The scope of CalPERS and CalSTRS increases

In December 2016, the **CalPERS** board voted to lower the system's expected rate of return on investments (or "discount rate") from 7.5 percent to 7 percent. The board of **CalSTRS** made a similar decision in February 2017. While large increases to employer costs were already expected, these decisions mean that employer contributions to both systems could rise even higher.

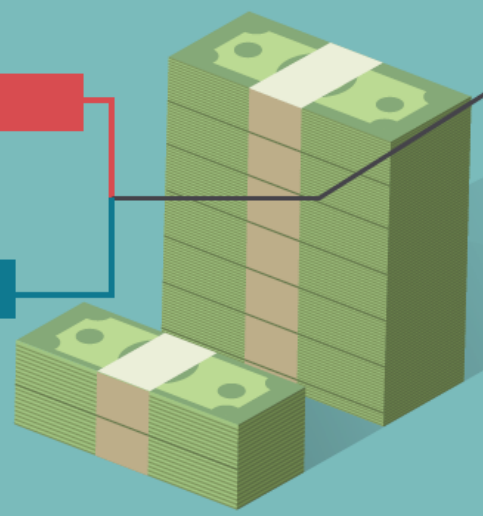
Combined PERS/STRS Employer Costs

BY 2023-24: $9.97 billion

$1,608 per student

IN 2013-14: $3.08 billion

$497 per student



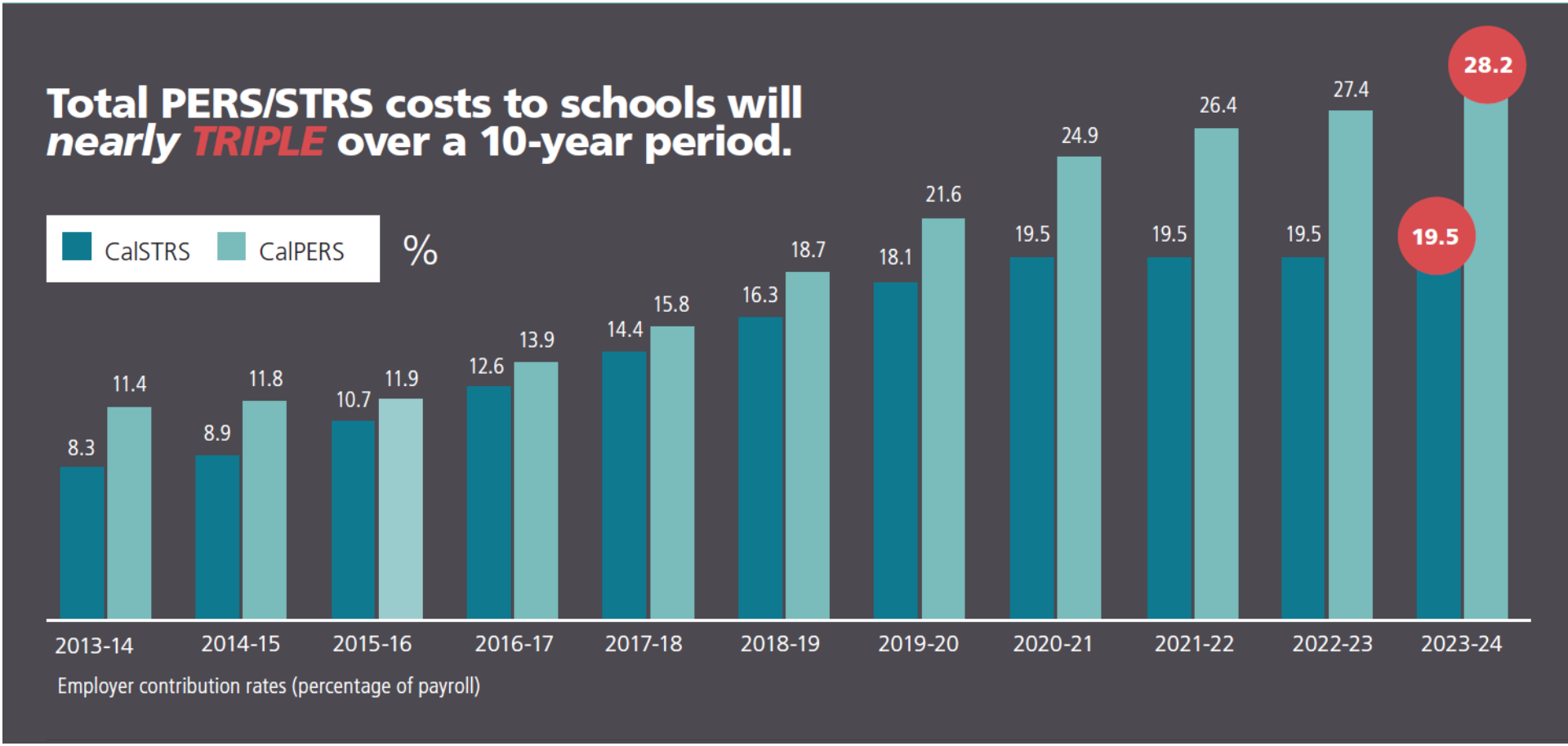
Added per-student cost by 2024:

$1,111

This is **more than double** the amount that all California school districts currently spend per student on textbooks, audiovisual materials and basic curriculum items.

Current per-student expenditures for books and supplies*: **$476** *Source: CA Dept. of Ed., 2015-16

Calculations based on student enrollment


Total PERS/STRS costs to schools will nearly TRIPLE over a 10-year period.
CalSTRS
CalPERS
%
8.3
11.4
8.9
11.8
10.7
11.9
12.6
13.9
14.4
15.8
16.3
18.7
18.1
21.6
19.5
24.9
19.5
26.4
19.5
27.4
19.5
28.2
2013-14
2014-15
2015-16
2016-17
2017-18
2018-19
2019-20
2020-21
2021-22
2022-23
2023-24
Employer contribution rates (percentage of payroll)

Pensions outpacing COLA

Weighted average of pension cost increases in 2017-18 **1.87%**	Cost-of-living adjustment for K-12 education in 2017-18 budget **1.56%**
Weighed average of projected pension cost increases in 2018-19 **2.23%**	Projected cost-of-living adjustment for K-12 education in 2018-19* **2.15%**

*Source: School Services of CA Financial Projection Dartboard

California already ranks **45th** nationally in per-pupil funding, $3,462 per student below the national average.

Source: Ed Week 2013-14 through 2014-15