

## 1900 Public Employees' Retirement System

The California Public Employees' Retirement System (CalPERS) administers retirement and health benefits for over 1.6 million active employees and retirees of state and local agencies in California. Benefits include retirement, disability, and survivor's retirement benefits; Social Security for state employees; and the development, negotiation, and administration of contracts with health maintenance organizations, group hospitals, and medical insurance plans. In addition, CalPERS administers a long-term care program for members and eligible individuals.

CalPERS is governed by a Board of Administration. The California Constitution provides that the Board of Administration has authority over the administration of the retirement system; therefore, the budget data presented here is for informational purposes only, with the exception of the component of the Health Benefits Program funded from the Public Employees' Contingency Reserve Fund.

### 3-YR EXPENDITURES AND PERSONNEL YEARS (Summary of Program Requirements)

|   | Personnel Years |                |                | Expenditures        |                     |                     |
|---|-----------------|----------------|----------------|---------------------|---------------------|---------------------|
|   | 2008-09         | 2009-10        | 2010-11        | 2008-09*            | 2009-10*            | 2010-11*            |
| 10 Retirement   | 763.3           | 823.4          | 823.4          | \$69,061            | \$71,748            | \$70,928            |
| 30 Health Benefits  | 169.3           | 190.3          | 185.6          | 24,858              | 28,902              | 26,300              |
| 40 Investment Operations  | 219.0           | 245.5          | 245.5          | 55,167              | 55,636              | 55,636              |
| 50 Administration   | 992.8           | 1,101.4        | 1,076.9        | 167,218             | 171,725             | 172,625             |
| 99 Unclassified (Benefit Payments)  | -               | -              | -              | <u>13,635,088</u>   | <u>15,304,316</u>   | <u>16,266,048</u>   |
| <b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>                    | <b>2,144.4</b>  | <b>2,360.6</b> | <b>2,331.4</b> | <b>\$13,951,392</b> | <b>\$15,632,327</b> | <b>\$16,591,537</b> |
| <b>FUNDING</b>  |                 |                |                | <b>2008-09*</b>     | <b>2009-10*</b>     | <b>2010-11*</b>     |
| 0615 State Peace Officer's and Firefighters' Defined Contribution Plan Fund |                 |                |                | \$12,922            | \$14,636            | \$15,946            |
| 0815 Judges' Retirement Fund  |                 |                |                | 1,002               | 1,101               | 1,101               |
| 0820 Legislators' Retirement Fund   |                 |                |                | 337                 | 369                 | 369                 |
| 0822 Public Employees' Health Care Fund (PEHCF)                             |                 |                |                | 1,524,954           | 1,817,687           | 1,843,388           |
| 0830 Public Employees' Retirement Fund                                      |                 |                |                | 12,365,622          | 13,740,478          | 14,672,381          |
| 0833 Annuitants' Health Care Coverage Fund                                  |                 |                |                | 14,505              | 21,657              | 24,475              |
| 0884 Judges' Retirement System II Fund                                      |                 |                |                | 545                 | 594                 | 594                 |
| 0950 Public Employees Contingency Reserve Fund                              |                 |                |                | 25,608              | 29,143              | 26,621              |
| 0995 Reimbursements   |                 |                |                | <u>5,897</u>        | <u>6,662</u>        | <u>6,662</u>        |
| <b>TOTALS, EXPENDITURES, ALL FUNDS</b>                                      |                 |                |                | <b>\$13,951,392</b> | <b>\$15,632,327</b> | <b>\$16,591,537</b> |

There are also non-add General Fund retirement contributions to CalPERS in the amounts of \$1,684,655 for 2008-09, \$1,808,165 for 2009-10, and \$1,808,165 for 2010-11. The Special Funds retirement contributions are \$918,903 for 2008-09, \$986,272 for 2009-10, and \$986,272 for 2010-11. The Non-Governmental Cost Funds retirement contributions are \$459,451 for 2008-09, \$493,136 for 2009-10, and \$493,136 for 2010-11. Also note that the expenditures for funds 0615, 0822, 0830 and 0833 include unclassified expenditures for benefit payments, which are detailed in the Detail of Appropriations and Adjustments.

