

FRTIB

Annual Budget Presentation

FY 2019 Proposal

FY 2020 Estimate

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Thrift Savings Plan

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Agenda

- ❖ FY 2018 Review
- ❖ FY 2018 Operational Highlights
- ❖ FY 2019 Budget Proposal
 - ❑ Budget Overview
 - ❑ Budget Relative to Plan Projections
 - ❑ Key Drivers & Priorities
 - ❑ Budget Cost Drivers by Office
 - ❑ Authorized Staffing Level
- ❖ FY 2019 Agency Activities
- ❖ Budget Summary
- ❖ Questions



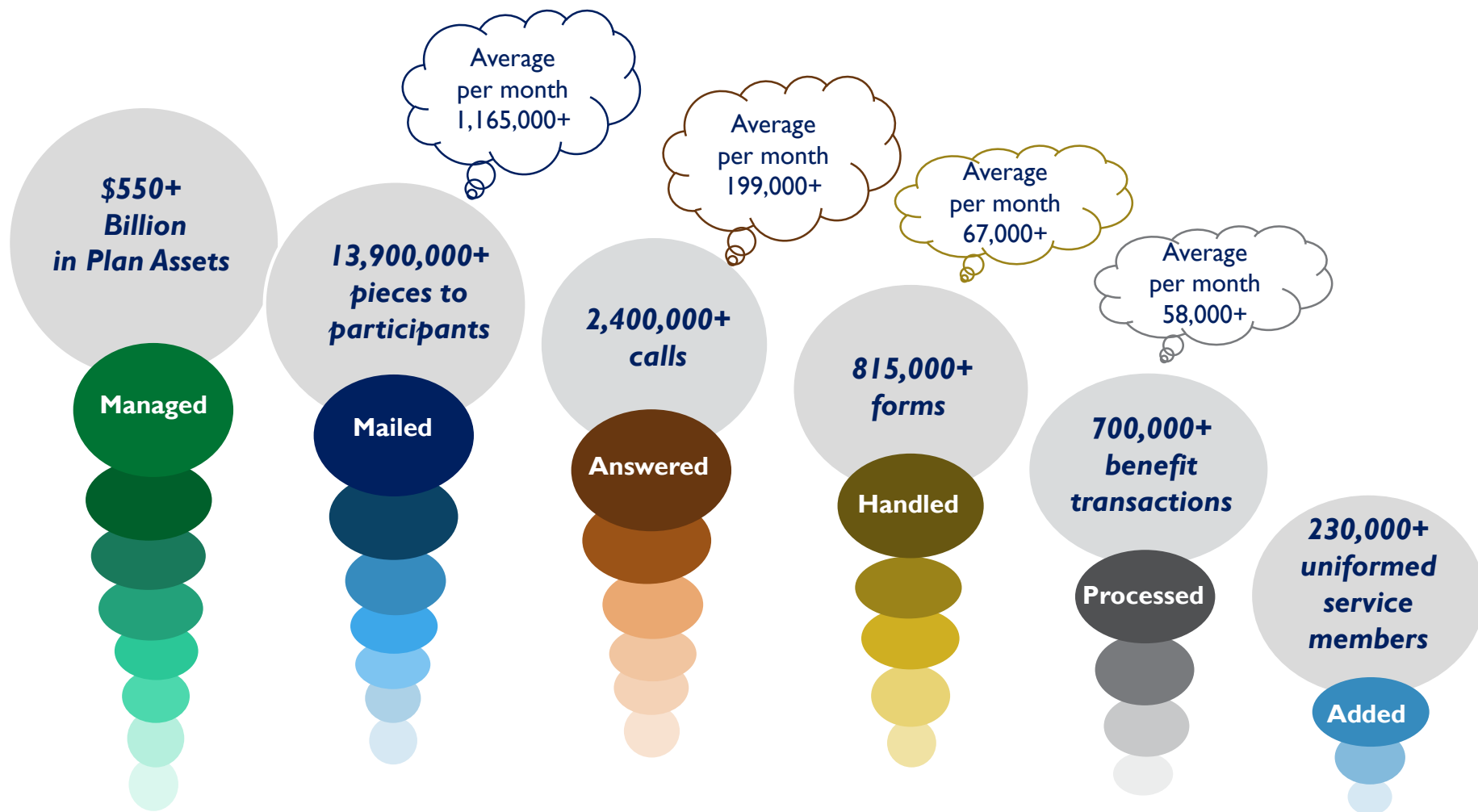
FY 2018 Review

Agency activities focused on strategic priorities executed against our \$309.7M FY 2018 Budget:

- ✓ Steady State
- ✓ Cybersecurity and remediating audit findings
- ✓ Blended Retirement System (BRS)
- ✓ Plan Operations Modernization Portfolio (POMP)



