



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

GREGORY T. LONG  
Executive Director

September 13, 2010

MEMORANDUM FOR: BOARD MEMBERS SAUL, SANCHEZ, DUFFY,  
KENNEDY AND BILYEU

FROM: GREG LONG  
Executive Director

SUBJECT: Fiscal Year 2010 Projected Expenditures, Fiscal Year 2011 Budget,  
and Fiscal Year 2012 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 2012 Budget of the U.S. Government, which will be transmitted by the President to the Congress in February 2011.

Attached are the Agency's proposed administrative budget for fiscal year 2011 and a first estimate for fiscal year 2012. Projected final expenditures for fiscal year 2010 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 2010 projected expenditures, FY 2011 budgeted expenditures, and FY 2012 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 2011 budget (together with the FY 2012 estimate) will be provided to the Congress and to OMB for inclusion in the President's budget.

### **Fiscal Year 2010 Status**

The current projection for operations during the fiscal year ending September 30, 2010, indicates total obligations will be \$115.5 million, or \$14.8 million under the \$130.3 million approved budget.

Each year, events and business priorities cause deviation in actual expenses from our planned budget. The most significant of these in 2010 include:

- The launch of the new website took longer and required more resources than originally planned. This delayed other IT and communication projects, pushing significant expenses from FY 2010 into FY 2011.
- Finding and hiring skilled and experienced people remains a time consuming and challenging task even in a favorable labor market. Although we completed hiring and promotion actions at a faster pace than in previous years, we still have many unfilled positions which decrease our direct personnel costs and other costs. The work that these people would have accomplished is deferred into FY 2011. Hiring skilled talent in the areas of procurement and certain IT functions is particularly challenging.

However, 2010 was a year of tremendous achievement for the TSP. A brief review of our strategic goals and major accomplishments is included below:

- We delivered on our primary and ongoing strategic goal of dial-tone consistency. A key function here is ensuring that the TSP is open for business every day no matter what. A massive snow storm that resulted in the five-day closure of the Federal Government in the Washington area put our continuity of operations capabilities to the test and the FRTIB didn't miss a beat. It is also impressive to note that, in the last year, the TSP increased in size by over 160,000 participants and \$25 billion and we were able to accommodate this enormous growth with no significant service issues. The two call centers responded to 2.2 million calls and over 1,000 written inquiries. The Serco Service Bureau processed over 1 million forms; 91 percent of them within a 5 day turnaround period and with 99.76 percent accuracy. The Serco Operations Center processed 14,900 death claims, 4,500 court orders and 3,700 other legal process requests. Over 21,000 transfers worth \$435.6 million were processed into the TSP.

- We advanced toward our second strategic goal of developing a motivated and talented workforce and robust and secure infrastructure. We made multiple new hires of key personnel, instituted new policies on work/life benefits, and completed background checks on all FRTIB employees. We completed the search for a new headquarters building in Washington that will permit enhanced security and better alignment of space with our business needs in 2012. We also completed most of the remaining portions of the multi-year IT Modernization Plan. We completed a significant upgrade to our primary recordkeeping software, moving to the the OmniPlus 5.7.5 release. We also set the stage to transition to a consolidated and more secure email system for all FRTIB employees and contractors in 2011.
- Our third strategic goal of “launching innovative programs successfully,” was advanced enormously. The new and dramatically improved TSP web site was successfully introduced in July. We implemented automatic enrollment effective in August which will eventually improve retirement benefits for hundreds of thousands of Federal employees. In mid-December, we mailed approximately 375,000 leaflets to those FERS participants who were not contributing to the TSP and experienced a 12 percent pickup rate among this group. We also made significant strides towards implementing agile project management procedures within the system development lifecycle specifically and more broadly across the entire agency.
- Our fourth strategic goal of building strong partnerships with stakeholders was also advanced meaningfully this year. The ETAC expressed broad support for our legislative initiatives and relationships with Congressional oversight committees remain strong. Our relationship with Department of Labor and our auditors remains constructive and all financial audit opinions remain unqualified. During 2010, we continued to expand our Agency Education Training program to encompass more employee union/organization-sponsored conferences, and financial literacy fairs as well as agency/uniformed services representative training and employee briefings.

