

ORANGE COUNTY



EMPLOYEES RETIREMENT SYSTEM

Pension Administration System



MEMBER



BENEFITS



PAYMENTS



2026 Proposed Administrative Budget

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SECTION I – INTRODUCTION

The Proposed Administrative Budget for Fiscal Year (FY) 2026 was developed based on the 2026-2028 Strategic and Business Plan and the Personnel Committee’s recommended 2026 Staffing Plan. OCERS’ Mission Statement, Vision Statement, and Values are the foundation for these documents:

Mission Statement:

“We provide secure retirement and disability benefits with the highest standards of excellence.”

Vision Statement:

“To be a trusted partner providing premier pension administration, distinguished by consistent, quality member experiences and prudent financial stewardship.”

Values:

*Open and Transparent
Commitment to Superior Service
Engaged and Dedicated Workforce
Reliable and Accurate
Secure and Sustainable*

The 2026 Administrative Budget reflects OCERS’ continued commitment to:

- **Fund Sustainability:** *Balance the cost of future pension payments with expected future investment risks and returns*
- **Excellent Service and Support:** *Deliver accurate benefits to our members and their beneficiaries ensuring payments are received on time every time*
- **Risk Management:** *Cultivate compliance and risk management functions throughout the enterprise*
- **Talent Management:** *Build and sustain a high-performing, diverse workforce that delivers exceptional results while fostering innovation, professional growth, and employee well-being in an inclusive environment*
- **Effective Governance:** *Improve the effectiveness and efficiency of the Board and staff by clarifying roles and responsibilities, improving oversight, enhancing accountability, and improving decision making*

The strategic goals for 2026-2028 were outlined in the Strategic and Business Plan presented to the Board during the Strategic Planning Meeting on September 9-10, 2025, and formally adopted at the Regular Board Meeting on October 20, 2025. During the same meeting, the Board also approved the 2026 Staffing Plan, as recommended by the Personnel Committee.

The approved Staffing Plan, along with the OCERS' Compensation Policy for direct employees, served as the foundation for developing the personnel costs portion of the proposed Administrative Budget. Additionally, personnel costs include funding for estimated bonuses to eligible Investment Team members, as outlined in the Incentive Compensation Policy.

The Memorandum of Understanding (MOU) between the County of Orange and the Orange County Employees Association (which applies to County employees working at OCERS) is currently pending final negotiations. As a result, the proposed FY26 budget for personnel costs does not include any terms from the new MOU.

The proposed 2026 Administrative Budget supports OCERS' Board-approved 2026-2028 Strategic and Business Plan by investing in initiatives that enhance operational excellence, strengthen risk management, and cultivate a high-performing workforce.

Aligned with OCERS' Vision 2030 framework, the budget advances progress toward 100% benefit accuracy through intelligent automation and digital modernization. This includes continued testing and refinement of Artificial Intelligence (AI) tools to improve external operations processes, and support for the implementation of the new OCERS Horizon Pension Administration System (PAS).

To provide world-class service and support to our employers, members and payees, the budget includes funding to launch a new website designed to modernize OCERS' online presence, enhance ADA compliance, and support integration of an AI-powered bot while removing outdated content. It also supports delivery of targeted education and engagement throughout the member lifecycle.

The budget further demonstrates OCERS' commitment to organizational resilience and risk management by advancing the design and construction of a new headquarters facility, strengthening cybersecurity and data integrity, and migrating core systems to a cloud-based environment. Emerging technologies such as AI and Robotic Process Automation (RPA) will enhance fraud detection and compliance monitoring.

To sustain long-term success, the budget prioritizes talent management—investing in competitive compensation, workforce planning, and professional development programs that promote innovation and succession readiness.

Through these targeted investments, OCERS continues to uphold its mission of delivering accurate, timely, and secure retirement benefits while positioning the organization for sustained excellence in the years ahead.

2026 Administrative Budget Summary

2026 Administrative Budget, excluding capital expenditures, totals \$46,433,042, an increase of \$1.9 million or 4.2% greater than the 2025 amended budget, and \$7.2 million or 18.3% greater than 2025 estimated actuals. This portion of the budget reflects the core operating costs necessary to administer OCERS' benefit programs and investments activities.

- Personnel costs of \$28.7 million represent approximately 61.8% of the total administrative budget (excluding capital). The increase of \$0.6 million, or 2.1%, from the 2025 amended budget is primarily attributable to salary growth and related increases in investment incentive compensation and certification pay, offset by changes in retirement and health benefit rates.
- Services and supplies total \$17.7 million, an increase of \$1.3 million, or 7.8%, from the 2025 amended budget. The increase reflects higher costs for technology services, including infrastructure and software maintenance agreements.

2026 Capital Expenditures Budget totals \$60.8 million, which includes planned investments in the future OCERS headquarters facility and the Horizon PAS Modernization Project. These one-time expenditures are not part of the ongoing operational costs but are essential to support OCERS' strategic initiatives and improve efficiency.

When capital expenditures are included, the total administrative budget amounts to \$107.3 million, an overall increase of 108.7% compared to the 2025 amended budget.

SECTION II – BUDGET POLICIES AND PROCESS

Budget Policies

OCERS' budgeting framework adheres to specific legal and statutory guidelines, aligning with the requirements for 1937 Act Systems and OCERS' Board of Retirement policies. Budgeting operates on an accrual basis under Generally Accepted Accounting Principles (GAAP).

OCERS' budgeting authority falls under California Government Code Sections 31580.2 and 31596.1, which include the 21-basis point test. This test limits the budget of OCERS' administrative expenses (excluding investment costs and technology expenses) to 0.21% of OCERS' accrued actuarial liability. For FY26, the administrative budget represents 0.10% of the estimated actuarial accrued liability, as detailed in **Appendix C**.

OCERS' Budget Approval Policy outlines the roles, purpose, and procedures for approving OCERS' annual budget, which covers administrative expenses for managing the retirement system. This policy authorizes the Chief Executive Officer (CEO) or the Assistant CEO of Finance & Internal

Operations to allocate funds within three primary budget categories: Personnel Costs, Services and Supplies, and Capital Expenditures. Any transfers between these categories or any amendments to the total budget require approval from the Board of Retirement.

Budget Process

OCERS' budget development process begins in August, when each department head prepares budget requests for the following fiscal year. The Director of Finance and Finance Manager-Budgeting then compile these requests to draft budgets for each department. Each department head subsequently meets with the CEO, Assistant CEO of Finance & Internal Operations, and the Director of Finance to review and assess the necessity of each budget line item. This draft budget may go through several iterations before finalization.

Once the CEO has agreed on the budget requests, any proposed goals or initiatives with budget implications are added to the Strategic and Business Plan for the upcoming fiscal year. This plan is presented to the Board of Retirement for discussion and feedback during the annual Strategic Planning Meeting in September. The final Strategic and Business Plan is then approved by the Board in October.

The Personnel Committee also meets to review potential changes to the OCERS' Staffing Plan and compensation-related policies. Their recommendations are brought to the Board, which then has the opportunity to discuss and act on these suggestions during a regularly scheduled meeting. Any decisions and feedback from the Board are incorporated into the proposed final version of the administrative budget, which is then submitted for adoption at the November Board Meeting. If further discussion is needed, adoption may be postponed to the December Board Meeting.

SECTION III – EXECUTIVE SUMMARY - 2026 ADMINISTRATIVE BUDGET (EXCLUDING CAPITAL EXPENDITURES)

The 2026 Administrative Budget (excluding capital expenditures) is based on estimates of anticipated expenses for personnel costs and services and supplies. It includes the costs of carrying out the current level of services, activities, initiatives, and projects approved by OCERS' Board, as well as the Board approved 2026 Staffing Plan.

The overall administrative budget (excluding capital expenditures) for 2026 in the amount of \$46,433,042 is summarized by the following categories of expenses:

- Personnel Costs: \$28,687,727
- Services and Supplies: \$17,745,315

Notable components in the 2026 Administrative Budget include:

Personnel Costs:

- Salaries are budgeted at \$16,904,000 to support the Board approved 2026 Staffing Plan consisting of 134 positions (131.5 FTE) and include the creation of four career ladders in the Investments Division, Disability and Human Resources Departments, and one new career ladder series in Enterprise Project Management Office (EPMO), which resulted in no change in headcount:
 - Investments Division Career Ladders:
 1. Investment Analyst to Senior Investment Analyst
 2. Director to Managing Director
 - Disability Department Career Ladder:
 1. Disability Retirement Investigator to Disability Retirement Analyst
 - Human Resources Department Career Ladder:
 1. HR Staff Analyst to Senior HR Staff Analyst
 - EPMO Career Ladder Series:
 1. Project Assistant to Project Specialist (included in 2026 budget)
 2. Project Specialist to Project Analyst (no budget impact for 2026)

The estimated 2026 budget impact for the creation of these career ladders is \$77,000, including salary and benefits.

In support of the OCERS Horizon PAS Modernization Project, and to maintain existing operations and service levels, 23 OCERS positions have been identified as subject matter experts (SMEs) in the project staffing plan. As these SMEs become fully dedicated to the multi-year Horizons project, OCERS will utilize 16 external limited-term positions, which

will be capitalized as part of the Horizons project, to provide temporary backfill for critical day-to-day operational responsibilities while the SMEs focus on the PAS implementation.