### LEGAL CITATIONS AND AUTHORITY

#### DEPARTMENT AUTHORITY

Government Code, Title 2, Division 5, Parts 3 and 5; and Article XVI, Section 17, California Constitution.

### DETAILED BUDGET ADJUSTMENTS

|  | 2009-10*     |                  |                 | 2010-11*     |                  |                 |
|--|--------------|------------------|-----------------|--------------|------------------|-----------------|
|  | General Fund | Other Funds      | Personnel Years | General Fund | Other Funds      | Personnel Years |
| <b>Workload Budget Adjustments</b>               |              |                  |                 |              |                  |                 |
| <b>Other Workload Budget Adjustments</b>         |              |                  |                 |              |                  |                 |
| • Miscellaneous Baseline Adjustments             | \$-          | -\$46,434        | -               | \$-          | \$912,776        | -               |
| • Position Reconciliation                        | -            | -                | 29.5            | -            | -                | 1.4             |
| <b>Totals, Other Workload Budget Adjustments</b> | <b>\$-</b>   | <b>-\$46,434</b> | <b>29.5</b>     | <b>\$-</b>   | <b>\$912,776</b> | <b>1.4</b>      |
| <b>Totals, Workload Budget Adjustments</b>       | <b>\$-</b>   | <b>-\$46,434</b> | <b>29.5</b>     | <b>\$-</b>   | <b>\$912,776</b> | <b>1.4</b>      |

\* Dollars in thousands, except in Salary Range.

## 1900 Public Employees' Retirement System - Continued

|                            | 2009-10*     |             |                 | 2010-11*     |             |                 |
|----------------------------|--------------|-------------|-----------------|--------------|-------------|-----------------|
|                            | General Fund | Other Funds | Personnel Years | General Fund | Other Funds | Personnel Years |
| Totals, Budget Adjustments | \$-          | -\$46,434   | 29.5            | \$-          | \$912,776   | 1.4             |

### PROGRAM DESCRIPTIONS (Program Objectives Statement)

#### 10 - RETIREMENT

Through this program, California Public Employees' Retirement System (CalPERS) provides retirement planning education, service and disability retirement, refunds, and survivor and death benefits for employees of California public employers. CalPERS provides special benefits based on death or disability incurred in the line of duty for members in certain occupations. As of June 30, 2009, there were 1,134,397 active and inactive members, and 492,513 retirees, survivors, and beneficiaries under the CalPERS system.

Basic retirement benefits are generally based upon three factors: age at retirement, years of service, and final compensation. There are different formulas for each of the member categories, such as Miscellaneous, Industrial, Peace Officer/Firefighter, California Highway Patrol, and Safety. Over 50 contract options are available to local cities, counties, and districts that contract with CalPERS. Benefits are modified by the selection of one of several options and by the employee's membership category. A member's retirement and death benefits are determined by contract provisions.

As of June 30, 2009, there were 3,026 public agency and school district employers providing CalPERS retirement, death, and survivor benefits to California public employees. CalPERS benefits are transferable for members who continue their careers with many other public employers in California as a result of agreements between CalPERS and other public agency retirement systems.

CalPERS also administers the Legislators' and Judges' Retirement Systems.

#### 30 - HEALTH BENEFITS

The Health Benefits Branch program contracts with health maintenance organizations, claim administrators, employee associations, and others to provide health and long term care insurance for state, California State University, and local Public Agency employees, retirees, and their dependents. The program negotiates and monitors health plan contracts; develops cost-effective programs; provides enrollment services to members and employers; and meets and confers with employee organizations and employer representatives.

Additionally, this program maintains demographic and statistical information systems; establishes standards for Basic, Supplement to Medicare, and Managed Medicare health plans; establishes and maintains health benefits coverage for all eligible employees and retirees; provides accurate and timely accounting for participating agencies; and serves as an impartial intermediary between CalPERS enrollees and insurance carriers in resolving claim and service disputes.

#### 40 - INVESTMENT OPERATIONS

Through this program, CalPERS invests funds in various investment categories (stocks, bonds, real estate, etc.) for the purpose of minimizing the employers' contributions to the system needed to provide benefits to active participants, retired members, and their beneficiaries. Since CalPERS' establishment in 1932, the System's assets have grown from \$800,000 to a total of \$181.1 billion, as of June 30, 2009.

