



# Board of Retirement Regular Meeting

## Sacramento County Employees' Retirement System

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### Agenda Item 19

**MEETING DATE:** April 19, 2023

**SUBJECT:** Annual Budget for Fiscal Year 2023-24

**SUBMITTED FOR:** \_\_\_ Consent      X Deliberation and Action      \_\_\_ Receive and File

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#### **RECOMMENDATION**

Approve an annual budget of approximately \$37.7 million and 76 positions for fiscal year 2023-24.

#### **PURPOSE**

This item supports the Strategic Management Plan goals necessary to fulfill SCERS' mission and objectives.

#### **DISCUSSION**

New spending in the proposed 2023-24 budget reflects an increase of \$411,000 or 2% from the prior year operating budget. However, the total budget for 2023-24 includes the one-time, full amortization on the capitalized Pension Administration System (PAS) project for expenses incurred in prior years. This accounting activity, as described in more detail below, generates a year-over-year increase in the total budget of \$17.5 million or 87% from 2022-23.

Excluding the PAS amortization expense, the proposed budget growth for 2023-24 is attributable to cost escalation across major expense item categories, staffing increases, and programmatic decisions that facilitate training and development initiatives to accommodate the various demands of concurrent projects.

#### **Staffing**

Position growth for 2023-24 is targeted to meet increasing operational demands, which have occurred over the last two years due to staff turnover, the *Alameda* correction project, and information technology (IT) initiatives. SCERS membership also has continued to grow in both active and retired member populations, which contributes to additional workload necessary to process routine transactions.

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Recent hiring efforts have been successful. SCERS has reduced its vacancy rate by almost half (from a high of 32% in February 2022 to 17% as of March 2023) with active recruitment and interviewing underway. However, hiring does not automatically equate to increased work output, primarily due to the amount of time required to onboard and train new staff. Consequently, senior staff designated to train must devote a significant amount of their work hours to the effort.

The pandemic-era turnover experienced by SCERS since early 2021 resulted in a significant loss of human capital, which now requires an effective, long-term approach and investment in skills training and supervisory development to restore continuity of operations and overall mission readiness. Additional positions are required to restructure the organization to meet current and future service-level demands.

The existing staffing level of 64 Full-Time Employees (FTEs) lacks the capacity to keep pace with increasing workloads and backlogs for retirement and benefits processing and ongoing IT program transitions. Other initiatives, such as member outreach and education programming, have slowed because of the need to focus staff on core work activities.

Staff is requesting additional positions largely in two key areas:

- To restructure the benefits division, to provide designated teams to focus on individual pipelines of work activity, such as retirement application processing, service-purchase calculations, death-benefit verification, and special projects. This will improve the current shared-work distribution system, which causes additional backlog in one pipeline whenever another requires attention. Position growth will also expand training programs, which are vital to the successful onboarding, development, and retention of new hires.
- To enhance the IT staffing structure, which for several years consisted of a 1-2-person technology support staff. As SCERS continues to shape its information technology program, implement and maintain new software services, and grow its staff, complementary skillsets are needed to provide leadership, business analytics, and additional desktop support.

Specifically, the proposed 2023-24 budget reflects an additional 12 positions, totaling 76 staff positions. The proposed positions have been approved for class appropriateness by the Department of Personnel Services and are as follows:

- Add one (1) Information Technology Technician to the operations team for additional operational and business process modernization support;
- Add one (1) Information Technology Business Systems Analyst to the operations team for additional IT and retirement administration support;
- Add one (1) Accounting Technician for additional financial reporting support with the audit, annual reporting, and other business operations;
- Add one (1) Retirement Services Supervisor to the benefits team for additional retirement administrative supervision and support;
- Add two (2) Senior Retirement Benefit Specialists to the benefits team for additional retirement administrative supervision and support;

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- Add three (3) Retirement Benefit Specialists and two (2) Office Specialist to the benefits team for additional retirement administrative support and back-up support;
  - Add one (1) Paralegal to the legal team for additional retirement administration and compliance support;
  - Increase temporary staffing to accommodate staffing shortfalls and organization-wide projects.

Despite an increase in personnel costs (\$2 million or 23%), the relatively modest increase in overall new spending (\$411,000 or 2%) reflects prudent fiscal management, GASB-related accounting adjustments, and changing IT priorities. The following is a summary of significant line-item budget adjustments from the prior year:

### **Services and Supplies**

- Decrease in Leased Property Use Charges of \$343,000 or 88% is due to Governmental Accounting Standard Board (GASB) 87, which records principal payments as a liability. Interest expense was also included in this category in prior years.
- Increase in Interest Expense-Lease of \$253,000 or 100% is due to the calculated interest expense on Lease implemented from Governmental Accounting Standard Board (GASB) 87. This was budgeted under Leased Property Use Charges in prior years.
- Increase in Temporary Staffing of \$360,000 or 360% is due to the increase in costs to accommodate short-term staffing needs for transition projects.
- Increase in Information Technology Services of \$335,000 or 52% is mainly due the anticipated ongoing costs for maintaining and supporting the new software solutions.

### **Other charges**

- Increase in Amortization on Intangible Assets of \$17,313,000 or 100% is due to amortizing previously capitalized assets, as well as amortization of new software solutions.

### **Capitalized Costs**

- Decrease in Pension Administration System of \$2,773,000 or 100% is due to reduction in project costs.
- Increase in Software System Development of \$1,000,000 or 100% is due to anticipated implementation of a new software.
- Increase on IT Equipment of \$51,000 or 100% is due anticipated purchase of new equipment.

### **Amortization on Pension Administration System Expense**

Government Accounting Standard Board (GASB) Statement No. 42—*Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, and GASB Statement No. 51—*Accounting and Financial Reporting for Intangible Assets*, govern the disposition of impaired capital assets. Per accounting standards, SCERS will impair the capitalized cost of

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\$17,130,692 associated with Pension Administration System (PAS) project activity since 2018. Please note that this item does not reflect new budgetary spending but is an accounting transaction to recognize prior-year spending on the PAS project that was capitalized, including payments made for software development and implementation, project management and oversight, data conversion services, and staff time allocated to the project.

### **Administrative Expense Budget Limit**

Pursuant to Government Code Sections 31580.2 and 31596.1, the statutory limit for administrative expenses shall not exceed the greater of twenty-one hundredths of one percent (.21%) of the actuarial accrued liability of the retirement system or \$2,000,000 as adjusted annually by a specified annual cost-of-living adjustment. Government Code Sections 31580.2 and 31596.1 specify that certain investment, technology, and legal costs are not considered administrative expenses. Expenditures for computer software, computer hardware, and computer technology consulting services in support of these computer products are included in these exceptions.

The administrative expense budget for 2023-24 totals \$12,797,000, which represents an increase of \$1,306,000 compared to the 2022-23 administrative expense budget of \$11,491,000. The primary reason for the increase is due to costs that are associated with the additional FTEs. As a percent of SCERS' actuarial accrued liabilities, the administrative expenses represent 0.09% in 2023-24, which is consistent with 2022-23.

### **ATTACHMENTS**

- Board Order
- Budget Presentation
- Annual Budget Fiscal Year 2023-24
- Three-Year Actual Expenses

Prepared by:

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Margo Allen  
Chief Operations Officer

Reviewed by:

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Eric Stern  
Chief Executive Officer



# Retirement Board Order

## Sacramento County Employees' Retirement System

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**Before the Board of Retirement**  
**April 19, 2023**

AGENDA ITEM:

### **Annual Budget for Fiscal Year 2023-24**

THE BOARD OF RETIREMENT hereby accepts Staff's recommendation to approve an annual budget of approximately \$37.7 million and 76 positions for fiscal year 2023-24.

I HEREBY CERTIFY that the above order was passed and adopted on April 19, 2023 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES:  
(Present but not voting)

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Keith DeVore  
Board President

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Eric Stern  
Chief Executive Officer and  
Board Secretary



# Annual Budget 2023-24

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

# Budget Authority

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Gov Code § 31580.2

(a) In counties in which the board of retirement, or the board of retirement and the board of investment, have appointed personnel pursuant to Section 31522.1, 31522.5, 31522.7, 31522.9, 31522.10, or 31522.11, **the respective board or boards shall annually adopt a budget covering the entire expense of administration of the retirement system, which expense shall be charged against the earnings of the retirement fund. ...**



# Operating Expense Budget 2023-24

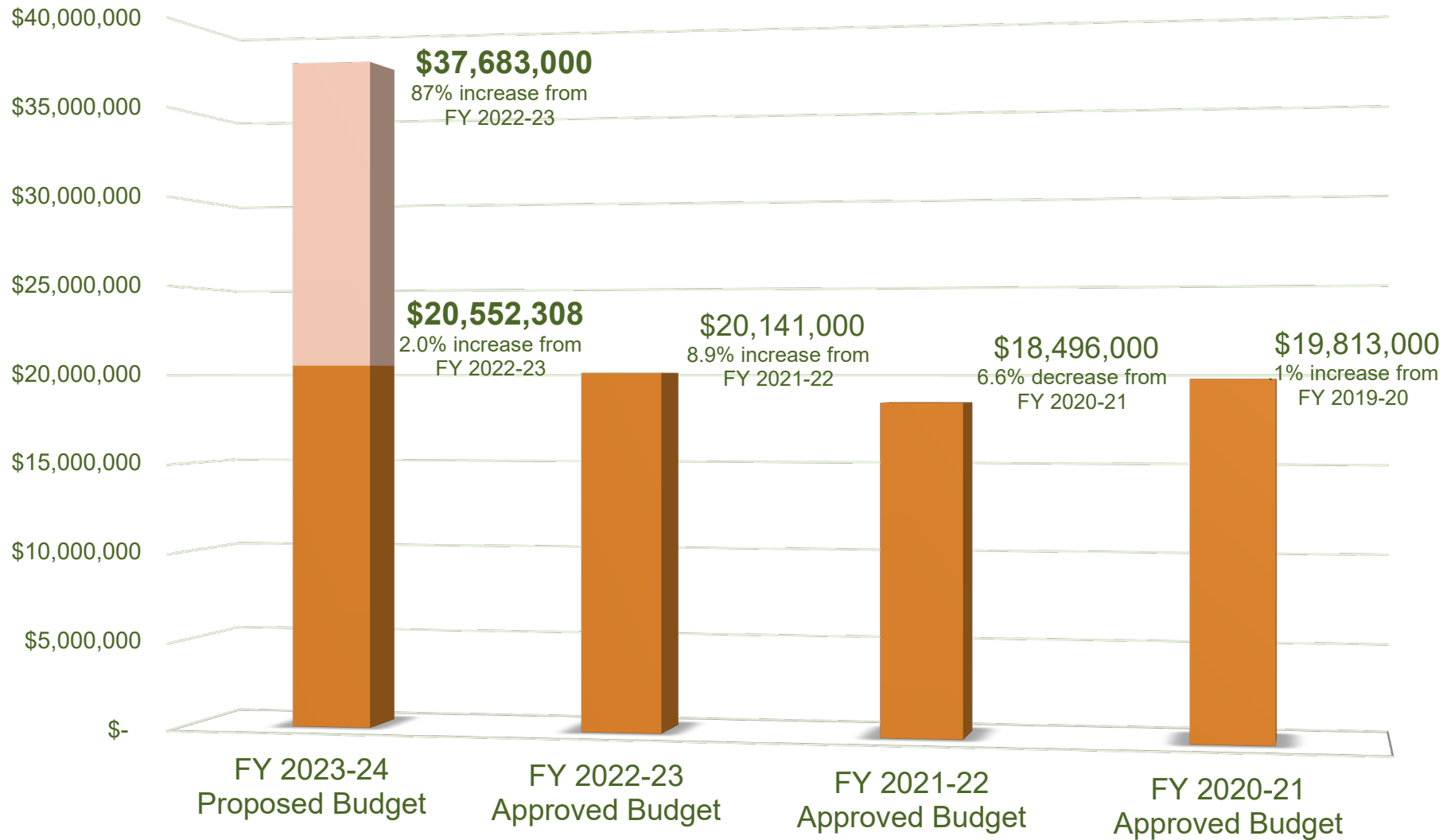
- ❖ The 2023-24 total budget of \$37.7 million reflects a year-over-year increase of \$17.5 million or 87% from 2022-23.
  - ❖ Excluding the PAS amortized expense, the year-over-year increase in new spending is \$411,000 or 2%.
  - ❖ Excluding capitalized costs and the PAS amortized expense, the year-over-year increase is \$2.1 million or 12%.
  - ❖ Excluding capitalized costs, the year-over-year increase is \$19.3 million or 111%.
- ❖ The increase is attributable to the amortization of the Pension Administration System project, programmatic growth, and cost escalation across major expense item categories.



