

2026-27 Annual Budget

Finance and Administration Committee

April 13, 2026

2025-26 Current Year Update

(\$ in thousands)	2025-26 Authorized Budget	2025-26 Expenditures and Encumbrances thru 12-31-25	Percent Expended	Forecast	Savings
Administrative Operating Costs	\$648,463	\$272,302	42.0%	\$617,545	\$30,918
Investment Operating Costs	186,417	41,312	22.2%	183,007	3,410
Headquarters Building Costs	47,088	14,110	30.0%	46,887	200
CalPERS Total Operating Budget Forecast	\$881,967	\$327,723	37.2%	\$847,439	\$34,528

(\$ in thousands)	2025-26 Authorized Budget	2025-26 Expenditures and Encumbrances thru 12-31-25	Percent Expended	Forecast	Savings
Investment External Management Fees	\$1,786,961	\$689,486	38.6%	\$1,817,813	(\$30,852)
Third Party Administrator Fees	308,630	145,310	47.1%	306,515	2,115
CalPERS Total Fees Forecast	\$2,095,591	\$834,796	39.8%	\$2,124,328	(\$28,737)

2026-27 Proposed Total Budget and Fees

(\$ in thousands)	2024-25 Actual	2025-26 Authorized Budget	2026-27 Proposed Budget	\$ Change	% Change
Administrative Operating Costs	\$551,594	\$648,463	\$678,900	\$30,438	4.7%
Investment Operating Costs	119,834	186,417	224,547	38,130	20.5%
Headquarters Building Costs	29,301	47,088	30,830	(16,258)	(34.5%)
CalPERS Total Operating Budget	\$700,729	\$881,967	\$934,277	\$52,310	5.9%
Total Positions	2,843.0	2,843.0	2,843.0	-	0.0%

(\$ in thousands)	2024-25 Actual	2025-26 Authorized Budget	2026-27 Proposed Budget	\$ Change	% Change
Investment External Management Fees	\$1,303,031	\$1,786,961	\$2,207,980	\$421,019	23.6%
Third Party Administrator Fees	273,194	308,630	311,272	2,642	0.9%
CalPERS Total Fees	\$1,576,225	\$2,095,591	\$2,519,252	\$423,661	20.2%

Operating Costs

(\$ in thousands)	2024-25 Actual	2025-26 Authorized Budget	2026-27 Proposed Budget	\$ Change	% Change
Administrative Operating Costs	\$551,594	\$648,463	\$678,900	\$30,438	4.7%
Investment Operating Costs	119,834	186,417	224,547	38,130	20.5%
Headquarters Building Costs	29,301	47,088	30,830	(16,258)	(34.5%)
CalPERS Total Operating Budget	\$700,729	\$881,967	\$934,277	\$52,310	5.9%
Total Positions	2,843.0	2,843.0	2,843.0	-	0.0%

Administrative Operating Costs

- \$19 million, or 3.8% increase in Personal Services
- \$11.4 million, or 8.0% increase in Operating Expenses & Equipment

Budget Requests

(\$ in thousands)	Division	2026-27 Cost	Ongoing
Hardware Refresh and IT Capital Budgets	ITSB	\$2,326	\$ -
Total Proposed Increase due to Hardware Refresh		\$2,326	\$ -
Health Program Projects*	HPBB	954	-
Website Modernization Project*	PAOF	900	900
Oracle Fusion Human Capital Management Extended Support*	ITSB	600	-
Gartner Membership*	HRSD	145	-
ServiceNow - FedRAMP	ITSB	132	132
Monotype Agreement	PAOF	76	76
CalHR Examination and Certification Online System	HRSD	18	12
Total Proposed Increase due to Formal Budget Requests		\$2,825	\$1,120
ERP Architect/Developer Consultant*	ITSB	275	-
WholAm Support for MCP Security Enhancement*	ITSB	176	-
Total Proposed to Absorb within Administrative Costs		\$452	\$ -
Total Proposed Administrative Costs Increase		\$5,151	\$1,120

*Includes Consulting Services

Operating Costs

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CalPERS Total Operating Budget	\$700,729	\$881,967	\$934,277	\$52,310	5.9%
Total Positions	2,843.0	2,843.0	2,843.0	-	0.0%

Investment Operating Costs

- \$36.4 million of the increase supports the Data & Technology Modernization Initiative
- \$1.7 million of the increase is for the maintenance and operations of existing systems and services

Operating Costs

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Headquarters Building Costs	29,301	47,088	30,830	(16,258)	(34.5%)
CalPERS Total Operating Budget	\$700,729	\$881,967	\$934,277	\$52,310	5.9%
Total Positions	2,843.0	2,843.0	2,843.0	-	0.0%

Headquarters Building Costs

- \$2.3 million, or 9.1% increase in Operating Expenses
- \$18.1 million, or 63.5% decrease in Non-Operating Expenses

External Fees

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Investment External Management Fees	\$1,303,031	\$1,786,961	\$2,207,980	\$421,019	23.6%
Third Party Administrator Fees	273,194	308,630	311,272	2,642	0.9%
CalPERS Total Fees	\$1,576,225	\$2,095,591	\$2,519,252	\$423,661	20.2%

Investment External Management Fees

- \$344.6 million, or 23.0% increase in Base Fees
- \$76.4 million, or 26.5% increase in Performance Fees

External Fees

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Third Party Administrator Fees	273,194	308,630	311,272	2,642	0.9%
CalPERS Total Fees	\$1,576,225	\$2,095,591	\$2,519,252	\$423,661	20.2%

Third Party Administrator Fees

- \$7.7 million, or 2.7% increase in Total Health fees
- \$5.1 million, or 23.7% decrease in Long-Term Care program fees

Questions?