As circumstances warranted, we made tactical adjustments to our budgeted resources during the year to accomplish these goals. The principal variances from the budget are:

- ▶ **Record keeping activities: Record keeping costs of \$95.9 million are projected to be \$3.2 million under the budgeted amount of \$99.1 million.**
- **Record keeping costs for TSP System Contractor Support & Maintenance are projected to be \$1.9 million under the budgeted amount of \$36.9 million**

The TSP record keeping system contractor (Serco Inc. and sub-contractors) support and maintenance costs are projected to be lower than was budgeted. Similar to the Agency, the contractors also had challenges filling vacant positions with skilled professionals, which serves to decrease our expenses relative to budget but also constrains our ability to complete projects on schedule. Additionally, contractor resources were, at our direction, focused on implementation of the website redesign and auto-enrollment for a longer period than expected. This delayed implementation of other projects such as the e-mail consolidation initiative and development of a full-sized test database.

- **Record keeping costs for the Data, Recovery, and Call Centers are projected to be in-line with the budgeted amount of \$32.0 million.**

Costs for data center support were above budget as our primary mainframe utilization and power requirements exceeded projections but hardware/software costs ran under budget. The data center expenses were largely offset by below budget costs for call center support where the absence of big volume call-spikes reduced the hours of call support required.

- **Record keeping costs for Operations, Accounting, Communication Lines for Data and Call Centers, and Postage (system mailings) are projected to be \$1.3 million below the budgeted amount of \$30.2 million.**

TSP operations (mail, data entry, printing, etc.) costs are projected to be less than budgeted. Likewise, expected costs for postage costs of system mailings (transaction confirmations, notices and quarterly statements) are also running below budget. As automatic enrollment was implemented several months later than initially intended, we sent fewer new participant letters and PIN mailers than expected. Costs of the communications lines for the data and call centers were higher than budgeted as migration to MPLS circuits took longer than expected.

- ▶ **Participant communications: Participant communications costs of \$1.3 million are projected to be \$5.4 million under the budgeted amount of \$6.7 million.**
- **Print Materials: Print material costs for brochures, posters, TSP highlights, DVDs, leaflets and other communications are projected to be \$2.3 million under the budgeted amount of \$3.3 million.**

A number of significant communication expenditures planned for FY 2010 were deferred into FY 2011 as resources were directed toward

implementation of the TSP Enhancement Act as well as the comprehensive updating of the TSP Website. We completed the *Investing in the TSP* DVD in FY 2010 but it has not been reproduced or distributed yet. This educational tool will be provided to targeted non-contributors and younger participants who are invested solely in the G Fund. Likewise, brochures and forms were re-written to incorporate changes for immediate contributions, auto-enrollment and beneficiary (spousal) accounts but the bulk of printing costs will be incurred in FY 2011. Resource allocation also slowed the forms redesign/OCR project in FY 2010.

- **Expenditures for Distribution and Fulfillment and Postage for Discretionary Mailings are projected to be \$3.1 million below the budgeted amount of \$3.4 million**

As in earlier years, we budgeted for one special mailing to each participant. An all-participant special mailing was not required this year, resulting in a significant surplus versus the budget. Additional targeted mailings were planned but were deferred to FY 2011 as resources were required on the web and other priority projects.