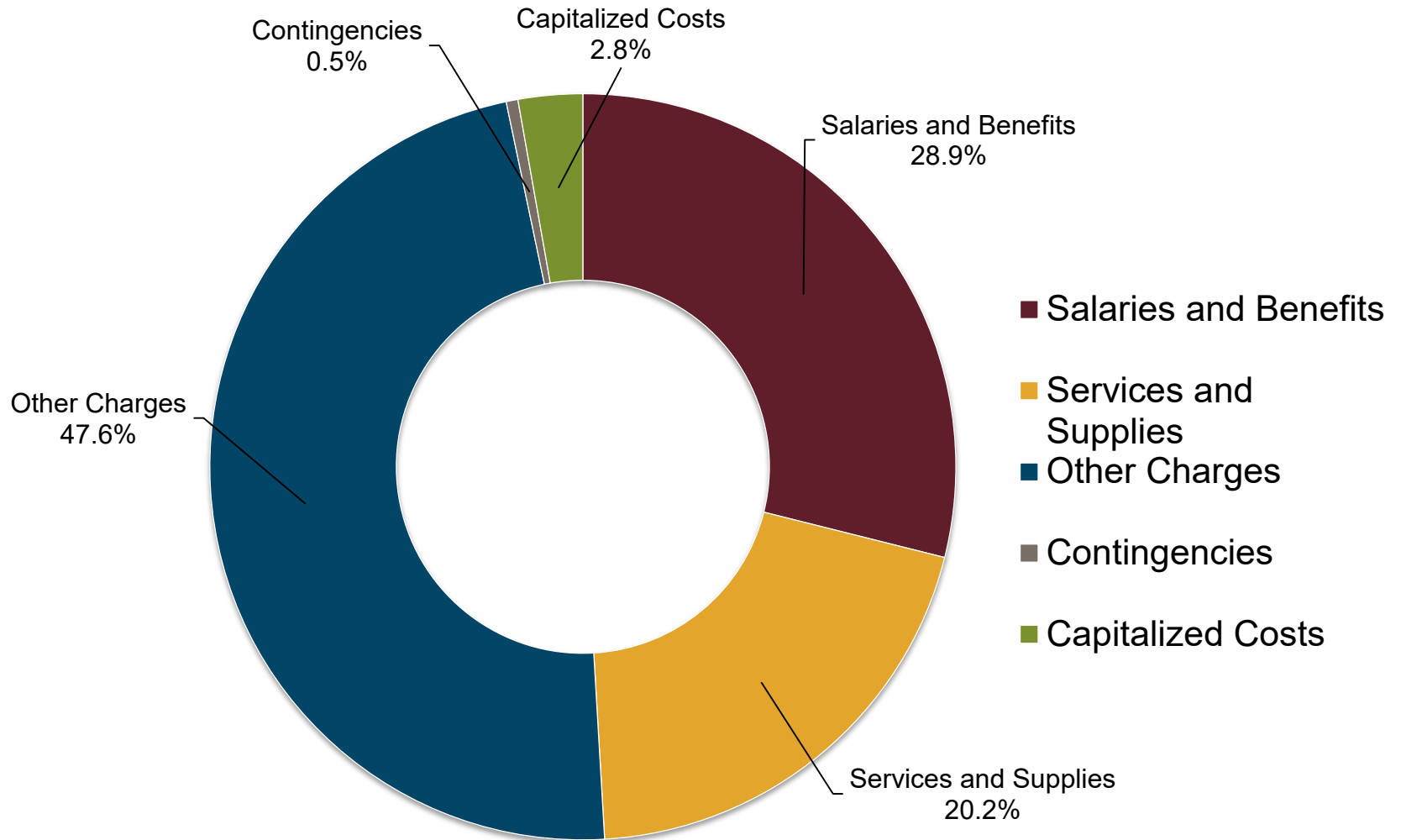


# Operating Expense Budget 4-Year Comparison

Operating Budget PAS Amortization (\$17,130,692)



# 2023-24 Proposed Budget by Expense Type





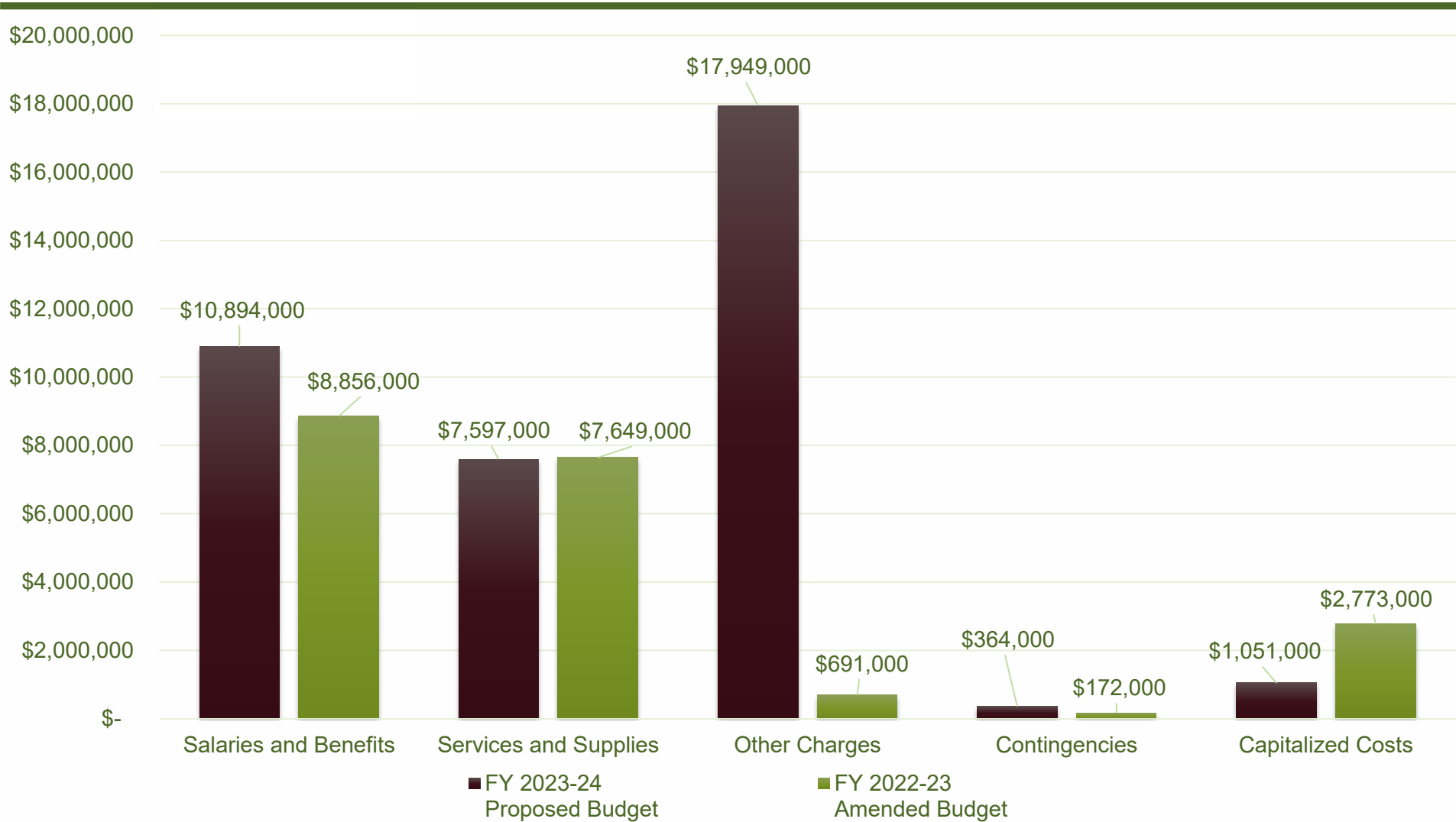
# Significant Budget Changes

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- ❖ Salaries and Benefits increased by \$2 million or 23%
  - ❑ 12 new positions across organization
- ❖ No change in Services and Supplies
- ❖ \$1.7 million or 62% decrease in Capitalized Costs
  - ❑ \$2.8 million decrease due to PAS project
  - ❑ \$1 million increase for new software costs
- ❖ \$17.3 million increase in Other Charges due to amortization on the PAS project
  - ❑ GASB 42 and 51



# 2023-24 Proposed and 2022-23 Amended Budget Summary



# Position Changes

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- ❖ Reevaluated SCERS' structure and proposed changes to Full-Time Equivalent (FTE) positions, which have been incorporated in the 2023-24 Annual Budget.
  
- ❖ Increase in FTEs from 64 to 76:
  - ❑ Addition of 1.0 FTE Accounting Technician
  - ❑ Addition of 2.0 FTE Office Specialists
  - ❑ Addition of 1.0 FTE Paralegal
  - ❑ Addition of 3.0 FTE Retirement Benefit Specialists
  - ❑ Addition of 1.0 FTE Retirement Services Supervisor
  - ❑ Addition of 2.0 FTE Senior Retirement Benefit Specialists
  - ❑ Addition of 1.0 FTE Information Technology Business Systems Analyst
  - ❑ Addition of 1.0 FTE Information Technology Technician

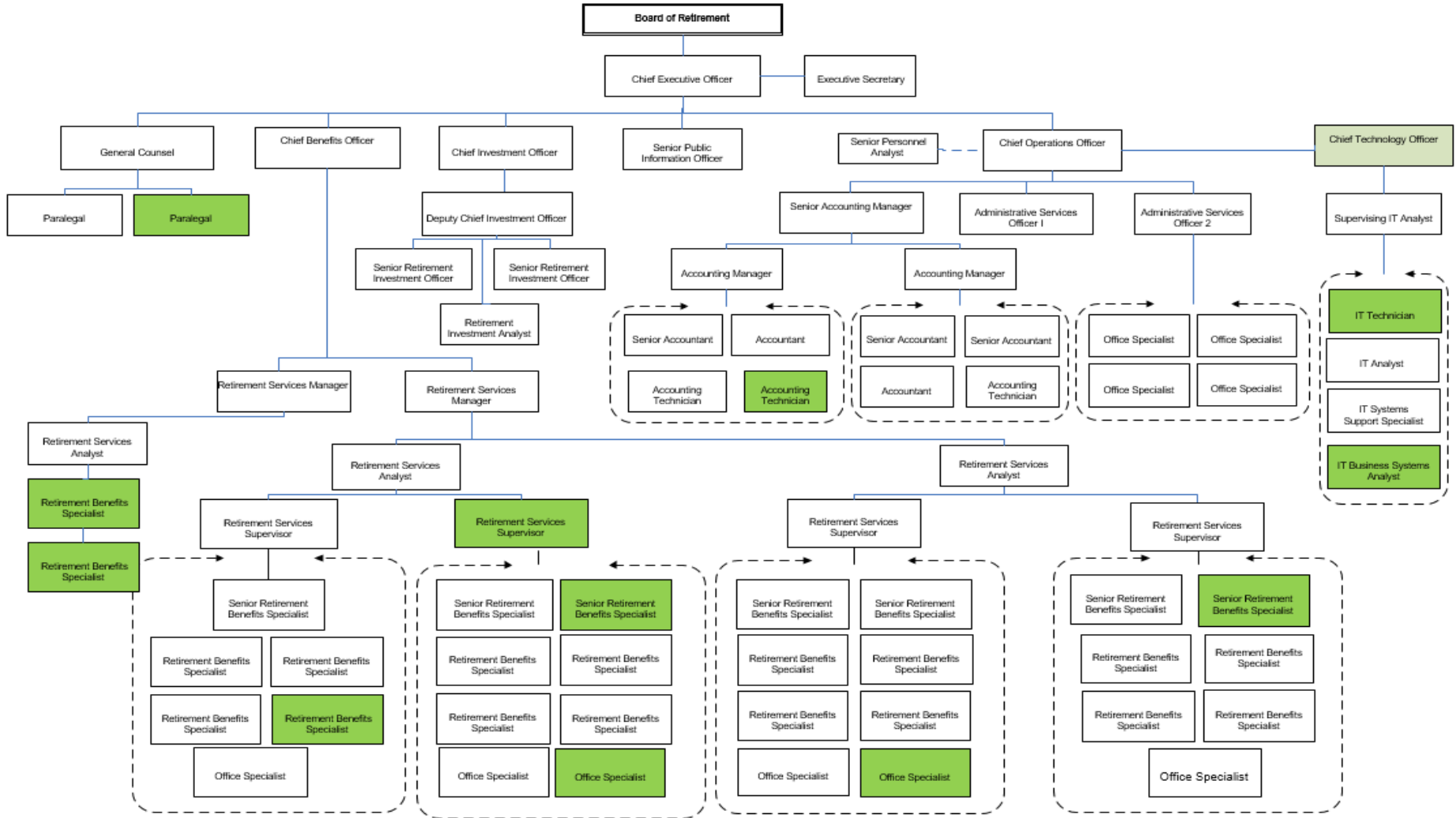
# Staffing Growth

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- Designated teams in Benefits
  - Address backlogs
  - Special projects
  - Commitment to training
  - Communication and outreach initiatives
- Evolution of IT program
  - More than desktop support
  - Continuous improvement model
  - Leadership, business analytics
- Office space considerations

