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BUDGET VS ACTUAL REVIEW – For the Year Ending June 30, 2025 – as of March 31, 2025 (3rd Quarter)

BUDGET SUMMARY

Budget Summary				
For the Year Ending June 30, 2025 as of March 31, 2025 (3rd Quarter)				
	Annual Approved Budget	Actual Expense YTD	Under (Over) Budget	% of Budget
Administrative Expenses	\$ 15,145,100	\$ 9,393,273	\$ 5,751,827	62.0%
Non-Administrative Expenses	\$ 18,555,860	\$ 12,004,147	\$ 6,551,713	64.7%
Total	<u>\$ 33,700,960</u>	<u>\$ 21,397,420</u>	<u>\$ 12,303,540</u>	<u>63.5%</u>

Overall, the costs are as expected at the quarter.

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ADMINISTRATIVE EXPENDITURES

Administrative Budget Detail							
For the Year Ending June 30, 2025 as of March 31, 2025 (3rd Quarter)							
	Actual Expense as of 3rd Quarter	Approved Budget as of 3rd Quarter	Under (Over) Budget as of 3rd Quarter	% of Allocated Budget (Q3)	Annual Approved Budget	Under (Over) Annual Budget	% of Annual Budget
Personnel Costs							
Staff Salaries and Benefits	\$ 6,861,382	\$ 8,324,000	\$ 1,462,618	82.4%	\$ 11,099,300	\$ 4,237,918	61.8%
Board Members' Stipends	8,000	9,000	1,000	88.9%	12,000	4,000	66.7%
Total Personnel Costs	6,869,382	8,333,000	1,463,618	82.4%	11,111,300	4,241,918	61.8%
Professional Services							
Audit	62,356	64,000	1,644	97.4%	81,500	19,144	76.5%
Consulting	3,000	56,300	53,300	5.3%	75,000	72,000	4.0%
Disability Claim Process	437,748	780,000	342,252	56.1%	1,040,000	602,252	42.1%
Member Engagement	72,607	103,500	30,893	70.2%	138,000	65,393	52.6%
Payroll Services	11,767	12,000	233	98.1%	16,000	4,233	73.5%
Total Professional Services	587,478	1,015,800	428,322	57.8%	1,350,500	763,022	43.5%
Operational Services & Supplies							
Building Rent	810,472	581,300	(229,172)	139.4%	775,000	(35,472)	104.6%
Career Development Fund	13,880	26,300	12,420	52.8%	35,000	21,120	39.7%
Claims, Judgments, & Orders	-	-	-	0.0%	35,000	35,000	0.0%
Communication Platforms	192,346	192,500	154	99.9%	197,000	4,654	97.6%
Employee Engagement	29,703	33,800	4,097	87.9%	45,000	15,297	66.0%
Equipment Rent	55,542	97,500	41,958	57.0%	130,000	74,458	42.7%
General Maintenance	11,137	39,900	28,763	27.9%	53,140	42,003	21.0%
Insurance	310,522	357,300	46,778	86.9%	357,300	46,778	86.9%
Member Engagement	39,537	70,900	31,363	55.8%	94,500	54,963	41.8%
Memberships	42,835	46,800	3,965	91.5%	62,400	19,565	68.6%
Non-Capital Projects	57,287	75,000	17,713	76.4%	100,000	42,713	57.3%
Office Expense	111,726	139,900	28,174	79.9%	186,550	74,824	59.9%
Offsite Storage	24,522	26,300	1,778	93.2%	35,000	10,478	70.1%
Recruiting & Hiring	34,274	34,300	26	99.9%	37,600	3,326	91.2%
Suite Services	39,338	124,900	85,562	31.5%	166,500	127,162	23.6%
Training & Travel	158,530	175,000	16,470	90.6%	233,310	74,780	67.9%
Total Operational Services & Supplies	1,931,650	2,021,700	90,050	95.5%	2,543,300	611,650	76.0%
Capital Expense	4,763	5,000	237	95.3%	140,000	135,237	3.4%
Total Administrative Expense	\$ 9,393,273	\$ 11,375,500	\$ 1,982,227	82.6%	\$ 15,145,100	\$ 5,751,827	62.0%

Category Analysis

Personnel Costs (Administrative staff salaries, benefits, and Board stipends)

- At 90% of the budget for the quarter, this category is slightly less than expected. This is primarily due to vacant unfilled positions.

Professional Services (costs for outside contractors and vendors)

- This category is within expectations for the quarter. The expenses associated with the Disability Claim Process have variable timing and are expected to be slightly less than budgeted at the end of the fiscal year.

