

Exhibit A: Page 1

BUDGET VS ACTUAL REVIEW – For the Year Ending June 30, 2021

BUDGET SUMMARY

Budget Summary For the Year Ending June 30, 2021						
	Annual Approved Budget	Approved Budget As of Quarter Ended 12/31/20	% of Total Budget	Actual Expense YTD	Under (Over) Budget Quarter Ended 12/31/20	% of Qtr Budget
Administrative Expenses	\$ 12,305,550	\$ 6,213,055	50.5%	\$ 4,677,498	\$ 1,535,557	75.3%
Non-Administrative Expenses	\$ 12,640,373	\$ 5,336,500	42.2%	\$ 4,075,820	\$ 1,260,680	76.4%
Total	\$ 24,945,923	\$ 11,549,555	46.3%	\$ 8,753,318	\$ 2,796,237	75.8%

Overall, the costs are within expectations as of the 2nd quarter of the fiscal year.

ADMINISTRATIVE EXPENDITURES

Administrative Budget Detail For the Year Ending June 30, 2021						
	Annual Approved Budget	Approved Budget As of Quarter Ending 12/31/20	% of Total Budget	Actual Expense YTD	Under (Over) Budget Quarter Ending 12/31/20	% of Qtr Budget
Personnel Costs						
Staff Salaries and Benefits	\$ 7,959,000	\$ 3,979,500	50.0%	\$ 3,236,813	\$ 742,687	81.3%
Board Members' Stipends	16,000	8,000	50.0%	3,900	4,100	48.8%
Total Personnel Costs	7,975,000	3,987,500	50.0%	3,240,713	746,787	81.3%
Professional Services						
Audit	65,000	60,460	93.0%	60,721	(261)	100.4%
Communication Consulting	20,000	-	0.0%	-	-	0.0%
County Services & COWCAP	45,000	35,200	78.2%	35,178	22	99.9%
Document Imaging	55,000	27,500	50.0%	14,862	12,638	54.0%
Hearing Officers	60,000	30,000	50.0%	12,758	17,242	42.5%
Medical Consultants	900,000	450,000	50.0%	110,742	339,258	24.6%
Miscellaneous	274,050	137,025	50.0%	41,594	95,431	30.4%
Payroll Services	10,000	-	0.0%	-	-	0.0%
Transcribing	10,500	5,250	50.0%	1,484	3,766	28.3%
Total Professional Services	1,439,550	745,435	51.8%	277,339	468,096	37.2%
Operational Services & Supplies						
Building Rent	605,000	302,500	50.0%	311,098	(8,598)	102.8%
Claims/Judgements/Court Orders	75,000	37,500	50.0%	-	37,500	0.0%
Fleet Vehicle	2,500	2,000	80.0%	1,365	635	68.3%
General Maintenance - Furniture/Equipment	14,500	7,250	50.0%	405	6,845	5.6%
Insurance	202,000	202,000	100.0%	229,618	(27,618)	113.7%
Memberships/Publications/Subscriptions	41,900	20,950	50.0%	9,521	11,429	45.4%
Office Expense	157,400	78,700	50.0%	12,402	66,298	15.8%
Postage & Handling	160,000	80,000	50.0%	27,519	52,481	34.4%
Printing	70,000	35,000	50.0%	14,218	20,782	40.6%
Rented Equipment	110,000	55,000	50.0%	34,505	20,495	62.7%
Staff Career Development Fund	15,000	7,500	50.0%	1,943	5,557	25.9%
Telephone	67,200	33,600	50.0%	20,632	12,968	61.4%
Training/Seminars/Conferences	125,000	62,500	50.0%	2,975	59,525	4.8%
Travel	100,000	50,000	50.0%	120	49,880	0.2%
Non-Capital - Furniture & Equipment	28,500	14,250	50.0%	1,755	12,495	12.3%
Total Operational Services & Supplies	1,774,000	988,750	55.7%	668,076	320,674	67.6%
Capital Expense	1,117,000	491,370	44.0%	491,370	-	100.0%
Total Administrative Expense	\$ 12,305,550	\$ 6,213,055	50.5%	\$ 4,677,498	\$ 1,535,557	75.3%

Overall, costs for Personnel, Operational Services & Supplies, and Capital Expense of the Administrative Budget are within expectations for the fiscal year at the category level.

Approximately 51% or \$6,213,055 of the total appropriations of \$12,305,550 allocated to administrative expense have been budgeted and 75% of that budgeted amount have been incurred as of the 2nd quarter of the fiscal year.