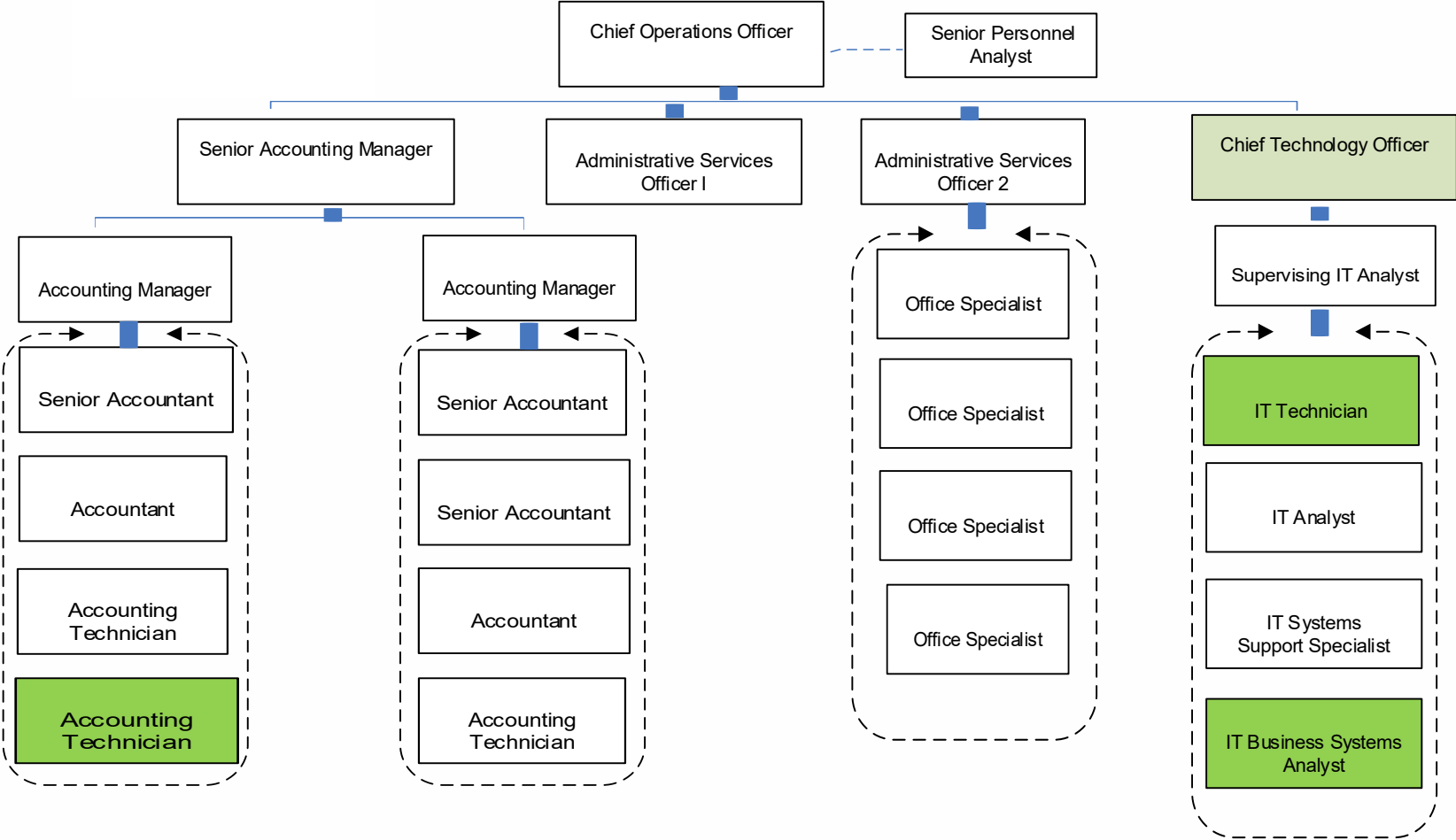
# SCERS

Current FTEs - 64  
Proposed FTEs - 76



# OPERATIONS

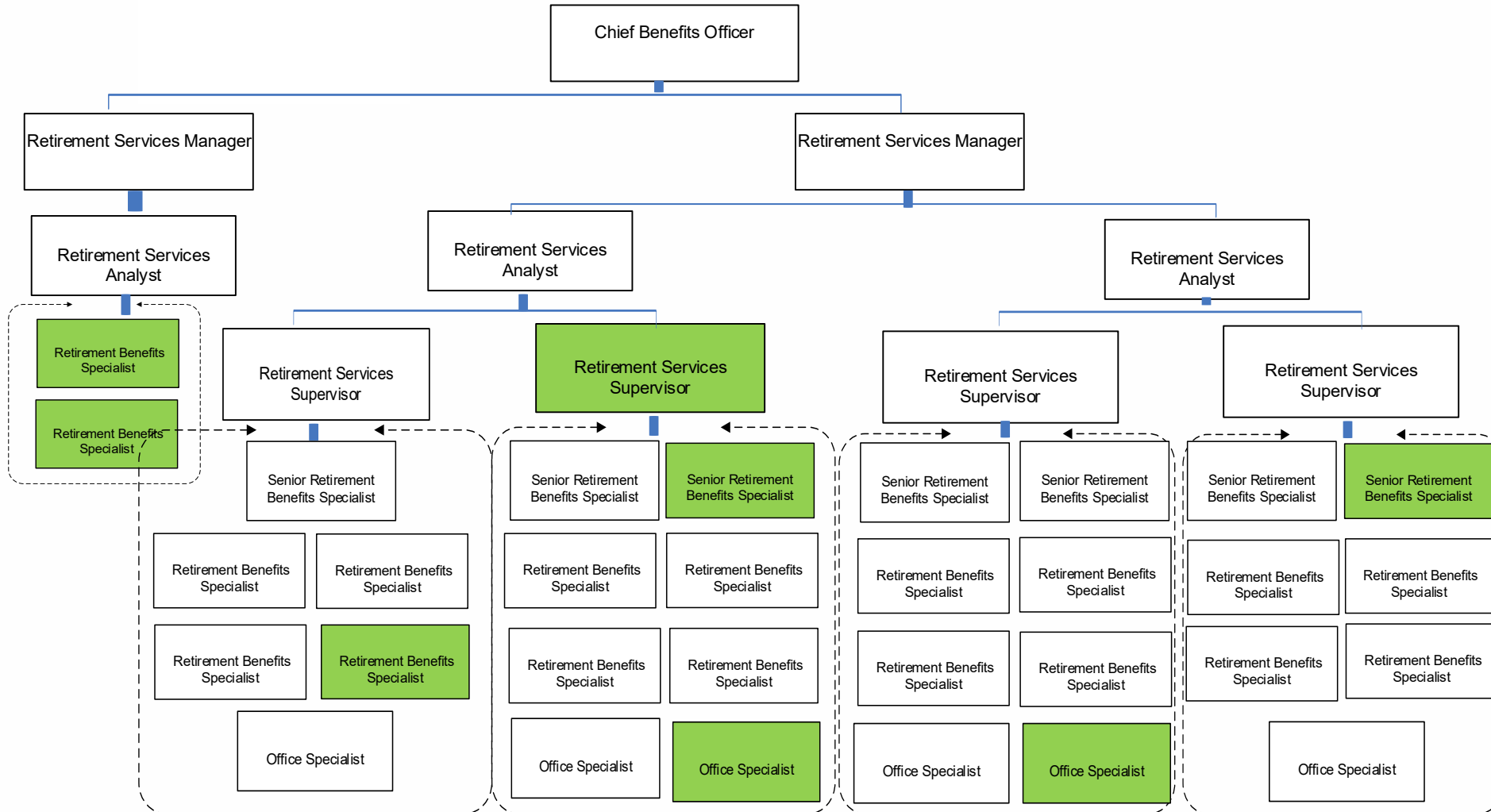
Current FTEs - 22  
Proposed FTEs - 25





# BENEFITS

Current FTEs - 33  
Proposed FTEs - 41



# Administrative Expense Budget Limit

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- ❖ Budget Limit for Administrative Expenses
  - ❑ The statutory limit is 0.21% of the total Actuarial Accrued Liability (AAL).
  - ❑ 2023-24 Administrative Expenses total 0.09% of AAL.
  - ❑ Consistent with 2022-23
  
- ❖ 2023-24 administrative expense budget totals \$12.8 million which excludes:
  - ❑ Expenses for computer software, computer hardware, and computer technology consulting services.
  - ❑ Actuarial expenses.
  - ❑ Investment-related expenses, including legal expenses.



**2023-24**

# **ANNUAL BUDGET**

**For the Fiscal Year 2023-24**

Sacramento, California

Sacramento County Employees' Retirement System







# ANNUAL BUDGET

For the Fiscal Year 2023-24

PRESENTED BY:

ERIC STERN  
Chief Executive Officer

MARGO ALLEN  
Chief Operations Officer

JOSÉ MARTÍNEZ  
Senior Accounting Manager

SACRAMENTO COUNTY  
EMPLOYEES' RETIREMENT SYSTEM

980 9th Street, Suite 1900  
Sacramento, CA 95814

[WWW.SCERS.ORG](http://WWW.SCERS.ORG)

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## BUDGET METHODOLOGY

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The Sacramento County Employee Retirement System (SCERS) Fiscal Year 2023-24 Annual Budget of \$37,683,000 represents the financial resource needs to achieve SCERS' strategic priorities and initiatives. The following methods are utilized in the SCERS 2023-24 annual operating budget:

### **Salaries and Benefits:**

- Salaries and Benefits are projected using provided County Office of Budget and Debt Management data for SCERS' actual 26 pay period payroll costs ending in December 2022, plus adjustments for new positions.
- Salary savings is calculated based on the anticipated hire dates of vacant positions.
- Retirement Debt Service, Workers Compensation Insurance, and Unemployment Insurance are derived from the County Allocated Cost Package.
- Terminal pay and overtime are estimated based on prior year actual expenses and adjusted accordingly for current needs.

**Services and Supplies:** Service and Supplies are based on charges derived from Allocated Cost Package, County Department of Technology, and SCERS' prior year actual expenses adjusted accordingly for current needs. Certain line items are based on contract amounts and anticipated costs changes.

**Other Charges:** Depreciation expense includes depreciation for Leased Assets and IT Equipment purchased in prior and current fiscal years. The County-wide Cost Plan Allocation are costs allocated to SCERS for central government support. The Amortization of Intangible Assets is amortized on software projects implemented in prior and current fiscal years.

**Contingencies:** Contingencies are calculated using 1% of the total budgeted amounts for Salaries and Benefits, Service and Supplies, and Other Charges (less the one-time amortization of intangible assets).

**Capitalized Costs:** Capitalized costs are composed of capital improvement projects, new software, and IT equipment purchases. The budgeted amount is based on contract amounts and anticipated spending.





## BUDGET CHANGES

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Significant changes to the Fiscal Year 2023-24 Budget are outlined below. Budget changes consider net-zero changes made in Fiscal Year 2022-23, shown on Page 7.

### **Salaries and Benefits:**

- Net Increase in Salaries and Benefits of \$2,038,000 or 23% is due to position request increase of one (1) Accounting Technician, two (2) Office Specialists, one (1) Paralegal, three (3) Retirement Benefits Specialists, one (1) Retirement Services Supervisor, two (2) Senior Retirement Benefits Specialists, one (1) IT Business System Analyst, Level III, one (1) IT Technician II.

### **Services and Supplies:**

- Decrease in Leased Property Use Charges of \$343,000 or 88% is due to Governmental Accounting Standard Board (GASB) 87, which records principal payments as a liability. Interest expense was also included in this category in prior years.
- Increase in Interest Expense-Lease of \$253,000 or 100% is due to the calculated interest expense on Lease implemented from Governmental Accounting Standard Board (GASB) 87. This was budgeted under Leased Property Use Charges in prior years.
- Decrease in Investment Services/Consultants and Other of \$689,000 or 28% is due to alignment of projected budget to historic expenditures.
- Increase in Temporary Staffing of \$360,000 or 360% is due to the increase in costs to accommodate short-term staffing needs for transition projects.
- Increase in Information Technology Services of \$335,000 or 52% is due to the anticipated ongoing costs for maintaining and supporting the new software solutions.
- Decrease in Data Processing Supplies of \$99,000 or 83% is due to decrease of anticipated purchases.
- Decrease in Election Services of \$32,000 or 100% is due to no Board elections anticipated in FY 2023-24.
- Decrease in Systems Development Services of \$67,000 or 31% is due to reduced consulting contracted hours with the Department of Technology.

## BUDGET CHANGES (CONTINUED)

- Increase in Department of Finance Services of \$196,000 or 153% is due to the monthly cost of the Pension Payroll expense, not captured as a direct expense in the prior year budget.
- Increase in Parking of \$130,000 or 100% is due to the increase of parking costs as of January 1, 2023 and additional FTE positions within SCERS. This expense is isolated from the Leased Property Use charges (see table below).

### Other Charges:

- Decrease in County-wide Cost Allocation of \$52,000 or 100% is due to decreases in the County Allocated Cost Package.
- Increase in Amortization on Intangible Assets of \$17,313,000 or 100% is due to amortizing previously capitalized assets, as well as amortization of new software solutions.

### Capitalized Costs:

- Decrease in Pension Administration system of \$2,773,000 or 100% is due to reduction in project costs.
- Increase in Software System Development of \$1,000,000 or 100% is due to anticipated implementation of new software solutions.
- Increase on IT Equipment of \$51,000 or 100% is due anticipated purchase of new equipment.

### Category Changes of Isolated Expenses:

FY 2023-24 Budget re-categorized specific expenses within a prior year category for a more accurate description. See below for affected categories.

<b>FY 2023-24</b>	<b>Included in FY 2022-23</b>
Accounting Services	Other Professional Services
Parking	Leased Property Use Charges
Telecommunication	Telephone Usage



BUDGET CHANGES (CONTINUED)

**FY 2022-23 Budget Alignment:**

FY 2023-24 Proposed Budget increase/decrease and percentage changes reflect the FY 2022-23 Amended Budget. FY 2022-23 Amended Budget includes the December 2022 budget transfer which contains a zero overall budget effect.

