IN PERSON & VIRTUAL BOARD MEETING

*The Board meeting will be held after the Committee meeting scheduled prior.





TO VIEW VIA WEB



TO PROVIDE PUBLIC COMMENT

Members of the public may address the Board orally and in writing. To provide Public Comment, you should visit the above link and complete the request form by selecting whether you will provide oral or written comment from the options located under Options next to the Board meeting.

Attention: If you have any questions, you may email PublicComment@lacera.com. If you would like to make a public comment during the board meeting, review the Public Comment instructions.

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION 300 N. LAKE AVENUE, SUITE 650, PASADENA, CA

AGENDA

A REGULAR MEETING OF THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

9:00 A.M., WEDNESDAY, MAY 14, 2025*

This meeting will be conducted by the Board of Investments both in person and by teleconference under California Government Code Section 54953 (f).

Any person may view the meeting in person at LACERA's offices or online at https://LACERA.com/leadership/board-meetings

The Board may take action on any item on the agenda, and agenda items may be taken out of order.

Teleconference Location for Trustees and the Public under California Government Code Section 54953(b) Omni Rancho Las Palmas: 41000 Bob Hope Drive, Rancho Mirage, CA 92270

- I. CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449, California Government Code Section 54953(f)
 - A. Just Cause
 - B. Action on Emergency Circumstance Requests
 - C. Statement of Persons Present at AB 2449 Teleconference Locations
- IV. APPROVAL OF MINUTES
 - A. Approval of the Minutes of the Regular Meeting of April 9, 2025

V. PUBLIC COMMENT

(Members of the public may address the Committee orally and in writing. To provide Public Comment, you should visit https://LACERA.com/leadership/board-meetings and complete the request form.

If you select oral comment, we will contact you via email with information and instructions as to how to access the meeting as a speaker. You will have up to 3 minutes to address the Committee. Oral comment requests will be accepted up to the close of the Public Comment item on the agenda.

If you select written comment, please input your written public comment within the form as soon as possible and up to the close of the meeting. Written comment will be made part of the official record of the meeting. If you would like to remain anonymous at the meeting without stating your name, please leave the name field blank in the request form. If you have any questions, you may email PublicComment@lacera.com.)

VI. EXECUTIVE UPDATE

- A. Chief Investment Officer's Report
- B. Member Spotlight
- C. Chief Executive Officer's Report

VII. CONSENT ITEM

A. Chief Ethics and Compliance Officer and Deputy, Chief Ethics and Compliance Officer, LACERA Proposed Classification and Compensation

Recommendation as submitted by Debbie Martin, Chair, Audit, Compliance, Risk, and Ethics (ACRE) Committee and Patrick Jones, Chair, Joint Organizational Governance Committee: That the Committee recommend to the Board of Retirement and Board of Investments approve the following:

- 1. Approve establishment of one (1) new non-represented classification and salary range applicable only to LACERA.

 New Classification Title: Chief Ethics and Compliance Officer

 Salary Schedule: LS12
- 2. Approve establishment of one (1) new non-represented classification and salary range applicable only to LACERA and two (2) ordinance / budgeted designated positions.

VII. CONSENT ITEMS (Continued)

New Classification Title: Deputy, Chief Ethics and Compliance

Officer

Salary Schedule: 119K

3. Direct staff to submit to the Board of Supervisors the required ordinance language to implement the new LACERA classifications and pay ranges by amending the Los Angeles County Salary Code Sections 6.28.050, 6.127.010, and 6.127.030.

(Memo dated April 24, 2025)

VIII. NONCONSENT ITEMS

A. Fiscal Year 2025-2026 Proposed Administrative, Retiree Healthcare and Other Post-Employment Benefits (OPEB) Trust Budgets

Recommendation as submitted by Ricki Contreras, Administrative Services, Division Manager: That the Committee review the Fiscal Year (FY) 2025-26 Proposed Budgets for LACERA Administrative, Retiree Healthcare Benefits Program, and Other-Post Employment Benefits (OPEB) Trust, provide guidance to staff on any desired changes or amendments, and recommend that the Board of Retirement and Board of Investments approve and adopt these budgets prior to June 30, 2025. (Presentation) (Memo dated April 24, 2025)

B. LACERA Boardroom Proposal: Relocation and Expansion
Recommendation as submitted by James Beasley, Supervising

Administrative Assistant II and Lindsay Knight, Administrative Services Analyst III: That the Committee considers staff's proposal to relocate and expand the LACERA Boardroom to the ground floor of Gateway Plaza and provide direction for the next steps.