#### 50 - ADMINISTRATION

CalPERS provides executive direction, specialized information, and administrative support necessary to administer all of the CalPERS programs. The various services include: Audits, Diversity Outreach, Executive, Fiscal Services, Human Resources, Information Technology Services, Legal, Enterprise Compliance, Governmental Affairs, Operation Support, Strategic Management Services, Public Affairs, and the Information Security Office.

### EXPENDITURES BY CATEGORY (Summary By Object)

| 1 State Operations                    | Positions/Personnel Years |                |                | Expenditures     |                  |                  |
|---------------------------------------|---------------------------|----------------|----------------|------------------|------------------|------------------|
|                                       | 2008-09                   | 2009-10        | 2010-11        | 2008-09*         | 2009-10*         | 2010-11*         |
| PERSONAL SERVICES                     |                           |                |                |                  |                  |                  |
| Authorized Positions (Equals Sch. 7A) | 2,144.4                   | 2,365.3        | 2,335.8        | \$135,179        | \$134,800        | \$157,250        |
| Estimated Salary Savings              | -                         | -4.7           | -4.4           | -                | -339             | -324             |
| <b>Net Totals, Salaries and Wages</b> | <b>2,144.4</b>            | <b>2,360.6</b> | <b>2,331.4</b> | <b>\$135,179</b> | <b>\$134,461</b> | <b>\$156,926</b> |
| Staff Benefits                        | -                         | -              | -              | 50,593           | 49,141           | 45,349           |
| <b>Totals, Personal Services</b>      | <b>2,144.4</b>            | <b>2,360.6</b> | <b>2,331.4</b> | <b>\$185,772</b> | <b>\$183,602</b> | <b>\$202,275</b> |
| OPERATING EXPENSES AND EQUIPMENT      |                           |                |                | \$130,532        | \$144,409        | \$123,214        |

\* Dollars in thousands, except in Salary Range.

## 1900 Public Employees' Retirement System - Continued

| 1 State Operations  | Positions/Personnel Years |         |         | Expenditures        |                     |                     |
|---|---------------------------|---------|---------|---------------------|---------------------|---------------------|
|   | 2008-09                   | 2009-10 | 2010-11 | 2008-09*            | 2009-10*            | 2010-11*            |
| <b>TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS<br/>(State Operations)</b> |                           |         |         | <b>\$316,304</b>    | <b>\$328,011</b>    | <b>\$325,489</b>    |
| <b>4 Unclassified</b>   |                           |         |         |                     |                     |                     |
|   |                           |         |         | <b>2008-09*</b>     | <b>2009-10*</b>     | <b>2010-11*</b>     |
| Peace Officer's and Firefighters' Defined Contribution Benefits             |                           |         |         | \$12,922            | \$14,636            | \$15,946            |
| Public Employees' Health Benefits   |                           |         |         | 1,510,669           | 1,803,994           | 1,829,695           |
| Public Employees' Retirement Benefits                                       |                           |         |         | 12,097,520          | 13,464,802          | 14,396,705          |
| Annuity Health Care Payments  |                           |         |         | 13,977              | 20,884              | 23,702              |
| <b>TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)</b>                       |                           |         |         | <b>\$13,635,088</b> | <b>\$15,304,316</b> | <b>\$16,266,048</b> |

## DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

| 1 STATE OPERATIONS   | 2008-09*       | 2009-10*       | 2010-11*       |
|--|----------------|----------------|----------------|
| <b>0001 General Fund</b>   |                |                |                |
| APPROPRIATIONS   |                |                |                |
| State Retirement Contribution to CalPERS (GF)  | (\$1,684,655)  | (\$1,808,165)  | (\$1,808,165)  |
| <b>TOTALS, EXPENDITURES</b>  | <b>\$-</b>     | <b>\$-</b>     | <b>\$-</b>     |
| <b>0494 Other - Unallocated Special Funds</b>  |                |                |                |
| APPROPRIATIONS   |                |                |                |
| State Retirement Contribution to CalPERS (SF)  | (\$918,903)    | (\$986,272)    | (\$986,272)    |
| <b>TOTALS, EXPENDITURES</b>  | <b>\$-</b>     | <b>\$-</b>     | <b>\$-</b>     |
| <b>0815 Judges' Retirement Fund</b>  |                |                |                |
| APPROPRIATIONS   |                |                |                |
| 015 Budget Act appropriation   | (\$1,134)      | -              | -              |
| Revised expenditure authority  | (-22)          | (\$-)          | -              |
| 015 Budget Act appropriation as amended by Chapter 1, Statutes of 2009, Fourth Extraordinary Session | -              | (1,101)        | -              |
| 015 Budget Act appropriation   | -              | -              | (\$1,101)      |
| State Constitution, Article XVI, Section 17  | 1,002          | 1,101          | 1,101          |
| <b>TOTALS, EXPENDITURES</b>  | <b>\$1,002</b> | <b>\$1,101</b> | <b>\$1,101</b> |
| <b>0820 Legislators' Retirement Fund</b>   |                |                |                |
| APPROPRIATIONS   |                |                |                |
| 015 Budget Act appropriation   | (\$454)        | -              | -              |
| Revised expenditure authority  | (-83)          | (\$-)          | -              |
| 015 Budget Act appropriation as amended by Ch. 1, Statutes of 2009, Fourth Extraordinary Session     | -              | (369)          | -              |
| 015 Budget Act appropriation   | -              | -              | (\$369)        |
| State Constitution, Article XVI, Section 17  | 337            | 369            | 369            |
| <b>TOTALS, EXPENDITURES</b>  | <b>\$337</b>   | <b>\$369</b>   | <b>\$369</b>   |
| <b>0822 Public Employees' Health Care Fund (PEHCF)</b>   |                |                |                |
| APPROPRIATIONS   |                |                |                |
| 015 Budget Act appropriation   | (\$17,601)     | -              | -              |
| Revised expenditure authority  | (-2,635)       | (\$-)          | -              |
| 015 Budget Act appropriation as amended by Chapter 1, Statutes of 2009, Fourth Extraordinary Session | -              | (13,693)       | -              |
| 015 Budget Act appropriation   | -              | -              | (\$13,693)     |
| Government Code Section 22911 (PERSCARE Administrative costs)  | 14,285         | 13,693         | 13,693         |

\* Dollars in thousands, except in Salary Range.

