

## 7900 Public Employees' Retirement System

The California Public Employees' Retirement System (CalPERS) administers retirement benefits for about 1,679,000 active employees and retirees of state and local agencies in California as of June 30, 2013. Benefits include retirement, disability, and survivor retirement benefits.

CalPERS provides health benefits for approximately 1,376,000 active and retired state, local government, and school employees and their family members as of October 30, 2013. CalPERS develops, negotiates, and administers 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 POSITIONS

|   | Positions      |                |                | Expenditures        |                     |                     |
|---|----------------|----------------|----------------|---------------------|---------------------|---------------------|
|   | 2012-13        | 2013-14        | 2014-15        | 2012-13*            | 2013-14*            | 2014-15*            |
| 10 Retirement   | 766.7          | 972.2          | 972.2          | \$76,692            | \$96,184            | \$96,184            |
| 20 Health Benefits  | 212.0          | 255.9          | 255.9          | 26,846              | 37,136              | 35,140              |
| 30 Investment Operations  | 273.7          | 385.5          | 385.5          | 47,085              | 57,983              | 57,983              |
| 40 Administration   | 1,092.2        | 1,385.7        | 1,385.7        | 201,053             | 216,812             | 216,993             |
| 99 Unclassified (Benefit Payments)  | -              | -              | -              | 19,864,407          | 21,770,187          | 23,975,054          |
| <b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>                    | <b>2,344.6</b> | <b>2,999.3</b> | <b>2,999.3</b> | <b>\$20,216,083</b> | <b>\$22,178,302</b> | <b>\$24,381,354</b> |
| <b>FUNDING</b>  |                |                |                | <b>2012-13*</b>     | <b>2013-14*</b>     | <b>2014-15*</b>     |
| 0615 State Peace Officer's and Firefighters' Defined Contribution Plan Fund |                |                |                | \$36,984            | \$41,517            | \$46,096            |
| 0815 Judges' Retirement Fund  |                |                |                | 1,329               | 1,440               | 1,440               |
| 0820 Legislators' Retirement Fund   |                |                |                | 389                 | 432                 | 432                 |
| 0822 Public Employees' Health Care Fund (PEHCF)                             |                |                |                | 1,943,185           | 2,775,317           | 3,691,635           |
| 0830 Public Employees' Retirement Fund                                      |                |                |                | 18,172,642          | 19,288,446          | 20,569,541          |
| 0833 Annuitants' Health Care Coverage Fund                                  |                |                |                | 28,077              | 31,080              | 33,955              |
| 0849 Replacement Benefit Custodial Fund                                     |                |                |                | 8                   | 9                   | 9                   |
| 0884 Judges' Retirement System II Fund                                      |                |                |                | 845                 | 951                 | 951                 |
| 0950 Public Employees Contingency Reserve Fund                              |                |                |                | 26,229              | 28,945              | 27,130              |
| 0995 Reimbursements   |                |                |                | 6,395               | 10,165              | 10,165              |
| <b>TOTALS, EXPENDITURES, ALL FUNDS</b>                                      |                |                |                | <b>\$20,216,083</b> | <b>\$22,178,302</b> | <b>\$24,381,354</b> |

There are also non-add General Fund retirement contributions to CalPERS in the amounts of \$1,506,043 for 2012-13, \$1,644,546 for 2013-14, and \$1,842,158 for 2014-15. The Special Funds retirement contributions are \$854,929 for 2012-13, \$933,552 for 2013-14, and \$1,056,702 for 2014-15. The Non-Governmental Cost Funds retirement contributions are \$378,767 for 2012-13, \$413,600 for 2013-14, and \$461,294 for 2014-15. There are also non-add retirement contributions to CalPERS from the California State University in the amounts of \$449,000 for 2012-13, \$473,542 for 2013-14, and \$477,450 for 2014-15 General Fund, and \$243 for 2012-13, \$256 for 2013-14, and \$258 for 2014-15 non-governmental cost funds. 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 California Constitution, Article XVI, Section 17.