- An average fringe benefit rate of 51% of total salaries: \$9,136,000
- Performance based salary and benefit adjustments for OCERS' direct employees eligible to participate in the annual Performance Management Program based on the Board approved Compensation Policy:
 - A base salary increase of 3.6% equal to the increase in the Employer Cost Index for Salaries and Wages for the previous 12-month period ending June 30, 2025, as published by the U.S. Department of Labor, Bureau of Labor Statistics, for employees whose performance meet expectations; a base increase of 3.6% plus a merit increase of 2.75% for employees whose performance exceeds expectations; and a base increase of 3.6% plus two merit increases totaling 5.50% (2.75% x2) for employees whose performance was exceptional. Merit increases are limited to the maximum approved salary range for each position. The total projected budget impact for these salary and benefit adjustments is \$901,000
- Estimated bonuses to be paid to eligible Investment Team Members under an incentive compensation program outlined in the Board approved Incentive Compensation Policy: \$603,000
- Annual Leave Payout and Accrual: \$468,000
- Certification Pay of 5.5% of salary for employees obtaining the designations of Chartered Financial Analyst, Certified Professional Accountant, Certified Information Systems Security Professional, Certified Internal Auditor and SHRM-Senior Certified Professional : \$265,000
- Overtime: \$140,000
- Salary and benefit adjustments related to step increases for approximately 25 County staff not at the top of the established salary range estimated at \$133,000
- Other – Tuition Reimbursement, Relocation: \$121,000
- Board Allowance: \$18,000

Services and Supplies:

- The following expenses are in support of the 2026-2028 Strategic and Business Plan Initiatives:
 - Provide information systems that support the OCERS' administrative and operational needs: \$750,000
 - Transform the digital member experience by modernizing tools, increasing accessibility, and streamlining communication: \$125,000
 - Align job descriptions with OCERS specific duties: \$80,000
 - Automate the Due Diligence Entry process: \$50,000
 - Complete Phase 2 of the Master Repository Project to fully develop and document business processes that will lay a foundation for designing a new PAS: \$43,200
 - Deliver targeted education and engagement throughout the member lifecycle: \$42,000

SECTION IV – CAPITAL EXPENDITURES

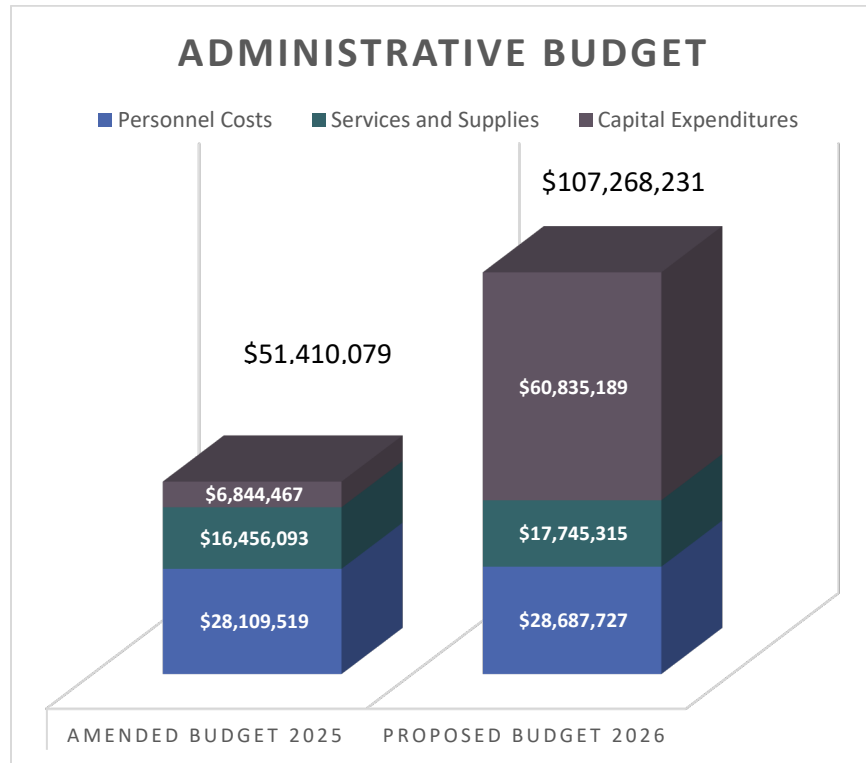
The 2026 Capital Expenditures budget of \$60,835,189 includes costs for the new OCERS headquarters facility and the OCERS Horizon Project:

- New OCERS headquarters facility (2026 estimated cost): \$57.8 million for final design and start of construction phase of a replacement headquarters facility. The total Guaranteed Maximum Price (GMP) of the project is expected to be presented to the Board in December 2025 for approval. Amounts budgeted for 2026 are estimated based on preliminary estimates and cash flow projections prior to receiving the GMP.
- OCERS PAS Modernization Project - Capitalize Personnel Costs: \$2.1 million to fund 16 external limited-term staff supporting project implementation.
- PAS Modernization Project Oversight, Data Services, and Business Rules: \$950,000 to support key technical and governance functions.

NOTE: The cost of the implementation of the PAS Modernization Project will be presented as a budget amendment once the Board approves a vendor and contract terms are finalized.

SECTION V – 2026 ADMINISTRATIVE BUDGET

Comparison to 2025 Administrative Budget



The total administrative budget including capital expenditures for FY26 is approximately \$107.3 million, representing an increase of about \$56.0 million, or 108.7%, compared to the FY25 amended budget of \$51.4 million. This increase results from a \$0.6 million increase in personnel costs, a \$1.3 million increase in services and supplies and a \$54.0 million increase in capital expenditures.

The increase in personnel costs is primarily due to salary growth and increases in investment incentive compensation and certification pay. The increase in services and supplies is mainly due to increases in technology infrastructure, equipment, and software, which was offset by a decrease in legal services. The \$54.0 million increase in capital expenditures primarily reflects the anticipated cash flow needed for finalizing the design and start of construction of the new OCERS headquarters facility in 2026, as well as certain costs for OCERS Horizon PAS Modernization Project.

Further details on the FY26 Proposed Administrative Budget, along with comparisons to the FY25 amended administrative budget and estimated actuals, are provided in the following ***Administrative Budget Summary***.

Administrative Budget Summary

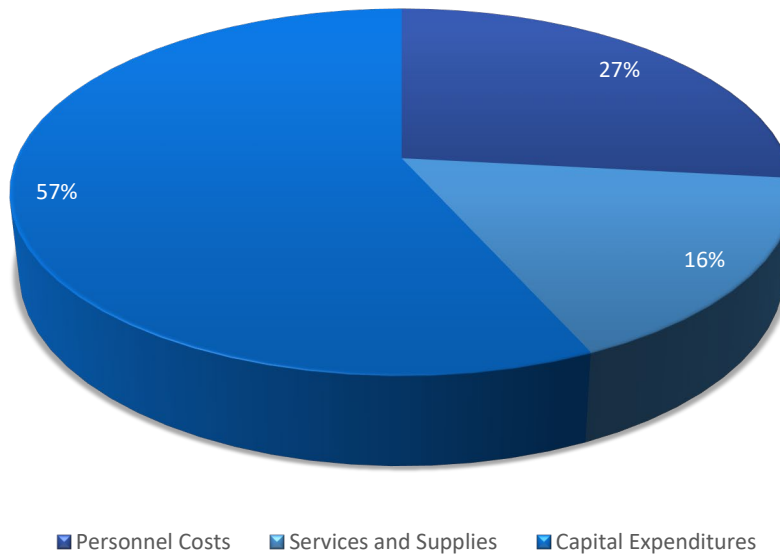
The FY26 Administrative Budget adheres to the budgetary limits set by Section 31580.2 of the County Employees Act of 1937, which caps the administrative budget at 0.21% (21 basis points) of OCERS' accrued actuarial liability, excluding certain expenditures, including \$10.7 million in investment-related costs, \$6.3 million for technology (computer software, hardware, and consulting services), \$60.8 million in capital expenditures and adding in depreciation for non-technology capital assets of \$229,000. For FY26, this cap translates to a maximum of \$61.9 million. However, OCERS' budget is well below this limit, with the administrative budget set at 10.07 basis points, or \$32.2 million under the cap. This compliance with the 21-basis point test is further detailed in **Appendix C: 21 Basis Points for Budget Year 2026**.

A summary of the FY25 Amended Administrative Budget and estimated actuals compared to the FY26 Proposed Administrative Budget is provided in the following table:

	Amended Budget 2025	Estimated Actuals 2025	Proposed Budget 2026	2026 Proposed Budget vs 2025 Amended Budget		2026 Proposed Budget vs 2025 Estimated Actuals	
Personnel Costs	\$28,109,519	\$26,777,238	\$28,687,727	\$578,208	2.1%	\$1,910,489	7.1%
Services and Supplies							
Professional Services	7,800,531	6,279,388	7,861,015	60,484	0.8%	1,581,627	25.2%
Infrastructure	2,856,600	1,958,950	3,837,181	980,581	34.3%	1,878,231	95.9%
Equipment and Software	871,202	753,671	1,513,100	641,898	73.7%	759,429	100.8%
Building Property Management and Maintenance	1,270,000	918,090	1,261,000	(9,000)	-0.7%	342,910	37.4%
Miscellaneous Office Expense	1,151,760	950,091	1,231,545	79,785	6.9%	281,454	29.6%
Legal Services	1,405,000	832,660	930,000	(475,000)	-33.8%	97,340	11.7%
Training and Related Costs	905,500	639,545	902,504	(2,996)	-0.3%	262,959	41.1%
Meetings and Related Costs	195,500	156,234	208,970	13,470	6.9%	52,736	33.8%
Services and Supplies	16,456,093	12,488,629	17,745,315	1,289,222	7.8%	5,256,686	42.1%
Administrative Expenses, Excluding Capital Expenditures	\$44,565,612	\$39,265,867	\$46,433,042	\$1,867,430	4.2%	\$7,167,175	18.3%
Capital Expenditures	6,844,467	6,800,525	60,835,189	53,990,722	788.8%	54,034,664	794.6%
Total Administrative Expenses	\$51,410,079	\$46,066,392	\$107,268,231	\$55,858,152	108.7%	\$61,201,839	132.9%

*Capital expenditures represent purchases of assets to be amortized in future periods.