## 1900 Public Employees' Retirement System - Continued

| 1 STATE OPERATIONS   | <u>2008-09*</u>  | <u>2009-10*</u>  | <u>2010-11*</u>  |
|--|------------------|------------------|------------------|
| <b>TOTALS, EXPENDITURES</b>  | <b>\$14,285</b>  | <b>\$13,693</b>  | <b>\$13,693</b>  |
| <b>0830 Public Employees' Retirement Fund</b>  |                  |                  |                  |
| APPROPRIATIONS   |                  |                  |                  |
| 003 Budget Act appropriation   | (\$963,170)      | (\$963,170)      | (\$827,437)      |
| Revised expenditure authority  | (-635,117)       | (-135,734)       | -                |
| 015 Budget Act appropriation   | (277,215)        | -                | -                |
| Revised expenditure authority  | (2,761)          | (-)              | -                |
| 015 Budget Act appropriation as amended by Chapter 1, Statutes of 2009, Fourth Extraordinary Session     | -                | (275,755)        | -                |
| Revised expenditure authority  | (-)              | (-79)            | -                |
| 015 Budget Act appropriation   | -                | -                | (275,676)        |
| State Constitution, Article XVI, Section 17  | 268,052          | 275,626          | 275,626          |
| Government Code Section 20236 (Investment related bill analysis)   | 50               | 50               | 50               |
| <b>TOTALS, EXPENDITURES</b>  | <b>\$268,102</b> | <b>\$275,676</b> | <b>\$275,676</b> |
| <b>0833 Annuitants' Health Care Coverage Fund</b>  |                  |                  |                  |
| APPROPRIATIONS   |                  |                  |                  |
| 015 Budget Act appropriation   | (\$552)          | -                | -                |
| Revised expenditure authority  | (107)            | (\$-)            | -                |
| 015 Budget Act appropriation as amended by Chapter 1, Statutes of 2009, Fourth Extraordinary Session     | -                | (773)            | -                |
| 015 Budget Act appropriation   | -                | -                | (\$773)          |
| Government Code Section 22940  | 528              | 773              | 773              |
| <b>TOTALS, EXPENDITURES</b>  | <b>\$528</b>     | <b>\$773</b>     | <b>\$773</b>     |
| <b>0884 Judges' Retirement System II Fund</b>  |                  |                  |                  |
| APPROPRIATIONS   |                  |                  |                  |
| 015 Budget Act appropriation   | (\$685)          | -                | -                |
| Revised expenditure authority  | (-86)            | (\$-)            | -                |
| 015 Budget Act appropriation as amended by Chapter 1, Statutes of 2009, Fourth Extraordinary Session     | -                | (594)            | -                |
| 015 Budget Act appropriation   | -                | -                | (\$594)          |
| State Constitution, Article XVI, Section 17  | 545              | 594              | 594              |
| <b>TOTALS, EXPENDITURES</b>  | <b>\$545</b>     | <b>\$594</b>     | <b>\$594</b>     |
| <b>0950 Public Employees Contingency Reserve Fund</b>  |                  |                  |                  |
| APPROPRIATIONS   |                  |                  |                  |
| 001 Budget Act appropriation   | \$29,725         | \$26,820         | \$26,374         |
| Allocation for employee compensation   | 13               | -                | -                |
| Adjustment per Section 3.60  | -6               | 17               | -                |
| Reduction per Section 3.90   | -122             | -1,038           | -                |
| Adjustment per Section 3.55  | -                | -5               | -                |
| 017 Budget Act appropriation   | 247              | 247              | 247              |
| Reduction per Section 3.90   | -5               | -38              | -                |
| Prior year balances available:   |                  |                  |                  |
| Item 1900-001-0950, Budget Act of 2007, as reappropriated by Item 1900-490, Budget Acts of 2008 and 2009 | 3,140            | 3,140            | -                |
| <b>Totals Available</b>  | <b>\$32,992</b>  | <b>\$29,143</b>  | <b>\$26,621</b>  |
| Unexpended balance, estimated savings  | -4,244           | -                | -                |
| Balance available in subsequent years  | -3,140           | -                | -                |
| <b>TOTALS, EXPENDITURES</b>  | <b>\$25,608</b>  | <b>\$29,143</b>  | <b>\$26,621</b>  |
| <b>0988 Other - Unallocated Non-Governmental Cost Funds</b>  |                  |                  |                  |
| APPROPRIATIONS   |                  |                  |                  |

\* Dollars in thousands, except in Salary Range.