### DETAILED BUDGET ADJUSTMENTS

|  | 2013-14*     |             |           | 2014-15*     |             |           |
|--|--------------|-------------|-----------|--------------|-------------|-----------|
|  | General Fund | Other Funds | Positions | General Fund | Other Funds | Positions |
| <b>Workload Budget Adjustments</b>       |              |             |           |              |             |           |
| <b>Other Workload Budget Adjustments</b> |              |             |           |              |             |           |

\* Dollars in thousands, except in Salary Range.

**7900 Public Employees' Retirement System - Continued**

|   | 2013-14*     |                    |           | 2014-15*     |                    |           |
|---|--------------|--------------------|-----------|--------------|--------------------|-----------|
|   | General Fund | Other Funds        | Positions | General Fund | Other Funds        | Positions |
| • Miscellaneous Adjustments                               | \$-          | \$1,726,447        | -         | \$-          | \$3,929,497        | -         |
| <b>Totals, Other Workload Budget Adjustments</b>          | <b>\$-</b>   | <b>\$1,726,447</b> | <b>-</b>  | <b>\$-</b>   | <b>\$3,929,497</b> | <b>-</b>  |
| <b>Totals, Workload Budget Adjustments</b>                | <b>\$-</b>   | <b>\$1,726,447</b> | <b>-</b>  | <b>\$-</b>   | <b>\$3,929,497</b> | <b>-</b>  |
| <b>Policy Adjustments</b>                                 |              |                    |           |              |                    |           |
| • Contingency Reserve Fund Proposed Trailer Bill Language | \$-          | \$-                | -         | \$-          | \$-                | -         |
| <b>Totals, Policy Adjustments</b>                         | <b>\$-</b>   | <b>\$-</b>         | <b>-</b>  | <b>\$-</b>   | <b>\$-</b>         | <b>-</b>  |
| <b>Totals, Budget Adjustments</b>                         | <b>\$-</b>   | <b>\$1,726,447</b> | <b>-</b>  | <b>\$-</b>   | <b>\$3,929,497</b> | <b>-</b>  |

\* Dollars in thousands, except in Salary Range.

## 7900 Public Employees' Retirement System - Continued

### 0830 Public Employees' Retirement Fund Summary

| 0830 Public Employees' Retirement Fund | PY<br>2012-13            | CY<br>2013-14            | BY<br>2014-15            |
|--|--------------------------|--------------------------|--------------------------|
| <b>Beginning Balance</b>               | \$235,584,430            | \$260,090,492            | \$271,447,345            |
| <b>Revenues:</b>                       |                          |                          |                          |
| Investment Income                      | \$30,944,319             | \$19,543,162             | \$20,428,814             |
| Employer Contributions - State         | 3,397,380                | 3,693,060                | 4,009,176                |
| Employer Contributions - Local         | 4,698,620                | 3,964,940                | 3,842,824                |
| Member Contributions                   | 3,881,029                | 3,670,100                | 3,763,749                |
| Contribution Refunds                   | (242,595)                | (225,913)                | (231,166)                |
| <b>Total Revenues</b>                  | <b>\$42,678,753</b>      | <b>\$30,645,349</b>      | <b>\$31,813,397</b>      |
| <b>Expenditures:</b>                   |                          |                          |                          |
| Pension Benefit Payments               | \$16,596,632             | \$17,830,468             | \$19,111,563             |
| Administrative Expenditures            | 297,661                  | 341,533                  | 341,533                  |
| Other Expenditures                     | 1,278,399                | 1,116,495                | 1,116,495                |
| <b>Total Expenditures</b>              | <b>\$18,172,691</b>      | <b>\$19,288,496</b>      | <b>\$20,569,591</b>      |
| <br><b>Ending Fund Balance</b>         | <br><b>\$260,090,492</b> | <br><b>\$271,447,345</b> | <br><b>\$282,691,151</b> |

\* Dollars in thousands, except in Salary Range.