	<b>FY 2022-23 Approved Budget</b>	<b>Adjustments</b>	<b>FY 2022-23 Amended Budget</b>
Lease Property Use Charge	\$ 841,000.00	\$ (450,000.00)	\$ 391,000.00
Medical Services	250,000.00	(125,000.00)	125,000.00
Legal Services	1,195,000.00	(40,000.00)	1,155,000.00
Reporting Services	100,000.00	(50,000.00)	50,000.00
Depreciation Expense	-	639,000.00	639,000.00
Countywide Cost Allocation	26,000.00	26,000.00	52,000.00
<b>Total</b>	<b>\$2,412,000.00</b>	<b>-</b>	<b>\$2,412,000.00</b>

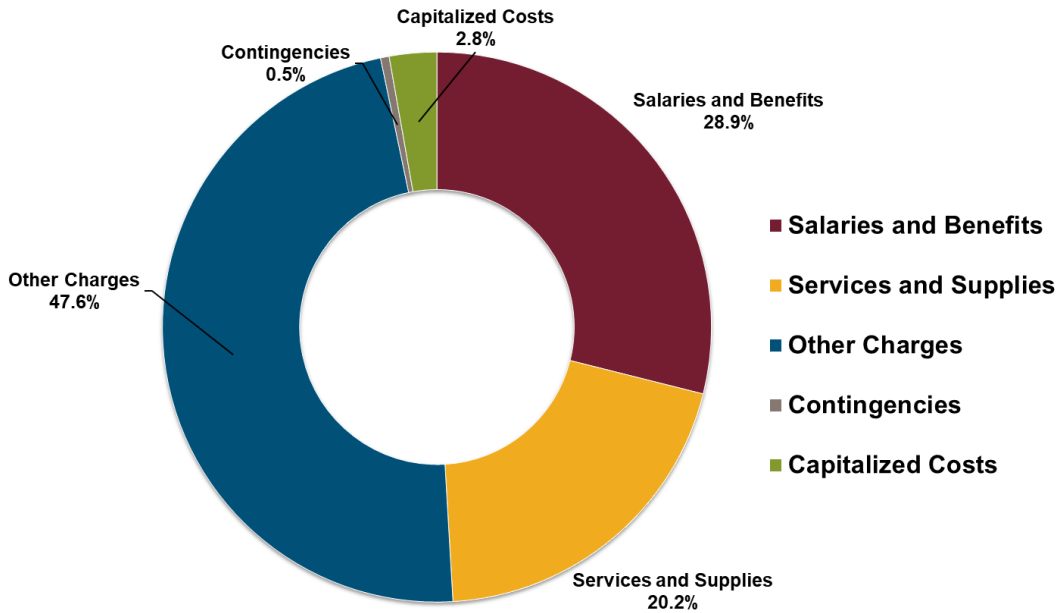
# BUDGET SUMMARY

## BUDGET SUMMARY BY EXPENSE TYPE

(Dollar Amounts Rounded to the Nearest Thousand)

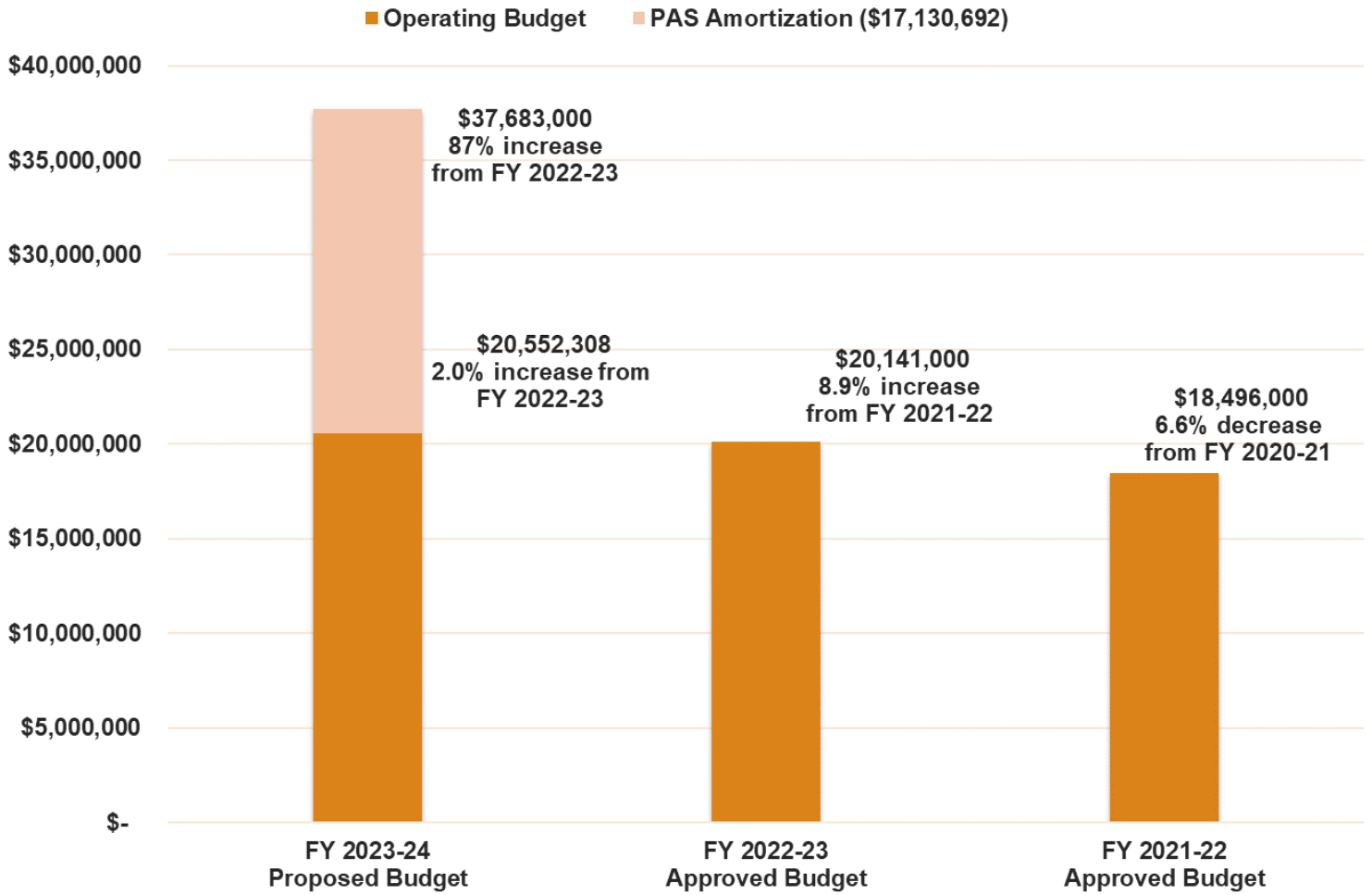
<b>Expense Type</b>	<b>FY 2023-24 Proposed Budget</b>	<b>FY 2022-23 to FY 2023-24 Change (%)</b>	<b>FY 2022-23 Amended Budget</b>	<b>FY 2021-22 Approved Budget</b>
Salaries and Benefits	\$ 10,894,000	23%	\$ 8,856,000	\$ 8,297,000
Services and Supplies	7,597,000	(1)	7,649,000	6,753,000
Other Charges	17,949,000	2,498	691,000	719,000
Contingencies	192,000	12	172,000	158,000
<b>Total</b>	<b>36,632,000</b>	<b>111%</b>	<b>17,368,000</b>	<b>15,927,000</b>
Capitalized Costs	1,051,000	(62)	2,773,000	2,569,000
<b>Grand Total</b>	<b>\$ 37,683,000</b>	<b>87%</b>	<b>\$ 20,141,000</b>	<b>\$18,496,000</b>

## FISCAL YEAR 2023-24 PROPOSED BUDGET BY EXPENSE TYPE



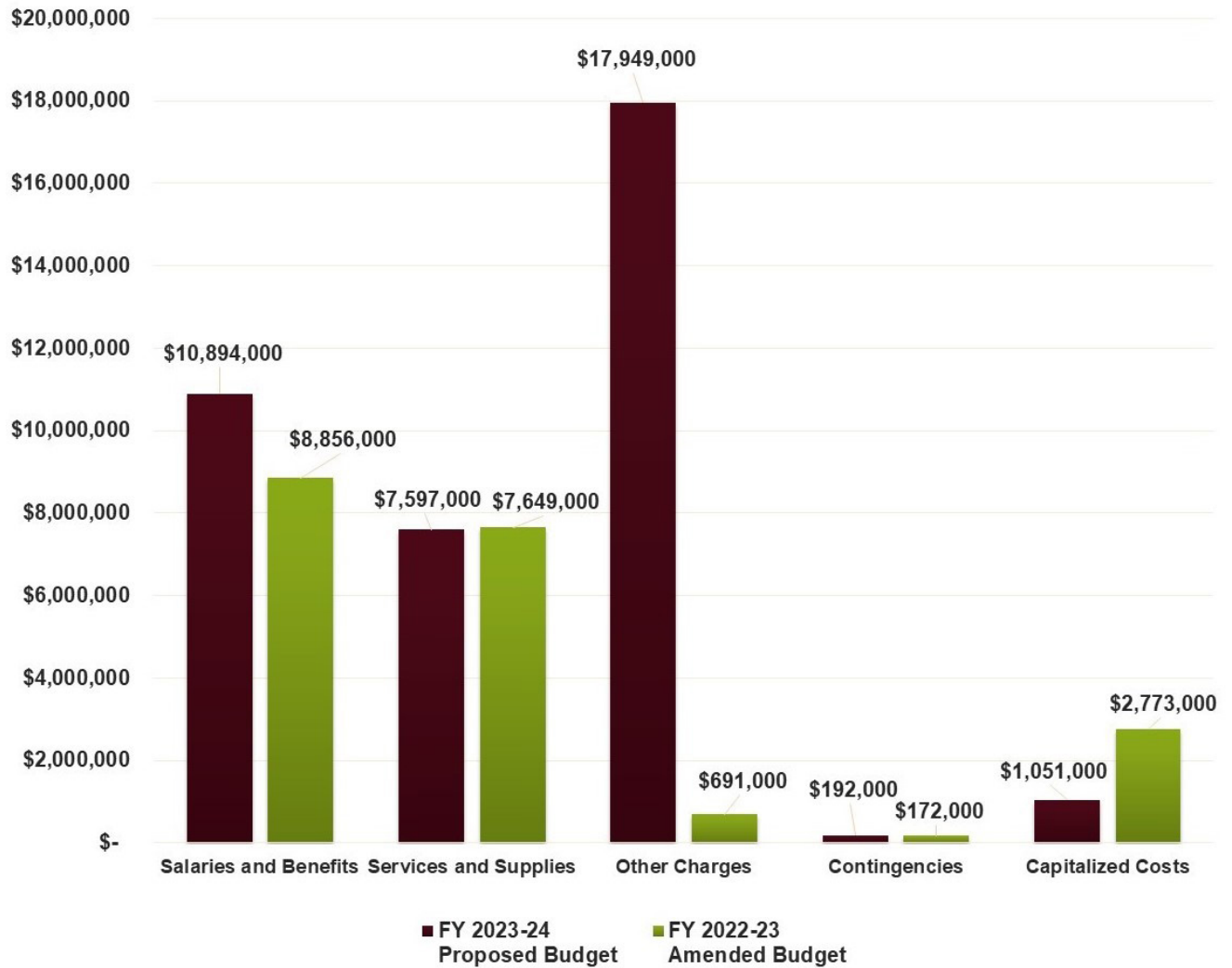
### THREE-YEAR BUDGET COMPARISON

(Dollar Amounts Rounded to the Nearest Thousand)



- The 87% increase is inclusive of the one-time, full amortization of the capitalized Pension Administration System (PAS) project incurred in prior years.
- The 2.0% increase is reflective of new spending in the proposed 2023-24 budget.

FISCAL YEAR 2023-24 PROPOSED BUDGET  
AND FISCAL YEAR 2022-23 AMENDED BUDGET



# FUNCTIONAL AREA ALLOCATION APPROACH

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## Functions:

- **Administration Team** administers office and facility management, human resources, and agency administration duties.
- **Benefits Team** oversees the administration of benefits and related member services.
- **Board of Retirement** members attend education conferences and Board meetings to oversee the agency.
- **Finance Team** manages financial processes, including budgeting, accounting, cash management, financial planning and analysis, and financial reporting.
- **Information Technology Team** supports functionality of information technology software, maintenance and equipment, and the IT modernization program.
- **Investment Team** monitors the oversight and implementation of the investment program.

