



FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
1250 H Street, NW Washington, DC 20005

September 16, 2009

MEMORANDUM FOR: BOARD MEMBERS SAUL, FINK, WHITING,
SANCHEZ, AND DUFFY

FROM: GREG LONG
Executive Director

A handwritten signature in black ink, appearing to be "G. Long", written over the printed name and title.

SUBJECT: Fiscal Year 2009 Projected Expenditures, Fiscal Year 2010 Budget,
and Fiscal Year 2011 Budget Estimate

Background

Section 8472(i) of the Federal Employees' Retirement System Act of 1986 states:

The Board shall prepare and submit to the President, and, at the same time, to the appropriate committees of Congress, an annual budget of the expenses and other items relating to the Board which shall be included as a separate item in the budget required to be transmitted to the Congress [annually by the President].

The Office of Management and Budget (OMB) will be starting its work on the Fiscal Year 2011 Budget of the U.S. Government, which will be transmitted by the President to the Congress in February 2010.

Attached are the Agency's proposed administrative budget for fiscal year 2010 and a first estimate for fiscal year 2011. Projected final expenditures for fiscal year 2009 are also presented in the tables. The figures are provided by the Federal Government's prescribed budgeting "object classes", by Agency office, and by function, which provides three different "looks" at the budget. Salient elements of the FY 2009 projected expenditures, FY 2010 budgeted expenditures, and FY 2011 estimated expenditures are summarized below. This narrative can be most easily referenced by reviewing the budget report by function.

Following your approval, the Agency's FY 2010 budget (together with the FY 2011 estimate) will be provided to the Congress and to OMB for inclusion in the President's budget.

Fiscal Year 2009 Status

The current projection for operations during the fiscal year ending September 30, 2009, indicates total obligations will be \$109.7 million, or \$4.7 million under the \$114.5 million approved budget. As circumstances warranted, we made tactical adjustments to our budgeted resources during the year. The principal variances from the budget are:

- ▶ **Record keeping activities:** Record keeping costs of \$90.8 million are projected to be \$5.0 million over the budgeted amount of \$85.8 million.

The TSP record keeping system contractor support and maintenance (SERCO/SunGard et al.) costs are projected to be higher than was budgeted at the beginning of the year reflecting the steadily increasing workload. These additional costs are slightly offset by other record keeping costs such as TSP operations (mail, data entry, printing, etc.) costs, system accounting costs, communication lines costs, and postage costs that are projected to be somewhat less than budgeted. Where necessary, over-budget expenses are satisfied by reallocating monies from other unused budget items.

- ▶ **Participant communications:** Participant communications costs of \$1.3 million are projected to be \$5.0 million under the budgeted amount of \$6.3 million.

A number of significant expenditures planned for FY 2009 were deferred as resources were applied to other Plan priorities. Each year we budget for one special mailing to each participant, a practice which proved crucial when we transitioned from SSN identifier to account numbers in 2007. An all-participant special mailing was not required this year resulting in a \$2.5 million surplus. Deferred printing and postage costs of the new L Fund DVD and print brochures moved significant costs from the FY 2009 budget into FY 2010. Resource allocation slowed the forms redesign/OCR project which, in turn, pushed significant form/brochure design and printing costs into FY 2010.

A significant portion of the communication team's time in FY 2009 was directed toward reacting to the surprise 2009 required minimum distribution (RMD) hiatus and the faster-than-expected passage of the TSP Enhancement Act. The effort required to update content in preparation for the new website also exceeded our initial expectations. During FY 2009, we expanded our Agency education program to encompass more organization-sponsored conferences, and financial literacy fairs as well as agency/uniformed services representative training

and employee briefings (including 20 employee briefings at our military bases in Europe).

- **Agency staff:** Agency personnel costs of \$10.0 million are projected to be \$2.9 million under the budgeted amount of \$12.9 million.

Fiscal year-end staffing is projected to be less than budgeted at the beginning of the year. While we filled 11 vacant positions during FY 2009, six staff members either retired or resigned, and other staff members were hired later in the fiscal year than projected, resulting in cost savings. We continue to focus on targeted hiring of individuals with specialized expertise on our areas of need.

- **Other Agency operations:** Other operating expenses of \$7.7 million are projected to be \$1.8 million below the budget amount of \$9.4 million.

Expected expenditures on hardware and software at the Agency's offices were less than budgeted, as we were able to move more of these capabilities to the primary data center. Also, smaller than budgeted amounts were spent on travel, training, supplies, and other miscellaneous items.

