,000	183,750	183,750	150,000	-18.37% Adjust per contract amendment
Factset	335,178	324,424	343,889	379,680	10.41% Incr per contract amendment
Refinitiv (previously Reuters Fundamental Index)	55,920	51,597	57,169	62,471	9.27% Allows for 5% incr from FY25 expected
Quote/Pricing Fees (incl. Bloomberg/Factset)	44,163	52,182	52,182	101,622	94.75% Adding daily stock/bond pricing & addl live quotes
Dow Jones News Service	43,266	45,000	45,000	47,250	5.00% Allows for 5% incr per agreement
Subtotal	761,507	802,063	827,100	886,133	7.14%

Investment Services Details, cont.

	Expended (est)	Received	Received	Request	
	<u>FY 2024</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	
Investment Research Services					
GNA Services-Gimme Credit FI Research	14,820	26,250	26,250	26,250	0.00% No change
Credit Sights	150,000	157,500	196,630	160,000	-18.63% Did not renew Covenant Review in FY24
Reorg Research	133,000	100,000	110,000	160,000	45.45% Added covenant review in FY24
Insider Score	30,388	29,243	31,907	32,864	3.00% Allows for 3% increase
Boyers Intrinsic Value	0.00	19,425	19,425	0.00	-100.00% Did not renew
Morningstar	70,000	84,000	71,000	73,130	3.00% Allows for 3% increase
Steel Market Update	0.00	2,993	3,483	0.00	-100.00% Did not renew
Value Line	5,300	5,250	5,250	5,459	3.98% Allows for 3% incr from FY24 actual
Greenstreet	32,125	26,250	32,234	35,418	9.88% Allows 5% incr from 24/25
Flexibility - From Brokerage to Independent Research	0	225,000	225,000	225,000	0.00% Allows unbundling of brokerage research
Subtotal	435,633	675,911	721,179	718,121	-0.42%
Total Contractual - Investment Services	1,538,586	1,909,351	2,156,185	2,172,984	0.78%