FY 2018 Operational Highlights



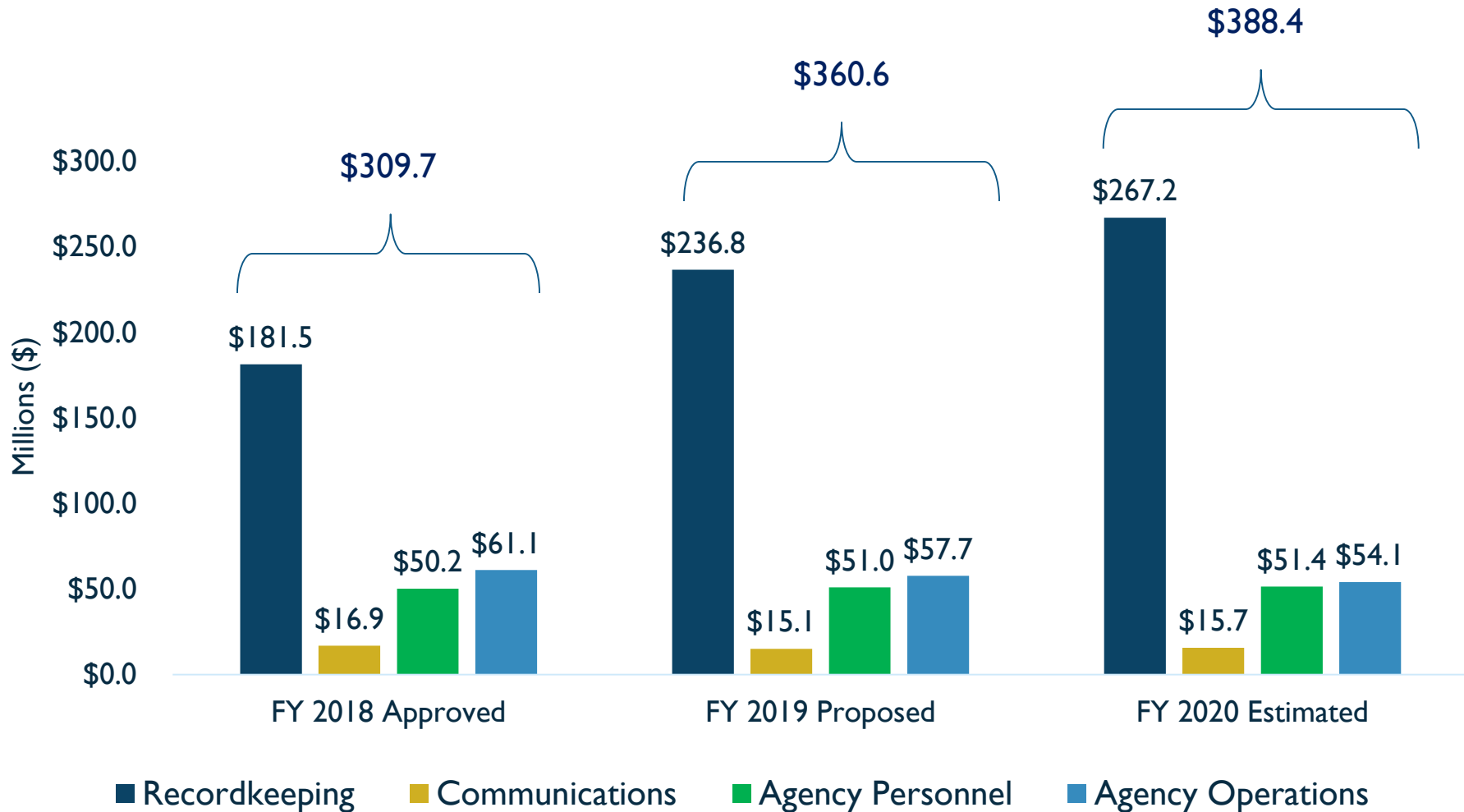
5.3 Million Participants



FY 2019 Budget Proposal

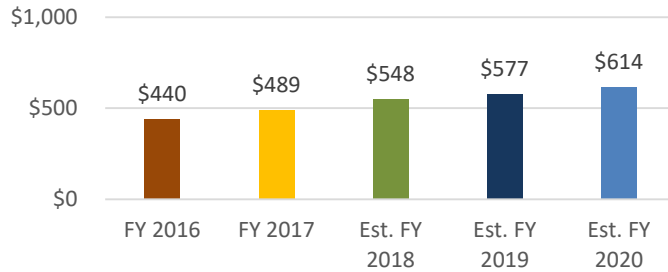


FY 2019 Budget Overview

