

CALSTRS

Update on Governor's Budget Proposal

Review of Funding Plan

# Governor's Budget Proposal

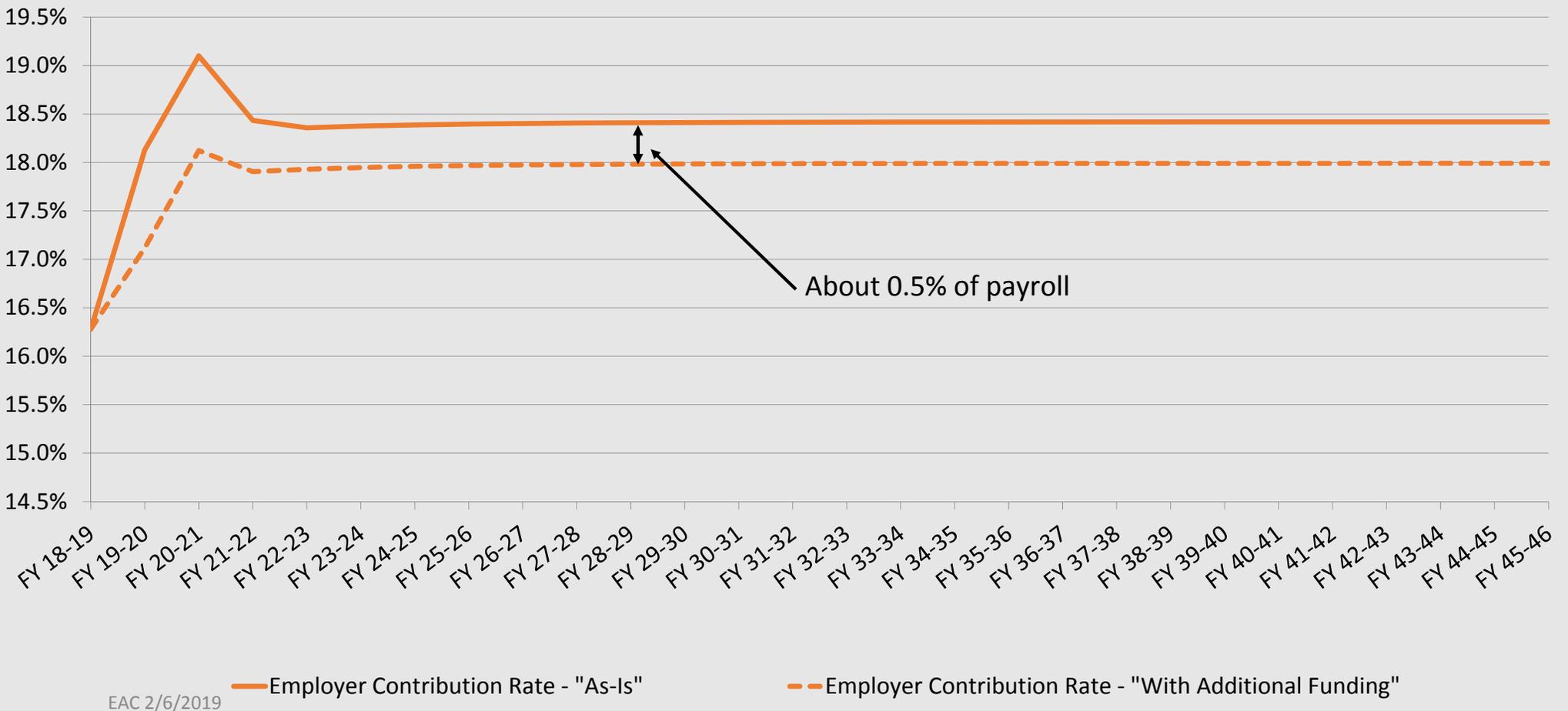
- Includes \$5.9 billion in supplemental contributions to CalSTRS
  - \$3 billion for employers.
  - \$2.9 billion for state.

# Governor's Budget Proposal

- For employers - \$3 billion
  - \$700 million to pay part of employer contribution for next two years.
  - \$2.3 billion to lower employers' share of unfunded liability and long term rate.
  - Expected to save employers \$6.9 billion through 2046.
- Impact on employer rate
  - About 1% lower in FY 19-20 and FY 20-21.
  - About 0.5% lower long term.

