2026-27 Mid-Year Budget

Finance and Administration Committee
November 17, 2026

CalPERS

Mid-Year Proposed Adjustments

($ in thousands)	2026-27 Annual Budget	2026-27 Proposed Mid-Year Budget	$ Change	% Change
Administrative Operating Costs	$678,900	$682,759	$3,859	0.6%
Investment Operating Costs	224,547	232,434	7,887	3.5%
Headquarters Building Costs	30,830	35,863	5,033	16.3%
CalPERS Total Operating Budget	**$934,277**	**$951,056**	**$16,779**	**1.8%**
Total Positions	**2,843.0**	**2,843.0**	**-**	**0.0%**

($ in thousands)	2026-27 Annual Fees	2026-27 Proposed Mid-Year Fees	$ Change	% Change
Investment External Management Fees	$2,207,980	$2,195,760	($12,220)	(0.6%)
Third Party Administrator Fees	311,272	297,247	(14,025)	(4.5%)
CalPERS Total Fees	**$2,519,252**	**$2,493,007**	**($26,245)**	**(1.0%)**

Total Operating Costs

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Operating Cost Adjustments

Administrative Operating Costs:

- $2.9 million net increase in Personal Services for employee compensation adjustments, board-approved executive salary adjustments, and position upgrades
- $1 million increase in Operating Expenses & Equipment for Senate Bill 122 anticipated tax requirements

Investment Operating Costs:

- $7.9 million increase for AUM-driven investment management platform fees and Senate Bill 122 use taxes

Headquarters Building Costs:

- $5 million increase related to the Lincoln Plaza North lighting project, partially offset by savings from the Elevator Modernization Project

Total Fees

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Fee Adjustments

Investment External Management Fees:

- $41.6 million net decrease in base fees due to lower fee rates and projected allocation, and fewer capital calls
- $29.4 million increase in performance fees resulting from better-than-expected performance to date, and increased allocation to managers with performance-based fee structures

Third Party Administrator Fees:

- $14 million decrease in Health Program fees due to the removal of a health plan and the transition to a new Pharmacy Benefit Manager

2025-26
Year-End Expenditures Report

CalPERS

2025-26 Total Expenditures

($ in thousands)	2025-26 Authorized Budget	2025-26 Expenditures and Encumbrances	Percent Expended	Balance
Administrative Operating Costs	$648,463	$592,201	91.3%	$56,262
Investment Operating Costs	186,417	153,988	82.6%	32,429
Headquarters Building Costs	47,088	35,107	74.6%	11,981
CalPERS Total Operating Budget to Expenditures	**$881,967**	**$781,296**	**88.6%**	**$100,671**

($ in thousands)	2025-26 Authorized Fees	2025-26 Expenditures	Percent Expended	Balance
Investment External Management Fees	$1,786,961	$1,603,352	89.7%	$183,609
Third Party Administrator Fees	308,630	305,193	98.9%	3,436
CalPERS Total Fees to Expenditures	**$2,095,591**	**$1,908,545**	**91.1%**	**$187,046**

Questions?

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