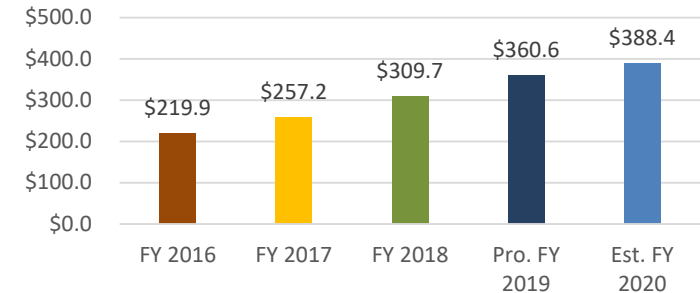


FY 2019 Budget Relative to Plan Projections

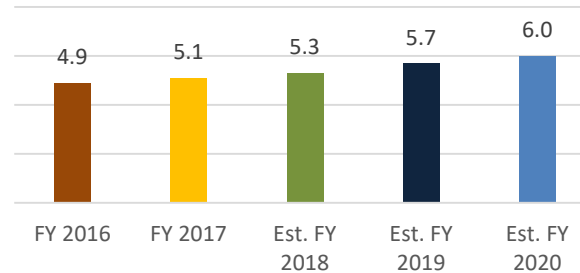
**Average Assets
in Billions (\$)**



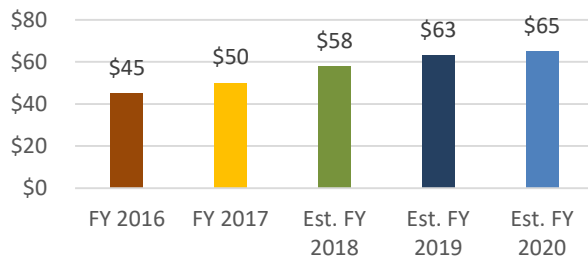