# Comparison of Projected Employer Contribution Rates

(Before and After Additional Funding from the State)

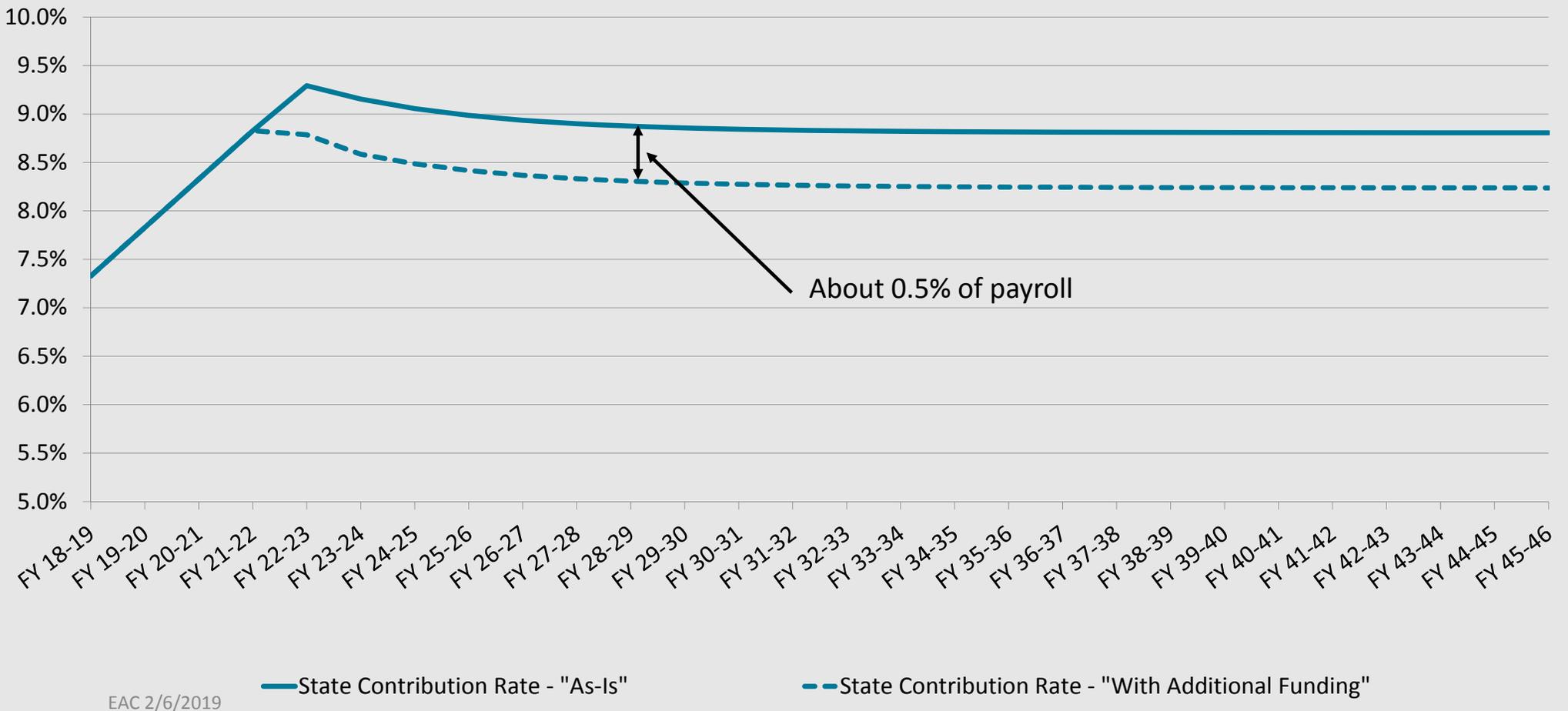


# Governor's Budget Proposal

- For state - \$2.9 billion over 4 years
  - To lower state's share of unfunded liability and long term rate.
  - Expected to save state \$7.4 billion through 2046.
- Impact on state rate
  - About 0.5% lower long term.

# Comparison of Projected State Contribution Rates

(Before and After Additional Funding from the State)



# Review of Funding Plan

- First report due to Legislature due July 1, 2019.
- Main message
  - Funding plan is working.
  - Highlight changes since 2014.
  - Risks that could prevent full funding.
- January 2019 – board discussion on what to include.
- May 2019 – draft report presented to board.