(Presentation) (Memo dated April 22, 2025)

IX. REPORTS

A. Manager Lifecycle Report

Jude Perez, Deputy Chief Investment Officer Dale Johnson, Senior Investment Officer Michael Romero, Investment Officer Jason Choi, Senior Investment Analyst (Presentation) (Memo dated April 30, 2025)

B. Board of Investments 2025 Offsite Tentative Agenda

Jonathan Grabel, Chief Investment Officer (For Information Only) (Memo dated April 11, 2025)

C. Legal Projects

Christine Roseland, Senior Staff Counsel (For Information Only) (Memo dated May 6, 2025)

D. Monthly Status Report on Legislation

Barry W. Lew, Legislative Affairs Officer (For Information Only) (Memo dated April 28, 2025)

E. Monthly Trustee Travel & Education Report – March 2025

Ted Granger, Chief Financial Officer (For Information Only) (Memo dated April 24, 2025)

F. April 2025 Fiduciary Counsel Contact and Billing Report Steven P. Rice, Chief Counsel

(For Information Only) (Memo dated April 28, 2025) (Privileged and Confidential/Attorney-Client Communication/Attorney Work Product and Exempt from Disclosure under California Government Code Sections 7927.705, 54957.5(a))

X. ITEMS FOR STAFF REVIEW

(This item summarizes requests and suggestions by individual trustees during the meeting for consideration by staff. These requests and suggestions do not constitute approval or formal action by the Board, which can only be made separately by motion on an agendized item at a future meeting.)

XI. ITEMS FOR FUTURE AGENDAS

(This item provides an opportunity for trustees to identify items to be included on a future agenda as permitted under the Board's Regulations.

May 14, 2025 Page 5

XII. GOOD OF THE ORDER (For Information Purposes Only)

XIII. EXECUTIVE SESSION

A. Conference with Staff and Legal Counsel to Consider the Purchase or Sale of Particular, Specific Pension Fund Investments (Pursuant to California Government Code Section 54956.81)

1. Private Equity Investment Update – I

Christopher J. Wagner, Principal Investment Officer Didier Acevedo, Investment Officer (For Information Only) (Memo dated April 21, 2025)

2. Private Equity Investment Update - II

Didier Acevedo, Investment Officer Derek Kong, Investment Officer (For Information Only) (Memo dated April 15, 2025)

XIV. ADJOURNMENT

*Although the meeting is scheduled for 9:00 a.m., it can start anytime thereafter, depending on the length of the Committee meeting preceding it.

Documents subject to public disclosure that relate to an agenda item for an open session of the Board of Investments that are distributed to members of the Board of Investments less than 72 hours prior to the meeting will be available for public inspection at the time they are distributed to a majority of the Board of Investments Trustees at LACERA's offices at 300 N. Lake Avenue, Suite 820, Pasadena, CA 91101, during normal business hours of 8:00 a.m. to 5:00 p.m. Monday through Friday and will also be posted on lacera.com at the same time, Board Meetings LACERA.

Requests for reasonable modification or accommodation of the telephone public access and Public Comments procedures stated in this agenda from individuals with disabilities, consistent with the Americans with Disabilities Act of 1990, may call the Board Offices at (626) 564-6000 from 8:00 a.m. to 5:00 p.m. Monday through Friday or email PublicComment@lacera.com, but no later than 48 hours prior to the time the meeting is to commence.

MINUTES OF A REGULAR MEETING OF THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

9:00 A.M., WEDNESDAY, APRIL 9, 2025

This meeting was conducted by the Board of Investments both in person and by teleconference under California Government Code Section 54953 (f).