- ▶ **Agency staff: Agency personnel costs of \$11.5 million are projected to be \$2.8 million under the budgeted amount of \$14.3 million.**

Fiscal year-end staffing costs are projected to be less than budgeted at the beginning of the year. Last September, we discussed the need for new positions to ensure that enhancements required by legislative and policy initiatives, by audit recommendations, and by our strategic plan could be accomplished within appropriate timeframes. We filled multiple critical positions during FY2010; however, we still have a number of positions we are striving to fill. Some new team members were hired later in the fiscal year than projected, resulting in costs below budget. Also, as is always the case, some existing staff members left the Agency, resulting in additional vacancies. We continue to focus on targeted hiring of professionals with specialized expertise in our areas of need. Key personnel additions are noted below:

**Office of Automated Systems:** We added IT specialists in Quality Assurance and Business Software Analysis to ensure the use of best practices in the area of software development and maintenance and to provide proper Agency oversight to contractor software development projects.

**Office of Finance:** We are working on improving our back office strength and added a program manager and personnel specialist in the administrative/HR group and filled two new accounting positions.

**Office of Participant Services:** We added two writer/editors to support the expanded information provided by the web site and to support the new legislation with new brochures and other materials.

**Office of Research and Strategic Planning:** We hired two project managers in July of this year. One of the high priority strategic goals is the establishment of a project management culture across the enterprise. A draft of a recent DOL/KPMG audit of our practices with regards to implementation of major IT projects found that the Agency should strengthen its project management practices. The new project managers will coordinate and document enterprise-wide projects and will guide the effort to develop the Agency's policy on identifying, justifying, implementing, tracking, and identifying lessons learned on future Agency initiatives.

- ▶ **Other Agency operations: Other operating expenses of \$6.9 million are projected to be \$3.5 million under the budgeted amount of \$10.3 million.**

Expenditures related to IT support were below expectations and software costs were less than budgeted. Also, we spent less on travel, training, supplies, and other miscellaneous items than budgeted.

### **Fiscal Year 2011 Budget**

The FY 2011 budget of \$134.9 million represents a four percent increase from the FY 2010 budgeted amount of \$130.3 million and is one percent lower than the estimated FY 2011 budget (\$135.9 million) submitted a year ago. The FY 2011 budget provides the system, infrastructure, and human resources necessary to maintain the TSP's extraordinary record of achievement going forward. The budget reflects the fact that the FRTIB is responsible for oversight of \$253 billion for the benefit of 4.4 million participants and is one of the world's largest financial service organizations.

We begin FY 2011 with an agenda designed to further improve the TSP while controlling expenses. The strategic plan is the blueprint that guides this effort. As a reminder, our strategic goals are:

**Goal #1:** Maintain excellence in daily operations and ensure financial accountability – "Dial-tone Consistency"

**Goal #2:** Develop a motivated, talented workforce and a robust, secure FRTIB infrastructure to meet mission needs

**Goal #3:** Launch innovative programs successfully

**Goal #4: Build strong partnerships with key stakeholders**

These strategic goals entail multiple deliverables over the next two years which are detailed within the strategic plan. The highest priority deliverables include:

- Complete TSP modernization initiatives
- Develop and implement strategic acquisition plan
- Develop and launch plan to instill project management culture, processes and technology across the Agency
- Implement and launch key Agency initiatives, including: beneficiary (spousal) accounts, Roth accounts, website upgrades, IVR upgrades, OmniPay, E-messaging, launch the L 2050 Fund, and finalize plan for office relocation

The principal components of the FY 2011 budget are:

▶ **Record keeping activities: \$105.5 million (\$6.4 million above the FY 2010 budget), consisting of the following:**

- **\$36.0 million for TSP system support and TSP system software (\$0.9 million below the FY 2010 budget).**

Record keeping system contractor support and maintenance costs expanded over the past three years, but that growth ceases this year. No new contract personnel are budgeted in FY 2011. Additionally, we reallocated some costs related to the storage area network to data center categories which reduces this budget item.

However, we still have a complex system that must be regularly maintained and improved. The efforts of our contractors, as directed by us, will continue to focus on improving quality assurance, configuration management and project planning disciplines, and increased security protections.

