



CALSTRS

Proposed 2027–28 operating budget

September 21, 2026

Proposed 2027–28 operating budget

Summary



Operating budget

\$551.2M

▲ \$104.0M

▲ 23.3%



Authorized positions

1,655

▲ 164

▲ 11.0%

What's driving the increase



BenefitConnect M&O



Enterprise support



Other budgetary changes



Investment
management plan

Proposed 2027–28 operating budget

BenefitConnect M&O



- Service contracts **\$34.7M**
- 38 authorized positions **\$8.1M**
- Temporary transitional funding **\$4.0M**

	Internal capacity	Establish the proposed division and 38 authorized positions to support ongoing operations.
	Mandatory changes	Support required changes such as IRS tax form updates and AB 1997.
	Stabilization & service	Continue stabilization, improve usability and service levels, and strengthen visibility into workload and capacity.
	Vendor oversight	Strengthen knowledge transfer and reduce long-term reliance on vendor support.

Proposed 2027–28 operating budget

Enterprise support



Proposed 2027–28 operating budget

Other budgetary changes



Employee compensation
adjustments

\$15.1M



Pro rata
assessment

\$3.6M

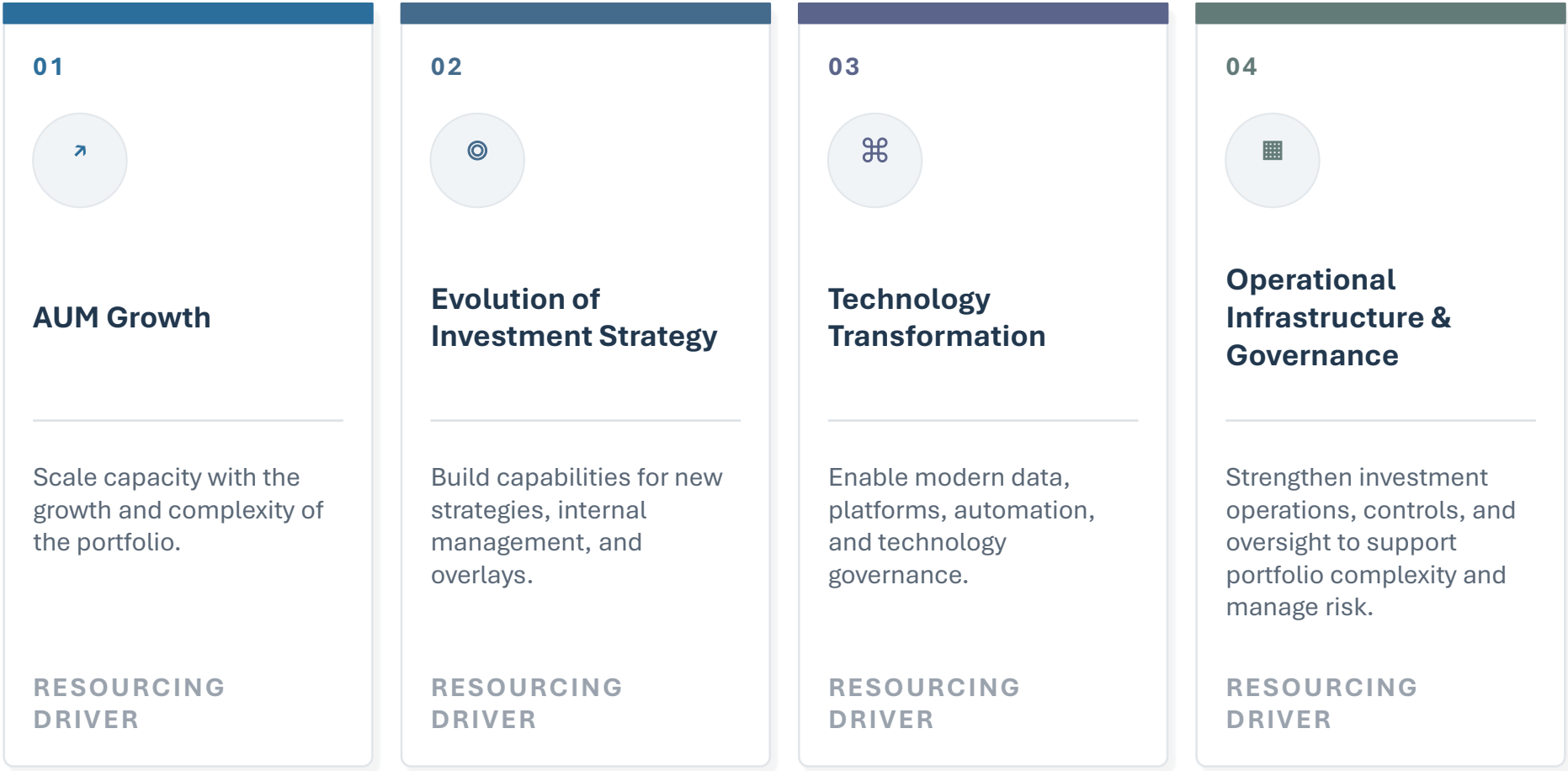


Total

\$18.7M

Investment Management Resourcing Needs for FY 27/28 and FY 28/29

Four drivers of sustainable capacity, investment capability, and enterprise resilience



Together, these needs ensure resources keep pace with portfolio scale, strategic ambition, technology modernization, operational demands, and fiduciary oversight.

Proposed 2027–28 Operating Budget

Investment management plan

Investment Strategy	2027–28		2028–29		Two-Year Total	
	Cost (\$M)	Positions	Cost (\$M)	Positions	Cost (\$M)	Positions
 AUM Growth	\$12.5	29	\$8.7	20	\$21.2	49
 Evolution of Investment Strategy	8.3	20	10.0	22	18.3	42
 Operational Infrastructure & Governance	4.5	15	3.5	13	8.0	28
 Technology Transformation	3.2	13	2.6	7	5.8	20
 Investment Support	2.5	13	2.0	10	4.5	23
Total	\$31.0	90	\$26.8	72	\$57.8	162



\$57.8M

Total two-year cost



162

Total positions



Focused investment
to support long-term value
for our members