Fiscal Year 2010 Budget

The FY 2010 budget of \$130.3 million represents a significant increase of \$15.8 million from the FY 2009 budgeted amount of \$114.5 million. We spend participant money only when prudent and in the interest of participants and beneficiaries. The budget reflects the fact that the FRTIB is responsible for oversight of \$230 billion for the benefit of four million participants and to do that properly the Agency must be resourced to meet those responsibilities.

The TSP has an extraordinary record of achievement and the FY 2010 budget comports with the system, infrastructure, and human resources necessary to maintain that momentum going forward. During the past few years we have focused on modernizing and improving our system architecture and we have successfully emerged with an upgraded computer system and greatly improved capacity at our data centers.

We begin FY 2010 with an ambitious agenda designed to further improve the TSP and FRTIB. The recently developed strategic plan is the blueprint that will guide this effort. The FY 2010 budget includes the resources necessary to offer our TSP participants the significant new benefits provided by the passage of the TSP Enhancement Act of 2009. These new statutory benefits include immediate agency contributions, automatic enrollment for civilian employees, spousal beneficiary accounts, and Roth accounts. Other high profile enhancements include the enhanced TSP website, e-messaging, launch of the

L2050 fund and the call center infrastructure upgrades. The strategic plan identifies 29 separate action-items and projects that we are embarking on. These changes affect nearly all systems and areas of the FRTIB. These improvements will not be inexpensive but are prudent expenditures.

The principal components of the FY 2010 budget are:

► **Record keeping activities: \$99.1 million (\$13.3 million above the FY 2009 budget), consisting of the following:**

- **\$37.2 million for TSP system support and TSP system software (an increase of \$7.8 million from the FY 2009 budget).**

The TSP record keeping system contractor support and maintenance (SERCO/SunGard et al.) has seen steady expansion over the past 3 years due to the pace of change, the aging of the record keeping system, web redesign, the audit-driven introduction of quality assurance, configuration management and formal project planning disciplines, and increased security needs. Approximately \$2.0 million of the increase is needed to maintain the current level of TSP record keeping system contractor support and maintenance.

The transition to the new record keeping system in 2003 and the improvements that we have made in the interim have led to a far more flexible system, but also one which is dramatically more complex. The legacy system was based on mainframe technology, relied almost entirely on one programming language, and had add-on systems for only the website and ThriftLine. The current plan architecture includes 43 subsystems and 10 distinct programming languages, requiring extensive integration analysis and testing. Further, the new statutory benefits and our key policy initiatives will require the simultaneous development of several significant new software enhancements during the upcoming fiscal year.

With the transition to the new record keeping system, many software control functions that had previously been established were minimized in order to ensure that the new system could become operational under the difficult time and resource constraints we were facing then. This meant that a number of best practices in the area of software development and maintenance had to be curtailed or suspended. Chief among these were:

- Documented requirements to support system controls and portability
- Robust integrated testing and quality assurance with documented test plans
- Coding standards and performance metrics.

In their extensive reviews of our procedures last year, the KPMG auditors recommended improvements in our practices in each of these areas. Increased contactor staffing is required to meaningfully improve these practices.

Approximately \$5.0 million of the FY 2010 increase is due to contractor labor costs reflecting the additional staffing needed to accomplish the best practices noted above and the TSP new initiatives agenda. New permanent positions are tied to the implementation of the integrated testing environment. Other initiatives will require project-duration employment for specific initiatives such as implementation of OmniPay. OmniPay will significantly improve the processing of the IRS 1099R tax forms for both pre- and post-tax monies (which will support the Roth initiative) and will significantly improve the accounting reconciliations and controls over the tax withholding and reporting processes.

- **\$31.8 million for the data centers and call centers (an increase of \$2.9 million from the FY 2009 budget).**

Lower costs for hardware and software due to the completion of significant purchases in FY 2009 have been offset by increased costs associated with additional contractor support for the data and call centers and security improvements.

While the investments related to the TSP Modernization Program are behind us, several other factors have increased our primary and backup data center expenses. The expiration and renegotiation of our contracts with Switch & Data reflect increased data center collocation costs. An expansion of our footprint in the primary data center added to this increase. The new contracts increase costs by approximately \$700,000 per year.