Teleconference Location for Trustees and the Public under California Government Code Section 54953(b) Bloomberg 371 Lexington Ave. New York, NY 10022

TRUSTEES PRESENT

Jason Green, Chair

Patrick Jones, Vice Chair

David Ryu, Secretary (Teleconference under 54953(b))

Mike Gatto

Elizabeth Ginsberg

Aleen Langton

Debbie Martin

Alma Martinez (Joined the meeting at 9:54 a.m.)

Nicole Mi

STAFF, ADVISORS, PARTICIPANTS:

Jonathan Grabel, Chief Investment Officer

Jude Pérez, Deputy Chief Investment Officer

STAFF, ADVISORS, PARTICIPANTS (Continued)

Luis Lugo, Deputy Chief Executive Officer

Steven P. Rice, Chief Counsel

JJ Popowich, Assistant Executive Officer

Laura Guglielmo, Assistant Executive Officer

Ted Granger, Chief Financial Officer

Esmeralda del Bosque, Principal Investment Officer

Christopher J. Wagner, Principal Investment Officer

Vache Mahseredjian, Principal Investment Officer

Terri Herubin, Senior Investment Officer

Cindy Rivera, Investment Officer

Derek Kong, Investment Officer

Jason Choi, Senior Investment Analyst

Kathryn Ton, Senior Investment Analyst

Calvin Chang, Senior Investment Analyst

Adrian Gonzalez, Senior Investment Analyst

Meketa Investment Group (General Investment Consultants)
Timothy Filla, Managing Principal

StepStone Group LP (Real Assets Consultant)
Tom Hester, Managing Director

StepStone Group LP (Equity Consultants)
Jose Fernandez, Partner & Co-COO

STAFF, ADVISORS, PARTICIPANTS (Continued)

CBIZ Talent and Compensation Solutions Joe Rice, Managing Director

I. CALL TO ORDER

The meeting was called to order by Chair Green at 9:00 a.m. in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

Trustee Langton led the Trustees and staff in reciting the Pledge of Allegiance.

- III. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449, California Government Code Section 54953(f)
 - A. Just Cause
 - B. Action on Emergency Circumstance Requests
 - C. Statement of Persons Present at AB 2449 Teleconference Location

There was nothing to report. No trustees participated under Section 54953(f).

IV. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of March12, 2025

A motion was made by Trustee Jones, seconded by Trustee Langton, to approve the minutes of the Board of Investments meeting of March 12, 2025. The motion passed by following roll call vote:

Yes: Gatto, Ginsberg, Green, Jones, Langton, Martin, Martinez, Mi, Ryu

Absent: Martinez

V. PUBLIC COMMENT

There were no requests made by the public to speak.

VI. EXECUTIVE UPDATE

A. Chief Investment Officer's Report

Mr. Grabel provided a brief presentation on the Chief Investment Officer's Report and answered questions from the Board.

B. Member Spotlight

Mr. Popowich recognized LACERA member, Arlene Garcia.

C. Chief Executive Officer's Report

Mr. Lugo provided a brief presentation on the Chief Executive Officer's Report and answered questions from the Board.

VII. REPORTS (Trustee Martinez joined the meeting at 9:54 a.m.)

A. Salary Adjustments for Investment Office Staff Members

Luis Lugo, Deputy Chief Executive Officer Joe Rice, Managing Director, CBIZ Talent and Compensation Solutions

(Presentation) (Memo dated April 3, 2025)

Mr. Lugo and Mr. Rice of CBIZ Talent and Compensation Solutions provided a presentation and answered questions from the Board. This item was received and filed.

B. OPEB Trust Private Markets Program Update

Esmeralda del Bosque, Principal Investment Officer John Kim. Investment Officer Kathryn Ton, Senior Investment Analyst Soniah Ginoyan, Senior Investment Analyst (Presentation) (Memo dated March 28, 2025)

Mses. Del Bosque and Ton provided a presentation and answered questions from the Board. This item was received and filed.

VII. REPORTS (Continued)

C. Private Equity Emerging Manager Program Update

Christopher J. Wagner, Principal Investment Officer Calvin Chang, Senior Investment Analyst (Presentation) (Memo dated March 28, 2025)

Messrs. Wagner and Chang provided a presentation and answered questions from the Board. This item was received and filed.

