

2023-24 Annual Budget

Finance and Administration Committee

April 17, 2023

2022-23 Current Year Update

(\$ in thousands)	2022-23 Authorized Budget	2022-23 Expenditures and Encumbrances thru 12-31-22	Percent Expended	Forecast	Savings
Administrative Operating Costs	\$577,352	\$262,370	45.4%	\$534,870	\$42,482
Investment Operating Costs	132,678	27,421	20.7%	117,748	14,930
Headquarters Building Costs	20,823	7,920	38.0%	20,820	4
Total: Operating Costs	\$730,854	\$297,711	40.7%	\$673,437	\$57,416
Investment External Mgmt Fees	1,143,544	403,826	35.3%	1,143,544	-
Third Party Administrator Fees	310,312	151,928	49.0%	314,624	(4,312)
Total: Fees	\$1,453,856	\$555,754	38.2%	\$1,458,168	(4,312)
CalPERS Total Forecast	\$2,184,709	\$853,465	39.1%	\$2,131,605	\$53,104

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2023-24 Proposed Budget

2023-24 Total Budget

(\$ in thousands)	2021-22 Actual	2022-23 Authorized Budget	2023-24 Proposed Budget	2022-23 to 2023-24 Change	
				\$	%
Administrative Operating Costs	\$512,636	\$577,352	\$585,451	\$8,099	1.4%
Investment Operating Costs	87,919	132,678	150,595	17,917	13.5%
Headquarters Building Costs	15,994	20,823	22,608	1,785	8.6%
Total: Operating Costs	\$616,550	\$730,854	\$758,655	\$27,801	3.8%
Investment External Management Fees	928,634	1,143,544	1,339,444	195,900	17.1%
Third Party Administrator Fees	299,581	310,312	329,781	19,469	6.3%
Total: Fees	\$1,228,215	\$1,453,856	\$1,669,225	\$215,369	14.8%
CalPERS Total Budget	\$1,844,765	\$2,184,709	\$2,427,880	\$243,171	11.1%
Total Positions	2,843.0	2,843.0	2,843.0	-	0.0%

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Administrative Operating Costs

- \$10.7 million (2.4 percent) increase in Personal Services expenses
- \$2.6 million (4.0 percent) decrease in OE&E

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Investment Operating Costs

- \$4.7 million increase for consultants
- \$13.5 million increase for operating expenses
- \$0.3 million decrease for technology expenses

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Headquarters Building Costs

- \$0.5 million decrease in operations expenses
- \$2.5 million increase for building improvements and building insurance
- Increases are offset by additional parking revenue
- Total HQ Building Costs are \$27.5 million; \$4.9 million is included in the Administrative Operating Costs Budget for affiliate funds' share

External Fees

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Investment External Management Fees

- \$186.3 million increase in base fees driven by Real Assets, Private Debt, and Fixed Income investments
- \$9.6 million increase in performance fees driven by Real Assets

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Third Party Administrator Fees

- \$20.6 million increase for Health program fees
- \$1.0 million decrease in Long Term Care program fees

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