2026 Proposed Administrative Budget



Personnel Costs

A summary of the FY25 budgeted personnel costs and estimated actuals compared to the FY26 proposed budgeted personnel costs is provided below:

	Amended Budget 2025	Estimated Actuals 2025	Proposed Budget 2026	2026 Proposed Budget vs 2025 Amended Budget		2026 Proposed Budget vs 2025 Estimated Actuals	
Personnel Costs:							
Annual Salary	\$ 16,125,009	\$ 15,019,414	\$ 16,903,559	\$ 778,550	4.8%	\$ 1,884,145	12.5%
Fringe Benefits	9,335,212	9,148,606	9,135,951	(199,261)	-2.1%	(12,655)	-0.1%
Salary Adjustments*	1,265,121	1,265,121	1,033,598	(231,523)	NA	(231,523)	-18.3%
Investment Incentive Pay	421,000	440,244	602,500	181,500	43.1%	162,256	36.9%
Leave Payout	462,000	334,488	468,000	6,000	1.3%	133,512	39.9%
Certification Pay	210,777	222,250	264,719	53,942	25.6%	42,469	19.1%
Overtime	122,400	161,064	140,400	18,000	14.7%	(20,664)	-12.8%
Tuition Reimbursement	96,000	83,653	96,000	-	0.0%	12,347	14.8%
Relocation	-	-	25,000	25,000	NA	25,000	NA
Board Allowance	18,000	12,200	18,000	-	0.0%	5,800	47.5%
Temp Help	54,000	90,198	-	(54,000)	-100.0%	(90,198)	-100.0%
Total Personnel Costs	\$ 28,109,519	\$ 26,777,238	\$ 28,687,727	\$ 578,208	2.1%	\$ 1,910,489	7.1%

*All salary adjustments (excluding Investment Team incentive bonuses) are budgeted in the Human Resources Department until awarded.

The proposed FY26 budget for personnel costs was developed in alignment with OCERS' Compensation Policy for direct employees and the Incentive Compensation Policy, which governs

the incentive program for eligible investment team members. Together, these policies guided the development of the personnel budget to ensure alignment with established compensation practices and agreements. The proposed FY26 budget does not incorporate any provisions from the pending MOU between the County of Orange and the Orange County Employees Association that may affect County employees working at OCERS. Once the MOU terms are finalized, a budget amendment will be proposed if necessary.

Personnel Costs for 2026 are \$28.7 million and represent 26.7% of the total Administrative Budget. Personnel costs are detailed by department in **Appendix B - OCERS Personnel Costs by Department 2026 Budget** and **2026 Personnel Costs by Department and Classification Before Salary Adjustments** and include salaries, fringe benefits (e.g., health insurances, pension contributions, retiree medical plans, and deferred compensation), salary and benefit adjustments, annual leave payout and accrual, temporary help costs, overtime, certification pay for Board-approved certifications, tuition reimbursement and Board allowance for meeting attendance.

The total personnel costs budget for FY26 is \$1.9 million or 7.1% higher than the FY25 estimated actuals. This increase is primarily driven by the inclusion of \$1.3 million in performance and salary adjustments from FY25, which are now part of the annual salary base for FY26. Additionally, the budget reflects the addition of four new career ladders, resulting in a \$77,000 increase.

The components and cost drivers of the FY26 Administrative Budget for personnel costs are discussed above in Section III – Executive Summary – 2026 Administrative Budget (Excluding Capital Expenditures).

The full list of budgeted positions and the related budgeted costs can be found in **Appendix B - OCERS Personnel Costs by Department 2026 Budget** and **2026 Personnel Costs by Department and Classification Before Salary Adjustments**.

Salary Ranges

In accordance with OCERS' Compensation Policy, adopted October 21, 2013, and revised on July 21, 2025, the CEO will be responsible for ensuring that the Board-approved salary ranges are reviewed at least every three years to ensure that they remain competitive, and will promptly inform the Board of the results of each such review. The CEO may retain a compensation consultant for purposes of undertaking this review. If the CEO believes adjustments to the salary ranges may be necessary, the CEO will promptly present their recommendations to the Board for the Board's approval of any adjustments to the salary ranges. In each year in which salary ranges are not reviewed, the salary ranges will be automatically increased by the amount, if any, of the increase in the Employer Cost Index for Salaries and Wages for the previous 12-month period, as published by the U.S. Department of Labor, Bureau of Labor Statistics. Salary adjustments are made through the Performance Management Program as previously discussed. For details of all OCERS' direct salary ranges please refer to **Appendix F – OCERS' Direct Employees Salary Ranges Services and Supplies**

Services and Supplies costs for 2026 are \$17.7 million, which is 16.5% of the total Administrative Budget. Included in Services and Supplies are administrative and investment professional services, legal services, equipment expenses (other than those that are capitalized on OCERS' books as assets that will be depreciated over time and budgeted as a capital expenditure), infrastructure maintenance costs, office expenses, training, and meetings and related costs. These expenses are broken down by department in **Appendix A – Five Year Budget – Department and Account as of December 31, 2026** and summarized below:

- **Professional Services** is budgeted at \$7,861,000, making up the largest portion of Services and Supplies and representing 7.3% of the total Administrative Budget. This amount is \$1,582,000 million higher than the FY25 estimated actuals.

The budget increase from FY25 to FY26 is largely due to funding AI initiatives, including:

- Microsoft Azure AI, Microsoft Fabric, and Power Platform architecture and setup to support operational and investment-related initiatives: \$850,000
- SharePoint and AI Professional Services and Support: \$350,000

Additionally, the FY26 Professional Services budget includes:

- Investment-related consulting fees: \$3.3 million
- Other IT and Information Security consulting and professional services: \$1.3 million
- Actuarial and audit fees: \$556,000
- Medical panel reviews: \$425,000
- Insurance brokerage services: \$369,000
- HR consulting and professional services: \$175,000
- CEO Contingency: \$100,000

These allocations reflect ongoing and new needs across various operational and strategic areas for OCERS.

- **Infrastructure Maintenance** is budgeted at \$3,837,000, which represents 3.6% of the total Administrative Budget. This category has increased by approximately \$1,878,000 or 95.9% compared to FY25 estimated actuals. The increase is primarily due to the following factors:
 - Cloud subscription costs: \$1,504,000 - Additional licensing for cloud-based solutions supporting cloud infrastructure, data security, AI-driven productivity, document management, and automated testing within the Microsoft ecosystem
 - PAS maintenance: \$831,000 - Includes \$531,000 for PAS licensing and support, plus \$300,000 for support hours related to imaging migration, new End User License Agreements (EULA), and Member Self-Service (MSS) portal enhancements

- Expanded Microsoft Licensing Expansion and AI-Assisted Productivity Tools: \$740,000
- Oracle consulting, licensing, and support: \$382,000
- Other infrastructure maintenance: \$380,000 - Maintenance of co-location data centers, hardware and mobile device licensing, software maintenance, support, and security

These increases represent strategic investments in OCERS' ongoing modernization efforts, continued maintenance, enhancing productivity, collaboration, data management and security across the organization.

- **Equipment and Software** is budgeted at \$1,513,000, representing 1.4% of the total Administrative Budget. This reflects an increase of \$759,000 compared to FY25 estimated actuals. The increase is primarily driven by higher software costs and procurement of additional equipment and tools to support operational efficiency and technology modernization, including:
 - \$725,000 for investment-related software to enhance portfolio analytics, reporting and research capabilities
 - \$456,000 for information security software and tools to strengthen OCERS data security and protection
 - \$331,000 for the purchase of additional equipment, including new laptops and accessories for employees, as well as RPA tools and infrastructure costs

These investments ensure OCERS maintains a secure, efficient and modern technology environment that supports both operational and investment functions.

- **Building Management and Maintenance** budgeted at \$1,261,000 represents 1.2% of the overall Administrative Budget and provides funding to manage and maintain the OCERS headquarters building. Expenses include security, utilities, property taxes, insurance, and maintenance contracts. The FY26 budget is \$343,000 higher than FY25 estimated actuals due to increases in non-capitalizable building improvements, higher costs for utilities and building maintenance related to persistent high inflation, as well as a reduction in rental income due to the vacancies of long-term tenants.
- **Miscellaneous Office Expense** is budgeted at \$1.2 million, accounting for 1.1% of the total Administrative Budget. This represents an increase of \$281,000 or 29.6% compared to FY25 estimated actuals. The primary drivers of this increase include a \$74,000 increase in telephone and internet costs to support upgraded bandwidth and a \$66,000 increase in office supplies, including furniture costs. Additional increases are attributable to subscriptions and periodicals, postage, and printing.
- **Legal Services** budgeted at \$930,000 are 0.9% of the total Administrative Budget. This category includes fees for OCERS' external fiduciary counsel, labor attorney, litigation counsel, tax attorney, and investment-related legal services. These fees are budgeted for

use on an as-needed basis. The FY26 budget reflects an increase of \$97,000 or 11.7% compared to FY25 estimated actuals, aligning funding with projected legal services.

