

2022-23 Annual Budget

Finance and Administration Committee

April 18, 2022

2021-22 Current Year Update

(in thousands)	2021-22 Authorized Budget	2021-22 Expenditures and Encumbrances thru 12-31-21	Percent Expended	Forecast	Savings
Administrative Operating Costs	\$555,276	\$260,447	46.9%	\$536,130	\$19,146
Investment Operating Costs	121,393	32,223	26.5%	103,492	17,901
Headquarters Building Costs	18,415	6,730	36.5%	18,884	(469)
Total: Operating Costs	\$695,084	\$299,400	43.1%	\$658,506	\$36,577
Investment External Mgmt Fees	898,497	409,786	45.6%	898,497	-
Third Party Administrator Fees	303,552	146,760	48.3%	301,457	2,094
Total: Fees	\$1,202,049	\$556,546	46.3%	\$1,199,955	\$2,094
CalPERS Total Forecast	\$1,897,133	\$855,946	45.1%	\$1,858,461	\$38,672

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2022-23 Proposed Budget

(\$ in thousands)	2020-21 Actual	2021-22 Authorized Budget	2022-23 Proposed Budget	2021 to 2022 Change	
				\$ Increase / (Decrease)	% Increase / (Decrease)
Administrative Operating Costs	\$451,978	\$555,276	\$561,624	\$6,347	1.1%
Investment Operating Costs	81,339	121,393	134,667	13,275	10.9%
Headquarters Building Costs	17,518	18,415	20,832	2,417	13.1%
Total: Operating Costs	\$550,835	\$695,084	\$717,123	\$22,039	3.2%
Investment External Management Fees	723,695	898,497	1,044,098	145,601	16.2%
Third Party Administrator Fees	297,807	303,552	311,429	7,877	2.6%
Total: Fees	\$1,021,502	\$1,202,049	\$1,355,527	\$153,478	12.8%
CalPERS Total Budget	\$1,572,336	\$1,897,133	\$2,072,650	\$175,517	9.3%
Total Positions	2,843.0	2,843.0	2,843.0	-	0.0%

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Administrative Operating Costs

- \$1.2 million (0.3 percent) increase in Personal Services expenses
- \$5.2 million (4.0 percent) increase in OE&E

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Investment Operating Costs

- \$2.5 million increase for consultants
- \$2.6 million increase for master custodian and appraisal fees
- \$8.2 million increase for technology expenses

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Headquarters Building Costs

- \$2.9 million increase in operations expenses
- \$0.9 million increase for building improvements
- Increases are offset by additional parking revenue
- Total HQ Building Costs are \$25.5 million; \$4.7 million is included in the Administrative Operating Costs Budget for affiliate funds' share

External Fees

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Investment External Management Fees

- \$117.3 million increase in base fees driven by Real Assets and Private Equity investments
- \$28.3 million increase in performance fees driven by Real Assets

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Third Party Administrator Fees

- \$8.9 million increase for Health program fees
- \$1.2 million decrease in Long Term Care program fees

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