**Budget
in Millions (\$)**



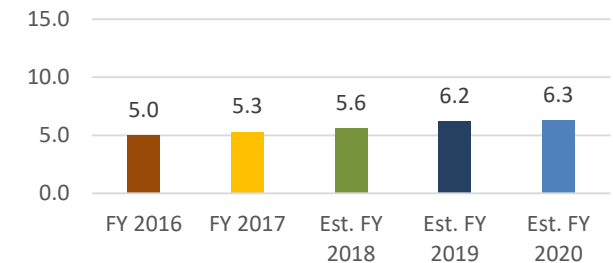
**Participants
in Millions**



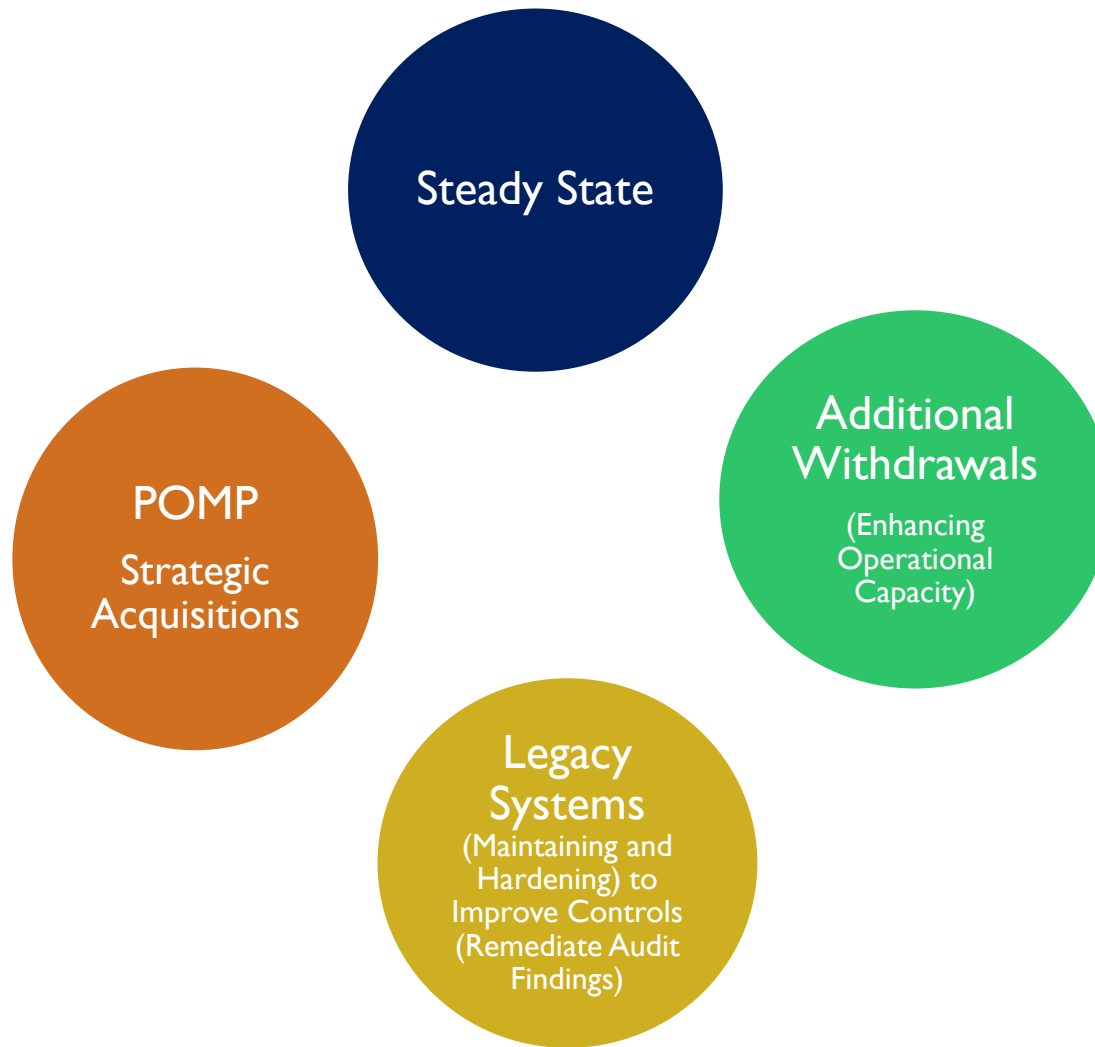
**Budget to Participant Ratio
in Dollars (\$)**