- **Training** is budgeted at \$903,000, representing 0.8% of the total Administrative Budget. This amount reflects an increase of approximately \$263,000 or 41.1% over the FY25 estimated actuals. The increase is mainly due to:
 - Growth in staff and a higher number of employees attending training
 - Higher travel and lodging costs associated with out-of-town conferences and trainings

In addition to general training expenses, the FY26 budget includes \$254,000 for talent management initiatives that support comprehensive training and development programs tailored to individual needs and career goals. These initiatives promote a talent management mindset and help strengthen succession planning across OCERS. This investment reflects OCERS' strategic focus on developing staff capabilities and preparing for future leadership needs within the organization.

- **Meetings and Related Costs** are budgeted at \$209,000, representing 0.2% of the total Administrative Budget. The majority of this expense, \$120,000, is allocated to due diligence meetings, covering travel costs for investment-related meetings. The remaining budget supports committee and board meetings, as well as employee-related meetings. The FY26 budget reflects an increase of \$53,000 or 33.8% compared to FY25 estimated actuals, primarily due to:
 - An increase in investment team, resulting in greater participation in due diligence and related meetings
 - Higher travel costs associated with these meetings

This increase supports OCERS' expanding investment-related meetings requirements.

Capital Expenditures

Capital Expenditures are budgeted at \$60.8 million, representing 56.7% of the total Administrative Budget. This reflects an increase of \$54.0 million compared to the FY25 budget and estimated actuals. The FY26 Capital Expenditures budget primarily supports two major initiatives: the new OCERS headquarters facility and the OCERS Horizon – PAS Modernization Project.

Key components that were budgeted for these initiatives are discussed above in Section IV – Capital Expenditures.

OCERS is currently finalizing the selection of a vendor to implement the Horizons PAS Modernization Project. A budget amendment is anticipated to be presented to the Board by the end of 2025, following completion of vendor selection and contract negotiations.

APPENDIX

OCERS
Five Year Budget - Department and Account

Account No. & Name	Year Ended December Amended Budget 2022	Year Ended December Budget 2023	Year Ended December Amended Budget 2024	Year Ending 12/31/2025 Amended Budget 2025	Year Ending 12/31/2026 Proposed Budget 2026
Administrative Expenses					
D0001 Board					
Board Personnel Costs	\$ 18,000	\$ 16,000	\$ 16,000	\$ 18,000	\$ 18,000
Board Services and Supplies					
61000 - Professional Services	100,120	10,000	77,000	108,000	13,600
66100 - Training and Related Costs	126,000	120,000	127,500	173,500	175,000
66150 - Meetings and Related Costs	20,000	20,000	25,000	26,000	27,120
66200 - Memberships	20,050	20,500	43,000	22,300	26,300
Total Board Services and Supplies	266,170	170,500	272,500	329,800	242,020
Total Board	\$ 284,170	\$ 186,500	\$ 288,500	\$ 347,800	\$ 260,020
D0002 Internal Audit					
Internal Audit Personnel Costs					
Salaries and Wages	340,816	548,563	609,186	719,293	502,894
Fringe Benefits	186,464	337,418	352,006	384,668	242,170
Total Internal Audit Personnel Costs	527,280	885,981	961,192	1,103,961	745,064
Internal Audit Services and Supplies					
61000 - Professional Services	161,840	143,000	83,945	66,000	70,000
66100 - Training and Related Costs	13,900	21,280	19,510	30,000	30,700
66150 - Meetings and Related Costs	100	100	100	100	100
66200 - Memberships	1,345	2,495	2,304	3,000	4,000
66400 - Subscriptions and Periodicals	100	100	100	400	400
Total Internal Audit Services and Supplies	177,285	166,975	105,959	99,500	105,200
Total Internal Audit	\$ 704,565	\$ 1,052,956	\$ 1,067,151	\$ 1,203,461	\$ 850,264
D0010 Executive					
Executive Personnel Costs					
Salaries and Wages	1,060,302	1,261,866	1,411,174	1,823,003	1,916,811
Fringe Benefits	582,184	739,177	810,280	1,061,477	1,020,600
Total Executive Personnel Costs	1,642,486	2,001,043	2,221,454	2,884,480	2,937,411
Executive Services and Supplies					
61000 - Professional Services	440,000	600,000	875,000	460,000	125,000
61301 - Actuarial Fees	375,000	450,000	400,000	360,000	435,000
66100 - Training and Related Costs	51,100	53,000	71,000	103,000	121,000
66150 - Meetings and Related Costs	14,750	12,000	25,000	24,000	32,000
66200 - Memberships	6,540	28,150	30,000	28,360	11,000
66400 - Subscriptions and Periodicals	800	1,200	1,450	1,500	1,510
Total Executive Services and Supplies	888,190	1,144,350	1,402,450	976,860	725,510
Total Executive	\$ 2,530,676	\$ 3,145,393	\$ 3,623,904	\$ 3,861,340	\$ 3,662,921
D0011 EPMO					
EPMO Services and Supplies					
61000 - Professional Services	0	0	0	0	43,200
66100 - Training and Related Costs	0	0	0	0	12,900
66200 - Memberships	0	0	0	0	318
Total EPMO Services and Supplies	0	0	0	0	56,418
Total EPMO	0	0	0	0	56,418
D0020 Legal					
Legal Personnel Costs					
Salaries and Wages	1,079,223	1,299,473	1,336,155	1,261,699	1,198,779
Fringe Benefits	580,518	767,489	744,478	713,383	563,152
Total Legal Personnel Costs	1,659,741	2,066,962	2,080,633	1,975,082	1,761,931
Legal Services and Supplies					
61000 - Professional Services	202,000	250,000	150,000	125,000	90,000
62030 - Legal Services - Investment Related	600,000	500,000	500,000	650,000	500,000
62100 - Legal Services - Tax Advice and General Matters	35,000	150,000	185,000	130,000	130,000
62200 - Legal Services - Board and Fiduciary	125,000	0	0	100,000	100,000
62300 - Legal Services - Other Litigation	200,000	450,000	450,000	525,000	200,000
66100 - Training and Related Costs	20,000	20,000	20,000	30,000	25,000
66150 - Meetings and Related Costs	2,000	2,000	2,000	1,500	500
66200 - Memberships	5,000	4,000	5,000	5,000	5,000
66400 - Subscriptions and Periodicals	12,500	13,000	15,000	20,000	20,000
66500 - Postage and Delivery Costs - Regular Postage	0	0	100	100	50
Total Legal Services and Supplies	1,201,500	1,389,000	1,327,100	1,586,600	1,070,550
Total Legal	\$ 2,861,241	\$ 3,455,962	\$ 3,407,733	\$ 3,561,682	\$ 2,832,481
D0021 Compliance					
Compliance Services and Supplies					
61000 - Professional Services	0	0	0	20,000	2,500
66100 - Training and Related Costs	0	0	0	18,200	15,000
66150 - Meetings and Related Costs	0	0	0	200	0
66200 - Memberships	0	0	0	1,200	1,000

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Five Year Budget - Department and Account