Additionally, in their reviews of our procedures during 2009, the KPMG auditors recommended improvements in our practices in the area of software development and maintenance. Chief among these areas were:

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

This effort started in earnest in FY 2010; however, progress was slowed due to resource constraints and the web enhancements. Work will

continue on this in FY 2011 and beyond.

Additional high priority projects that we will be working on in FY 2011 include:

- Implementation of OmniPay which will significantly improve the processing of the IRS 1099R tax forms for both pre-tax and post-tax monies (which will support the Roth initiative) and augment the reconciliations and controls over tax withholding and reporting
  - Design and implementation of the (previously deferred) full-sized test area that replicates the entire TSP production system to support OmniPlus release testing and testing of associated distributed system changes
  - Completion of our effort to consolidate email systems of both FRTIB employees and contractors into a single environment which will better safeguard both Agency sensitive information and participant personally identifiable information. The development work occurred in FY 2010 and it will be implemented in FY 2011
- **\$36.8 million for the data centers and call centers (\$4.7 million above the FY 2010 budget).**

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 staff availability 24/7.

Costs for data center hardware and software increase due to significant enhancements to the automated phone (IVR) system. Costs for the storage area network that were reallocated from contractor support also increase this budget item. Other factors that have increased our primary and backup data center expenses include increased utilization of mainframe CPU, the cost of power, and an expansion of our footprint in the primary data center.

- **\$32.7 million for other record keeping operations and related activities such as mail handling, data entry, benefits processing, and system accounting (\$2.5 million above the FY 2010 budget).**

The budget reflects increased contractor labor costs and increased staffing needs primarily in the contractor's benefits processing operation. The budgeted amount includes up to four positions at Serco for the legal processing group to deal with the anticipated jump in child support payments required by 42 U.S.C § 653 to match state lists of people delinquent in child support payments against TSP participants. Two more



positions are necessary in the death processing group due to increasing volumes, proper segregation of duties, and more intensive review of the Designation of Beneficiary form.

The workload has also increased in the forms validation process with the extension of the upfront quality review function to all forms, not just those involving money-out transactions, while maintaining metrics for turn-around and accuracy. Additional support will also be required for the work associated with address cleanup to be handled in conjunction with the payroll offices.

▶ **Participant communications: \$4.4 million (\$2.3 million below than the FY 2010 budget), consisting of the following:**

- **\$3.0 million for printing of brochures, forms, and production of other communications materials (\$0.3 million below the FY 2010 budget).**

This budget item decreases modestly from last year. The work planned includes projects that were deferred in FY 2010 such as targeted communications for special populations, and the production/dissemination of the new DVD's.

- **\$1.4 million for distribution, fulfillment and associated postage costs (\$2.0 million below the FY 2010 budget).**

This decrease is due primarily to the removal of the postage cost of an unscheduled one time mailing to all participants and by the continuing efforts to target mailings and to move them to the contract mailer to achieve more postage cost savings.

▶ **Agency staff: \$15.0 million (\$0.8 million above the FY 2010 budget).**

The primary reason for the relatively small increase in costs is a reduction in the anticipated cost of living increase for Federal employees which offset costs associated with new positions. This budget assumes a 1.4 percent increase (plus locality pay adjustments) but the final rate of increase is not yet official.

During this summer, I authorized several additional positions to meet critical needs in procurement and project management and the proposed FY 2011 budget contains additional Agency personnel in accounting, software applications, and communications. These increases will bring the number of full-time Agency staff positions to 112. 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. The recruitment and hiring

process will take some time and we have, therefore, budgeted to assume that each vacant position is hired mid-year.

Legislative and policy enhancements are expected to increase the workload in the Agency. For example, spousal beneficiary accounts will add new participants to the Plan who may have had little previous exposure to the TSP and consequently require a level of special handling from TSP staff. Each benefit/service enhancement requires changes to communication materials. In particular, preparation for the introduction of the Roth TSP feature will require a total review and revamping of TSP communications.