## 1900 Public Employees' Retirement System - Continued

| 1 STATE OPERATIONS   | 2008-09*            | 2009-10*            | 2010-11*            |
|--|---------------------|---------------------|---------------------|
| State Retirement Contribution to CalPERS (NGC)                                     | <u>(\$459,451)</u>  | <u>(\$493,136)</u>  | <u>(\$493,136)</u>  |
| <b>TOTALS, EXPENDITURES</b>  | <b>\$-</b>          | <b>\$-</b>          | <b>\$-</b>          |
| <b>0995 Reimbursements</b>   |                     |                     |                     |
| APPROPRIATIONS   |                     |                     |                     |
| Reimbursements   | <u>\$5,897</u>      | <u>\$6,662</u>      | <u>\$6,662</u>      |
| <b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations)</b>                          | <b>\$316,304</b>    | <b>\$328,011</b>    | <b>\$325,489</b>    |
| <b>4 UNCLASSIFIED</b>  | <b>2008-09*</b>     | <b>2009-10*</b>     | <b>2010-11*</b>     |
| <b>0615 State Peace Officer's and Firefighters' Defined Contribution Plan Fund</b> |                     |                     |                     |
| APPROPRIATIONS   |                     |                     |                     |
| Government Code Sections 22960.45-22960.48 (benefits paid)                         | <u>\$12,922</u>     | <u>\$14,636</u>     | <u>\$15,946</u>     |
| <b>TOTALS, EXPENDITURES</b>  | <b>\$12,922</b>     | <b>\$14,636</b>     | <b>\$15,946</b>     |
| <b>0822 Public Employees' Health Care Fund (PEHCF)</b>                             |                     |                     |                     |
| APPROPRIATIONS   |                     |                     |                     |
| Government Code Section 22840.2 (benefits paid)                                    | <u>\$1,510,669</u>  | <u>\$1,803,994</u>  | <u>\$1,829,695</u>  |
| <b>TOTALS, EXPENDITURES</b>  | <b>\$1,510,669</b>  | <b>\$1,803,994</b>  | <b>\$1,829,695</b>  |
| <b>0830 Public Employees' Retirement Fund</b>                                      |                     |                     |                     |
| APPROPRIATIONS   |                     |                     |                     |
| Government Code Sections 20170-20178 benefits paid                                 | \$11,769,468        | \$12,637,365        | \$13,569,268        |
| Government Code Sections 20172 and 20208 (Other Investment-related expenses)       | 47,781              | 40,500              | 40,500              |
| Government Code Section 20210 (External Investment Advisors)                       | <u>280,271</u>      | <u>786,937</u>      | <u>786,937</u>      |
| <b>TOTALS, EXPENDITURES</b>  | <b>\$12,097,520</b> | <b>\$13,464,802</b> | <b>\$14,396,705</b> |
| <b>0833 Annuitants' Health Care Coverage Fund</b>                                  |                     |                     |                     |
| APPROPRIATIONS   |                     |                     |                     |
| Government Code Sections 22940 (benefits paid)                                     | <u>\$13,977</u>     | <u>\$20,884</u>     | <u>\$23,702</u>     |
| <b>TOTALS, EXPENDITURES</b>  | <b>\$13,977</b>     | <b>\$20,884</b>     | <b>\$23,702</b>     |
| <b>TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)</b>                              | <b>\$13,635,088</b> | <b>\$15,304,316</b> | <b>\$16,266,048</b> |
| <b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Unclassified)</b>         | <b>\$13,951,392</b> | <b>\$15,632,327</b> | <b>\$16,591,537</b> |

## FUND CONDITION STATEMENTS

|   | 2008-09*        | 2009-10*        | 2010-11*        |
|---|-----------------|-----------------|-----------------|
| <b>0615 State Peace Officer's and Firefighters' Defined Contribution Plan Fund <sup>N</sup></b> |                 |                 |                 |
| BEGINNING BALANCE   | \$352,816       | \$336,762       | \$401,268       |
| Prior year adjustments  | <u>1,892</u>    | <u>-</u>        | <u>-</u>        |
| Adjusted Beginning Balance  | \$354,708       | \$336,762       | \$401,268       |
| REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS  |                 |                 |                 |
| Revenues:   |                 |                 |                 |
| 215000 Income From Investments  | -58,138         | 26,099          | 31,098          |
| 299000 Employer Contributions   | <u>53,114</u>   | <u>53,043</u>   | <u>54,408</u>   |
| Total Revenues, Transfers, and Other Adjustments  | <u>-\$5,024</u> | <u>\$79,142</u> | <u>\$85,506</u> |
| Total Resources   | \$349,684       | \$415,904       | \$486,774       |
| EXPENDITURES AND EXPENDITURE ADJUSTMENTS  |                 |                 |                 |
| Expenditures:   |                 |                 |                 |
| 1900 Public Employees' Retirement System (Unclassified)   | 12,922          | 14,636          | 15,946          |
| Retirement Allowances   | <u>-</u>        | <u>-</u>        | <u>-</u>        |
| Total Expenditures and Expenditure Adjustments  | <u>\$12,922</u> | <u>\$14,636</u> | <u>\$15,946</u> |
| FUND BALANCE  | \$336,762       | \$401,268       | \$470,828       |
| <b>0822 Public Employees' Health Care Fund (PEHCF) <sup>N</sup></b>                             |                 |                 |                 |
| BEGINNING BALANCE   | \$599,264       | \$679,806       | \$252,691       |

\* Dollars in thousands, except in Salary Range.