Account No. & Name	Year Ended December Amended Budget 2022	Year Ended December Budget 2023	Year Ended December Amended Budget 2024	Year Ending 12/31/2025 Amended Budget 2025	Year Ending 12/31/2026 Proposed Budget 2026
66400 - Subscriptions and Periodicals	0	0	0	22,500	20,000
Total Compliance Services and Supplies	0	0	0	62,100	38,500
Total Compliance	0	0	0	62,100	38,500
D0030 Investments					
Investments Personnel Costs					
Salaries and Wages	1,810,917	2,093,296	2,918,505	3,494,114	3,841,017
Fringe Benefits	960,155	1,160,135	1,363,491	1,718,775	1,583,468
Total Investments Personnel Costs	2,771,072	3,253,431	4,281,996	5,212,889	5,424,485
Investments Services and Supplies					
61500 - Prof Services - Investment Related - Investment Consultant	3,275,000	965,650	981,000	1,000,000	1,029,000
61501 - Prof Services - Investment Related - Other Consultants	0	1,408,330	1,430,000	1,443,000	1,662,000
61502 - Prof Services - Investment Related - Custodian Services	0	585,000	580,000	580,000	590,000
61503 - Prof Services - Investment Related - Other Services	0	55,260	55,000	31,000	32,000
64030 - Equipment and Software - Investment Related	25,000	40,000	40,000	0	0
66100 - Training and Related Costs	8,000	10,000	0	20,000	10,000
66130 - Due Diligence Expenses	100,000	130,000	100,000	120,000	120,000
66150 - Meetings and Related Costs	16,000	10,000	10,000	15,000	15,000
66200 - Memberships	27,000	20,000	25,000	30,000	30,000
66400 - Subscriptions and Periodicals	35,000	40,500	35,000	130,000	116,750
Total Investments Services and Supplies	3,486,000	3,264,740	3,256,000	3,369,000	3,604,750
Total Investments	\$ 6,257,072	\$ 6,518,171	\$ 7,537,996	\$ 8,581,889	\$ 9,029,235
D0041 Communications					
Communications Personnel Costs					
Salaries and Wages	207,790	278,844	221,454	265,641	252,994
Fringe Benefits	123,767	170,258	129,556	134,644	130,519
Total Communications Personnel Costs	331,557	449,102	351,010	400,285	383,513
Communications Services and Supplies					
61000 - Professional Services	25,000	45,000	10,000	20,000	20,000
64000 - Equipment and Software	1,000	0	1,000	1,000	1,000
66100 - Training and Related Costs	5,000	2,500	5,625	18,500	14,100
66150 - Meetings and Related Costs	150	150	0	2,000	3,000
66200 - Memberships	0	0	550	800	800
66300 - Office Supplies	10,000	10,000	21,500	20,000	20,000
66400 - Subscriptions and Periodicals	0	0	0	0	100
66501 - Postage and Delivery Costs - Quarterly Newsletters	35,000	76,000	99,000	100,000	100,000
66502 - Postage and Delivery Costs - Mass Mailings	40,000	20,000	20,000	14,000	14,000
66550 - Printing Costs - Other	0	0	5,000	5,000	5,000
66551 - Printing Costs - Quarterly Newsletters	25,000	50,000	70,000	100,000	100,000
66552 - Printing Costs - Brochures	17,000	5,000	20,000	10,000	5,000
66553 - Printing Costs - Annual Report	12,000	12,000	10,000	5,000	5,000
Total Communications Services and Supplies	170,150	220,650	262,675	296,300	288,000
Total Communications	\$ 501,707	\$ 669,752	\$ 613,685	\$ 696,585	\$ 671,513
D0042 Disability					
Disability Personnel Costs					
Salaries and Wages	386,192	426,878	627,575	653,530	715,075
Fringe Benefits	277,120	239,444	386,421	337,983	396,948
Total Disability Personnel Costs	663,312	666,322	1,013,996	991,513	1,112,023
Disability Services and Supplies					
61000 - Professional Services	510,000	560,000	660,000	600,000	425,000
66100 - Training and Related Costs	7,870	36,320	12,000	12,000	22,600
66150 - Meetings and Related Costs	250	250	250	250	2,000
66200 - Memberships	0	0	0	1,000	1,000
Total Disability Services and Supplies	518,120	596,570	672,250	613,250	450,600
Total Disability	\$ 1,181,432	\$ 1,262,892	\$ 1,686,246	\$ 1,604,763	\$ 1,562,623
D0043 Member Services					
Member Services Personnel Costs					
Salaries and Wages	3,790,259	3,969,264	4,177,164	4,652,794	4,608,585
Fringe Benefits	2,164,338	2,495,374	2,518,477	2,517,046	2,548,024
Total Member Services Personnel Costs	5,954,597	6,464,638	6,695,641	7,169,840	7,156,609
Member Services Services and Supplies					
61000 - Professional Services	24,000	525,000	496,000	100,000	0
66100 - Training and Related Costs	17,000	10,000	10,750	37,200	54,504
66150 - Meetings and Related Costs	250	250	2,500	1,500	1,500
66200 - Memberships	0	0	1,000	1,000	1,250
66400 - Subscriptions and Periodicals	0	0	0	27,000	63,300
Total Member Services Services and Supplies	41,250	535,250	510,250	166,700	120,554
Total Member Services	\$ 5,995,847	\$ 6,999,888	\$ 7,205,891	\$ 7,336,540	\$ 7,277,163
D0046 PAS Modernization					

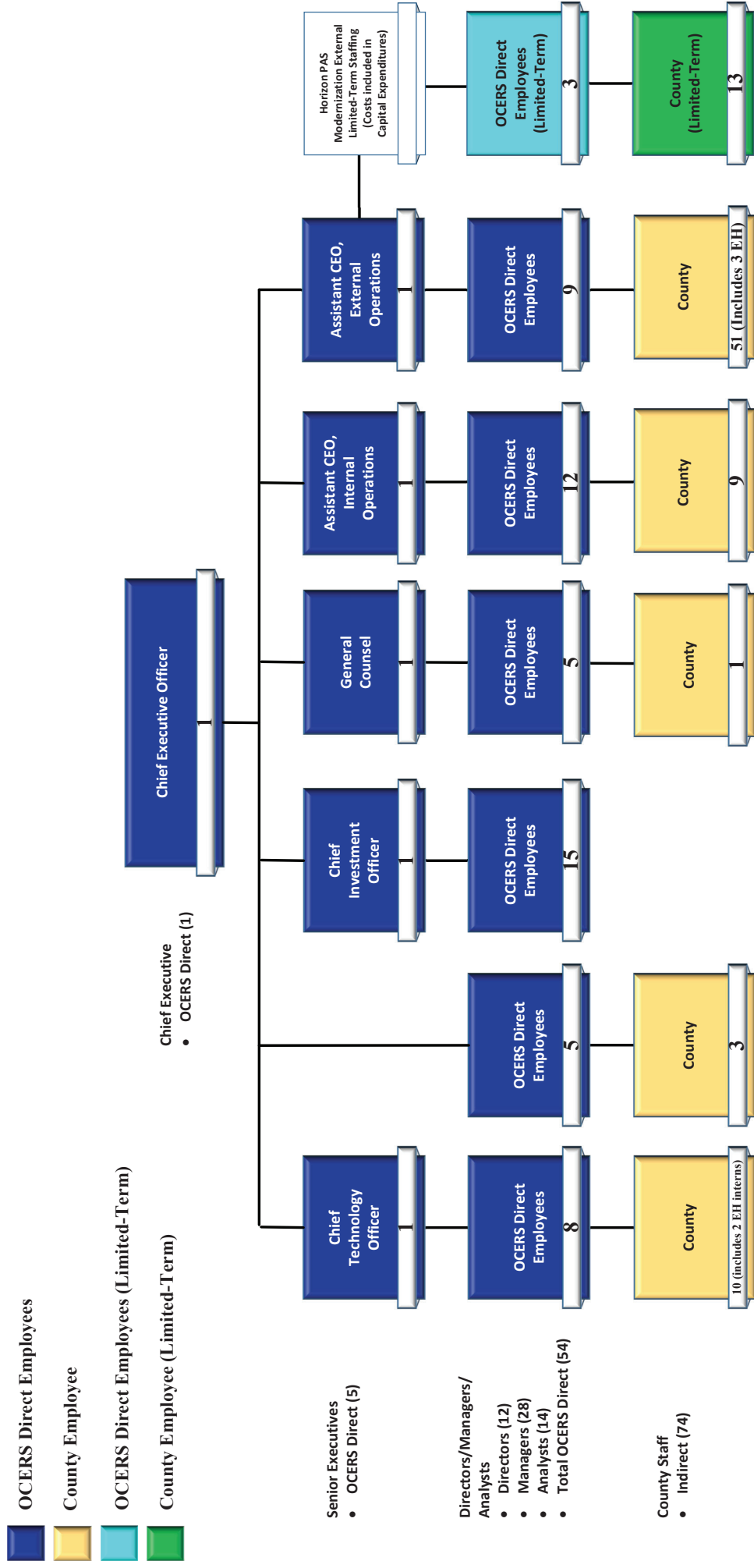
OCERS
Five Year Budget - Department and Account

Account No. & Name	Year Ended December Amended Budget 2022	Year Ended December Budget 2023	Year Ended December Amended Budget 2024	Year Ending 12/31/2025 Amended Budget 2025	Year Ending 12/31/2026 Proposed Budget 2026
PAS Modernization Personnel Costs					
Salaries and Wages					
60101 - Salary and Wages - Regular Pay	0	0	0	0	1,337,189
Total Salaries and Wages	0	0	0	0	1,337,189
Fringe Benefits					
60201 - Fringe Benefits - Retirement Contributions	0	0	0	0	454,479
60202 - Fringe Benefits - Retiree Healthcare Contributions	0	0	0	0	39,597
60203 - Fringe Benefits - Deferred Compensation	0	0	0	0	17,176
60204 - Fringe Benefits - Medical & Dental Insurance	0	0	0	0	177,816
60205 - Fringe Benefits - Medicare	0	0	0	0	19,390
60206 - Fringe Benefits - OBP - Optional Benefit Plan	0	0	0	0	10,500
60207 - Fringe Benefits - Other Benefits	0	0	0	0	1,930
60209 - Fringe Benefits - Union Dues	0	0	0	0	8,112
Total PAS Fringe Benefits	0	0	0	0	729,000
Total PAS Modernization Personnel Costs	0	0	0	0	2,066,189
PAS Modernization Capital Expenditures					
69040 - Capital Expenditures - All	0	0	0	0	950,000
Total PAS Modernization Capital Expenditures	0	0	0	0	950,000
Total PAS Modernization	0	0	0	0	3,016,189
D0051 Finance					
Finance Personnel Costs					
Salaries and Wages	1,009,068	992,345	1,124,957	1,328,411	1,396,185
Fringe Benefits	571,638	636,004	664,146	745,377	721,548
Total Finance Personnel Costs	1,580,706	1,628,349	1,789,103	2,073,788	2,117,733
Finance Services and Supplies					
61000 - Professional Services	21,400	22,000	22,000	23,600	24,000
61010 - Professional Services - Bank Fees	30,000	36,000	38,000	33,000	32,000
61020 - Professional Services - External Audit Fees	129,000	117,300	118,500	119,500	120,500
61300 - Professional Services - Admin. Non 21 Basis Points	47,000	38,000	30,000	22,000	10,000
66100 - Training and Related Costs	10,500	10,500	21,000	17,000	24,000
66150 - Meetings and Related Costs	250	250	250	250	250
66200 - Memberships	4,800	4,800	5,200	6,800	6,700
66400 - Subscriptions and Periodicals	1,000	1,000	1,000	1,000	100
Total Finance Services and Supplies	243,950	229,850	235,950	223,150	217,550
Total Finance	\$ 1,824,656	\$ 1,858,199	\$ 2,025,053	\$ 2,296,938	\$ 2,335,283
D0052 Human Resources					
Human Resources Personnel Costs					
Salaries and Wages	607,155	1,784,754	1,775,588	968,878	1,929,473
Fringe Benefits	412,203	476,753	531,794	571,742	535,749
Total Human Resources Personnel Costs	1,019,358	2,261,507	2,307,382	1,540,620	2,465,222
Human Resources Services and Supplies					
61000 - Professional Services	145,500	64,000	109,750	120,000	160,000
61052 - Professional Services - Recruitment Costs	0	71,300	60,000	38,300	15,415
66100 - Training and Related Costs	230,850	221,000	224,687	295,500	270,300
66150 - Meetings and Related Costs	10,000	5,600	5,500	500	500
66200 - Memberships	12,000	6,000	6,421	9,700	6,635
66302 - Office Supplies - Ergonomics	0	0	10,000	10,000	15,000
66400 - Subscriptions and Periodicals	0	0	0	26,900	31,042
Total Human Resources Services and Supplies	398,350	367,900	416,358	500,900	498,892
Total Human Resources	\$ 1,417,708	\$ 2,629,407	\$ 2,723,740	\$ 2,041,520	\$ 2,964,114
D0053 Information Security					
Information Security Personnel Costs					
Salaries and Wages	363,011	461,058	512,255	575,214	597,566
Fringe Benefits	188,558	268,355	289,556	297,185	270,315
Total Information Security Personnel Costs	551,569	729,413	801,811	872,399	867,881
Information Security Services and Supplies					
61000 - Professional Services	40,000	103,000	118,000	126,000	0
61300 - Professional Services - Admin. Non 21 Basis Points	205,000	128,000	113,000	173,000	360,000
64000 - Equipment and Software	321,000	401,100	186,000	211,000	456,000
66100 - Training and Related Costs	46,000	54,000	54,000	60,000	60,000
66150 - Meetings and Related Costs	500	500	500	500	500
66200 - Memberships	3,000	3,000	3,000	3,000	3,000
66400 - Subscriptions and Periodicals	500	500	500	500	500
Total Information Security Services and Supplies	616,000	690,100	475,000	574,000	880,000
Total Information Security	\$ 1,167,569	\$ 1,419,513	\$ 1,276,811	\$ 1,446,399	\$ 1,747,881
D0054 Information Technology					
Information Technology Personnel Costs					
Salaries and Wages	1,359,189	1,732,159	1,856,421	2,000,937	1,962,649