## Methodology:

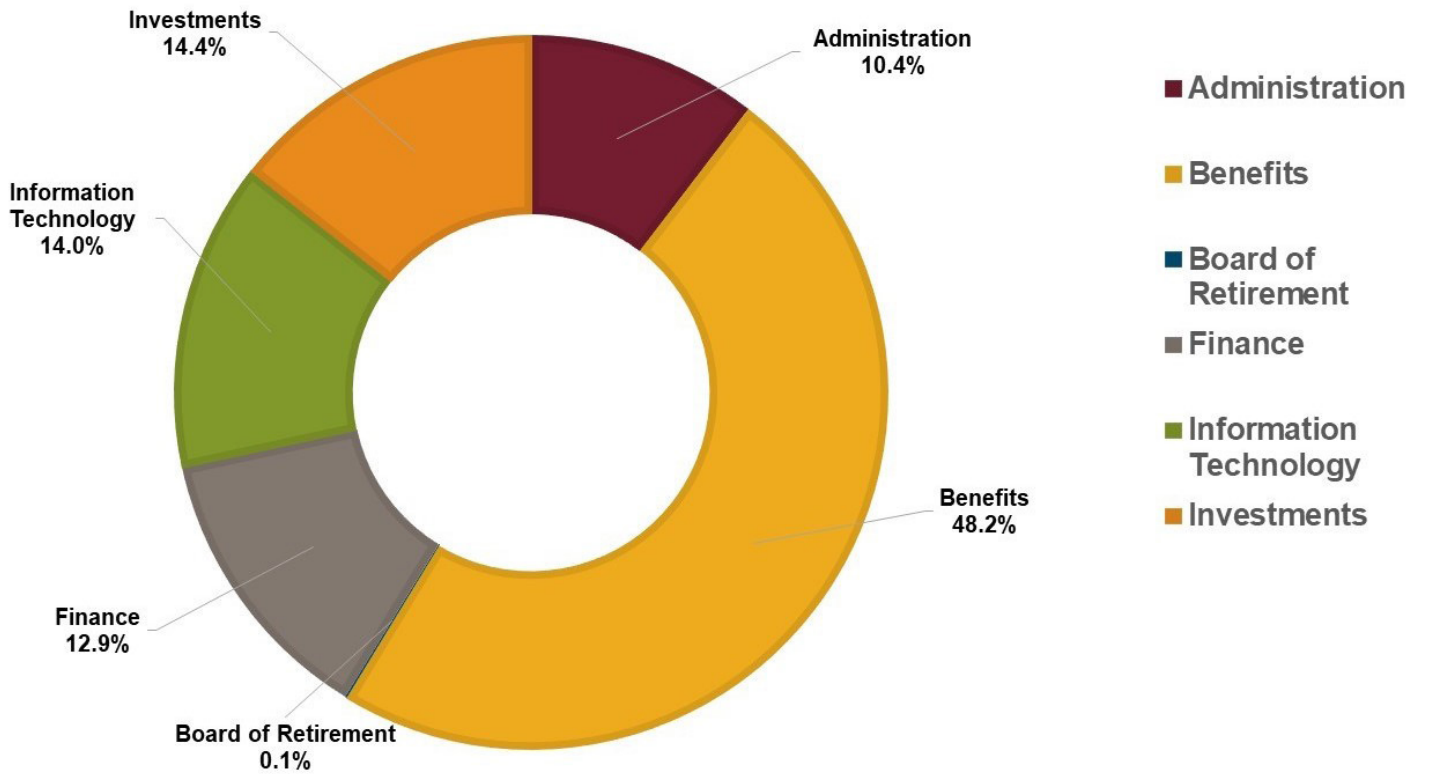
The following summarizes the methodologies used to allocate direct and indirect expenses:

- **Salary and Benefit** costs are allocated to each function. A salary and benefit percent-to-total is calculated for each respective function and utilized to allocate expenses. The Board of Retirement function is comprised of stipends for non-County employed Board members to attend regular and special Board and Committee meetings.
- **Services and Supplies**
  - **Indirect expenses** such as County allocated costs, fiduciary liability insurance, office supplies, postage and printing services, and rents are allocated based on the full-time equivalent (FTE) functional percent-to-total. Indirect expenses are not charged to the Board of Retirement function.
  - **Direct expenses** such as actuarial, business conferences and travel, County-wide IT services, election services, direct information technology services, membership, medical, legal, reporting, and transcribing services are charged directly to the respective functions incurring the costs.
- **Other Charges** are comprised of depreciation expenses, County-wide cost allocation, and amortization of intangible assets. Depreciation expenses for IT equipment and leased assets are allocated to all functions using the FTE functional percent-to-total. County-wide cost allocation expense is allocated using the same methodology as depreciation expenses. Amortization of Intangible Assets is allocated to all functions using the FTE functional percent-to-total, similar to depreciation expenses.
- **Contingencies** are not allocated to any of the functions.
- **Capitalized Costs** are comprised of new software system developments and IT equipment. Capitalized costs are allocated to the Information Technology function.



# PROPOSED BUDGET BY FUNCTION

## FISCAL YEAR 2023-24 FUNCTIONAL BUDGET PERCENTAGE





PROPOSED BUDGET BY FUNCTION (CONTINUED)

FISCAL YEAR 2023-24 FUNCTIONAL BUDGET SUMMARY

Expense Type	Administration		Benefits		Board of Retirement	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Salaries and Benefits	\$ 1,712,383	16%	\$ 4,800,710	44%	\$ 8,000	0%
Services and Supplies	223,991	3	2,633,107	35	26,148	1
Other Charges	1,968,000	11	10,627,000	59	-	0
<b>Total</b>	<b>3,904,375</b>	<b>10%</b>	<b>18,060,816</b>	<b>49%</b>	<b>34,148</b>	<b>1%</b>
Contingencies	21,000	11	113,000	59	-	0
Capitalized Costs	-	0	-	0	-	0
<b>Total</b>	<b>21,000</b>	<b>2%</b>	<b>113,000</b>	<b>9%</b>	<b>-</b>	<b>0%</b>
<b>GRAND TOTAL</b>	<b>\$ 3,925,375</b>	<b>10.4%</b>	<b>\$ 18,173,816</b>	<b>48.2%</b>	<b>\$ 34,148</b>	<b>0.1%</b>

Expense Type	Finance		Information Technology		Investments	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Salaries and Benefits	\$ 1,739,778	16%	\$ 1,093,311	10%	\$ 1,539,818	14%
Services and Supplies	403,570	5	1,630,717	21	2,679,467	35
Other Charges	2,678,000	15	1,495,000	8	1,181,000	7
<b>Total</b>	<b>4,821,348</b>	<b>13%</b>	<b>4,219,028</b>	<b>12%</b>	<b>5,400,285</b>	<b>15%</b>
Contingencies	29,000	15	16,000	8	13,000	7
Capitalized Costs	-	0	1,051,000	100	-	0
<b>Total</b>	<b>29,000</b>	<b>2%</b>	<b>1,067,000</b>	<b>86%</b>	<b>13,000</b>	<b>1%</b>
<b>GRAND TOTAL</b>	<b>\$ 4,850,348</b>	<b>12.9%</b>	<b>\$ 5,286,028</b>	<b>14.0%</b>	<b>\$ 5,413,285</b>	<b>14.4%</b>

Expense Type	Total
Salaries and Benefits	\$ 10,894,000
Services and Supplies	7,597,000
Other Charges	17,949,000
<b>Total</b>	<b>36,440,000</b>
Contingencies	192,000
Capitalized Costs	1,051,000
<b>Total</b>	<b>1,243,000</b>
<b>GRAND TOTAL</b>	<b>\$ 37,683,000</b>

# BUDGET DETAIL

(Dollar Amounts Rounded to the Nearest Thousand)

ACCOUNT TITLE	FY 2023-24 Proposed Budget	Increase/ Decrease	Percentage %	FY 2022-23 Amended Budget	FY 2022-23 \$ Expended As of 12/31/2022	FY 2022-23 Percentage Expended as 12/31/2022	FY 2022-23 Anticipated Percentage Expended at 6/30/2023
<b>Salaries and Benefits</b>							
Salaries & Wages-Regular Employees	\$ 7,443,000	\$ 1,747,000	31%	\$ 5,696,000	\$ 2,056,719	36%	72%
Extra Help	52,000	2,000	4%	50,000.00	24,601	49%	98%
Salaries & Wages-Committee Members	8,000	-	0%	8,000	2,340	29%	59%
Salaries & Wages-Straight Time O/T	4,000	(15,000)	-79%	19,000	1,388	7%	15%
Salaries & Wages-Time & One Half O/T	10,000	(28,000)	-74%	38,000	8,845	23%	47%
Salaries & Wages-Premium Pay	105,000	15,000	17%	90,000	36,864	41%	82%
Allowances	6,000	1,000	20%	5,000	2,379	48%	95%
Terminal Pay	75,000	(5,000)	-6%	80,000	6,248	8%	16%
Retirement-Normal & UAAL	1,639,000	385,000	31%	1,254,000	425,852	34%	68%
Retirement-1995/2003 POB Debt Service	329,000	(11,000)	-3%	340,000	169,940	50%	100%
Retirement-2004 POB Debt Service	169,000	5,000	3%	164,000	81,779	50%	100%
Health Savings-Employer Cost	49,000	8,000	20%	41,000	13,467	33%	66%
401A Plan-Employer Cost	98,000	72,000	277%	26,000	31,832	122%	245%
OASDI-Employer Cost	495,000	89,000	22%	406,000	128,719	32%	63%
Group Insurance-Employer Cost	1,108,000	162,000	17%	946,000	268,334	28%	57%
Workers Compensation Insurance-Employer Cost	17,000	1,000	6%	16,000	7,964	50%	100%
Unemployment Insurance-Employer Cost	7,000	(4,000)	-36%	11,000	5,368	49%	98%
Salary Savings Factor	(720,000)	(386,000)	116%	(334,000)	-	0%	0%
<b>Salaries and Benefits Total</b>	<b>10,894,000</b>	<b>2,038,000</b>	<b>23%</b>	<b>8,856,000</b>	<b>3,307,139</b>	<b>37%</b>	<b>75%</b>



BUDGET DETAIL (CONTINUED)

ACCOUNT TITLE	FY 2023-24 Proposed Budget	Increase/ Decrease	Percentage %	FY 2022-23 Amended Budget	FY 2022-23 \$ Expended As of 12/31/2022	FY 2022-23 Percentage Expended as 12/31/2022	FY 2022-23 Anticipated Percentage Expended at 6/30/2023
<b>Services and Supplies</b>							
Advertising/Legal Notices	4,000	2,000	100%	2,000	1,170	59%	117%
Periodicals & Subscriptions	5,000	(1,000)	-17%	6,000	1,994	33%	66%
Business Conferences and Travel	138,000	-	0%	138,000	41,050	30%	59%
Education & Training Services	140,000	(216,000)	-61%	356,000	121,364	34%	68%
Employee Tuition Reimbursement	14,000	3,000	27%	11,000	1,500	14%	27%
Employee Recognition	30,000	15,000	100%	15,000	8,431	56%	112%
Insurance-Liability	48,000	4,000	9%	44,000.00	21,978	50%	100%
Insurance-Fiduciary Liability	203,000	57,000	39%	146,000	169,520	116%	116%
Memberships	30,000	5,000	20%	25,000	14,550	58%	116%
Office Supplies	23,000	10,000	77%	13,000	10,608	82%	163%
Postage Services	20,000	13,000	186%	7,000	7,523	107%	215%
Printing Services	14,000	-	0%	14,000	5,254	38%	75%
Office Equipment Modular Furniture	25,000	(5,000)	-17%	30,000	1,648	5%	11%
Rents/Leases-Equipment	12,000	(5,000)	-29%	17,000	6,923	41%	81%
Leased Property Use Charges	48,000	(343,000)	-88%	391,000	7,419	2%	4%
Interest Expense-Lease (ROU)	253,000	253,000	100%	-	-	0%	0%
Medical Services	200,000	75,000	60%	125,000	40,801	33%	65%
Actuarial Services	150,000	(150,000)	-50%	300,000	16,695	6%	11%
Board Meetings	6,000	5,000	500%	1,000	1,236	124%	247%
Investment Services/Consultants and Other	1,756,000	(689,000)	-28%	2,445,000	599,245	25%	49%
Temporary Staffing Services	460,000	360,000	360%	100,000	74,551	75%	149%
Legal Services	1,100,000	(55,000)	-5%	1,155,000	362,173	31%	63%
Personnel Services	345,000	8,000	2%	337,000	168,282	50%	100%
Labor Relations Services	9,000	1,000	13%	8,000	3,933	49%	98%
Safety Program Services	1,000	-	0%	1,000	534	53%	107%
Reporting Services	50,000	-	0%	50,000	-	0%	0%
Transcribing Services	10,000	(10,000)	-50%	20,000	-	0%	0%
Security Services	1,000	1,000	100%	-	448	0%	0%
Building Maintenance Services	70,000	70,000	100%	-	-	0%	0%
Accounting Services	75,000	75,000	100%	-	-	0%	0%
Other Professional Services	314,000	(32,000)	-9%	346,000	171,212	49%	99%
Information Technology Services	985,000	335,000	52%	650,000	341,373	53%	105%
Data Processing Supplies	21,000	(99,000)	-83%	120,000	136,540	114%	114%
County Payroll	3,000	-	0%	3,000	1,347	45%	90%
County Payment Services	16,000	2,000	14%	14,000.00	6,891	49%	98%
Audits	2,000	-	0%	2,000.00	1,087	54%	109%
Election Services	-	(32,000)	-100%	32,000	-	0%	0%
Telecommunication	12,000	12,000	100%	-	5,836	0%	0%
Countywide IT Services	57,000	9,000	19%	48,000	24,016	50%	100%
Systems Development Services	146,000	(67,000)	-31%	213,000	95,198	45%	89%
Systems Development Supplies	47,000	(2,000)	-4%	49,000	25,290	52%	103%
Department of Finance Services	324,000	196,000	153%	128,000	161,373	126%	252%
Finance System Control & Recon - ACP	15,000	15,000	100%	-	-	0%	0%
Wide Area Network	85,000	11,000	15%	74,000	37,200	50%	101%
Alarm Services	2,000	-	0%	2,000	873	44%	87%
GS-Printing Services	25,000	-	0%	25,000	6,956	28%	56%
GS-Mail/Postage Charges	140,000	2,000	1%	138,000	85,179	62%	123%
GS-Messenger Services	5,000	-	0%	5,000	2,223	44%	89%
GS-Purchasing Services	2,000	-	0%	2,000	1,073	54%	107%
GS-Warehousing Charges	1,000	-	0%	1,000	77	8%	15%
County Facility Use Charges	4,000	1,000	33%	3,000	1,550	52%	103%
Parking	130,000	130,000	100%	-	23,318	0%	0%
GS-Surplus Property Management	3,000	-	0%	3,000	1,233	41%	82%
Telephone Usage	18,000	(15,000)	-45%	33,000	-	0%	0%
Telephone Installation	-	(1,000)	-100%	1,000.00	-	0%	0%
<b>Services and Supplies Total</b>	<b>7,597,000</b>	<b>(52,000)</b>	<b>-1%</b>	<b>7,649,000</b>	<b>2,818,673</b>	<b>37%</b>	<b>74%</b>