ADMINISTRATIVE EXPENDITURES (Continued)

Category Analysis

- Personnel Costs (Administrative staff salaries, benefits, and Board stipends)
 - At 81% of the estimated expenses for the 2nd quarter of the fiscal year, this category is slightly lower than expected.
 - Board stipends are less than expected, based on actual meetings being less than expected for the year.
 - Vacancies and partial vacancies (list includes those positions with a quarter or more of vacancy):
 - Communications Officer – vacant YTD
 - Disability Retirement Benefit Technician – partial, no longer vacant
 - Accountant (3) – partial, no longer vacant
 - Enterprise Content Manager – vacant YTD
 - Enterprise Content Specialist – partial, vacant at 12/31/20
- Professional Services (costs for outside contractors and vendors)
 - At 37% of the estimated expenses at the end of the 2nd quarter of the fiscal year, this category is lower than expected.
 - The line items for Document Imaging, Hearing Officers, and Medical Consultants are for disability retirement expenses. The nature of these are difficult to predict.
- Operational Services and Supplies (office rent, insurance, non-capital purchases, office expense, printing, training, travel, and depreciation)
 - At 68% of the estimated expenses at end of the 2nd quarter of the fiscal year, this category is within expectations.
 - Insurance expenses were slightly more than estimated for the fiscal year.
 - Travel and education opportunities have been limited in response to COVID-19.
- Capital Expenditures (unit cost of \$25,000 or more)
 - Expenses incurred are for the Tenant Improvement project.

STATUTORY LIMIT

The Statutory Limit for Administrative Expenses for the year ending June 30, 2021 is \$27,939,835. SBCERA's actual Administrative Expenses for the year ending June 30, 2021 as of the 2nd quarter are \$4,677,498, or 17% of the Statutory Limit and 38% of approved appropriations of \$12,305,550.

Exhibit A: Page 4

Calculation of Statutory Limit - Administrative Expenditure Budget		
AAL as of June 30, 2019 ¹	A	\$ 13,304,683,218
Basis points per GC §31580.2	B	0.0021
Statutory limit of 0.21% allowed per GC §31580.2	A*B=C	\$ 27,939,835

NON-ADMINISTRATIVE EXPENDITURES

ACTUARIAL

Non-Administrative Budget Detail: Actuarial						
For the Year Ending June 30, 2021						
	Annual Approved Budget	Approved Budget As of Quarter Ending 12/31/20	% of Total Budget	Actual Expense YTD	Under (Over) Budget Quarter Ending 12/31/20	% of Qtr Budget
Professional Services						
Actuarial Valuation/Experience Study	105,000	40,750	38.8%	40,750	-	100.0%
Actuarial Consulting	90,000	45,000	50.0%	22,386	22,614	49.7%
Actuarial Audit	-	-	0.0%	-	-	0.0%
Total Professional Services	195,000	85,750	44.0%	63,136	22,614	73.6%
Total Administrative Expense	195,000	85,750	44.0%	63,136	22,614	73.6%

Actuarial Expenses

- Professional Services (actuarial valuation, actuarial consulting, and actuarial audit)
 - At 74% of the category, expenses are as expected for the 2nd quarter.

NON-ADMINISTRATIVE EXPENDITURES (Continued)

LEGAL

Non-Administrative Budget Detail: Legal For the Year Ending June 30, 2021						
	Annual Approved Budget	Approved Budget As of Quarter Ending 12/31/20	% of Total Budget	Actual Expense YTD	Under (Over) Budget Quarter Ending 12/31/20	% of Qtr Budget
Personnel Costs						
Staff Salaries and Benefits	1,355,000	677,500	50.0%	586,537	90,963	86.6%
Total Personnel Costs	1,355,000	677,500	50.0%	586,537	90,963	86.6%
Professional Services						
Outside Attorney Fees - Non Investment	250,000	125,000	50.0%	124,685	315	99.7%
Miscellaneous	-	-	0.0%	275	(275)	0.0%
Total Professional Services	250,000	125,000	50.0%	124,960	40	100.0%
Operational Services & Supplies						
General Maintenance - Furniture/Equipment	1,500	750	50.0%	95	655	12.7%
Memberships/Publications/Subscriptions	24,000	12,000	50.0%	6,430	5,570	53.6%
Office Expense	11,300	5,650	50.0%	160	5,490	2.8%
Software/Software Licensing & Support	3,200	2,800	87.5%	2,919	(119)	104.3%
Training/Seminars/Conferences	15,600	7,800	50.0%	-	7,800	0.0%
Travel	20,600	10,300	50.0%	-	10,300	0.0%
Non-Capital - Furniture & Equipment	5,000	2,500	50.0%	-	2,500	0.0%
Total Operational Services & Supplies	81,200	41,800	51.5%	9,604	32,196	23.0%
Total Administrative Expense	1,686,200	844,300	50.1%	721,101	123,199	85.4%

Legal Expenses

- Personnel Costs (legal salaries and benefits)
 - At 87% of the estimated expenses at the end of the fiscal year, this category is slightly lower than expected.
 - One position (Staff Counsel) remains vacant as of the 2nd quarter. The savings of the vacancy have been tempered by overtime costs associated with the additional workload.
- Professional Services (outside attorney fees or non-investment issues)
 - At 100% of the estimated expenses at the end of the 2nd quarter, costs are as expected.
- Operational Services and Supplies (memberships, office expense, software, training, and travel)
 - At 23% of the allocation for the 2nd quarter, expenses are lower than expected. These savings are mostly related to savings from continued telecommuting as a result of the COVID-19 response.