The SERCO data center operations contract is understaffed and needs to be augmented. The pace of change associated with both ongoing maintenance and the introduction of initiatives has required staff to work most weekends and there is insufficient coverage during critical (7:00 am – midnight) business hours. The increasing importance and reliance on the TSP web site requires that we have staff available 24/7 to ensure its availability. The FY 2010 cost for meeting these critical data center staffing needs is approximately \$1.4 million.

The Data Center budget also reflects an increase of approximately \$2.8 million as certain support positions have been moved logically from the Record Keeping billing to the Data Center billing.

Security will continue to be a major focus in FY 2010 as we continue to implement a number of “behind the scenes” security features associated with the new web design. Another major initiative will be securing our email system. Our current architecture has both FRTIB employees and contractor counterparts using multiple email systems across different environments, with each environment designed, operated, maintained and secured by separate companies. This initiative will facilitate the containment of most (but not all) FRTIB and TSP-related email traffic, and will significantly improve the safeguarding of both Agency sensitive information and participant personally identifiable information (PII).

The budget includes approximately \$900,000 for the major initiative to implement the new Interactive Voice Response (IVR) system. The currently installed IVR systems rely on end-of-life servers that are confined to running in a Windows 2000 environment that is no longer supported by Microsoft (as of August 2009). Additionally, the currently installed IVR software cannot be migrated to the newly purchased (with FY 2009 funds) IVR hardware environment. The current IVR technology cannot support desired capabilities such as:

- Additional capacity
 - Text to speech - dynamically converts text into spoken output
 - Automatic Speech Recognition - recognizes spoken words
 - Speaker Identity Verification - ability to authenticate a caller based on the biometrics of the caller’s voice print
- **\$30.1 million for other record keeping operations and related activities such as mail handling, data entry, benefits processing, and system accounting (an increase of \$2.6 million from the FY 2009 budget of \$27.5 million).**

The budget reflects increased contractor labor costs and increased staffing needs primarily in the benefits processing and the system accounting groups. The workload will increase particularly in the forms validation process with the planned extension of the upfront quality review function to all forms, not just those involving money out transactions, and with increasing support of daily accounting reconciliations as well as processing of Treasury credits returned to the TSP because the funds were undeliverable. Additional support will be required as well with the work associated with address cleanup to be handled in conjunction with the payroll offices.

- **Participant communications: \$6.7 million (\$0.3 million more than the FY 2009 budget), consisting of the following:**

- **\$3.3 million for printing of brochures, forms, and production of other communications materials (down \$0.2 million from the FY 2009 budget).**

This budget remains essentially flat from last year. The work planned includes projects that were deferred in 2009 such as targeted communications for special populations, and the production/dissemination of the updated L Fund DVD's.

- **\$3.4 million for distribution, fulfillment and associated postage costs (up \$0.5 million from the FY 2009 budget).**

This increase is due primarily to postage increases for discretionary mailings offset by the continuing efforts to target those mailings and to move them to the contract mailer to achieve more postage cost savings.

► **Agency staff: \$14.3 million (\$1.3 million above the FY 2009 budget)**

The proposed FY 2010 budget contains significant increases in Agency personnel in a number of areas, including Accounting, Internal Controls, Software Applications, and Participant Services. These increases would add 13 staff positions in FY 2010, bringing the number of authorized full-time Agency staff positions to 103. With 7 part-time positions, including 5 Board Member positions, the total number of staff positions is 110. The recruitment and hiring process will take some time and we have therefore budgeted to assume each new position is hired mid-year. These additional positions will increase FY 2010 personnel costs by approximately \$900,000.

These new positions are needed to ensure that enhancements required by our new legislative and policy initiatives, by audit recommendations, and by our strategic plan can be accomplished within appropriate timeframes. In addition, they provide the Agency with necessary "bench strength" to ensure that key Agency functions can be handled by more than one individual. As noted in a recent audit finding by the Office of Personnel Management and as memorialized in our strategic plan, we need to ensure that the Agency has a strategy to address current and future workforce needs. An important component of this strategy is to hire and develop a workforce that can be trained to take the place of current key staff members in the case of an emergency or should they leave the Agency. In that context, it is worth noting that a significant percentage of our senior executives and managers will be eligible to retire within the next five years.

The following sets forth the justifications for the proposed personnel increases in areas where multiple new staff positions are needed.