## 7900 Public Employees' Retirement System - Continued

### PROGRAM DESCRIPTIONS

#### 10 - RETIREMENT

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, 2013, there were about 1,104,000 active and inactive members, and about 575,000 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. However, state and local employees hired after January 1, 2013 will generally be limited to one of five benefit formulas. A member's retirement and death benefits are determined by statute and/or contract provisions.

As of June 30, 2013, there were 3,089 public agency and school district employers providing CalPERS retirement, death, and survivor benefits to California public employees. CalPERS benefits may be 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.

#### 20 - 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.

#### 30 - 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 was established in 1932, assets have grown from \$800,000 to a total of \$257.9 billion, as of June 30, 2013.

#### 40 - ADMINISTRATION

This program provides executive direction, specialized information, and administrative support necessary to administer all of the CalPERS programs. The various services include: Audits, Diversity Outreach, Executive, Financial Office, Human Resources, Information Technology, Legal, Governmental Affairs, Operation Support, Enterprise Strategy and Performance, and Public Affairs.

### EXPENDITURES BY CATEGORY

| 1 State Operations                                   | Positions      |                |                | Expenditures     |                  |                  |
|--|----------------|----------------|----------------|------------------|------------------|------------------|
|  | 2012-13        | 2013-14        | 2014-15        | 2012-13*         | 2013-14*         | 2014-15*         |
| PERSONAL SERVICES                                    |                |                |                |                  |                  |                  |
| Authorized Positions (Equals Sch. 7A)                | 2,344.6        | 2,999.3        | 2,999.3        | \$160,662        | \$211,101        | \$215,514        |
| <b>Net Totals, Salaries and Wages</b>                | <b>2,344.6</b> | <b>2,999.3</b> | <b>2,999.3</b> | <b>\$160,662</b> | <b>\$211,101</b> | <b>\$215,514</b> |
| Staff Benefits                                       | -              | -              | -              | 71,496           | 75,752           | 73,353           |
| <b>Totals, Personal Services</b>                     | <b>2,344.6</b> | <b>2,999.3</b> | <b>2,999.3</b> | <b>\$232,158</b> | <b>\$286,853</b> | <b>\$288,867</b> |
| OPERATING EXPENSES AND EQUIPMENT                     |                |                |                | \$119,518        | \$121,262        | \$117,433        |
| <b>TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS</b> |                |                |                | <b>\$351,676</b> | <b>\$408,115</b> | <b>\$406,300</b> |
| <b>(State Operations)</b>                            |                |                |                |                  |                  |                  |

\* Dollars in thousands, except in Salary Range.

## 7900 Public Employees' Retirement System - Continued

### 4 Unclassified

|   | Expenditures        |                     |                     |
|---|---------------------|---------------------|---------------------|
|   | 2012-13*            | 2013-14*            | 2014-15*            |
| Peace Officers' and Firefighters' Defined Contribution Benefits | \$36,984            | \$41,517            | \$46,096            |
| Public Employees' Health Benefits                               | 1,926,303           | 2,753,004           | 3,669,322           |
| Public Employees' Retirement Benefits                           | 17,874,981          | 18,946,913          | 20,228,008          |
| Annuitants' Health Care Payments                                | 26,139              | 28,753              | 31,628              |
| <b>TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)</b>           | <b>\$19,864,407</b> | <b>\$21,770,187</b> | <b>\$23,975,054</b> |

### DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

| 1 STATE OPERATIONS  | 2012-13*        | 2013-14*        | 2014-15*        |
|---|-----------------|-----------------|-----------------|
| <b>0001 General Fund</b>  |                 |                 |                 |
| APPROPRIATIONS  |                 |                 |                 |
| State Retirement Contribution to CalPERS (GF)                     | (\$1,506,043    | (\$1,644,546    | (\$1,842,158    |
|   | )               | )               | )               |
| State Retirement Contribution to CalPERS (GF) CSU                 | (449,000)       | (473,542)       | (477,450)       |
| <b>TOTALS, EXPENDITURES</b>                                       | <b>\$-</b>      | <b>\$-</b>      | <b>\$-</b>      |
| <b>0494 Other - Unallocated Special Funds</b>                     |                 |                 |                 |
| APPROPRIATIONS  |                 |                 |                 |
| State Retirement Contribution to CalPERS (SF)                     | (\$854,929)     | (\$933,552)     | (\$1,056,702    |
|   |                 |                 | )               |
| <b>TOTALS, EXPENDITURES</b>                                       | <b>\$-</b>      | <b>\$-</b>      | <b>\$-</b>      |
| <b>0815 Judges' Retirement Fund</b>                               |                 |                 |                 |
| APPROPRIATIONS  |                 |                 |                 |
| 015 Budget Act appropriation                                      | \$-             | (\$1,440)       | (\$1,440)       |
| 015 Budget Act appropriation (Renumbered from Item 1900-015-0815) | (1,115)         | -               | -               |
| Revised Expenditure Authority                                     | (233)           | (-)             | -               |
| State Constitution, Article XVI, Section 17                       | 1,329           | 1,440           | 1,440           |
| <b>TOTALS, EXPENDITURES</b>                                       | <b>\$1,329</b>  | <b>\$1,440</b>  | <b>\$1,440</b>  |
| <b>0820 Legislators' Retirement Fund</b>                          |                 |                 |                 |
| APPROPRIATIONS  |                 |                 |                 |
| 015 Budget Act appropriation                                      | \$-             | (\$432)         | (\$432)         |
| 015 Budget Act appropriation (Renumbered from Item 1900-015-0820) | (331)           | -               | -               |
| Revised Expenditure Authority                                     | (66)            | (-)             | -               |
| State Constitution, Article XVI, Section 17                       | 389             | 432             | 432             |
| <b>TOTALS, EXPENDITURES</b>                                       | <b>\$389</b>    | <b>\$432</b>    | <b>\$432</b>    |
| <b>0822 Public Employees' Health Care Fund (PEHCF)</b>            |                 |                 |                 |
| APPROPRIATIONS  |                 |                 |                 |
| 015 Budget Act appropriation                                      | \$-             | (\$22,313)      | (\$22,313)      |
| 015 Budget Act appropriation (Renumbered from Item 1900-015-0822) | (17,642)        | -               | -               |
| Revised Expenditure Authority                                     | (2,217)         | (-)             | -               |
| Government Code Section 22911 (PERSCARE Administrative costs)     | 16,882          | 22,313          | 22,313          |
| <b>TOTALS, EXPENDITURES</b>                                       | <b>\$16,882</b> | <b>\$22,313</b> | <b>\$22,313</b> |
| <b>0830 Public Employees' Retirement Fund</b>                     |                 |                 |                 |
| APPROPRIATIONS  |                 |                 |                 |
| 003 Budget Act appropriation                                      | \$-             | (\$1,116,500    | (\$1,116,445    |
|   |                 | )               | )               |
| Revised Expenditure Authority                                     | (-)             | (-55)           | -               |
| 015 Budget Act appropriation                                      | -               | (345,441)       | (341,533)       |
| Revised Expenditure Authority                                     | (-)             | (-3,908)        | -               |
| 003 Budget Act appropriation (Renumbered from Item 1900-003-0830) | (1,194,221)     | -               | -               |

\* Dollars in thousands, except in Salary Range.