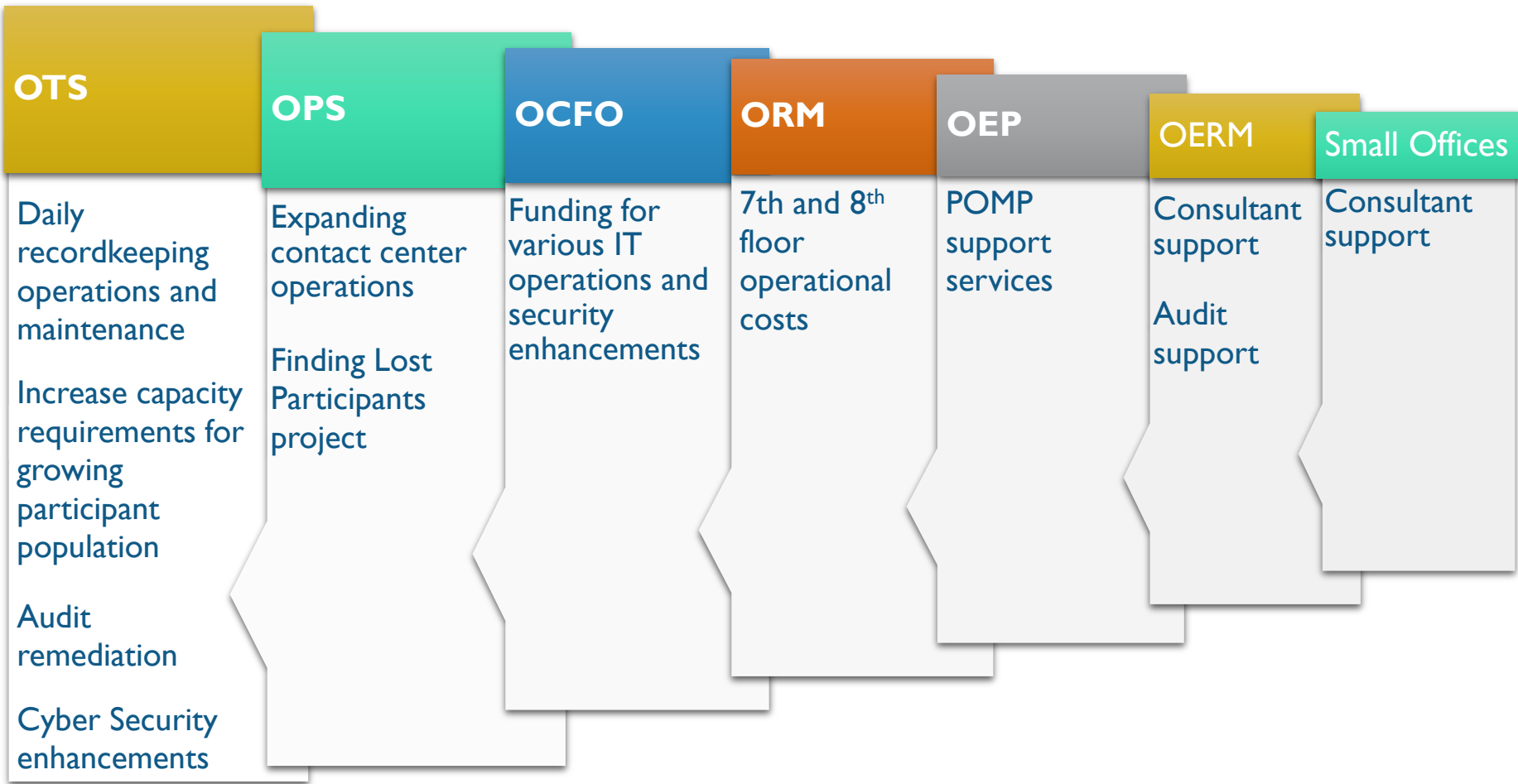
**Budget to Assets Ratio
in Gross Basis Points**