Accounting

The standard practice of the fund management industry for daily valued plans like the TSP is to reconcile all financial activity daily. This is considered necessary for proper internal controls and risk mitigation. Further, as part of their upgrade to government-wide financial systems, the U.S. Department of the Treasury is requiring daily reconciliations of all transactions flowing between the Agency and the Treasury. While many of our accounting reconciliations are currently performed on a daily basis, a number of the reconciliations, including many of the reconciliations with Treasury and the “master” reconciliation that ties all others together, are not yet performed on a daily basis. This is a legacy of the monthly valued system that existed before 2003. Therefore, we have established the goal of moving all accounting reconciliations to a daily basis in FY 2010. Instituting new requirements without additional staff is not feasible. We have thus budgeted for the addition of two accounting positions and one clerical position.

Controller

Since we established the office of the Controller in 2006, a key goal, endorsed by both the Board and our financial auditors, has been to establish a robust internal controls program for the Agency and the TSP, following the intent of OMB Circular A-123. This goal, which is a regular practice for other financial organizations of our size and complexity, is also reflected in our strategic plan.

The internal controls project has now reached a point where significant human resources need to be dedicated to ensuring that it can be completed and maintained as a valuable and integrated part of Agency operations. The software to support this effort has been purchased. The documentation work required has progressed slowly. The identification and testing of controls is not a short-term project, but rather an ongoing obligation which needs to be incorporated into the Agency’s regular procedures and needs to be staffed accordingly. As this office develops, in order to have robust procedures comparable to other financial institutions of our size, we need additional staff who can concentrate exclusively on each of its areas of responsibility. The budget adds a team of three employees whose primary function is to manage and execute the internal controls effort.

Software Applications

The Agency’s application support team currently has the same number and skill level of authorized staff that it had in 2003. This is no longer adequate to ensure the use of best practices in the area of software development and maintenance or to provide proper Agency oversight to contractor software development projects. While contractors will perform key functions related to

the software applications – ownership, understanding and control of the system must be a role for government employees who oversee the functions of contractors. The budget for three new positions in FY 2010 recognizes the need to staff these activities as we enter into a particularly active period for software developments.

Participant Services

The Office of Participant Services' workload continues to be driven by increases in plan size and legislative and policy enhancements. With immediate contributions and particularly automatic enrollment, we expect a significant increase in TSP participation. This means more participants contributing their own money who will take an active interest in their accounts. Many of the other legislative and policy enhancements are also expected to increase the workload in this office. Spousal beneficiary accounts will add new participants to the plan who may have had little previous exposure to the TSP, requiring special handling from TSP staff. The new website and our e-messaging effort will require additional resources to respond to participant needs and requests. Each legislative and policy enhancement will require changes to communication materials – the amount of time and resources needed are dependent on the enhancement. For example, the replacement of the L2010 Fund with the L2050 Fund will require significant changes to TSP materials. Finally, preparation for the introduction of the Roth TSP feature will require a total review and revamping of TSP communications. Consequently, the Office of Participant Services is budgeting for two new positions in FY 2010 which will address these increased responsibilities.

► **Other Agency operations: \$10.3 million (\$0.9 million more than the FY 2009 budget), consisting of the following:**

- \$2.8 million for office rent (an increase of \$0.2 million from the FY 2009 budget), resulting from the automatic escalator clause in the Agency's lease at 1250 H St.
- \$2.6 million for information technology costs at the Agency's offices (an increase of \$1.3 million from the FY 2009 budget), resulting from increases in software licenses and maintenance fees; refreshing the Agency system infrastructure; and new purchases such as computer and phone purchases to support the additional Agency staff.
- \$4.9 million for all other operating expenses (a decrease of \$0.7 million from the FY 2009 budget). This includes anticipated costs for the participant survey, the web redesign project, travel (including contractor on-site reviews), and enhanced employee training offset by reduced dependency on contractor support in human resources and a reduction in the costs associated with the financial statement audit.

Fiscal Year 2011 Budget Estimate

The initial estimate for FY 2011 obligations is \$135.9 million, or \$5.6 million above the FY 2010 budget. The major programs and the changes from the FY 2010 operating plan reflected in this estimate are:

► **Record keeping activities: \$103.0 million (\$4.0 million above the FY 2010 budget)**

- The FY 2011 estimate reflects an \$1.0 million increase in system contractor support costs and a larger projected increase of \$2.2 million in data center hardware and software maintenance costs. There will also be continuing increases in operations costs as transaction volumes continue to grow.