## 7900 Public Employees' Retirement System - Continued

| 1 STATE OPERATIONS  | 2012-13*         | 2013-14*         | 2014-15*         |
|---|------------------|------------------|------------------|
| Revised Expenditure Authority                                     | (84,128)         | (-)              | -                |
| 015 Budget Act appropriation (Renumbered from Item 1900-015-0830) | (302,809)        | -                | -                |
| Revised Expenditure Authority                                     | (116)            | (-)              | -                |
| State Constitution, Article XVI, Section 17                       | 297,611          | 341,483          | 341,483          |
| Government Code Section 20236 (Investment related bill analysis)  | 50               | 50               | 50               |
| <b>TOTALS, EXPENDITURES</b>                                       | <b>\$297,661</b> | <b>\$341,533</b> | <b>\$341,533</b> |
| <b>0833 Annuitants' Health Care Coverage Fund</b>                 |                  |                  |                  |
| APPROPRIATIONS  |                  |                  |                  |
| 015 Budget Act appropriation                                      | \$-              | (\$2,327)        | (\$2,327)        |
| 015 Budget Act appropriation (Renumbered from Item 1900-015-0833) | (2,163)          | -                | -                |
| Revised Expenditure Authority                                     | (213)            | (-)              | -                |
| Government Code Section 22940                                     | 1,938            | 2,327            | 2,327            |
| <b>TOTALS, EXPENDITURES</b>                                       | <b>\$1,938</b>   | <b>\$2,327</b>   | <b>\$2,327</b>   |
| <b>0849 Replacement Benefit Custodial Fund</b>                    |                  |                  |                  |
| APPROPRIATIONS  |                  |                  |                  |
| 015 Budget Act appropriation                                      | \$-              | (\$9)            | (\$9)            |
| 015 Budget Act appropriation (Renumbered from Item 1900-015-0849) | (9)              | -                | -                |
| Government Code Section 21756                                     | 8                | 9                | 9                |
| <b>TOTALS, EXPENDITURES</b>                                       | <b>\$8</b>       | <b>\$9</b>       | <b>\$9</b>       |
| <b>0884 Judges' Retirement System II Fund</b>                     |                  |                  |                  |
| APPROPRIATIONS  |                  |                  |                  |
| 015 Budget Act appropriation                                      | \$-              | (\$951)          | (\$951)          |
| 001 Budget Act appropriation (Renumbered from Item 1900-015-0884) | (703)            | -                | -                |
| Revised Expenditure Authority                                     | (158)            | (-)              | -                |
| State Constitution, Article XVI, Section 17                       | 845              | 951              | 951              |
| <b>TOTALS, EXPENDITURES</b>                                       | <b>\$845</b>     | <b>\$951</b>     | <b>\$951</b>     |
| <b>0950 Public Employees Contingency Reserve Fund</b>             |                  |                  |                  |
| APPROPRIATIONS  |                  |                  |                  |
| 001 Budget Act appropriation                                      | \$-              | \$28,561         | \$26,871         |
| Allocation for employee compensation                              | -                | 77               | -                |
| Adjustment per Section 3.60                                       | -                | 49               | -                |
| 017 Budget Act appropriation                                      | -                | 252              | 259              |
| Allocation for employee compensation                              | -                | 5                | -                |
| Adjustment per Section 3.60                                       | -                | 1                | -                |
| 001 Budget Act appropriation (Renumbered from Item 1900-001-0950) | 26,196           | -                | -                |
| Allocation for employee compensation                              | 49               | -                | -                |
| Adjustment per Section 3.60                                       | 165              | -                | -                |
| Adjustment per Section 3.90                                       | -403             | -                | -                |
| 017 Budget Act appropriation (Renumbered from Item 1900-017-0950) | 249              | -                | -                |
| Adjustment per Section 3.60                                       | 3                | -                | -                |
| Adjustment per Section 3.90                                       | -8               | -                | -                |
| <b>Totals Available</b>   | <b>\$26,251</b>  | <b>\$28,945</b>  | <b>\$27,130</b>  |
| Unexpended balance, estimated savings                             | -22              | -                | -                |
| <b>TOTALS, EXPENDITURES</b>                                       | <b>\$26,229</b>  | <b>\$28,945</b>  | <b>\$27,130</b>  |
| <b>0988 Other - Unallocated Non-Governmental Cost Funds</b>       |                  |                  |                  |
| APPROPRIATIONS  |                  |                  |                  |
| State Retirement Contribution to CalPERS (NGC)                    | (\$378,767)      | (\$413,600)      | (\$461,294)      |
| State Retirement Contribution to CalPERS (NGC) CSU                | (243)            | (256)            | (258)            |
| <b>TOTALS, EXPENDITURES</b>                                       | <b>\$-</b>       | <b>\$-</b>       | <b>\$-</b>       |

\* Dollars in thousands, except in Salary Range.