OCERS
Five Year Budget - Department and Account

Account No. & Name	Year Ended December Amended Budget 2022	Year Ended December Budget 2023	Year Ended December Amended Budget 2024	Year Ending 12/31/2025 Amended Budget 2025	Year Ending 12/31/2026 Proposed Budget 2026
Fringe Benefits	748,505	966,737	1,014,223	1,087,030	967,036
Total Information Technology Personnel Costs	2,107,694	2,698,896	2,870,644	3,087,967	2,929,685
Information Technology Services and Supplies					
61000 - Professional Services	292,000	172,500	471,750	260,500	382,500
61300 - Professional Services - Admin. Non 21 Basis Points	1,410,000	1,265,000	1,575,000	1,558,231	1,800,000
63000 - Infrastructure Maintenance	1,196,300	309,750	436,250	574,200	765,900
63010 - InfraMte - Cloud Subscriptions	0	445,250	971,473	1,029,200	1,503,713
63020 - InfraMte - Equipment Maintenance	0	19,500	11,500	6,500	11,500
63030 - InfraMte - Software Maintenance	0	297,985	303,432	301,400	328,932
63040 - InfraMte - PAS Maintenance	0	884,655	1,036,271	945,300	1,227,136
64000 - Equipment and Software	845,000	358,000	640,100	99,202	331,100
64030 - Equipment and Software - Investment Related	0	282,000	430,000	560,000	725,000
65100 - Equipment - Rent and Leases	40,000	0	0	0	0
65201 - Telephone Expense - Telecom Services	32,000	63,600	63,600	10,000	15,000
65202 - Telephone Expense - Cellular/Mobile Services	45,000	60,600	71,400	71,400	73,500
65203 - Telephone Expense - Phone/VOIP	105,000	97,500	151,800	135,000	145,000
65300 - Internet Services	125,000	169,500	133,500	127,800	160,000
66100 - Training and Related Costs	38,000	25,500	86,600	86,600	61,900
66150 - Meetings and Related Costs	2,500	3,000	3,000	3,500	5,500
66200 - Memberships	1,500	1,800	2,500	5,000	5,040
Total Information Technology Services and Supplies	4,132,300	4,456,140	6,388,176	5,773,833	7,541,721
Information Technology Capital Expenditures					
69040 - Capital Expenditures - All	982,000	715,000	50,000	94,467	0
Total Information Technology Capital Expenditures	982,000	715,000	50,000	94,467	0
Total Information Technology	\$ 7,221,994	\$ 7,870,036	\$ 9,308,820	\$ 8,956,267	\$ 10,471,406
D0055 Operations Support Services					
Operations Support Services Personnel Costs					
Salaries and Wages	304,738	373,680	445,150	508,135	515,747
Fringe Benefits	155,459	201,847	264,678	270,560	252,423
Total Operations Support Services Personnel Costs	460,197	575,527	709,828	778,695	768,170
Operations Support Services Services and Supplies					
61000 - Professional Services	148,950	255,000	110,000	80,400	50,300
61001 - Professional Services - Insurance Services	280,000	280,000	350,000	333,000	369,000
65000 - Building Property Management and Maintenance	750,000	975,000	1,150,000	1,270,000	1,261,000
65100 - Equipment - Rent and Leases	14,500	50,000	50,000	56,100	40,000
66100 - Training and Related Costs	4,000	4,000	4,000	4,000	5,500
66150 - Meetings and Related Costs	200	200	200	200	1,000
66200 - Memberships	500	500	500	1,000	1,000
66300 - Office Supplies	60,000	50,000	55,000	55,000	64,000
66301 - Office Supplies - Furniture Costs	40,000	40,000	40,000	40,000	55,000
66400 - Subscriptions and Periodicals	0	0	0	2,000	0
66500 - Postage and Delivery Costs - Regular Postage	55,000	55,000	25,000	31,900	45,000
66503 - Postage and Delivery Costs - Pony Mail	4,000	4,000	4,200	2,000	5,000
66504 - Postage and Delivery Costs - Delivery Services	0	6,000	3,000	3,500	3,250
66550 - Printing Costs - Other	7,000	0	10,000	5,000	5,000
Total Operations Support Services Services and Supplies	1,364,150	1,719,700	1,801,900	1,884,100	1,905,050
Operations Support Services Capital Expenditures					
69040 - Capital Expenditures - All	110,000	511,000	5,875,000	6,750,000	57,819,000
Total Operations Support Services Capital Expenditures	110,000	511,000	5,875,000	6,750,000	57,819,000
Total Operations Support Services	\$ 1,934,347	\$ 2,806,227	\$ 8,386,728	\$ 9,412,795	\$ 60,492,220
Total Administrative Expenses	\$ 33,882,984	\$ 39,874,896	\$ 49,152,258	\$ 51,410,079	\$ 107,268,231

Org Chart 2026



Appendix B
OCERS Personnel Costs by Department
2026 Proposed Budget

Departments	Budgeted Employee Count 2026	Salaries Regular Unadjusted	Salaries Certification Pay	Salaries Incentive Pay	Fringe Benefits	Total	Budgeted Salary and Benefit Adjustments	Annual Leave Payout and Accrual	Overtime	Other Costs (Board Stipend, Relocation, Tuition)	2026 Personnel Budget by Department
D0001-Board		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,000	\$ 18,000
D0002-Internal Audit	3	471,203	19,691	-	242,171	733,064	-	12,000	-	-	745,064
D0010-Executive	8	1,768,832	32,779	-	1,020,599	2,822,210	-	114,000	1,200	-	2,937,410
D0020-Legal	7	1,185,579	-	-	563,152	1,748,731	-	12,000	1,200	-	1,761,931
D0030-Investments	16	3,040,086	114,431	602,500	1,583,468	5,340,486	-	84,000	-	-	5,424,486
D0041-Communications	2	245,794	-	-	130,519	376,313	-	6,000	1,200	-	383,513
D0042-Disability	7	701,875	-	-	396,947	1,098,822	-	12,000	1,200	-	1,112,022
D0043-Member Services	53	4,429,641	10,945	-	2,548,023	6,988,609	-	72,000	96,000	-	7,156,609
D0051-Finance	9	1,319,587	39,398	-	721,548	2,080,533	-	36,000	1,200	-	2,117,733
D0052-Human Resources	7	832,769	12,905	-	439,749	1,285,424	1,033,598	24,000	1,200	121,000	2,465,222
D0053-Information Security	3	537,183	24,383	-	270,315	831,881	-	36,000	-	-	867,881
D0054-Information Technology	15	1,880,462	10,187	-	967,036	2,857,685	-	36,000	36,000	-	2,929,685
D0055-Operations Support Services	4	490,547	-	-	252,422	742,970	-	24,000	1,200	-	768,170
Grand Total	134	16,903,559	264,719	602,500	9,135,951	26,906,729	1,033,598	468,000	140,400	139,000	28,687,727

Orange County Employees Retirement System
2026 Personnel Costs by Department and Classification Before Salary and Career Ladder Adjustments