These positions are expected to provide the Agency with necessary succession “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 several of our senior executives and managers will be eligible to retire within the next two years.

► **Other Agency operations: \$10.1 million (\$0.3 million below than the FY 2010 budget), consisting of the following:**

- \$3.0 million for office rent (\$0.2 million above 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 (unchanged from the FY 2010 budget), including software licenses and maintenance fees, maintaining the Agency system infrastructure, and computer and phone support for Agency staff.
- \$4.7 million for all other operating expenses (\$0.5 million below the FY 2010 budget). This category includes anticipated costs for the participant survey, travel (including contractor on-site reviews), employee training, the financial audit, and all other Agency operations.

**Fiscal Year 2012 Budget Estimate**

The initial estimate for FY 2012 obligations is \$148.5 million, or \$13.5 million above the FY 2011 budget.

2012 will be a year of significant change for both the TSP and the FRTIB. The significant increase in estimated expenses in FY 2012 relative to FY 2011 reflects the impact of those changes, which include:

- The Agency will be implementing a Roth TSP option in Q1 2012. A participant considering investment in the Roth TSP will need a significantly different type of assistance. We must communicate this new benefit broadly and provide assistance with the pre-tax vs. post-tax decision. This will increase communication expenses markedly. Additionally, interest in the Roth TSP is huge among the uniformed services. We expect that Roth will be a “game-changer” in terms of interest and, eventually, participation among a large group of uniformed service members, many of whom are not currently contributing to the TSP. The Roth feature will accelerate TSP growth and plan complexity and increase costs in participant services and technology.
- The FY 2012 estimate assumes we are fully staffed and all positions remain filled throughout the year which has a meaningful impact on the budget estimate.
- The Agency’s lease at 1250 H Street expires at the end of CY 2012. Earlier this year, we committed to moving to a new building at 77 K Street (near Capitol Hill) on terms that are less expensive than leasing equivalent space in our current building and permit us to defer paying rent until Q1 2013. We will relocate in Q1 2012 and incur costs related to the new office build-out in FY 2012.

The major programs and the changes from the FY 2011 budget reflected in this estimate are:

► **Record keeping activities: \$109.2 million (\$3.8 million above the FY 2011 budget)**

- The FY 2012 estimate reflects a \$1.1 million increase in system contractor support costs. Roth TSP related work is a significant driver behind this higher estimate.
- The FY 2012 estimate reflects an increase of \$1.0 million in data center and call center hardware and software maintenance costs as transaction volumes continue to grow.
- The FY 2012 estimate reflects a \$1.6 million increase in operations costs. These increases are driven by increased transaction volumes, which in turn create higher service bureau and mail/forms processing costs.

▶ **Participant communications: \$8.2 million (\$3.9 million above the FY 2011 budget)**

- Participant communications costs in FY 2012 are expected to be significantly higher than FY 2011 due primarily to the anticipated increases in production and postage attributable to a special mailing to all participants prior to the launch of Roth TSP.

▶ **Agency staff: \$18.0 million (\$3.0 million above the FY 2011 budget)**

- FY 2012 costs for salaries and benefits are estimated to increase due to the standard government-wide pay raises and a presumption of full-staffing during FY 2012. At this time, only one additional staff position is projected for FY 2012.

▶ **Other Agency operations: \$13.0 million (\$2.9 million above the FY 2011 budget)**

- \$3.2 million for office rent (an increase of \$0.2 million from the FY 2011 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 which is down modestly relative to the FY 2011 budget.
- \$7.5 million for all other Agency operations costs for FY 2012 (an increase of \$2.8 million from the FY 2011 budget) due mainly to preliminary estimated costs associated with the Agency's planned relocation. This project is still in initial planning stages.

**Other issues for consideration for fiscal year 2012**

There are several other issues that are not considered in the FY 2012 estimated budget that could materially affect the FY 2012 budget. In each of these cases, certain factors are unresolved at this point which make the impact unknown. Nevertheless, I want to make the board members aware of these issues.