► **Participant communications: \$6.7 million (unchanged from the FY 2010 budget)**

- Participant communications costs in FY 2011 are expected to be comparable to FY 2010. The costs associated with educating participants about the TSP Roth feature have not been included. The development work for this project – including the communication elements – is scheduled for FY 2010.

► **Agency staff: \$16.1 million (\$1.8 million above the FY 2010 budget)**

- FY 2011 costs for salaries and benefits are estimated to increase due to the standard government-wide pay raises and the increased number of staff. Three additions to staff are projected for the FY 2011 budget.

► **Other Agency operations: \$10.1 million (\$0.2 million below the FY 2010 budget)**

- \$3.0 million for office rent (an increase of \$0.2 million) from the FY 2010 budget), resulting from the automatic escalator clause in the Agency's lease at 1250 H St.
- \$2.3 million for information technology costs at the Agency's offices (a \$0.3 million decrease in costs from the FY 2010 budget).
- Other Agency operations costs for FY 2011 are not expected to change substantially.

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD BUDGET

SUMMARY BY FUNCTION	FY 2009			FY 2010		FY 2011	
	Budget	Projected Obligations	vs. Budget	Budget	vs. FY2009 Budget	Budget Estimate	vs. FY2010 Budget
Record Keeping							
TSP system contractor support & maintenance	29,463,000	31,311,832	1,848,832	37,219,000	7,756,000	38,208,000	989,000
Subtotal TSP Systems	29,463,000	31,311,832	1,848,832	37,219,000	7,756,000	38,208,000	989,000
Primary Data Center contractor support & Data Security	4,890,000	5,642,063	752,063	9,376,000	4,486,000	9,661,000	285,000
Primary Data Center hardware & software	9,364,000	14,295,590	4,931,590	7,190,000	(2,174,000)	8,172,000	982,000
Backup Data Center contractor support	1,200,000	1,072,383	(127,617)	1,618,000	418,000	1,699,000	81,000
Backup Data Center hardware & software	1,670,000	674,853	(995,147)	607,000	(1,063,000)	1,648,000	1,041,000
Clintwood Call Center contractor support	5,437,000	4,765,900	(671,100)	6,071,000	634,000	5,352,000	(719,000)
Clintwood Call Center hardware, software, and lease direct charges	910,000	3,247,827	2,337,827	715,000	(195,000)	1,062,000	347,000
Frostburg call center	5,300,000	4,680,000	(620,000)	6,000,000	700,000	6,250,000	250,000
Call center consultant	90,000	98,950	8,950	195,000	105,000	100,000	(95,000)
Subtotal Data, Recovery, and Call Centers	28,861,000	34,477,566	5,616,566	31,772,000	2,911,000	33,944,000	2,172,000
Operations (Mail, Data Entry, Printing, etc)	15,929,000	14,366,788	(1,562,212)	17,538,000	1,609,000	17,788,000	250,000
System Accounting	2,800,000	2,598,090	(201,910)	3,000,000	200,000	3,100,000	100,000
Communications lines for data and call centers	3,000,000	2,626,303	(373,697)	2,704,000	(296,000)	2,846,000	142,000
Postage (TSP System Mailings) - Notices/Statements	5,740,000	5,411,070	(328,930)	6,870,000	1,130,000	7,167,000	297,000
Subtotal Operations, Accounting, Communications, & Postage	27,469,000	25,002,251	(2,466,749)	30,112,000	2,643,000	30,901,000	789,000
Total Record Keeping	85,793,000	90,791,649	4,998,649	99,103,000	13,310,000	103,053,000	3,950,000
Communications							
Brochures Printing	1,047,000	259,824	(787,176)	1,332,000	285,000	1,605,000	273,000
Other Printing (Posters, Highlights, DVDs, Leaflets)	1,451,000	838,828	(612,172)	1,539,000	88,000	1,433,000	(106,000)
Other Communication Materials	939,000	106,017	(832,983)	379,000	(560,000)	379,000	0
Subtotal Print Materials	3,437,000	1,204,669	(2,232,331)	3,250,000	(187,000)	3,417,000	167,000
Distribution and Fulfillment	320,000	75,175	(244,825)	372,000	52,000	372,000	0
Postage (Discretionary Mailings)	2,572,000	0	(2,572,000)	3,036,000	464,000	2,885,000	(151,000)
Subtotal Other Interest	2,892,000	75,175	(2,816,825)	3,408,000	516,000	3,257,000	(151,000)
Total Communications	6,329,000	1,279,844	(5,049,156)	6,658,000	329,000	6,674,000	16,000
Personnel salaries and benefits	12,931,000	10,000,943	(2,930,057)	14,258,000	1,327,000	16,144,000	1,886,000
Other Agency Operations							
Office Rent	2,570,000	2,650,039	80,039	2,775,000	205,000	3,005,000	230,000
IT hardware/software/services here in the agency	1,279,000	872,109	(406,891)	2,618,000	1,339,000	2,281,000	(337,000)
Everything else	5,589,000	4,154,673	(1,434,327)	4,918,000	(671,000)	4,788,000	(130,000)
Total Other Agency Operations	9,438,000	7,676,820	(1,761,180)	10,311,000	873,000	10,074,000	(237,000)
GRAND TOTAL	114,491,000	109,749,256	(4,741,744)	130,330,000	15,839,000	135,945,000	5,615,000

