

2024-25 Mid-Year Budget

Finance and Administration Committee

November 19, 2024

Mid-Year Proposed Adjustments

(\$ in thousands)	2024 25 Annual Budget	2024 25 Proposed Mid Year Budget	Change	
			\$	%
Administrative Operating Costs	\$614,877	\$609,826	(\$5,051)	(0.8%)
Investment Operating Costs	146,735	155,877	9,142	6.2%
Headquarters Building Costs	31,466	31,465	(2)	(0.0%)
Total: Operating Costs	\$793,078	\$797,167	\$4,089	0.5%
Investment External Management Fees	1,428,052	1,454,031	25,979	1.8%
Third Party Administrator Fees	249,023	275,416	26,393	10.6%
Total: Fees	\$1,677,075	\$1,729,448	\$52,373	3.1%
CalPERS Total Budget	\$2,470,153	\$2,526,615	\$56,462	2.3%
Total Positions	2,843.0	2,843.0		0.0%

Note: Numbers may not add due to rounding of budget details.

Total Operating Costs

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Operating Cost Adjustments

\$9.1 million increase in Investment Operating Costs:

- \$7.5 million increase for Data and Technology initiative
- \$1.6 million increase for trading/portfolio management and data costs

\$5.1 million net decrease in Administrative Operating Costs:

- \$16.3 million decrease in employer contributions for retirement benefit rate
- \$11.2 million increase for collectively bargained salaries and employer contributions for health plan premiums

Total Fees

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Fee Adjustments

\$26.0 million increase in External Management Fees:

- \$91.4 million increase in Base Fees driven by Private Equity market increases
- \$65.4 million decrease in Performance Fees for Real Assets valuations

\$26.4 million increase in Third Party Administrator Fees:

- \$19.6 million increase in Health Program fees for new population health management administrator
- \$7.0 million increase in Long-Term Care Program fees for a new administrator for the Aging in Place program

2023-24 Year End Expenditure Report

2023-24 Total Expenditures

(\$ in thousands)	2023 24 Authorized Budget	2023 24 Expenditures and Encumbrances	Percent Expended	Balance
Administrative Operating Costs	\$616,670	\$528,833	85.8%	\$87,837
Investment Operating Costs	150,595	101,528	67.4%	49,067
Headquarters Building Costs	22,753	20,835	91.6%	1,918
Total: Operating Costs	\$790,018	\$651,196	82.4%	\$138,822
Investment External Mgmt Fees	1,368,386	1,130,796	82.6%	237,589
Third Party Administrator Fees	285,156	281,939	98.9%	3,217
Total: Fees	\$1,653,542	\$1,412,735	85.4%	\$240,807
CalPERS Total Budget to Expenditures	\$2,443,560	\$2,063,931	84.5%	\$379,629

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Questions?