Operational Services and Supplies (office rent, insurance, non-capital purchases, office expense, printing, training, travel, and depreciation)

- Within expectations

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STATUTORY LIMIT

The Statutory Limit for Administrative Expenses for the year ending June 30, 2025 is \$34,538,010. SBCERA's actual Administrative Expenses for the year ending June 30, 2025 – as of March 31, 2025 (3rd Quarter) are \$9,393,273, or 27% of the Statutory Limit and 62% of approved appropriations of \$15,145,000.

Calculation of Statutory Limit - Administrative Expenditure Budget		
AAL as of June 30, 2023	A	\$ 16,446,671,652
Basis points per GC §31580.2	B	0.0021
Statutory limit of 0.21% allowed per GC §31580.2	A*B=C	\$ 34,538,010

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NON-ADMINISTRATIVE EXPENDITURES

ACTUARIAL

Non-Administrative Budget Detail: Actuarial							
For the Year Ending June 30, 2025 as of March 31, 2025 (3rd Quarter)							
	Actual Expense as of 3rd Quarter	Approved Budget as of 3rd Quarter	Under (Over) Budget as of 3rd Quarter	% of Allocated Budget (Q3)	Annual Approved Budget	Under (Over) Annual Budget	% of Annual Budget
Professional Services							
Actuarial Studies	\$ 89,923	\$ 90,000	\$ 78	99.9%	\$ 90,000	\$ 78	99.9%
Consulting	70,711	71,250	539	99.2%	95,000	24,289	74.4%
Total Professional Services	160,634	161,250	616	99.6%	185,000	24,366	86.8%
Total Non-Administrative Expense: Actuary	\$ 160,634	\$ 161,250	\$ 616	99.6%	\$ 185,000	\$ 24,366	86.8%

Actuarial Expenses

Professional Services (actuarial valuation, actuarial consulting, and actuarial audit)

- Actuarial expenses are as expected at the quarter.

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NON-ADMINISTRATIVE EXPENDITURES (Continued)

LEGAL

Non-Administrative Budget Detail: Legal							
For the Year Ending June 30, 2025 as of March 31, 2025 (3rd Quarter)							
	Actual Expense as of 3rd Quarter	Approved Budget as of 3rd Quarter	Under (Over) Budget as of 3rd Quarter	% of Allocated Budget (Q3)	Annual Approved Budget	Under (Over) Annual Budget	% of Annual Budget
Personnel Costs							
Staff Salaries and Benefits	\$ 1,193,657	\$ 1,265,625	\$ 71,968	94.3%	\$ 1,687,500	\$ 493,843	70.7%
Total Personnel Costs	1,193,657	1,265,625	71,968	94.3%	1,687,500	493,843	70.7%
Professional Services							
Attorney Fees	493,951	528,750	34,799	93.4%	705,000	211,049	70.1%
Total Professional Services	493,951	528,750	34,799	93.4%	705,000	211,049	70.1%
Operational Services & Supplies							
Employee Engagement	-	860	860	0.0%	1,150	1,150	0.0%
Memberships	7,582	21,000	13,418	36.1%	28,450	20,868	26.7%
Non-Capital Projects	-	3,750	3,750	0.0%	5,000	5,000	0.0%
Office Expense	3,620	4,700	1,080	77.0%	6,350	2,730	57.0%
Software & Services	32,966	42,750	9,784	77.1%	57,000	24,034	57.8%
Training & Travel	15,414	33,750	18,336	45.7%	45,000	29,586	34.3%
Total Operational Services & Supplies	59,582	106,810	47,228	55.8%	142,950	83,368	41.7%
Capital Expense	-	-	-	0.0%	100,000	100,000	0.0%
Total Non-Administrative Expense: Legal	\$ 1,747,190	\$ 1,901,185	\$ 153,995	91.9%	\$ 2,635,450	\$ 1,676,519	66.3%

Legal Expenses

Personnel Costs (legal salaries and benefits)

- This category is within expectations at the quarter.

Professional Services (outside attorney fees or non-investment issues)

- This category is within expectations at the quarter.

Operational Services and Supplies (memberships, office expense, software, training, and travel)

- This category is within expectations for the quarter.

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NON-ADMINISTRATIVE EXPENDITURES *(Continued)*