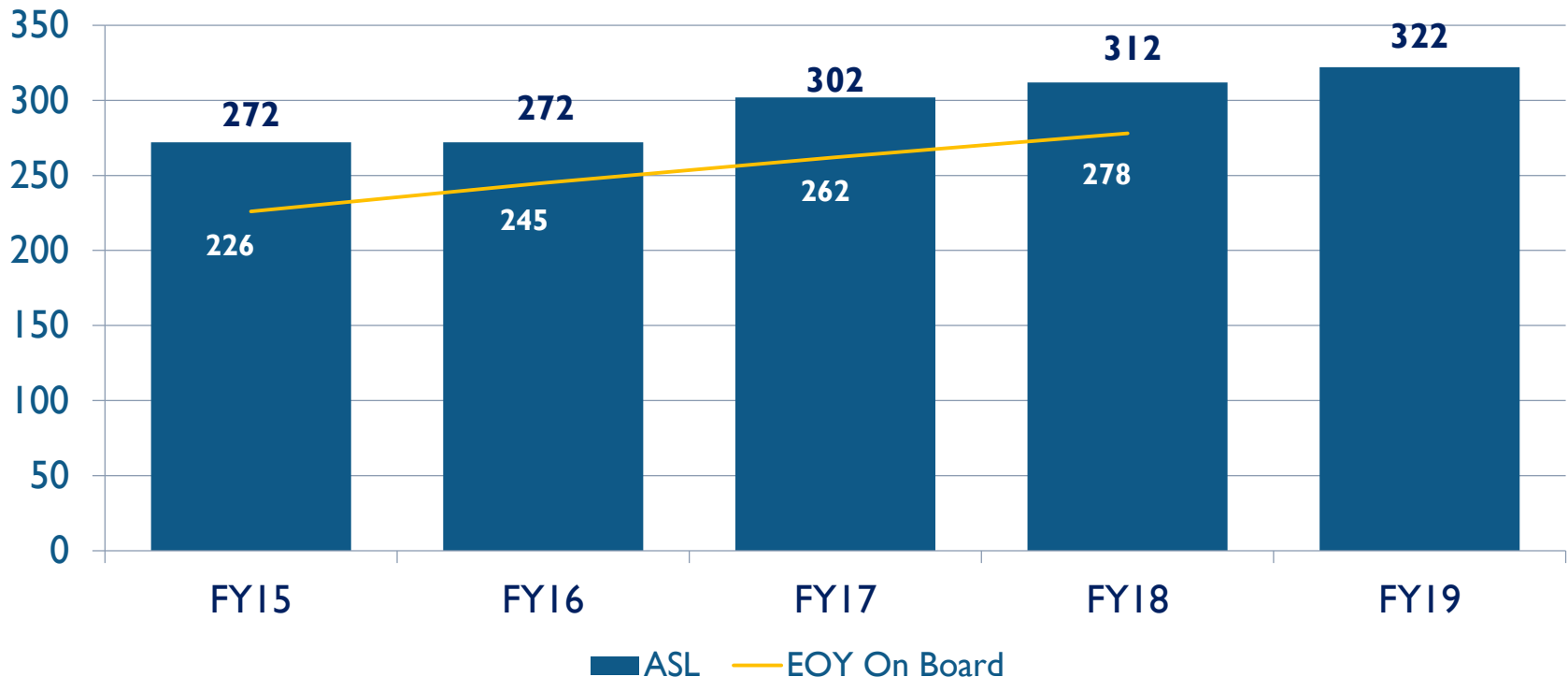
FY 2019 Key Drivers & Priorities



FY 2019 Budget Cost Drivers by Offices



Authorized Staffing Level (ASL)



- ❖ The Agency's FY 2018 ASL is 312 employees
- ❖ FY 2018 onboard staff as of August 31, 2018 is 278
- ❖ Projected FY 2019 staffing level is 322

FY 2019 Agency Activities

Continue Steady State Improvement

Planned Actions

Enterprise Service Enhancements
(modification of the TESS contract)

Address root causes and improve internal
controls

Increase TSP contact center capacity

Launch new investment and cash
management system

Expected Outcomes

Improved quality of services via enhanced
Service Level Requirements (SLRs)

Audit remediation

Improved availability and participant service

Ability to manage multiple investment
managers



FY 2019 Agency Activities continued...