Department-Classifications	Employee Count	Salaries	Salary-Certification Pay	Salary-Incentive Pay	Total Salaries	Total Fringe Benefits	Total Salaries and Fringe Benefits
D0002 Internal Audit							
Director of Internal Audit	1	202,633.56	11,144.85	-	213,778.41	96,752.54	310,530.95
Internal Auditor	1	113,193.60	-	-	113,193.60	67,173.85	180,367.45
Sr. Internal Auditor	1	155,376.00	8,545.68	-	163,921.68	78,244.36	242,166.04
D0002 Internal Audit Total	3	471,203.16	19,690.53	-	490,893.69	242,170.75	733,064.44
D0010 Executive							
Asst. CEO of External Operations	1	282,630.36	15,544.67	-	298,175.03	158,616.14	456,791.17
Asst. CEO of Finance and Internal Operations	1	313,352.04	17,234.36	-	330,586.40	197,165.64	527,752.04
Chief Executive Officer	1	399,942.36	-	-	399,942.36	224,526.90	624,469.26
Chief Technology Officer	1	289,993.56	-	-	289,993.56	174,097.43	464,090.99
Director of Enterprise Project Management Office	1	217,526.40	-	-	217,526.40	113,047.01	330,573.41
Executive Secretary I	1	87,235.20	-	-	87,235.20	50,518.40	137,753.60
Executive Secretary II	1	102,731.16	-	-	102,731.16	62,632.27	165,363.43
Staff Assistant	1	75,420.84	-	-	75,420.84	39,995.34	115,416.18
D0010 Executive Total	8	1,768,831.92	32,779.03	-	1,801,610.95	1,020,599.14	2,822,210.09
D0020 Legal							
Attorney	3	573,206.28	-	-	573,206.28	238,794.20	812,000.48
Compliance - Internal Auditor	1	125,943.96	-	-	125,943.96	52,072.79	178,016.75
Executive Secretary I	1	82,659.24	-	-	82,659.24	42,995.25	125,654.49
General Counsel	1	305,572.80	-	-	305,572.80	160,621.56	466,194.36
Staff Analyst Legal	1	98,196.72	-	-	98,196.72	68,668.31	166,865.03
D0020 Legal Total	7	1,185,579.00	-	-	1,185,579.00	563,152.12	1,748,731.12
D0030 Investments							
Chief Investment Officer	1	519,875.16	28,593.13	250,000.00	798,468.29	262,038.29	1,060,506.59
Director of Investments	2	538,449.48	-	125,000.00	663,449.48	311,433.36	974,882.84
Investment Analyst	5	560,346.00	18,222.10	52,500.00	631,068.10	289,598.93	920,667.04
Investment Officer	5	920,635.08	40,072.62	90,000.00	1,050,707.70	469,803.70	1,520,511.40
Senior Investment Analyst	2	283,545.60	15,595.01	40,000.00	339,140.61	147,470.40	486,611.01
Senior Investment Officer	1	217,235.16	11,947.93	45,000.00	274,183.09	103,123.69	377,306.78
D0030 Investments Total	16	3,040,086.48	114,430.80	602,500.00	3,757,017.28	1,583,468.38	5,340,485.66
D0041 Communications							
Director of Communications	1	166,004.76	-	-	166,004.76	88,855.02	254,859.78
Staff Specialist	1	79,788.84	-	-	79,788.84	41,664.35	121,453.19
D0041 Communications Total	2	245,793.60	-	-	245,793.60	130,519.37	376,312.97
D0042 Disability							
Director of Disability	1	234,644.76	-	-	234,644.76	105,357.49	340,002.25
Disability Retirement Investigator	3	252,553.56	-	-	252,553.56	139,217.53	391,771.09
Disability Retirement Investigator-Limited Term	1	81,785.64	-	-	81,785.64	52,076.68	133,862.32
Office Specialist	1	63,190.44	-	-	63,190.44	56,302.05	119,492.49
Staff Assistant	1	69,700.80	-	-	69,700.80	43,993.51	113,694.31
D0042 Disability Total	7	701,875.20	-	-	701,875.20	396,947.25	1,098,822.45
D0043 Member Services							
Accounting Technician	5	337,334.52	-	-	337,334.52	199,191.16	536,525.68
Director of Member Services	2	413,753.16	10,944.65	-	424,697.81	224,992.82	649,690.63
Executive Secretary I	1	94,660.80	-	-	94,660.80	59,548.59	154,209.39
Member Services Manager	4	502,231.68	-	-	502,231.68	308,429.62	810,661.30
Member Services Manager Limited Term	1	119,641.56	-	-	119,641.56	58,642.89	178,284.45
Office Specialist	1	52,416.00	-	-	52,416.00	33,681.12	86,097.12
Office Technician	3	152,984.04	-	-	152,984.04	95,171.06	248,155.10
Retirement Benefits Program Supervisor	4	390,748.92	-	-	390,748.92	222,223.73	612,972.65
Retirement Benefits Program Supervisor Limited-Term	2	177,132.72	-	-	177,132.72	94,812.62	271,945.34
Retirement Benefits Technician	3	183,768.12	-	-	183,768.12	95,710.44	279,478.56
Retirement Program Specialist	14	980,782.44	-	-	980,782.44	608,682.50	1,589,464.94
RPS - Extra Help	3	103,142.40	-	-	103,142.40	3,367.56	106,509.96
Sr. Retirement Program Specialist	5	436,051.08	-	-	436,051.08	235,926.94	671,978.02
Sr. Retirement Program Specialist Limited-Term	2	163,571.28	-	-	163,571.28	93,721.68	257,292.96
Sr. Staff Development Specialist	2	214,864.08	-	-	214,864.08	140,599.19	355,463.27
Staff Analyst MS	1	106,558.32	-	-	106,558.32	73,321.54	179,879.86
D0043 Member Services Total	53	4,429,641.12	10,944.65	-	4,440,585.77	2,548,023.45	6,988,609.22
D0051 Finance							
Accountant/Auditor I	1	77,875.20	-	-	77,875.20	40,933.15	118,808.35
Accountant/Auditor II	1	94,036.80	-	-	94,036.80	59,203.34	153,240.14
Director of Finance	1	234,644.76	12,905.46	-	247,550.22	125,264.40	372,814.62
Finance Manager	3	541,334.40	19,384.73	-	560,719.13	280,938.22	841,657.34

Orange County Employees Retirement System
2026 Personnel Costs by Department and Classification Before Salary and Career Ladder Adjustments

Department-Classifications	Employee Count	Salaries	Salary-Certification Pay	Salary-Incentive Pay	Total Salaries	Total Fringe Benefits	Total Salaries and Fringe Benefits
Senior Accountant Auditor	1	113,443.20	-	-	113,443.20	54,523.68	167,966.88
Staff Analyst Finance	2	258,252.72	7,107.67	-	265,360.39	160,685.41	426,045.80
D0051 Finance Total	9	1,319,587.08	39,397.86	-	1,358,984.94	721,548.20	2,080,533.15
D0052 Human Resources							
Director of Human Resources	1	234,644.76	12,905.46	-	247,550.22	125,264.40	372,814.62
Manager of Learning & Organizational Development	1	137,612.76	-	-	137,612.76	56,412.42	194,025.18
Staff Analyst HR	2	236,017.56	-	-	236,017.56	118,075.56	354,093.12
Staff Assistant	2	135,927.96	-	-	135,927.96	88,969.73	224,897.69
Staff Specialist	1	88,566.36	-	-	88,566.36	51,027.04	139,593.40
D0052 Human Resources Total	7	832,769.40	12,905.46	-	845,674.86	439,749.15	1,285,424.01
D0053 Information Security							
Chief Information Security Officer	1	240,283.68	13,215.60	-	253,499.28	118,671.44	372,170.72
Sr. Manager of Information Security	1	203,049.60	11,167.73	-	214,217.33	101,824.24	316,041.57
Staff Analyst IS	1	93,849.60	-	-	93,849.60	49,818.86	143,668.46
D0053 Information Security Total	3	537,182.88	24,383.33	-	561,566.21	270,314.54	831,880.75
D0054 Information Technology							
Director of Information Technology	1	229,465.56	-	-	229,465.56	114,412.46	343,878.02
Information Technologist II	1	116,417.64	-	-	116,417.64	46,746.26	163,163.90
Information Technology Manager	3	524,305.44	10,187.32	-	534,492.76	278,914.86	813,407.62
IT Applications Developer I	1	84,968.04	-	-	84,968.04	46,119.25	131,087.29
IT Automation Developer	1	159,473.52	-	-	159,473.52	74,458.51	233,932.03
IT Intern	2	36,480.00	-	-	36,480.00	1,776.96	38,256.96
IT Network Engineer II	1	123,135.96	-	-	123,135.96	77,730.90	200,866.86
IT Systems Engineer II	1	102,065.64	-	-	102,065.64	52,652.25	154,717.89
IT Systems Technician I	1	82,076.76	-	-	82,076.76	54,633.41	136,710.17
Sr. Information Technologist	1	129,875.16	-	-	129,875.16	61,036.45	190,911.61
Sr. IT Applications Developer	2	292,198.32	-	-	292,198.32	158,554.77	450,753.09
D0054 Information Technology Total	15	1,880,462.04	10,187.32	-	1,890,649.36	967,036.08	2,857,685.44
D0055 Operations Support Services							
Contracts, Risk & Performance Administrator	1	175,697.52	-	-	175,697.52	81,133.59	256,831.11
Senior Manager Operations Support Services	1	173,991.96	-	-	173,991.96	91,825.46	265,817.42
Staff Specialist	1	84,052.80	-	-	84,052.80	34,379.65	118,432.45
Store Clerk	1	56,804.76	-	-	56,804.76	45,083.79	101,888.55
D0055 Operations Support Services Total	4	490,547.04	-	-	490,547.04	252,422.49	742,969.53
Administrative Expenses Personnel Costs	134	16,903,558.92	264,718.97	602,500.00	17,770,777.89	9,135,950.95	26,906,728.84