NON-ADMINISTRATIVE EXPENDITURES (Continued)

INVESTMENT

Non-Administrative Budget Detail: Investment For the Year Ending June 30, 2021						
	Annual Approved Budget	Approved Budget As of Quarter Ending 12/31/20	% of Total Budget	Actual Expense YTD	Under (Over) Budget Quarter Ending 12/31/20	% of Qtr Budget
Personnel Costs						
Staff Salaries and Benefits	2,281,000	980,500	43.0%	950,598	29,902	97.0%
Total Personnel Costs	2,281,000	980,500	43.0%	950,598	29,902	97.0%
Professional Services						
Attorney Fees	125,000	62,500	50.0%	19,333	43,167	30.9%
Consulting	2,251,000	1,125,500	50.0%	562,750	562,750	50.0%
Custodian Fees	850,000	425,000	50.0%	212,500	212,500	50.0%
Miscellaneous	1,100	550	50.0%	-	550	0.0%
Total Professional Services	3,227,100	1,613,550	50.0%	794,583	818,967	49.2%
Operational Services & Supplies						
Building Rent	143,000	71,500	50.0%	32,602	38,898	45.6%
General Maintenance - Furniture/Equipment	3,000	1,500	50.0%	-	1,500	0.0%
Memberships/Publications/Subscriptions	8,100	5,000	61.7%	4,846	154	96.9%
Office Expense	19,400	9,700	50.0%	581	9,119	6.0%
Software/Software Licensing & Support	92,800	46,400	50.0%	18,000	28,400	38.8%
Training/Seminars/Conferences	6,000	3,000	50.0%	40	2,960	1.3%
Travel	26,000	13,000	50.0%	-	13,000	0.0%
Non-Capital - Furniture & Equipment	5,000	2,500	50.0%	-	2,500	0.0%
Total Operational Services & Supplies	303,300	152,600	50.3%	56,069	96,531	36.7%
Total Non-Administrative Expense: Investments	5,811,400	2,746,650	47.3%	1,801,250	945,400	65.6%

Investment Expenses

- Personnel Costs (Investment salaries and benefits)
 - At 97% of the allocated expenses for the 2nd quarter, line item is within expectations.
- Professional Services (investment attorney issues, consulting, and custodian fees)
 - At 49% of the 2nd quarter allocated budgeted expense, professional services are slightly less than expected. The costs associated with contracts and new investments are difficult to predict.
- Operational Services and Supplies (memberships, office expense, software, training, travel, and due diligence travel)
 - At 37% of the 2nd quarter allocated budgeted expense, this category is slightly lower than expected. These savings are mostly related to savings from continued telecommuting as a result of the COVID-19 response.

NON-ADMINISTRATIVE EXPENDITURES (Continued)

TECHNOLOGY

Non-Administrative Budget Detail: Technology For the Year Ending June 30, 2021						
	Annual Approved Budget	Approved Budget As of Quarter Ending 12/31/20	% of Total Budget	Actual Expense as of 6/30/20	Under (Over) Budget Quarter Ending 12/31/20	% of Qtr Budget
Personnel Costs						
Staff Salaries and Benefits	1,205,000	602,500	50.0%	518,942	83,558	86.1%
Total Personnel Costs	1,205,000	602,500	50.0%	518,942	83,558	86.1%
Professional Services						
Consulting Services	1,423,173	190,000	13.4%	189,442	558	99.7%
Total Professional Services	1,423,173	190,000	13.4%	189,442	558	99.7%
Operational Services & Supplies						
Data Processing & Equipment	209,800	104,900	50.0%	86,943	17,957	82.9%
Software/Software Licensing & Support	1,377,300	688,650	50.0%	689,806	(1,156)	100.2%
Non-Capital - IT Hardware & Software	147,500	73,750	50.0%	5,200	68,550	7.1%
Total Operational Services & Supplies	1,734,600	867,300	50.0%	781,949	85,351	90.2%
Capital Expense	585,000	-	0.0%	-	-	0.0%
Total Administrative Expense	4,947,773	1,659,800	33.5%	1,490,333	169,467	89.8%

Technology Expenses

- Personnel Costs (Technology salaries and benefits)
 - At 86% of 2nd quarter allocated budgeted expense, Personnel Costs are slightly less than expected, due to a vacancy that was filled near the end of the quarter.
- Professional Services (consulting and auditing services related to technology)
 - At 100% of 2nd quarter allocated budgeted expense, Professional Services are as expected.
- Operational Services and Supplies (data processing, software, non-capital purchases)
 - At 90% of the expenses at year end, this category is lower than expected.
- Capital Expenditures (unit cost of \$25,000 or more)
 - Expenses will be incurred later in the fiscal year.