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD BUDGET

	FY 2009			FY 2010		FY 2011	
	Budget	Projected Obligations	vs. Budget	Budget	vs. FY2009 Budget	Budget Estimate	vs. FY2010 Budget
SUMMARY - OFFICE TOTALS							
EXECUTIVE DIRECTOR	858,000	733,930	(124,070)	757,000	(101,000)	809,000	52,000
AUTOMATED SYSTEMS							
Agency Operations	5,859,000	3,968,483	(1,890,517)	6,998,000	1,139,000	7,305,000	307,000
External Vendors (Record Keeping)	50,582,000	59,046,750	8,452,945	60,326,000	9,744,000	63,293,000	2,967,000
Total	56,441,000	63,015,233	6,562,428	67,324,000	10,883,000	70,598,000	3,274,000
EXTERNAL AFFAIRS	373,000	303,328	(69,672)	407,000	34,000	445,000	38,000
FINANCE							
Agency Operations	4,068,500	2,516,490	(1,552,010)	4,555,000	486,500	5,174,000	619,000
External Vendors (Record Keeping)	2,800,000	2,598,090	(201,910)	3,000,000	200,000	3,100,000	100,000
External Vendors (Administrative Support)	894,500	616,703	(277,797)	965,000	70,500	850,000	(115,000)
Facilities	3,104,000	2,765,836	(338,164)	2,975,000	(129,000)	3,196,000	221,000
Total	10,867,000	8,497,120	(2,369,880)	11,495,000	628,000	12,320,000	825,000
GENERAL COUNSEL	1,285,000	825,203	(459,797)	1,221,000	(64,000)	1,257,000	36,000
INVESTMENTS	764,000	560,636	(203,364)	832,000	68,000	857,000	25,000
PARTICIPANT SERVICES							
Agency Operations	4,424,500	3,936,547	(487,953)	5,139,000	714,500	5,514,000	375,000
External Vendors (Record Keeping)	32,286,000	29,288,020	(2,997,980)	35,578,000	3,292,000	36,555,000	977,000
Communications Materials	6,329,000	1,879,844	(4,449,156)	6,658,000	329,000	6,674,000	16,000
Total	43,039,500	35,104,411	(7,935,089)	47,375,000	4,335,500	48,743,000	1,368,000
RESEARCH AND STRATEGIC PLANNING	863,500	709,395	(154,105)	919,000	55,500	916,000	(3,000)
GRAND TOTALS	114,491,000	109,749,256	(4,753,549)	130,330,000	15,839,000	135,945,000	5,615,000
Fiduciary Insurance	600,000	255,000	(345,000)	600,000	0	600,000	0
SUMMARY - BY EXPENDITURE TYPE							
Agency Operations	18,495,500	13,554,014	(4,941,486)	20,828,000	2,332,500	22,277,000	1,449,000
External Vendors (Record Keeping)	85,668,000	90,932,859	5,253,054	98,904,000	13,236,000	102,948,000	4,044,000
External Vendors (Administrative Support)	894,500	616,703	(277,797)	965,000	70,500	850,000	(115,000)
Facilities	3,104,000	2,765,836	(338,164)	2,975,000	(129,000)	3,196,000	221,000
Communications Materials	6,329,000	1,879,844	(4,449,156)	6,658,000	329,000	6,674,000	16,000
GRAND TOTALS	114,491,000	109,749,256	(4,753,549)	130,330,000	15,839,000	135,945,000	5,615,000