Appendix C

Orange County Employees Retirement System 21 Basis Points for Budget Year 2026

Projected actuarial accrued liability as of December 31, 2025	\$29,463,085,000
21 basis points of projected actuarial accrued liability	61,872,479
FY26 proposed budget amount subject to 21 basis points limitation ¹	29,678,244
Amount under 21 basis points	\$32,194,235
Budgeted amount expressed as basis points of projected actuarial accrued liability-FY26	10.07
Budgeted amount expressed as basis points of projected actuarial accrued liability-FY25	10.85

¹ Reconciliation of amount subject to 21 basis points limitation:

Total FY26 Proposed Budget	\$ 107,268,231
Less: Investment Expenses	(10,689,235)
Total FY26 Proposed Administrative Budget	96,578,996
Plus: Depreciation Expense	229,284
Less: Information Technology and Information Security Expenses	(6,294,847)
Less: All Capital Expenditures	(60,835,189)
FY26 proposed budget amount subject to 21 basis points limitation	\$ 29,678,244

<u>21 Basis Point History</u>					
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
21 Basis Points	9.75	10.73	11.22	10.85	10.07

Exhibit D

5 Year Budget Comparison

	Amended Budget 2022	Budget 2023	Amended Budget 2024	Amended Budget 2025	Proposed Budget 2026	\$ Variance FY25-26	% Variance FY25-26
Personnel Costs	\$ 19,287,569	\$ 23,697,171	\$ 26,100,690	\$ 28,109,519	\$ 28,687,727	\$ 578,208	2.1%
Services and Supplies	\$ 13,503,415	\$ 14,951,725	\$ 17,126,568	\$ 16,456,093	\$ 17,745,315	\$ 1,289,222	7.8%
Capital Expenditures	\$ 1,092,000	\$ 1,226,000	\$ 5,925,000	\$ 6,844,467	\$ 60,835,189	\$ 53,990,722	788.8%
Total	\$ 33,882,984	\$ 39,874,896	\$ 49,152,258	\$ 51,410,079	\$107,268,231	\$ 55,858,152	108.7%



Exhibit D

4 Year Actuals Compared to Proposed Budget

	Actuals 2022	Actuals 2023	Actuals 2024	Estimated Actuals 2025	Proposed Budget 2026	\$ Variance FY25-26	% Variance FY25-26
Personnel Costs:	\$ 17,040,789	\$ 21,571,507	\$ 23,721,056	\$ 26,777,238	\$ 28,687,727	\$ 1,910,489	7.1%
Total Services and Supplies:	10,214,439	12,329,367	12,681,563	12,488,629	\$ 17,745,315	5,256,686	42.1%
Total Capital Expenditures:	647,257	534,866	1,850,357	6,800,525	\$ 60,835,189	54,034,664	794.6%
Total	\$ 27,902,485	\$ 34,435,740	\$ 38,252,976	\$ 46,066,392	\$ 107,268,231	\$ 61,201,839	132.9%



Exhibit D

2025 Proposed Budget Compared to Actuals by Category

	Actuals 2022	Actuals 2023	Actuals 2024	Estimated Actuals 2025	Proposed Budget 2026	\$ Variance FY25-26	% Variance FY25-26
Personnel Costs:	\$ 17,040,789	\$ 21,571,507	\$ 23,721,056	\$ 26,777,238	\$ 28,687,727	\$ 1,910,489	7.1%
Services and Supplies:							
Building Property Mgmt. / Maintenance	690,763	773,694	928,223	918,090	\$ 1,261,000	342,910	37.4%
Equipment/ Software Expenses	907,910	962,368	752,921	796,633	\$ 1,513,100	716,467	89.9%
Infrastructure Maintenance	880,033	1,579,557	1,924,620	1,958,950	\$ 3,837,181	1,878,231	95.9%
Legal Services	878,228	1,401,795	922,500	832,660	\$ 930,000	97,340	11.7%
Meeting & Mileage	42,198	77,930	138,224	156,234	\$ 208,970	52,736	33.8%
Miscellaneous Office Expenses	713,639	809,455	719,821	907,130	\$ 1,231,545	324,415	35.8%
Professional Services	5,843,066	6,325,656	6,730,522	6,279,388	\$ 7,861,015	1,581,627	25.2%
Training	258,602	398,912	564,732	639,545	\$ 902,504	262,959	41.1%
Total Services and Supplies:	10,214,439	12,329,367	12,681,563	12,488,629	\$ 17,745,315	5,256,686	42.1%
Total Capital Expenditures:	647,257	534,866	1,850,357	6,800,525	\$ 60,835,189	54,034,664	794.6%
Total	\$ 27,902,485	\$ 34,435,740	\$ 38,252,976	\$ 46,066,392	\$ 107,268,231	\$ 61,201,839	132.9%



Appendix E

5 Year Historical Statistics

	2021	2022	2023	2024	2025
Number of Full-Time Positions Budgeted	94.5	106.5	124.5	123.5	132.5
Number of Retirees - Beginning of Year	19,419	19,826	20,678	21,283	21,740
Number of Additional Retirements ¹	943	1,316	1,195	945	766
Number Removed from Payroll ¹	(551)	(541)	(656)	(571)	(532)
Payroll \$ (in thousands) * ²	\$ 1,067,211	\$ 1,139,715	\$ 1,212,149	\$ 1,283,222	\$ 1,352,994
Number of Members ** ¹	49,075	50,633	52,644	54,485	55,476
Number of New Members ** ¹	1,228	1,451	1,849	1,735	991

¹ 2025 amounts are as of November 2025

² 2025 amounts are annualized estimates based on actuals through September 2025.

* Payroll represents retirement payroll, withdrawals and death benefits

** Number of members includes active, deferred and retired (including beneficiaries).



Appendix F
OCERS Direct Employees
Salary Ranges Approved by Board, revised by ECI as of June 30, 2025

OCERS Employee Position	Current Annual Minimum	Revised Annual Minimum	Current Annual Midpoint	Revised Annual Midpoint	Current Annual Maximum	Revised Annual Maximum
Chief Investment Officer	\$335,403	\$347,478	\$427,639	\$443,034	\$519,874	\$538,590
General Counsel	\$233,627	\$242,038	\$297,875	\$308,599	\$362,123	\$375,159
Managing Director of Investments	\$233,627	\$242,038	\$297,875	\$308,599	\$362,123	\$375,159
Assistant Chief Executive Officer	\$202,167	\$209,445	\$257,761	\$267,041	\$313,356	\$324,637
Chief Technology Officer	\$202,167	\$209,445	\$257,761	\$267,041	\$313,356	\$324,637
Director of Investments	\$188,061	\$194,831	\$239,778	\$248,410	\$291,494	\$301,988
Deputy Legal Counsel	\$162,735	\$168,594	\$207,487	\$214,957	\$252,239	\$261,320
Senior Investment Officer	\$162,735	\$168,594	\$207,487	\$214,957	\$252,239	\$261,320
Chief Information Security Officer	\$162,735	\$168,594	\$207,487	\$214,957	\$252,239	\$261,320
Director *	\$151,382	\$156,831	\$193,012	\$199,960	\$234,642	\$243,089
Investment Officer	\$140,820	\$145,890	\$179,546	\$186,010	\$218,272	\$226,129
Staff Attorney	\$140,820	\$145,890	\$179,546	\$186,010	\$218,272	\$226,129
Senior Manager of Information Security	\$130,996	\$135,711	\$167,019	\$173,032	\$203,043	\$210,353
Automation Developer	\$121,857	\$126,244	\$155,367	\$160,960	\$188,877	\$195,677
Finance Manager	\$121,857	\$126,244	\$155,367	\$160,960	\$188,877	\$195,677
Information Security Manager	\$121,857	\$126,244	\$155,367	\$160,960	\$188,877	\$195,677
Information Technology Manager	\$121,857	\$126,244	\$155,367	\$160,960	\$188,877	\$195,677
Retirement Analyst	\$121,857	\$126,244	\$155,367	\$160,960	\$188,877	\$195,677
Senior Internal Auditor	\$121,857	\$126,244	\$155,367	\$160,960	\$188,877	\$195,677
Senior Manager Contracts and Operations Support Services	\$121,857	\$126,244	\$155,367	\$160,960	\$188,877	\$195,677
IT Automation Developer	\$121,857	\$126,244	\$155,367	\$160,960	\$188,877	\$195,677
Facilities Manager	\$113,355	\$117,436	\$144,527	\$149,730	\$175,700	\$182,025
Learning and Organization Development Manager	\$113,355	\$117,436	\$144,527	\$149,730	\$175,700	\$182,025
Member Services Manager	\$113,355	\$117,436	\$144,527	\$149,730	\$175,700	\$182,025
Senior Investment Analyst	\$113,355	\$117,436	\$144,527	\$149,730	\$175,700	\$182,025
Compliance Officer	\$98,089	\$101,620	\$125,064	\$129,566	\$152,039	\$157,513
Internal Auditor	\$98,089	\$101,620	\$125,064	\$129,566	\$152,039	\$157,513
Senior Staff Analyst	\$98,089	\$101,620	\$125,064	\$129,566	\$152,039	\$157,513
Staff Analyst**	\$91,246	\$94,531	\$111,776	\$115,800	\$132,306	\$137,069

* Director position includes all director level positions, except the Investment Department.

**Staff Analyst position is included in the Finance, Human Resources, Investment, Information Security, Legal and Member Services Departments.