## 7900 Public Employees' Retirement System - Continued

| 1 STATE OPERATIONS   | 2012-13*            | 2013-14*            | 2014-15*            |
|--|---------------------|---------------------|---------------------|
| <b>0995 Reimbursements</b>   |                     |                     |                     |
| APPROPRIATIONS   |                     |                     |                     |
| Reimbursements   | <u>\$6,395</u>      | <u>\$10,165</u>     | <u>\$10,165</u>     |
| <b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations)</b>                          | <b>\$351,676</b>    | <b>\$408,115</b>    | <b>\$406,300</b>    |
| <br>   |                     |                     |                     |
| 4 UNCLASSIFIED   | 2012-13*            | 2013-14*            | 2014-15*            |
| <b>0615 State Peace Officer's and Firefighters' Defined Contribution Plan Fund</b> |                     |                     |                     |
| APPROPRIATIONS   |                     |                     |                     |
| Government Code Sections 22960.45-22960.48 (benefits paid)                         | <u>\$36,984</u>     | <u>\$41,517</u>     | <u>\$46,096</u>     |
| <b>TOTALS, EXPENDITURES</b>  | <b>\$36,984</b>     | <b>\$41,517</b>     | <b>\$46,096</b>     |
| <b>0822 Public Employees' Health Care Fund (PEHCF)</b>                             |                     |                     |                     |
| APPROPRIATIONS   |                     |                     |                     |
| Government Code Section 22840.2 (benefits paid)                                    | <u>\$1,926,303</u>  | <u>\$2,753,004</u>  | <u>\$3,669,322</u>  |
| <b>TOTALS, EXPENDITURES</b>  | <b>\$1,926,303</b>  | <b>\$2,753,004</b>  | <b>\$3,669,322</b>  |
| <b>0830 Public Employees' Retirement Fund</b>                                      |                     |                     |                     |
| APPROPRIATIONS   |                     |                     |                     |
| Government Code Sections 20170-20178 benefits paid                                 | \$16,596,632        | \$17,830,468        | \$19,111,563        |
| Government Code Sections 20172 and 20208 (Other Investment-related expenses)       | 91,840              | 86,476              | 86,476              |
| Government Code Section 20210 (External Investment Advisors)                       | <u>1,186,509</u>    | <u>1,029,969</u>    | <u>1,029,969</u>    |
| <b>TOTALS, EXPENDITURES</b>  | <b>\$17,874,981</b> | <b>\$18,946,913</b> | <b>\$20,228,008</b> |
| <b>0833 Annuitants' Health Care Coverage Fund</b>                                  |                     |                     |                     |
| APPROPRIATIONS   |                     |                     |                     |
| Government Code Sections 22940 (benefits paid)                                     | <u>\$26,139</u>     | <u>\$28,753</u>     | <u>\$31,628</u>     |
| <b>TOTALS, EXPENDITURES</b>  | <b>\$26,139</b>     | <b>\$28,753</b>     | <b>\$31,628</b>     |
| <b>TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)</b>                              | <b>\$19,864,407</b> | <b>\$21,770,187</b> | <b>\$23,975,054</b> |
| <b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Unclassified)</b>         | <b>\$20,216,083</b> | <b>\$22,178,302</b> | <b>\$24,381,354</b> |