D. Global Equity Emerging Manager Program Update

Dale Johnson, Senior Investment Officer Ron Senkandwa, Investment Officer Magdalia Armstrong, Senior Investment Analyst Adrian Gonzalez, Senior Investment Analyst (Presentation) (Memo dated March 28, 2025)

Messrs. Johnson and Gonzalez provided a presentation and answered questions from the Board. This item was received and filed.

E. Credit Emerging Manager Program Update

Vache Mahseredjian, Principal Investment Officer Chad Timko, Senior Investment Officer Quoc Nguyen, Investment Officer Krista Powell, Investment Officer Jason Choi, Senior Investment Analyst (Presentation) (Memo dated March 18, 2025)

Messrs. Mahseredjian and Choi provided a presentation and answered questions from the Board. This item was received and filed.

F. Hedge Funds Emerging Manager Program Update

Vache Mahseredjian, Principal Investment Officer Chad Timko, Senior Investment Officer Quoc Nguyen, Investment Officer Krista Powell, Investment Officer Jason Choi, Senior Investment Analyst (Presentation) (Memo dated March 18, 2025)

VII. REPORTS (Continued)

Messrs. Mahseredjian and Choi provided a presentation and answered questions from the Board. This item was received and filed.

G. Real Estate and Real Assets Emerging Manager Programs Update

Terri Herubin, Senior Investment Officer Cheryl Lu, Senior Investment Officer Cindy Rivera, Investment Officer Terra Elijah, Senior Investment Analyst Inga Tadevosyan, Investment Analyst (Presentation) (Memo dated March 28, 2025)

Mses. Herubin and Rivera provided a presentation and answered questions from the Board. This item was received and filed.

H. Council of Institutional Investors Member Ballot

Scott Zdrazil, Principal Investment Officer (For Information Only) (Memo dated March 15, 2025)

This item was received and filed.

LACERA – OPEB Pre-Funding Update

Luis A. Lugo, Deputy Chief Executive Officer Ted Granger, Chief Financial Officer (For Information Only) (Memo dated March 18, 2025)

This item was received and filed.

J. Legal Projects

Christine Roseland, Senior Staff Counsel (For Information Only) (Memo dated April 1, 2025)

This item was received and filed.

K. Monthly Status Report on Legislation

Barry W. Lew, Legislative Affairs Officer (For Information Only) (Memo dated March 21, 2025)

This item was received and filed.

VII. REPORTS (Continued)

L. **Monthly Trustee Travel & Education Report – February 2025**Ted Granger, Chief Financial Officer
(For Information Only) (Memo dated March 21, 2025)

This item was received and filed.

M. March 2025 Fiduciary Counsel Contact and Billing Report Steven P. Rice, Chief Counsel (For Information Only) (Memo dated March 26, 2025) (Privileged and Confidential/Attorney-Client Communication/Attorney Work Product and Exempt from Disclosure under California Government Code Sections 7927.705, 54957.5(a))

This item was received and filed.

VIII. ITEMS FOR STAFF REVIEW

There were no items to report.

IX. ITEMS FOR FUTURE AGENDAS

There was nothing to report.

X. GOOD OF THE ORDER (For Information Purposes Only)

There was nothing to report.

XI. EXECUTIVE SESSION

A. Conference with Staff and Legal Counsel to Consider the Purchase or Sale of Particular, Specific Pension Fund Investments (Pursuant to California Government Code Section 54956.81)

1. Private Equity Investment Update

Christopher J. Wagner, Principal Investment Officer Derek Kong, Investment Officer (For Information Only) (Memo dated March 24, 2025)