INVESTMENT

Non-Administrative Budget Detail: Investment							
For the Year Ending June 30, 2025 as of March 31, 2025 (3rd Quarter)							
	Actual Expense as of 3rd Quarter	Approved Budget as of 3rd Quarter	Under (Over) Budget as of 3rd Quarter	% of Allocated Budget (Q3)	Annual Approved Budget	Under (Over) Annual Budget	% of Annual Budget
Personnel Costs							
Staff Salaries and Benefits	\$ 2,098,292	\$ 2,200,000	\$ 101,708	95.4%	\$ 3,524,100	\$ 1,425,808	59.5%
Total Personnel Costs	2,098,292	2,200,000	101,708	95.4%	3,524,100	1,425,808	59.5%
Professional Services							
Attorney Fees	280,000	285,000	5,000	98.2%	380,000	100,000	73.7%
Consulting	2,200,000	2,274,000	74,000	96.7%	3,031,000	831,000	72.6%
Custodial Services	800,000	825,000	25,000	97.0%	1,100,000	300,000	72.7%
Total Professional Services	3,280,000	3,384,000	104,000	96.9%	4,511,000	1,231,000	72.7%
Operational Services & Supplies							
Building Rent	112,500	112,500	-	100.0%	150,000	37,500	75.0%
Employee Engagement	351	375	24	93.7%	500	149	70.3%
General Maintenance	-	1,900	1,900	0.0%	2,500	2,500	0.0%
Memberships	5,389	6,000	611	89.8%	8,000	2,611	67.4%
Non-Capital Projects	-	3,750	3,750	0.0%	5,000	5,000	0.0%
Office Expense	3,502	13,500	9,998	25.9%	18,000	14,498	19.5%
Software & Services	172,923	173,000	78	100.0%	196,000	23,078	88.2%
Training & Travel	106,258	95,000	(11,258)	111.9%	107,500	1,242	98.8%
Total Operational Services & Supplies	400,923	406,025	5,102	98.7%	487,500	86,577	82.2%
Capital Expense	12,000	12,000	-	100.0%	25,000	13,000	92.3%
Total Non-Administrative Expense: Investments	\$ 5,791,215	\$ 6,002,025	\$ 312,519	96.5%	\$ 8,547,600	\$ 2,756,385	67.8%

Investment Expenses

Personnel Costs (Investment salaries and benefits)

- This category is within expectations for the quarter.

Professional Services (investment attorney issues, consulting, and custodian fees)

- This category is as expected at the quarter.

Operational Services and Supplies (memberships, office expense, software, training, travel, and due diligence travel)

- This category is slightly higher than expected at the quarter because of the due European credit manager search.

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NON-ADMINISTRATIVE EXPENDITURES (Continued)

TECHNOLOGY

Non-Administrative Budget Detail: Technology							
For the Year Ending June 30, 2025 as of March 31, 2025 (3rd Quarter)							
	Actual Expense as of 3rd Quarter	Approved Budget as of 3rd Quarter	Under (Over) Budget as of 3rd Quarter	% of Allocated Budget (Q3)	Annual Approved Budget	Under (Over) Annual Budget	% of Annual Budget
Personnel Costs							
Staff Salaries and Benefits	\$ 1,727,875	\$ 1,880,000	\$ 152,125	91.9%	\$ 2,507,500	\$ 779,625	68.9%
Total Personnel Costs	1,727,875	1,880,000	152,125	91.9%	2,507,500	779,625	68.9%
Professional Services							
Consulting	134,594	345,000	210,406	39.0%	460,000	325,406	29.3%
Data Integrity	67,320	68,000	680	99.0%	86,000	18,680	78.3%
Total Professional Services	67,320	68,000	680	99.0%	86,000	18,680	78.3%
Operational Services & Supplies							
Data Communications	38,956	48,750	9,794	79.9%	65,000	26,044	59.9%
Non-Capital Projects	153,337	155,000	1,663	98.9%	555,005	401,668	27.6%
Software & Services	1,559,635	1,900,000	340,365	82.1%	2,578,305	1,018,670	60.5%
Training & Travel	23,392	45,000	21,608	52.0%	60,000	36,608	39.0%
Total Operational Services & Supplies	1,775,320	2,148,750	373,430	82.6%	3,258,310	1,482,990	54.5%
Capital Expense	600,000	600,000	-	100.0%	875,000	275,000	68.6%
Total Non-Administrative Expense: Tech	\$ 4,305,108	\$ 5,041,750	\$ 736,642	85.4%	\$ 7,186,810	\$ 2,881,702	59.9%

Technology Expenses

Personnel Costs (Technology salaries and benefits)

- This category is within expectations for the quarter.

Professional Services (consulting and auditing services related to technology)

- This category is slightly less than budgeted at the quarter. This is mainly due to the variability of sending reports to our vendors for data integrity analysis.

Operational Services and Supplies (data processing, software, non-capital purchases)

- At 60% of the budget for the fiscal year, this category is less than expected. Much of the savings come from the Software & Services line item. Several products have been consciously delayed until the new security approach is in place.

Capital Expense

- This category is within expectations at the quarter.

BENEFIT AND REFUND PAYMENTS

Benefit Payments & Refunds (Not included in the Budget)					
For the Year Ending June 30, 2025					
as of March 31, 2025 (3rd Quarter)					
(in Thousands)					
FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
\$621,564	\$660,822	\$726,448	\$760,785	\$811,055	\$639,000