## 1900 Public Employees' Retirement System - Continued

|   | <u>2008-09*</u>    | <u>2009-10*</u>    | <u>2010-11*</u>    |
|---|--------------------|--------------------|--------------------|
| Prior year adjustments  | -854               | -                  | -                  |
| Adjusted Beginning Balance  | \$598,410          | \$679,806          | \$252,691          |
| <b>REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS</b>   |                    |                    |                    |
| Revenues:   |                    |                    |                    |
| 215000 Income From Investments (Interest)   | 20,065             | 23,877             | 29,847             |
| 221000 Contributions to Fiduciary Funds (Premiums)  | <u>1,586,295</u>   | <u>1,366,708</u>   | <u>1,658,613</u>   |
| Total Revenues, Transfers, and Other Adjustments  | <u>\$1,606,360</u> | <u>\$1,390,585</u> | <u>\$1,688,460</u> |
| Total Resources   | \$2,204,770        | \$2,070,391        | \$1,941,151        |
| <b>EXPENDITURES AND EXPENDITURE ADJUSTMENTS</b>   |                    |                    |                    |
| Expenditures:   |                    |                    |                    |
| 0840 State Controller (State Operations)  | 6                  | 12                 | 30                 |
| 1900 Public Employees' Retirement System  |                    |                    |                    |
| State Operations  | 14,285             | 13,693             | 13,693             |
| Administrative Cost - PERS  |                    |                    |                    |
| Unclassified  | 1,510,669          | 1,803,994          | 1,829,695          |
| Administrative Cost - Controllers   | (4,397)            | (4,883)            | (5,078)            |
| Administrative Cost - Carriers  | (60,018)           | (61,115)           | (62,210)           |
| Medical Payments  | (1,012,939)        | (1,212,309)        | (1,228,410)        |
| Drug Payments   | (433,315)          | (525,687)          | (533,997)          |
| 8880 Financial Information System for California (State Operations)                                     | -                  | -                  | 11                 |
| 9670 Equity Claims of California Victim Compensation and Government Claims Board and (State Operations) | 4                  | 1                  | -                  |
| Total Expenditures and Expenditure Adjustments  | <u>\$1,524,964</u> | <u>\$1,817,700</u> | <u>\$1,843,429</u> |
| FUND BALANCE  | \$679,806          | \$252,691          | \$97,722           |

### 0830 Public Employees' Retirement Fund <sup>N</sup>

|   |                      |                     |                     |
|---|----------------------|---------------------|---------------------|
| BEGINNING BALANCE   | \$242,141,829        | \$181,131,097       | \$192,340,902       |
| Prior year adjustments  | <u>-6,936,034</u>    | <u>-</u>            | <u>-</u>            |
| Adjusted Beginning Balance  | \$235,205,795        | \$181,131,097       | \$192,340,902       |
| <b>REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS</b>                   |                      |                     |                     |
| Revenues:   |                      |                     |                     |
| 215000 Income From Investments                                      | -52,370,857          | 14,037,660          | 14,906,420          |
| 221000 Contributions to Fiduciary Funds                             | 10,844,619           | 11,101,140          | 11,426,640          |
| 221000 Refunds of Contributions                                     | -185,899             | -193,763            | -202,656            |
| 299000 Other  | <u>3,155</u>         | <u>5,439</u>        | <u>5,439</u>        |
| Total Revenues, Transfers, and Other Adjustments                    | <u>-\$41,708,982</u> | <u>\$24,950,476</u> | <u>\$26,135,843</u> |
| Total Resources   | \$193,496,813        | \$206,081,573       | \$218,476,745       |
| <b>EXPENDITURES AND EXPENDITURE ADJUSTMENTS</b>                     |                      |                     |                     |
| Expenditures:   |                      |                     |                     |
| 0840 State Controller (State Operations)                            | 94                   | 193                 | 476                 |
| 1900 Public Employees' Retirement System                            |                      |                     |                     |
| State Operations  | 268,102              | 275,676             | 275,676             |
| Support   | (268,052)            | (275,626)           | (275,626)           |
| Investment Related Bill Analysis (Government Code Section 20236)    | (50)                 | (50)                | (50)                |
| Unclassified  | 12,097,520           | 13,464,802          | 14,396,705          |
| Retirement Allowances   | (11,699,078)         | (12,562,480)        | (13,489,580)        |
| Death Benefits  | (70,390)             | (74,885)            | (79,688)            |
| External Investment Advisors  | (280,271)            | (786,937)           | (786,937)           |
| Other Investment-Related Expenses                                   | (47,981)             | (40,500)            | (40,500)            |
| 8880 Financial Information System for California (State Operations) | -                    | -                   | 166                 |

\* Dollars in thousands, except in Salary Range.