BUDGET DETAIL (CONTINUED)

ACCOUNT TITLE	FY 2023-24 Proposed Budget	Increase/ Decrease	Percentage %	FY 2022-23 Amended Budget	FY 2022-23 \$ Expended As of 12/31/2022	FY 2022-23 Percentage Expended as 12/31/2022	FY 2022-23 Anticipated Percentage Expended at 6/30/2023
<b>Other Charges</b>				<b>0</b>			
Depreciation Expense	636,000	(3,000)	0%	639,000	304,323	48%	95%
Countywide Cost Allocation	-	(52,000)	-100%	52,000	11,118	21%	43%
Amortization on Intangible Assets	17,313,000	17,313,000	100%	-	-	0%	0%
<b>Other Charges Total</b>	<b>17,949,000</b>	<b>17,258,000</b>	<b>2498%</b>	<b>691,000</b>	<b>315,441</b>	<b>46%</b>	<b>91%</b>
<b>Contingencies</b>							
Appropriation For Contingencies	192,000	20,000	12%	172,000	-	0%	0%
<b>Contingencies Total</b>	<b>192,000</b>	<b>20,000</b>	<b>12%</b>	<b>172,000</b>	<b>-</b>	<b>0%</b>	<b>0%</b>
<b>TOTAL</b>	<b>\$ 36,632,000</b>	<b>\$ 19,264,000</b>	<b>111%</b>	<b>\$ 17,368,000</b>	<b>\$ 6,781,831</b>	<b>39%</b>	<b>78%</b>
<b>Capitalized Costs</b>							
Tenant Improvements Project	-	-	0%	-	-	0%	0%
Pension Administration System	-	(2,773,000)	-100%	2,773,000.00	-	0%	0%
Software System Development	1,000,000	1,000,000	100%	-	-	0%	0%
IT Equipment	51,000	51,000	100%	-	-	0%	0%
<b>Capitalized Costs Total</b>	<b>1,051,000</b>	<b>(1,722,000)</b>	<b>-62%</b>	<b>2,773,000</b>	<b>-</b>	<b>0%</b>	<b>0%</b>
<b>GRAND TOTAL</b>	<b>\$ 37,683,000</b>	<b>\$ 17,542,000</b>	<b>87%</b>	<b>\$ 20,141,000</b>	<b>\$ 6,781,831</b>	<b>34%</b>	<b>67%</b>



## SUMMARY OF POSITIONS

Position Title	FY 2023-24 Change Request	Requested FY 2023-24 (*)	Approved FY 2022-23	Filled FY 2022-23
Accountant	0	2	2	2
Accounting Mgr	0	2	2	1
Accounting Technician	1	3	2	2
Admin Svcs Officer 1	0	1	1	1
Admin Svcs Officer 2	0	1	1	1
Asst Retirement Admin-Benefits Rng B	0	1	1	0
Asst Retirement Admin-Investment Rng B	0	1	1	1
Asst Retirement Admin-Operations Rng B	0	1	1	1
Chief Investment Officer Retirement RngB	0	1	1	1
Executive Secretary	0	1	1	1
Info Tech Applications Analyst Lv 2	0	1	1	1
Info Tech Systems Supp Spec Lv 2	0	1	1	1
Office Specialist Lv 1	0	4	4	3
Office Specialist Lv 2	2	6	4	4
Paralegal	1	2	1	1
Retirement Administrator	0	1	1	1
Retirement Benefits Specialist Lv 1	0	6	6	6
Retirement Benefits Specialist Lv 2	3	12	9	6
Retirement General Counsel Rng B	0	1	1	0
Retirement Investment Analyst Lv 2	0	1	1	1
Retirement Services Analyst	0	3	3	2
Retirement Services Manager	0	2	2	2
Retirement Services Supervisor	1	4	3	2
Sr Accountant	0	3	3	3
Sr Accounting Mgr	0	1	1	1
Sr Public Information Officer	0	1	1	1
Sr Retirement Benefits Specialist	2	7	5	4
Sr Retirement Investment Officer	0	2	2	2
Supv Information Technology Analyst	0	1	1	1
Asst. Retirement Administrator-Enterprise Rr	0	1	1	0
Info Tech Business Systems Analyst 3	1	1	0	0
Information Technology Technician Lv 2	1	1	0	0
<b>Grand Total</b>	<b>12</b>	<b>76</b>	<b>64</b>	<b>53</b>

Note: SCERS' proposed budget headcount for fiscal year 2023-24 is 76, which does not include the Senior Personnel Analyst (SPA). The SPA position is contracted through the County Department of Personnel Services.

(\*) Fiscal year 2023-24 filled positions are presented as of December 31, 2022.

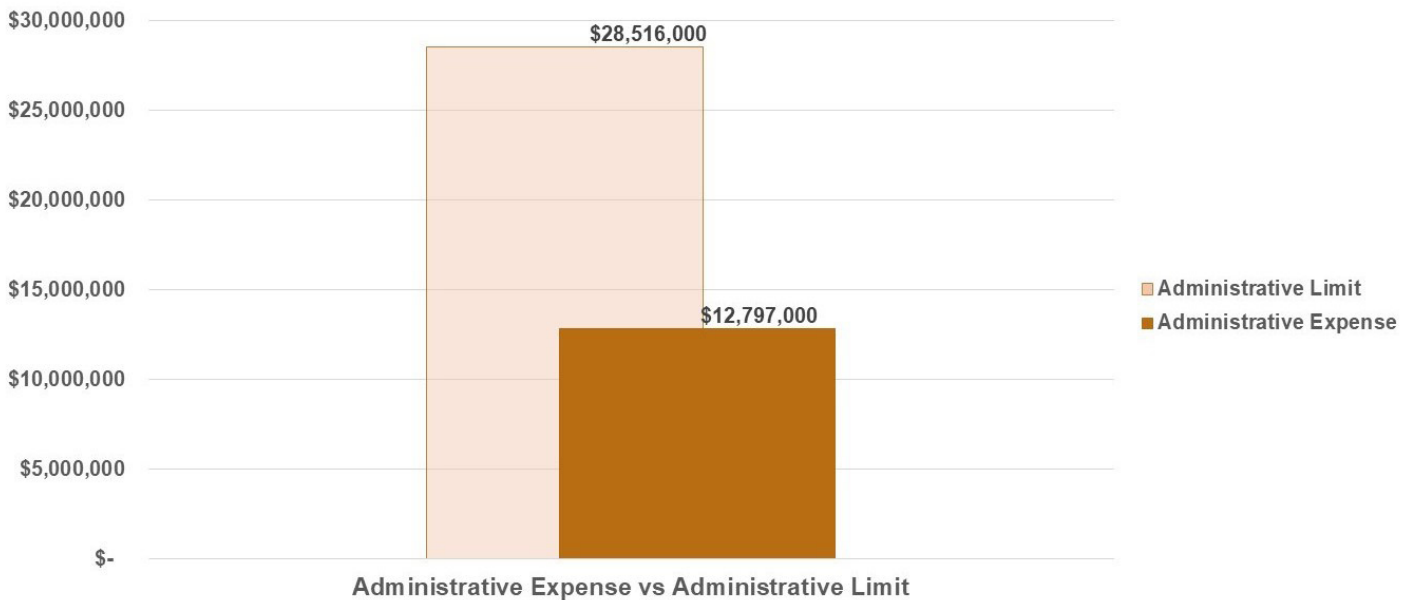


# ADMINISTRATIVE EXPENSE ANNUAL BUDGET LIMIT

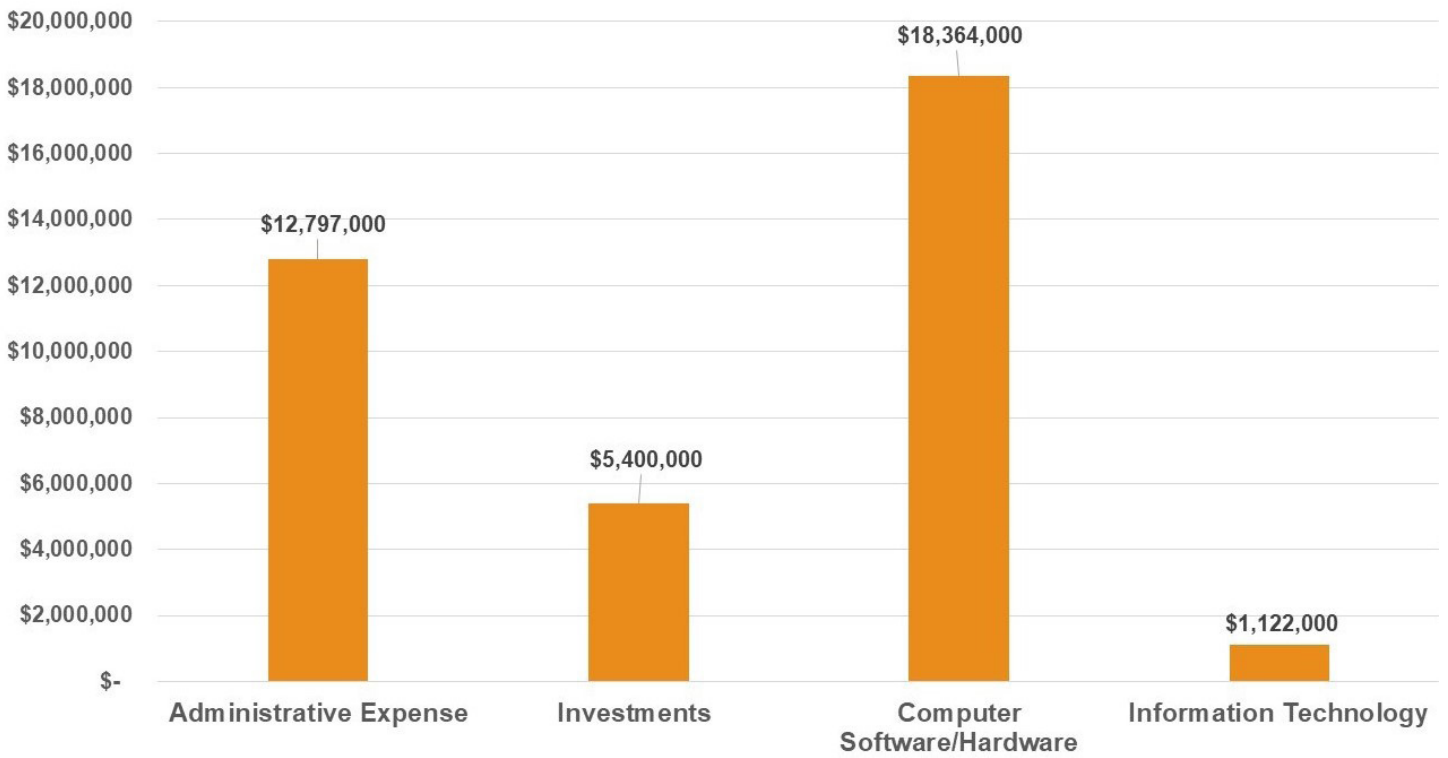
(PURSUANT TO GOVERNMENT CODE SECTIONS 31580.2 AND 31596.1)

	Fiscal Year 2023-24	Fiscal Year 2022-23	Increase/(Decrease) From PY
Total Budget	\$ 37,683,000	\$ 20,141,000	(17,542,000)
Less Investments Related Costs	(5,400,000)	(4,797,000)	603,285
Computer Software/Hardware and Computer	(18,364,000)		
Technology Consulting Services Costs	(1,122,000)	(3,853,000)	(2,731,000)
<b>Administrative Expenses Budget</b>	<b>\$ 12,797,000</b>	<b>\$ 11,491,000</b>	<b>\$ 1,305,715</b>

Total Actuarial Accrued Liability as of June 30, 2021 and June 30, 2022, respectively	\$13,578,984,000	\$12,985,529,000	593,455,000
Administrative Expenses Budget Limit at Twenty-one Hundredths of One Percent	0.21% \$28,516,000	0.21% \$27,270,000	
Administrative Expenses Budget	0.09% 12,797,000	0.09% 11,491,000	0.00%
<b>Budget Limit in Excess of Administrative Expenses</b>	<b>0.12% \$ 15,719,000</b>	<b>0.12% \$ 15,779,000</b>	<b>0.00%</b>



FISCAL YEAR 2023-24 BUDGET LIMIT SUMMARY



# GLOSSARY

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## Account Title and Description

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### Salaries & Wages-Regular Employees

This line item is comprised of regular salaries and wages for Sacramento County Employee's Retirement System (SCERS) personnel. SCERS uses the fiscal year 2022-23 Personnel Cost Forecasting (PCF) Report provided by County of Sacramento (County) as the basis, and updates anticipated staffing changes for fiscal year 2023-24. The PCF is based on data extracted from the human resources module of the Sacramento County Comprehensive Online Management Personnel and Accounting System (COMPASS) for pay period 26 ending December 2022, which includes a 4% cost-of-living adjustment (COLA) based on the current Consumer Price Index estimates.