Additional Withdrawal Options

Planned Actions

Update and enhance systems/business processes

Update communications and education materials

Update regulations

Expected Outcome

Provide participants with flexibility they need to reap benefits on having saved for retirement

Provide information on new withdrawal options

Capability to address participant desire to control their decumulation



FY 2019 Agency Activities continued...

Legacy Systems (Maintain and Harden)

Planned Actions

Integration Platform as a Service (iPaaS)

FISMA Risk Management Framework

Continue IT uplift

Expected Outcome

Platform for integration of financial and recordkeeping systems

Stronger security environment, processes and controls

Improved infrastructure and cybersecurity posture



FY 2019 Agency Activities continued...

POMP Strategic Acquisitions

Planned Actions

Recordkeeping Service (RKSA): Complete discovery

Financial Systems Modernization (FSM): Explore a Federal Shared Service Provider and/or post a Software as a Services RFP

Agency IT Services (AITS): Implement Integration Platform as a Service (iPaaS)

Human Capital Transition Strategy

Expected Outcome

Proceed with RKSA Solicitation

Automated and streamlined financial processes

Modernized architecture facilitating integration with the new RKSA and FSM solutions

Roadmap for successful communication and staff transition in support of the POMP solutions



Budget Summary

➤ FY 2018 budget re-cap

- \$309.7M budget execution generally is in alignment with projected allocation

➤ FY 2019 budget proposal

- 16.4% increase from FY 2018

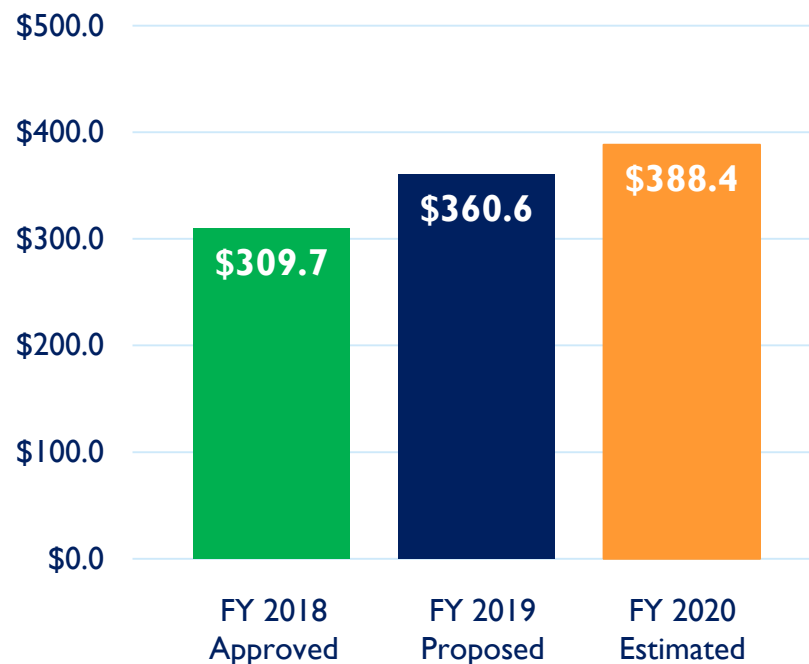
➤ Seeking approval for \$360.6M

- Steady State Capacity
- Additional Withdrawal Options
- Legacy Systems (Maintaining/Hardening)
- Improved Controls and Audit Remediation
- POMP Acquisitions

➤ FY 2020 \$388.4M estimate for review

- Steady State
- POMP Acquisitions

Budget
In Millions (\$)



Questions