- The two IBM mainframes purchased at the end of FY 2007 and installed at the beginning of FY 2008 will near obsolescence during FY 2012. During FY 2011 we will evaluate when this hardware should be replaced. It is possible that delaying this purchase to FY 2013 would be imprudent. The expense for purchasing two mainframes could reach \$10 million.
- We expect the primary recordkeeping contract, currently with Serco, to be re-competed in 2011. The cost of these procured services will be

dependant on the proposals we receive and are unknown at this time. This has the potential to meaningfully impact FY 2012 expenses.

- The FY 2012 budget will be significantly affected by the education program associated with the TSP Roth feature. The current budget estimate assumes offering participants relatively generic print materials and simple web tools to assist with the complex tax-minimization decision. More customized interactive tools and a program offering individually-designed financial guidance may be more appropriate. These alternatives are currently being researched. If needed, such tools would materially increase expenses.

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD BUDGET

SELECTED SUMMARIES OF INTEREST

	FY 2010			FY 2011			FY 2012		
	Budget	Projected Obligations	vs. Budget	Budget	vs. Budget	Budget Estimate	vs. FY 2011 Budget	Budget	vs. FY 2012 Budget
<b>Record Keeping</b>									
TSP system contractor support & maintenance	36,886,000	34,957,991	(1,928,009)	36,011,000	(875,000)	37,141,000	1,130,000	37,141,000	1,130,000
<b>Subtotal TSP Systems</b>	<b>36,886,000</b>	<b>34,957,991</b>	<b>(1,928,009)</b>	<b>36,011,000</b>	<b>(875,000)</b>	<b>37,141,000</b>	<b>1,130,000</b>	<b>37,141,000</b>	<b>1,130,000</b>
Primary Data Center contractor support & Data Security	9,960,000	10,930,562	970,562	10,409,000	449,000	10,612,000	203,000	10,612,000	203,000
Primary Data Center hardware & software	6,867,000	6,180,738	(686,262)	9,165,000	2,298,000	9,755,000	590,000	9,755,000	590,000
Backup Data Center contractor support	1,618,000	1,910,841	292,841	2,340,000	722,000	2,450,000	110,000	2,450,000	110,000
Backup Data Center hardware & software	607,000	534,551	(72,449)	1,581,000	974,000	1,830,000	249,000	1,830,000	249,000
Clinthwood Call Center contractor support	6,081,000	5,759,285	(321,715)	5,559,000	(522,000)	5,732,000	173,000	5,732,000	(636,000)
Clinthwood Call Center hardware, software, and lease direct charges	705,000	992,428	287,428	1,315,000	610,000	679,000	300,000	679,000	300,000
Frostburg call center	6,000,000	5,600,000	(400,000)	6,250,000	250,000	6,550,000	300,000	6,550,000	300,000
Call center consultant	195,000	99,650	(95,350)	130,000	(65,000)	130,000	(0)	130,000	(0)
<b>Subtotal Data, Recovery, and Call Centers</b>	<b>32,033,000</b>	<b>32,008,056</b>	<b>(24,944)</b>	<b>36,749,000</b>	<b>4,715,000</b>	<b>37,738,000</b>	<b>989,000</b>	<b>37,738,000</b>	<b>989,000</b>