**1900 Public Employees' Retirement System - Continued**

|   | <u>2008-09*</u>  | <u>2009-10*</u>  | <u>2010-11*</u>  |
|---|------------------|------------------|------------------|
| Total Expenditures and Expenditure Adjustments  | \$12,365,716     | \$13,740,671     | \$14,673,023     |
| FUND BALANCE  | \$181,131,097    | \$192,340,902    | \$203,803,722    |
| Reserve for deficiencies  | 182,942          | 194,264          | 205,842          |
| Remaining assets available for future benefits  | 180,948,155      | 192,146,638      | 203,598,522      |
| <b>0833 Annuitants' Health Care Coverage Fund <sup>N</sup></b>                                      |                  |                  |                  |
| BEGINNING BALANCE   | \$643,639        | \$852,566        | \$1,333,010      |
| Prior year adjustments  | -1               | -                | -                |
| Adjusted Beginning Balance  | \$643,638        | \$852,566        | \$1,333,010      |
| REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS  |                  |                  |                  |
| Revenues:   |                  |                  |                  |
| 215000 Income from Investments  | -147,297         | 82,047           | 120,489          |
| 22100 Contributions to Fiduciary Funds  | 367,232          | 420,054          | 451,804          |
| 299000 Other Revenues   | 3,498            |                  |                  |
| 22100 Refunds of Contributions  |                  |                  |                  |
| Total Revenues, Transfers, and Other Adjustments  | <u>\$223,433</u> | <u>\$502,101</u> | <u>\$572,293</u> |
| Total Resources   | \$867,071        | \$1,354,667      | \$1,905,303      |
| EXPENDITURES AND EXPENDITURE ADJUSTMENTS  |                  |                  |                  |
| Expenditures:   |                  |                  |                  |
| 1900 Public Employees' Retirement System  |                  |                  |                  |
| State Operations  | 528              | 773              | 773              |
| Unclassified  | 13,977           | 20,884           | 23,702           |
| Total Expenditures and Expenditure Adjustments  | <u>\$14,505</u>  | <u>\$21,657</u>  | <u>\$24,475</u>  |
| FUND BALANCE  | \$852,566        | \$1,333,010      | \$1,880,828      |
| <b>0950 Public Employees Contingency Reserve Fund <sup>N</sup></b>                                  |                  |                  |                  |
| BEGINNING BALANCE   | \$14,595         | \$18,668         | \$15,096         |
| Prior year adjustments  | -29              | -                | -                |
| Adjusted Beginning Balance  | \$14,566         | \$18,668         | \$15,096         |
| REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS  |                  |                  |                  |
| Revenues:   |                  |                  |                  |
| 215000 Income from Investments (Interest)   | 4,531            | 1,447            | 1,170            |
| 221000 Contributions to Fiduciary Funds (Administrative)  | 25,384           | 24,145           | 17,449           |
| 299400 Federal Governmental receipts for State Account for State Government Medicare Drug Subsidies | 36,563           | 36,563           | 35,831           |
| Total Revenues, Transfers, and Other Adjustments  | <u>\$66,478</u>  | <u>\$62,155</u>  | <u>\$54,450</u>  |
| Total Resources   | \$81,044         | \$80,823         | \$69,546         |
| EXPENDITURES AND EXPENDITURE ADJUSTMENTS  |                  |                  |                  |
| Expenditures:   |                  |                  |                  |
| 0840 State Controller (State Operations)  | 205              | 21               | 52               |
| 1900 Public Employees' Retirement System (State Operations)   | 25,608           | 29,143           | 26,621           |
| 8880 Financial Information System for California (State Operations)                                 | -                | -                | 40               |
| 9650 Health and Dental Benefits for Annuitants (State Operations)                                   | 36,563           | 36,563           | 35,831           |
| Total Expenditures and Expenditure Adjustments  | <u>\$62,376</u>  | <u>\$65,727</u>  | <u>\$62,544</u>  |
| FUND BALANCE  | \$18,668         | \$15,096         | \$7,002          |

\* Dollars in thousands, except in Salary Range.