### FUND CONDITION STATEMENTS

|   | 2012-13*        | 2013-14*        | 2014-15*        |
|---|-----------------|-----------------|-----------------|
| <b>0615 State Peace Officer's and Firefighters' Defined Contribution Plan Fund <sup>N</sup></b> |                 |                 |                 |
| BEGINNING BALANCE   | \$473,731       | \$491,142       | \$486,461       |
| Prior year adjustments  | <u>50</u>       | <u>-</u>        | <u>-</u>        |
| Adjusted Beginning Balance  | \$473,781       | \$491,142       | \$486,461       |
| REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS  |                 |                 |                 |
| Revenues:   |                 |                 |                 |
| 215000 Income From Investments  | 54,071          | 36,836          | 36,485          |
| 299000 Member Contributions   | 169             | -               | -               |
| 299000 Employer Contributions   | <u>105</u>      | <u>-</u>        | <u>-</u>        |
| Total Revenues, Transfers, and Other Adjustments  | <u>\$54,345</u> | <u>\$36,836</u> | <u>\$36,485</u> |
| Total Resources   | \$528,126       | \$527,978       | \$522,946       |
| EXPENDITURES AND EXPENDITURE ADJUSTMENTS  |                 |                 |                 |
| Expenditures:   |                 |                 |                 |
| 7900 Public Employees' Retirement System (Unclassified)   | <u>36,984</u>   | <u>41,517</u>   | <u>46,096</u>   |
| Total Expenditures and Expenditure Adjustments  | <u>\$36,984</u> | <u>\$41,517</u> | <u>\$46,096</u> |
| FUND BALANCE  | \$491,142       | \$486,461       | \$476,850       |
| <b>0822 Public Employees' Health Care Fund (PEHCF) <sup>N</sup></b>                             |                 |                 |                 |
| BEGINNING BALANCE   | \$398,723       | \$475,193       | \$526,261       |
| Prior year adjustments  | <u>60,918</u>   | <u>-</u>        | <u>-</u>        |
| Adjusted Beginning Balance  | \$459,641       | \$475,193       | \$526,261       |

\* Dollars in thousands, except in Salary Range.