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD BUDGET

SUMMARY - OBJECT CLASS TOTALS							
FY 2009		FY 2010		FY 2011			
Budget	Projected Obligations	Budget	vs. FY2009 Budget	Budget	Budget Estimate	vs. FY2010 Budget	
11.0 PERSONNEL COMPENSATION							
11.1 Full-Time Permanent Salaries	10,154,000	8,024,618	(2,129,383)	10,902,000	748,000	12,375,000	1,473,000
11.3 Other than full-time permanent	248,000	172,488	(75,512)	501,000	253,000	522,000	21,000
11.5 Other Compensation	10,000	6,848	(3,152)	10,000	0	10,000	0
Total 11.0 PERSONNEL COMPENSATION	10,412,000	8,203,953	(2,208,047)	11,413,000	1,001,000	12,907,000	1,494,000
12.0 PERSONNEL BENEFITS	2,519,000	1,796,990	(722,010)	2,845,000	326,000	3,237,000	392,000
21.0 TRAVEL AND TRANSPORTATION OF PERSONS	416,000	231,604	(184,396)	431,000	15,000	461,000	30,000
22.0 TRANSPORTATION OF THINGS	50,000	0	(50,000)	50,000	0	50,000	0
23.0 RENT, COMMUNICATIONS, AND UTILITIES							
23.1 Rental Payments to others	3,035,000	3,075,883	40,883	3,230,000	195,000	3,486,000	256,000
23.3 Communications, Utilities, and Misc. Charges	11,924,000	8,503,126	(3,420,874)	13,050,000	1,126,000	13,366,000	316,000
Total 23.0 RENT, COMMUNICATIONS, AND UTILITIES	14,959,000	11,579,009	(3,379,991)	16,280,000	1,321,000	16,852,000	572,000
24.0 PRINTING AND REPRODUCTION							
Printing of Participant Communications Materials	2,822,000	1,215,544	(1,606,456)	3,230,000	408,000	3,397,000	167,000
Warehouse and Distribute. of Partic. Communications Materials	320,000	75,175	(244,825)	372,000	52,000	372,000	0
Other Printing	53,000	27,416	(25,584)	75,000	22,000	79,000	4,000
Total 24.0 PRINTING AND REPRODUCTION	3,195,000	1,318,134	(1,876,866)	3,677,000	482,000	3,848,000	171,000
25.0 OTHER CONTRACTUAL SERVICES							
25.1 Advisory and Assistance Services	827,500	354,470	(473,030)	1,100,000	272,500	605,000	(495,000)
25.2 Other Commercial Services							
Training	333,500	135,560	(197,940)	1,366,000	1,032,500	1,199,000	(167,000)
Commercial Contracts and Other Expenses	66,731,500	66,092,976	(638,524)	81,540,000	14,808,500	81,991,000	451,000
Subtotal 25.2 Other Commercial Services	67,065,000	66,228,536	(836,464)	82,906,000	15,841,000	83,190,000	284,000
25.3 Services from other Government Agencies	867,500	1,901,054	1,033,554	1,596,000	728,500	1,471,000	(125,000)
Total 25.0 OTHER CONTRACTUAL SERVICES	68,760,000	68,484,060	(275,940)	85,602,000	16,842,000	85,266,000	(336,000)
26.0 SUPPLIES AND MATERIALS							
Office and ADP Supplies	96,000	88,388	(7,612)	105,000	9,000	111,000	6,000
Subscriptions and Publications	134,000	44,185	(89,815)	70,000	(64,000)	76,000	6,000
Total 26.0 SUPPLIES AND MATERIALS	230,000	132,573	(97,427)	175,000	(55,000)	187,000	12,000
31.0 EQUIPMENT							
ADP Software	9,577,000	10,554,179	977,179	8,797,000	(780,000)	9,790,000	993,000
ADP Hardware	4,225,000	7,440,935	3,215,935	976,000	(3,249,000)	3,267,000	2,291,000
Office Equipment	68,000	6,454	(61,546)	38,000	(30,000)	40,000	2,000
Office Furniture	80,000	1,364	(78,636)	46,000	(34,000)	40,000	(6,000)
Total 31.0 EQUIPMENT	13,950,000	18,002,932	4,052,932	9,857,000	(4,093,000)	13,137,000	3,280,000
GRAND TOTAL	114,491,000	109,749,256	(4,741,744)	130,330,000	15,839,000	135,945,000	5,615,000
Fiduciary Insurance	600,000	255,000	(345,000)	600,000	0	600,000	0