The budget reflects step increases based on the anniversary of an employee's start date. Exempt positions are budgeted based on anticipated step increases. Vacant positions are budgeted at the lowest step.

### Extra Help

This line item is compromised of temporary employees. Retired temporary employees are limited to 960 hours per year.

### Salaries & Wages-Committee Members

Salaries and wages for Board members who are not County employees to attend regular and special Board and Committee meetings.

### Salaries & Wages-Straight Time O/T

Straight overtime costs for operational needs, including leaves of absence and vacancies. Certain job classifications are paid straight overtime as prescribed by the labor agreements. Employees have the option to select monetary compensation or receive compensatory time off.

### Salaries & Wages-Time & One-Half O/T

Salaries and wages time and one-half for operational needs, including leaves of absence and vacancies. Certain job classifications are paid regular time and one-half as prescribed by the labor agreements. Employees have the option to select monetary compensation or receive compensatory time off.

### Salaries & Wages-Premium Pay

Salaries and wages for pay differential based on a 3.35% management base pay, 5% pay





**Account Title and Description**

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differential for out of class staff, and 2.5% to 5% educational incentive for qualified employees in specified positions.

**Allowances**

This line item is comprised of car allowance provided to the Chief Executive Officer.

**Terminal Pay**

This line item represents anticipated payments for accrued leave balances and for one-half of sick leave balances upon retirement for management employees.

**Retirement-Normal & UAAL**

This represents the employer's share of pension cost, which includes normal cost and Unfunded Actuarial Accrued Liability (UAAL) contributions.

**Retirement-1995/2003 POB Debt Service**

This is a County allocated cost pertaining to the principal and interest payments of the 1995/2003 Pension Obligation Bond (POB). Costs are allocated based on SCERS' total salaries.

**Retirement-2004 POB Debt Service**

This is a County allocated cost pertaining to the principal and interest payments of the 2004 POB. Costs are allocated based on SCERS' total salaries.

**Health Savings-Employer Cost**

This line item includes the Retirement Health Savings Plan (RHSP) costs for each eligible employee at \$25 per pay period.

**401A Plan-Employer Cost**

Employer's 1 percentage match of management employee's salary, including premium pay and auto allowance, for the IRC 401(a) Retirement Savings Deferred Compensation Plan.

**OASDI-Employer Cost**

Employer's mandated Social Security and Medicare tax payments.

**Account Title and Description**

---

**Group Insurance-Employer Cost**

Employer's contributions of health and dental insurance premiums. This is provided in the County's Personnel Cost Forecasting Report which calculates prior calendar year actual premium payments through December pay period 26 and adjusted to incorporate anticipated staffing changes in the budgeted fiscal year.

**Workers Compensation Insurance-Employer Cost**

Employer's cost for Workers' Compensation Insurance claims payments and administration. The costs are allocated to County departments based on 70 percent five-year claims history and 30 percent estimated risk calculated by weighted payroll. The County purchases excess Workers' Compensation insurance to cover claims above a self-insured retention of \$3.0 million.

**Unemployment Insurance-Employer Cost**

County allocated cost for the administration of unemployment insurance claims. The costs are allocated to SCERS based on 90 percent five-year claims history and 10 percent total full-time equivalent (FTE) positions.

**Salary Savings Factor**

Salaries and benefits savings for vacant positions not anticipated to be filled during budgeted fiscal year periods.

**Advertising/Legal Notices**

Expenses comprised of publicizing public hearings, legal notices, employment announcements, and solicitations for professional consultants and service providers.

**Periodicals and Subscriptions**

Expenses related to subscriptions, such as international business newspapers, daily financial newspapers, and other news and article subscriptions.

**Business Conferences and Travel**

Expenses comprised of educational seminars, conferences, and meetings attended by Board members and SCERS staff, including hotel, transportation, meals, tolls, parking and other travel costs.

**Account Title and Description**

---

**Education & Training Services**

Expenses pertaining to registration for education and training seminars, workshops, and other courses directly related to SCERS staff and their job duties.

**Employee Tuition Reimbursement**

Employee tuition reimbursement payments that range from \$1,200 to \$1,500 per employee based on the employee's bargaining unit and labor agreement.

**Employee Recognition**

Expenses comprised of water and coffee supplies for staff, refreshments for staff meetings, and other employee recognition items.

**Insurance-Liability**

This line item is a County allocated cost for the liability insurance program. Costs are allocated to SCERS based on 70 percent seven-year claims history and 30 percent total FTE positions. This includes group insurance purchasing programs for coverage, such as property, boiler and machinery, aircraft, airport operations and pollution liability.

**Insurance-Fiduciary Liability**

This represents the annual fiduciary insurance policy cost.

**Memberships**

Annual membership dues for professional associations.

**Office Supplies**

Expenses comprised of consumable supplies and miscellaneous office items.

**Postage Services**

Expenses comprised of mail preparation services performed by contract vendors for presorting, stuffing and sealing envelopes, U.S. Postal Services for direct mailings, Federal Express charges, BRM Permit charges, and other express mailing services.

**Account Title and Description**

---

**Printing Services**

Expense related to specialty printing, rush orders, and quantity printing including member handbooks, member annual statements, newsletters to members, notices to members, envelopes, folders, portfolios, and stationery provided by contract vendors.

**Office Equipment Modular Furniture**

Expenses comprised of purchases of desks, chairs, tables, filing cabinets, and other office furniture.

**Rents/Leases-Equipment**

Lease expenses for printers and photocopiers, including maintenance and repair service.

**Leased Property Use Charges**

Rental expenses for SCERS' administrative office, after-hours utilities, miscellaneous building items, and service requests, including fire extinguishers, locks and keys, storage fees and other services.

**Interest Expense-Lease (ROU)**

Interest expense portion of Lease payments. This is impacted by new Governmental Accounting Standard Board 87 policy, which replaces the previous lease accounting methodology, and requires the amortization of the discount on the lease liability to be recorded as interest revenue.

**Medical Services**

Expenses pertaining to disability retirement applications processing, including independent medical examinations, laboratory work, and specialized copying services.

**Actuarial Services**

Expenses attributed to Segal actuarial services.

**Board Meetings**

Retirement Board expenses, including refreshments and meals.

**Account Title and Description**

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**Investment Services/Consultants and Other**

Investment-related expenses for consulting services and third-party vendor services, including the accounting and reporting of private market investments. This line item excludes investment manager fees, which are paid directly from investment and are not included in the budget.

**Temporary Staffing Services**

Temporary services to cover operational needs, temporary vacancies, leaves of absences, and special projects as needed.

**Legal Services**

Legal services and vendors provided for legal consultation and representation.

**Personnel Services**

This is a County allocated cost for personnel services, including central human resources, employee benefits, and labor relations services provided by the Department of Personnel Services. Personnel services costs are allocated based on SCERS' total FTE positions. In addition, SCERS is charged directly for the Senior Personnel Analyst position assigned exclusively to SCERS.

**Labor Relations Services**

This is a County allocated cost from the County Office of Labor Relations for administering the collective bargaining process between the County and its employee organizations. This includes contract negotiations, administration, training, and resolving disputes through mediation, arbitration, and administrative hearings. The costs are allocated based on SCERS' total FTE positions.

**Safety Program Services**

This is a County allocated cost from the County Department of Personnel Services for managing the County-wide Safety/Accident Prevention and Industrial Hygiene programs. The costs of the Safety Program are allocated to SCERS based on the allocation methodology for the Workers' Compensation Insurance program (70 percent five-year claims history and 30 percent estimated risk calculated by weighted payroll).

**Account Title and Description**

---

**Reporting Services**

Expenses for contract services provided by the Office of Administrative Hearings related to disability retirement cases as required by the Retirement Board.

**Transcribing Services**

Expenses related to qualified legal reporters to record disability retirement hearings, prepare transcripts as necessary, and copy medical reports.

**Security Services**

Expenses related to fingerprinting services provided by the State of California.

**Building Maintenance Services**

Expenses related to building maintenance, including lighting installments, electrical system maintenance, and other utility services. This was previously budgeted in the Other Professional Services category.

**Accounting Services**

Expenses related to accounting services, mostly pertaining to financial audits.

**Other Professional Services**

Expenses attributed to professional services, such as graphic design, communication consulting, customer experience management, video production, photography, financial statements formatting, process improvement, strategic planning, and disaster recovery plan services.

**Information Technology Services**

Expenses related to SCERS' public website hosting, intranet hosting, and maintenance and application support for the Pension Administration System.

**Data Processing Supplies**

Expenses for purchases of non-capitalized equipment, software, and supplies, including computers, monitors, laptop computers, and printers.

**Account Title and Description**

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**County Payroll**

This is a County allocated cost for employee payroll services and associated reporting performed by the County Department of Finance. Costs are allocated based on SCERS' total FTE positions.

**County Payment Services**

This is a County allocated cost for paying invoices, such as contract, vendor, and other claim payments performed by the County Department of Finance. Costs are allocated based on SCERS' payment claim/ invoice expense transaction counts.

**Audits**

This is a County allocated cost for audit services performed by the County Auditor-Controller's Office. Costs are allocated based on SCERS' total FTE positions.

**Election Services**

Expenses related to SCERS Board members elections.

**Telecommunication**

Expenses related to telecommunication outside of the County services, such as cell phones and television services.

**County-wide IT Services**

This is a County allocated cost for services provided by the Department of Technology which include County data centers, County-wide service desk, County-wide security, 3-1-1 contact center/County-wide communications center, and policy and planning initiatives. The charges are prepared based on historical usage and input from County Departments.

**Systems Development Services**

Expenses related to Department of Technology labor charges for service requests in the areas of existing automated systems, application development, implementation support, database design, SAP ERP support, new features implementation, SharePoint, web services, desk support, and server support. Costs are based on Department of Technology's billing rates per type of service for the budgeted fiscal year.

**Account Title and Description**

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**Systems Development Supplies**

This is a County allocated cost related to shared services provided by Department of Technology. The services include backup and recovery services, computer equipment maintenance, geographic information services, internet/intranet website, web application hosting, high speed enterprise printing, warrant printing, mainframe operations support, service desk support, storage hosting, virtual server hosting, shared SQL environment, shared Oracle environment, and system center services. The charges are prepared based on historical usage data and County Departments input regarding estimated Department of Technology costs for the fiscal year.

**Department of Finance Services**

Expenses related to pension payroll services performed by the County Department of Finance based on the cost per warrant and the total number of warrants processed.

**Finance System Control & Recon - ACP**

This is a County allocated cost for maintaining overall function of the County's financial system—COMPASS—by performing system testing, upgrading, responding to service desk tickets, and maintaining user security. The costs of the System Control & Reconciliation unit are allocated to County departments and offices based on transaction counts for all document types, except payment issuance and payment clearing transactions.

**Wide Area Network**

This is a County allocated cost from Department of Technology for Wide Area Network (WAN), which includes infrastructure design, implementation, support, and maintenance services for the County's WAN. The charges are prepared based on historical usage data and County Departments input regarding estimated Department of Technology costs for the fiscal year.

**Alarm Services**

This is a County allocated cost for electronic fire and intrusion alarm services, closed circuit television and public announcement sound systems provided by County Department of General Services. Costs are calculated based on the number of services utilized within each facility and allocated to County Departments based upon the percentage of Facility Use Charges.



**Account Title and Description**

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**GS-Printing Services**

Expenses for quantity printing service provided by County Department of General Services, including forms, letters, and other materials. The annual printing cost depends upon the size and complexity of printing services requested. See account line item Printing Services for printing services provided by external vendors.

**GS-Mail/Postage Charges**

Expenses related to U.S. postage and handling fees for sorted and unsorted first class mailings and certified mailings provided by County Department of General Services, including distribution of notices and forms to SCERS members, and postage costs for pension warrant and annual statements. The total annual cost for postage is determined by usage. Refer to account line item Postage Services for mailing services provided by external vendor.

**GS-Messenger Services**

This is a County allocated cost from County Department of General Services for delivery of County inter-departmental mail. Annual cost is based on each daily mail/messenger pick-up or delivery stop.

**GS-Purchasing Services**

This is a County allocated cost from County Department of General Services, Contract and Purchasing Services Division, for a centralized purchasing process and for monitoring contracted vendor performance and resolves problems with vendors. Costs are based upon SCERS' pro-rata share of the combined purchase order dollar values by fund center. Data from COMPASS for the most recent full fiscal year is used as the basis for allocation.