Operations (Mail, Data Entry, Printing, etc)	17,608,000	16,306,381	(1,301,619)	18,740,000	1,132,000	20,068,000	1,328,000	20,068,000	1,328,000
System Accounting	3,000,000	2,800,405	(199,595)	3,100,000	100,000	3,100,000	(0)	3,100,000	(0)
Communications lines for data and call centers	2,704,000	4,138,054	1,434,054	3,578,000	874,000	3,578,000	(0)	3,578,000	(0)
Postage (TSP System Mailings) - Notices/Statements	6,870,000	5,673,660	(1,196,340)	7,275,000	405,000	7,583,000	308,000	7,583,000	308,000
<b>Subtotal Operations, Accounting, Communications, &amp; Postage</b>	<b>30,182,000</b>	<b>28,919,500</b>	<b>(1,263,500)</b>	<b>32,693,000</b>	<b>2,511,000</b>	<b>34,329,000</b>	<b>1,636,000</b>	<b>34,329,000</b>	<b>1,636,000</b>
<b>Total Record Keeping</b>	<b>99,101,000</b>	<b>95,884,546</b>	<b>(3,216,454)</b>	<b>105,453,000</b>	<b>6,352,000</b>	<b>109,208,000</b>	<b>3,755,000</b>	<b>109,208,000</b>	<b>3,755,000</b>
<b>Communications</b>									
Brochures Printing	1,332,000	204,052	(1,127,948)	1,382,000	50,000	1,222,000	(160,000)	1,222,000	(160,000)
Other Printing (Posters, Highlights, DVDs, Leaflets)	1,539,000	655,239	(883,761)	1,292,000	(247,000)	1,982,000	700,000	1,982,000	700,000
Other Communication Materials	379,000	80,156	(298,844)	308,000	(71,000)	305,000	(3,000)	305,000	(3,000)
<b>Subtotal Print Materials</b>	<b>3,250,000</b>	<b>939,447</b>	<b>(2,310,553)</b>	<b>2,982,000</b>	<b>(268,000)</b>	<b>3,519,000</b>	<b>537,000</b>	<b>3,519,000</b>	<b>537,000</b>
Distribution and Fulfillment	372,000	203,153	(168,847)	372,000	(0)	372,000	(0)	372,000	(0)
Postage (Discretionary Mailings)	3,036,000	150,000	(2,886,000)	1,026,000	(2,010,000)	4,350,000	3,324,000	4,350,000	3,324,000
<b>Subtotal Other Interest</b>	<b>3,408,000</b>	<b>353,153</b>	<b>(3,054,847)</b>	<b>1,998,000</b>	<b>(2,010,000)</b>	<b>4,722,000</b>	<b>3,324,000</b>	<b>4,722,000</b>	<b>3,324,000</b>
<b>Total Communications</b>	<b>6,658,000</b>	<b>1,292,600</b>	<b>(5,365,400)</b>	<b>4,380,000</b>	<b>(2,278,000)</b>	<b>8,241,000</b>	<b>3,861,000</b>	<b>8,241,000</b>	<b>3,861,000</b>
<b>Personnel salaries and benefits</b>	<b>14,258,000</b>	<b>11,471,083</b>	<b>(2,786,917)</b>	<b>15,049,000</b>	<b>791,000</b>	<b>18,015,000</b>	<b>2,966,000</b>	<b>18,015,000</b>	<b>2,966,000</b>
<b>Other Agency Operations</b>									
Office Rent	2,775,000	2,783,890	8,890	3,005,000	230,000	3,205,000	200,000	3,205,000	200,000
IT hardware/software/services here in the agency	2,357,000	1,078,989	(1,278,011)	2,345,000	(12,000)	2,266,000	(79,000)	2,266,000	(79,000)
Everything else	5,181,000	2,995,995	(2,185,005)	4,703,000	(478,000)	7,529,000	2,826,000	7,529,000	2,826,000
<b>Total Other Agency Operations</b>	<b>10,313,000</b>	<b>6,858,874</b>	<b>(3,454,126)</b>	<b>10,053,000</b>	<b>(260,000)</b>	<b>13,000,000</b>	<b>2,947,000</b>	<b>13,000,000</b>	<b>2,947,000</b>
<b>GRAND TOTAL</b>	<b>130,330,000</b>	<b>115,507,104</b>	<b>(14,822,896)</b>	<b>134,935,000</b>	<b>4,605,000</b>	<b>148,464,000</b>	<b>13,529,000</b>	<b>148,464,000</b>	<b>13,529,000</b>