**7900 Public Employees' Retirement System - Continued**

|   | 2012-13*           | 2013-14*           | 2014-15*           |
|---|--------------------|--------------------|--------------------|
| REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS  |                    |                    |                    |
| Revenues:   |                    |                    |                    |
| 215000 Income From Investments (Interest)   | 4,301              | 4,387              | 4,518              |
| 221000 Contributions to Fiduciary Funds (Premiums)  | <u>1,954,451</u>   | <u>2,822,000</u>   | <u>3,803,488</u>   |
| Total Revenues, Transfers, and Other Adjustments  | <u>\$1,958,752</u> | <u>\$2,826,387</u> | <u>\$3,808,006</u> |
| Total Resources   | \$2,418,393        | \$3,301,580        | \$4,334,267        |
| EXPENDITURES AND EXPENDITURE ADJUSTMENTS  |                    |                    |                    |
| Expenditures:   |                    |                    |                    |
| 0840 State Controller (State Operations)  | 12                 | 2                  | -                  |
| 7900 Public Employees' Retirement System  |                    |                    |                    |
| State Operations  | 16,882             | 22,313             | 22,313             |
| Unclassified  | 1,926,303          | 2,753,004          | 3,669,322          |
| Administrative Cost - Controllers   | (5,521)            | (7,270)            | (7,242)            |
| Administrative Cost - Carriers  | (82,844)           | (140,025)          | (197,732)          |
| Medical Payments  | (1,318,240)        | (2,073,291)        | (2,921,129)        |
| Drug Payments   | (519,698)          | (532,418)          | (543,219)          |
| 9670 Equity Claims of California Victim Compensation and Government Claims Board and (State Operations) | <u>3</u>           | <u>-</u>           | <u>-</u>           |
| Total Expenditures and Expenditure Adjustments  | <u>\$1,943,200</u> | <u>\$2,775,319</u> | <u>\$3,691,635</u> |
| FUND BALANCE  | \$475,193          | \$526,261          | \$642,632          |
| <b>0833 Annuitants' Health Care Coverage Fund <sup>N</sup></b>  |                    |                    |                    |
| BEGINNING BALANCE   | \$2,063,298        | \$2,703,538        | \$3,338,065        |
| Prior year adjustments  | <u>15,182</u>      | <u>-</u>           | <u>-</u>           |
| Adjusted Beginning Balance  | \$2,078,480        | \$2,703,538        | \$3,338,065        |
| REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS  |                    |                    |                    |
| Revenues:   |                    |                    |                    |
| 215000 Income from Investments  | 236,714            | 215,208            | 259,384            |
| 221000 Contributions to Fiduciary Funds   | 415,446            | 420,222            | 408,613            |
| 299001 State Prefunding of OPEB:  |                    |                    |                    |
| State BU5 State Contribution  | -                  | 24,563             | 34,259             |
| State BU5 Member Contribution   | -                  | -                  | 3,172              |
| State BU12 Member Contribution  | -                  | 2,340              | 2,410              |
| State BU16 Member Contribution  | -                  | 1,477              | 1,521              |
| State Income from Investments   | <u>977</u>         | <u>1,797</u>       | <u>4,576</u>       |
| Total Revenues, Transfers, and Other Adjustments  | <u>\$653,137</u>   | <u>\$665,607</u>   | <u>\$713,935</u>   |
| Total Resources   | \$2,731,617        | \$3,369,145        | \$4,052,000        |
| EXPENDITURES AND EXPENDITURE ADJUSTMENTS  |                    |                    |                    |
| Expenditures:   |                    |                    |                    |
| 0840 State Controller (State Operations)  | 2                  | -                  | -                  |
| 7900 Public Employees' Retirement System  |                    |                    |                    |
| State Operations  | 1,938              | 2,327              | 2,327              |
| Unclassified  | <u>26,139</u>      | <u>28,753</u>      | <u>31,628</u>      |
| Total Expenditures and Expenditure Adjustments  | <u>\$28,079</u>    | <u>\$31,080</u>    | <u>\$33,955</u>    |
| FUND BALANCE  | \$2,703,538        | \$3,338,065        | \$4,018,045        |
| <b>0950 Public Employees Contingency Reserve Fund <sup>N</sup></b>                                      |                    |                    |                    |
| BEGINNING BALANCE   | \$16,025           | \$9,854            | \$6,460            |
| Prior year adjustments  | <u>1,576</u>       | <u>-</u>           | <u>-</u>           |
| Adjusted Beginning Balance  | \$17,601           | \$9,854            | \$6,460            |
| REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS  |                    |                    |                    |

\* Dollars in thousands, except in Salary Range.

**7900 Public Employees' Retirement System - Continued**

|  | 2012-13*        | 2013-14*        | 2014-15*        |
|--|-----------------|-----------------|-----------------|
| Revenues:  |                 |                 |                 |
| 215000 Income from Investments (Interest)  | 714             | 764             | 500             |
| 221000 Contributions to Fiduciary Funds (Administrative)   | 17,792          | 24,787          | 26,725          |
| 299400 Federal Governmental receipts for State Account for State Government Medicare<br>Drug Subsidies | 28,144          | 4,008           | 6,000           |
| Total Revenues, Transfers, and Other Adjustments   | <u>\$46,650</u> | <u>\$29,559</u> | <u>\$33,225</u> |
| Total Resources  | \$64,251        | \$39,413        | \$39,685        |
| <b>EXPENDITURES AND EXPENDITURE ADJUSTMENTS</b>  |                 |                 |                 |
| Expenditures:  |                 |                 |                 |
| 0840 State Controller (State Operations)   | 23              | -               | -               |
| 7900 Public Employees' Retirement System (State Operations)  | 26,229          | 28,945          | 27,130          |
| 9650 Health and Dental Benefits for Annuitants (State Operations)                                      | <u>28,145</u>   | <u>4,008</u>    | <u>6,000</u>    |
| Total Expenditures and Expenditure Adjustments   | <u>\$54,397</u> | <u>\$32,953</u> | <u>\$33,130</u> |
| FUND BALANCE   | \$9,854         | \$6,460         | \$6,555         |

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\* Dollars in thousands, except in Salary Range.