**GS-Warehousing Charges**

Expenses related to central warehouse and records management service provided by County Department of General Services, including the receipt, storage, retrieval, and destruction of semi-active and/or inactive records. Costs are based upon SCERS' space usage in square footage at a rate of \$0.73 per square foot.

**County Facility Use Charges (Shared Meeting Rooms)**

This is a County allocated cost for the County's shared meeting room based on the applicable facility's per-square-foot costs as calculated by the Department of General Services, Department of Regional Parks, and Risk Management. The costs are then allocated based on the number of permanent authorized positions.

**Account Title and Description**

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**Parking**

Expense for parking space provided to Full Time Employees.

**GS-Surplus Property Management**

This is a County allocated cost from County Department of General Services for services related to collection, classification, storage, and redistribution of surplus county-owned equipment, vehicles, and other personal property. The costs are allocated based on SCERS' total FTE positions.

**Telephone Usage/Telephone Installation**

This is a County allocated cost from Department of Technology for telecommunication and cellular services, including in-house planning, installation, and maintenance of telephone systems, and on-going support and security compliance of cellular telephone service and equipment, along with external vendor cellular telephone charges. The charges are prepared based on input from County Departments and historical usage data and represents estimated Department of Technology costs for the fiscal year.

**Depreciation Expense**

Depreciation expense for capital assets such as building improvements, furniture, and office equipment.

**County-wide Cost Allocation**

This is a County allocated cost for SCERS' portion of the County's General Fund overhead expenses, including the use of COMPASS, costs are determined based on usage and SCERS' total FTE positions. The allocated amount also includes true-up of prior two years of actual expenses.

**Amortization of Intangible Assets**

This is the amortization expense of intangible assets, including the Pension Administration System (PAS).

**Appropriation for Contingencies**

This line item is comprised of 1% of the total Salaries and Benefits, total Services and Supplies, and Other Charges expenses, excluding the PAS Amortization Expense.



**Account Title and Description**

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**Tenant Improvement Project**

This line item is comprised of improvement costs for administrative office space.

**Pension Administration System**

This line item is comprised of expenses related to SCERS's Pension Administration System (PAS), including consulting services, project management, temporary staffing, data conversion, hardware costs, and software costs. PAS is a multi-phase and multi-year project. Costs for PAS related to activities in the preliminary project stage are expensed as incurred, and costs related to activities in the application development stage (including data conversion, software configuration, software interfaces, coding, installation, hardware, and testing) are capitalized and amortized over the estimated useful life of PAS.

**Software System Development**

This line item is comprised of capitalized costs related to SCERS's implementation of a workflow solution software, including the software and hardware costs (if any). Costs for the software related to activities in the application development stage will be capitalized and amortized over the estimated useful life of the software. Amortization of the capitalized costs will begin once the software is ready for its intended use.

**IT Equipment**

This line item is to record any large purchases of Information Technology (IT) equipment that is to be capitalized, including portable computers (PCs), laptops, and tablets.



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# THREE-YEAR ACTUAL EXPENSES

Added FY 21-22		ACTUAL EXPENSE				FY 2022-23	FY 2023-24
SUB-OBJECT	ACCOUNT TITLE	FY 2021-22	FY 2020-21	FY 2019-20	3-Year Average	Amended Budget	Proposed Budget
<b>OBJECT 10 - SALARIES &amp; BENEFITS</b>							
	10111000 Salaries & Wages-Regular Employees	3,928,000	4,165,000	4,171,000	4,088,000	5,696,000	7,443,000
	10112100 SALARIES & WAGES - EXTRA HELP	52,000	-	-	17,333	50,000	52,000
	10112400 Salaries & Wages-Committee Members	6,000	7,000	7,000	6,667	8,000	8,000
	10113100 Salaries & Wages-Straight Time O/T	4,000	4,000	22,000	10,000	19,000	4,000
	10113200 Salaries & Wages-Time & One Half O/T	20,000	15,000	10,000	15,000	38,000	10,000
	10114100 Salaries & Wages-Premium Pay	67,000	54,000	58,000	59,667	90,000	105,000
	10114300 Allowances	5,000	5,000	5,000	5,000	5,000	6,000
	10114800 SALARIES&WAGES-ESSEN	32,000	-	-	10,667	-	-
	10115200 Terminal Pay	109,000	168,000	22,000	99,667	80,000	75,000
	10121000 Retirement-Normal & UAAL	836,000	820,000	762,000	806,000	1,254,000	1,639,000
	10121100 Retirement-1995/2003 POB Debt Service	337,000	323,000	322,000	327,333	340,000	329,000
	10121200 Retirement-2004 POB Debt Service	166,000	157,000	160,000	161,000	164,000	169,000
	10121300 Health Savings-Employer Cost	27,000	30,000	31,000	29,333	41,000	49,000
	10121400 401A Plan-Employer Cost	19,000	16,000	17,000	17,333	26,000	98,000
	10122000 OASDI-Employer Cost	283,000	293,000	300,000	292,000	406,000	495,000
	10123000 Group Insurance-Employer Cost	581,000	667,000	693,000	647,000	946,000	1,108,000
	10124000 Workers Compensation Ins-Emplr Cost	21,000	17,000	16,000	18,000	16,000	17,000
	10125000 Unemployment Ins-Employer Cost	12,000	2,000	1,000	5,000	11,000	7,000
	10199900 Salary Savings Factor	-	-	-	-	(334,000)	(720,000)
	<b>OBJECT TOTAL</b>	<b>6,505,000</b>	<b>6,743,000</b>	<b>6,597,000</b>	<b>6,615,000</b>	<b>8,856,000</b>	<b>10,894,000</b>
<b>OBJECT 20 - SERVICES &amp; SUPPLIES</b>							
	20200500 Advertising/Legal Notices	1,000	1,000	-	667	2,000	4,000
	20202200 Books/Periodicals Supply	-	-	-	-	-	-
	20202400 Periodicals & Subscriptions	4,000	3,000	2,000	3,000	6,000	5,000
	20202900 Business Conferences	-	-	-	-	-	-
	20203100 Business Travel	38,000	6,000	37,000	27,000	138,000	138,000
	20203500 Education & Training Services	6,000	1,000	8,000	5,000	356,000	140,000
	20203700 Employee Tuition Reimbursement	-	2,000	-	667	11,000	14,000
	20203800 Employee Recognition	8,000	1,000	8,000	5,667	15,000	30,000
	20203900 Employee Transportation	-	-	-	-	-	-
	20297100 Insurance-Liability	43,000	41,000	32,000	38,667	-	48,000
	20205200 Insurance-Fiduciary Liability	141,000	107,000	102,000	116,667	146,000	203,000
	20206100 Memberships	26,000	22,000	22,000	23,333	25,000	30,000
	20207600 Office Supplies	10,000	8,000	12,000	10,000	13,000	23,000
	20208100 Postage Services	8,000	9,000	8,000	8,333	7,000	20,000
	20208500 Printing Services	15,000	11,000	11,000	12,333	14,000	14,000
	20211100 BUILDING MAINTENANCE SERVICE	3,000	-	-	1,000	-	70,000
	20211700 ALARM SERVICES	1,000	-	-	333	-	-
	20217100 Leased Property Use Charges	525,000	-	-	175,000	-	48,000
	20226100 Office Equipment Maintenance Services	2,000	2,000	-	1,333	-	-
	20226200 Office Equipment Maintenance Supplies	-	-	-	-	-	-
	20226400 Office Equipment Modular Furniture	-	7,000	17,000	8,000	30,000	25,000
	20227500 Rents/Leases-Equipment	14,000	10,000	16,000	13,333	17,000	12,000
	20217310 Interest Expense-Lease (ROU)	-	-	-	-	-	253,000
	20244300 Medical Services	83,000	140,000	93,000	105,333	125,000	200,000
	20244400 Medical Supplies	-	-	-	-	-	-
	20250200 Actuarial Services	241,000	282,000	293,000	272,000	300,000	150,000

SUB-OBJECT	ACCOUNT TITLE	FY 2021-22	FY 2020-21	FY 2019-20	3-Year Average	FY 2022-23	FY 2023-24
						Amended Budget	Proposed Budget
	20250595 Board Meetings	2,000	-	1,000	1,000	1,000	6,000
	20250607 Investment Services/Consultants and Other	2,119,000	1,884,000	2,011,000	2,004,667	2,445,000	1,756,000
	20252100 Temporary Staffing Services	-	18,000	-	6,000	100,000	460,000
	20253100 Legal Services	372,000	746,000	818,000	645,333	1,155,000	1,100,000
	20254100 Personnel Services	240,000	241,000	180,000	220,333	337,000	345,000
	20295107 Labor Relations Services	6,000	4,000	4,000	4,667	-	9,000
	20295400 Safety Program Services	1,000	1,000	1,000	1,000	-	1,000
	20256100 Reporting Services	12,000	50,000	66,000	42,667	50,000	50,000
	20256200 Transcribing Services	1,000	2,000	5,000	2,667	20,000	10,000
	20257100 SECURITY SERVICES	-	-	-	-	-	1,000
	20259100 Other Professional Services	238,000	186,000	134,000	186,000	346,000	314,000
	20250500 Accounting Services	-	-	-	-	-	75,000
	20259101 Information Technology Consultants	217,000	645,000	293,000	385,000	650,000	985,000
	20281200 Data Processing Supplies	50,000	24,000	87,000	53,667	120,000	21,000
	20281202 Software	-	-	-	-	-	-
	20291302 County Payroll	-	5,000	3,000	2,667	-	3,000
	20291303 County Payment Services	-	5,000	4,000	3,000	-	16,000
	20291305 Audits	-	2,000	2,000	1,333	-	2,000
	20281700 Election Services	29,000	-	27,000	18,667	32,000	-
	20283200 Interpreter Services	-	-	-	-	-	-
	20288700 TELECOMMUNICATION	14,000	-	-	4,667	-	12,000
	20289900 OTHER OP EXP SVC	-	-	-	-	-	-
	20291000 Countywide IT Services	44,000	43,000	43,000	43,333	48,000	57,000
	20291100 Systems Development Services	121,000	97,000	200,000	139,333	213,000	146,000
	20291200 Systems Development Supplies	46,000	49,000	55,000	50,000	49,000	47,000
	20291300 Department Of Finance Services	311,000	177,000	200,000	229,333	128,000	324,000
	20291306 Finance System Control & Recon - ACP	-	-	-	-	-	15,000
	20291600 Wide Area Network	58,000	57,000	58,000	57,667	74,000	85,000
	20291700 Alarm Services	2,000	3,000	2,000	2,333	2,000	2,000
	20292100 GS-Printing Services	24,000	29,000	24,000	25,667	25,000	25,000
	20292200 GS-Mail/Postage Charges	152,000	146,000	148,000	148,667	138,000	140,000
	20292300 GS-Messenger Services	4,000	4,000	4,000	4,000	5,000	5,000
	20292500 GS-Purchasing Services	2,000	4,000	2,000	2,667	2,000	2,000
	20292700 GS-Warehousing Charges	-	-	1,000	333	1,000	1,000
	20292800 GS-Co Equip. Rental-Light Vehicles	-	-	-	-	-	-
	20294200 County Facility Use Charges	3,000	3,000	3,000	3,000	3,000	4,000
	20294300 Leased Property Use Charges	-	579,000	573,000	384,000	391,000	-
	20296200 Parking	25,000	8,000	9,000	14,000	-	130,000
	20298300 GS-Surplus Property Mgt	2,000	2,000	2,000	2,000	3,000	3,000
	20298700 GS-Telephone Usage	17,000	31,000	26,000	24,667	33,000	18,000
	20298900 GS-Telephone Installation	-	-	-	-	1,000	-
	<b>OBJECT 20 TOTAL</b>	<b>5,281,000</b>	<b>5,698,000</b>	<b>5,647,000</b>	<b>5,542,001</b>	<b>7,577,000</b>	<b>7,597,000</b>

SUB-OBJECT	ACCOUNT TITLE	FY 2021-22	FY 2020-21	FY 2019-20	3-Year Average	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget
<b>OBJECT 30 - OTHER CHARGES</b>							
	30332000 Depreciation Expense	-	-	62,000	20,667	639,000	636,000
	30348000 Countywide Cost Allocation	161,000	651,000	351,000	387,667	52,000	-
	30334000 Amortization on Intangible Assets	-	-	-	-	-	17,313,000
	<b>OBJECT 30 TOTAL</b>	<b>161,000</b>	<b>651,000</b>	<b>413,000</b>	<b>408,334</b>	<b>691,000</b>	<b>17,949,000</b>
<b>OBJECT 70 - CONTINGENCIES</b>							
	70790100 Appropriation For Contingencies	-	-	-	-	172,000	192,000
	<b>OBJECT 70 TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>172,000</b>	<b>192,000</b>
	<b>TOTAL EXPENSES</b>	<b>11,947,000</b>	<b>13,092,000</b>	<b>12,657,000</b>	<b>12,565,335</b>	<b>17,296,000</b>	<b>36,632,000</b>
<b>CAPITALIZED COSTS</b>							
	Tenant Improvements Project					-	-
	Pension Administration System					2,773,000	-
	Software System					-	1,000,000
	IT Equipment					-	51,000
	<b>TOTAL CAPITALIZED COSTS</b>					<b>2,773,000</b>	<b>1,051,000</b>
<b>GRAND TOTAL</b>						<b>20,141,000</b>	<b>37,683,000</b>