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD BUDGET

	FY 2010		vs. Budget	FY 2011		vs. FY2010 Budget	FY 2012	
	Budget	Projected Obligations		Budget	Budget Estimate		Budget	Budget Estimate
<b>SUMMARY - OFFICE TOTALS</b>								
EXECUTIVE DIRECTOR	757,000	535,646	(221,354)	779,000	22,000		792,000	13,000
AUTOMATED SYSTEMS								
Agency Operations	6,988,000	4,422,113	(2,575,887)	6,856,000	(142,000)		8,758,000	1,902,000
External Vendors (Record Keeping)	60,326,000	60,692,165	366,165	64,594,000	4,268,000		66,140,000	1,546,000
Total	67,324,000	65,114,278	(2,209,722)	71,450,000	4,126,000		74,898,000	3,448,000
EXTERNAL AFFAIRS	407,000	377,781	(29,219)	442,000	35,000		452,000	10,000
FINANCE								
Agency Operations	4,555,000	3,450,615	(1,104,385)	5,053,000	498,000		5,986,000	933,000
External Vendors (Record Keeping)	3,000,000	2,800,405	(199,595)	3,100,000	100,000		3,100,000	0
External Vendors (Administrative Support)	965,000	583,646	(381,354)	641,000	(324,000)		740,000	99,000
Facilities	2,975,000	2,890,674	(84,326)	3,168,000	193,000		5,886,000	2,718,000
Total	11,495,000	9,725,339	(1,769,661)	11,962,000	467,000		15,712,000	3,750,000
GENERAL COUNSEL	1,221,000	808,138	(412,862)	1,208,000	(13,000)		1,289,000	81,000
INVESTMENTS	832,000	633,211	(198,789)	851,000	19,000		870,000	19,000
PARTICIPANT SERVICES								
Agency Operations	4,944,000	4,140,631	(803,369)	4,930,000	(14,000)		5,065,000	135,000
External Vendors (Record Keeping)	35,773,000	32,390,477	(3,382,523)	37,739,000	1,966,000		39,948,000	2,209,000
Communications Materials	6,658,000	1,292,600	(5,365,400)	4,380,000	(2,278,000)		8,241,000	3,861,000
Total	47,375,000	37,823,708	(9,551,292)	47,049,000	(326,000)		53,254,000	6,205,000
RESEARCH AND STRATEGIC PLANNING	919,000	489,002	(429,998)	1,194,000	275,000		1,197,000	3,000
<b>GRAND TOTALS</b>	<b>130,330,000</b>	<b>115,507,104</b>	<b>(14,822,896)</b>	<b>134,935,000</b>	<b>4,605,000</b>		<b>148,464,000</b>	<b>13,529,000</b>
Fiduciary Insurance	600,000	255,000	(345,000)	500,000	(100,000)		500,000	0
<b>SUMMARY - BY EXPENDITURE TYPE</b>								
Agency Operations	20,633,000	14,857,137	(5,775,863)	21,313,000	680,000		24,409,000	3,096,000
External Vendors (Record Keeping)	99,099,000	95,883,046	(3,215,954)	105,433,000	6,334,000		109,188,000	3,755,000
External Vendors (Administrative Support)	965,000	583,646	(381,354)	641,000	(324,000)		740,000	89,000
Facilities	2,975,000	2,890,674	(84,326)	3,168,000	193,000		5,886,000	2,718,000
Communications Materials	6,658,000	1,292,600	(5,365,400)	4,380,000	(2,278,000)		8,241,000	3,861,000
<b>GRAND TOTALS</b>	<b>130,330,000</b>	<b>115,507,104</b>	<b>(14,822,896)</b>	<b>134,935,000</b>	<b>4,605,000</b>		<b>148,464,000</b>	<b>13,529,000</b>