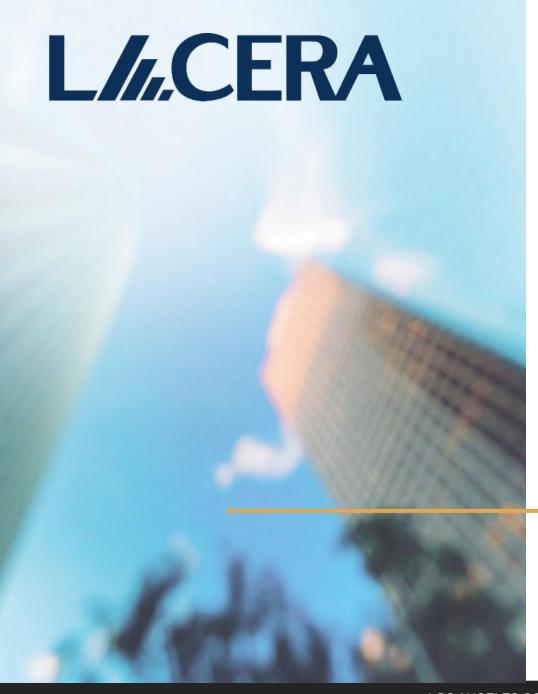
XI. EXECUTIVE SESSION (Continued)

The Board received an information only memo reporting that LACERA's Chief Investment Officer, within his Board-approved authority, approved a commitment of \$150 million (£120million) to Pollen Street Fund V, which is a buyout fund focusing on financial service businesses in Europe.

XII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 12:44 p.m.

	DAVID RYU, SECRETARY
-	JASON GREEN, CHAIR



Chief Investment Officer Monthly Report

Jonathan Grabel - Chief Investment Officer

Board of Investments Meeting May 14, 2025

Table of Contents



- Market Environment
- 102 Total Fund Performance & Risk
- OPEB Trust Performance & Risk
- 1 Portfolio & Structural Updates
- 1 Appendix







Market Environment

Notable Items and Market Themes to Watch



Notable Items



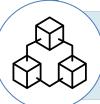
Interest rates and central bank actions

- The Federal Reserve implemented its previously announced slowdown in the pace of quantitative tightening.



Economic data and trends

- Inflation, supply chains, & labor developments



Artificial intelligence

Research developments, applications, and infrastructure investment



Stewardship and ESG-related developments

 Business Roundtable and certain legislators renew calls for revised regulation of proxy research and analysis firms that investors use to assess and vote on corporate proxies of shareholder meetings

Market Themes

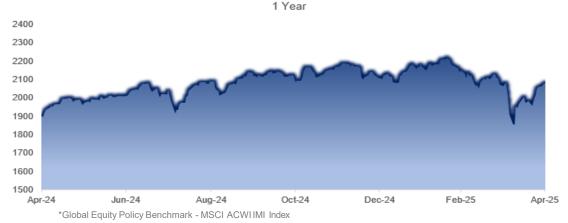
- Tariff Impacts: Concerns about the economic impact of tariffs and related policy uncertainty continue to result in significant market volatility and have impacted business sentiment, inflation expectations, and economic growth forecasts. The likelihood of a US recession has reportedly increased
- Inflation Concerns: While recent official inflation data eased slightly, projected increases remain due to rising inflation expectations in the latter half of 2025, influenced by tariffs
- Federal Reserve Policy: The Federal Reserve is widely anticipated to hold interest rates steady at its upcoming mid-May meeting, continuing to reflect its cautious approach to managing inflation and supporting economic growth
- Geopolitical Uncertainty: Geopolitical uncertainty was a significant undercurrent influencing economic forecasts, central bank policy considerations, and market behavior in April
- Corporate Earnings: Despite economic headwinds, corporate earnings have shown resilience, with mid-single-digit revenue growth and margin expansion driving positive earnings forecasts overall for 2025

Global Market Performance as of April 30, 2025

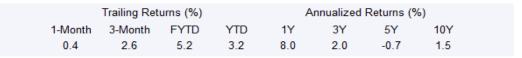


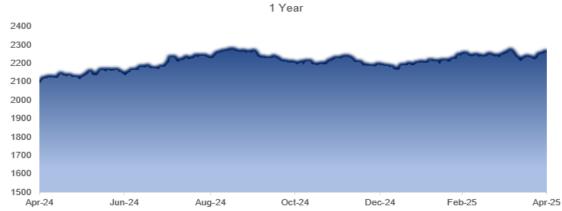
MSCI ACWI IMI Index (Global Equity Market)*

Trailing Returns (%) Annualized Returns (%) **FYTD** YTD 1Y 5Y 10Y 1-Month 3-Month 0.9 -3.84.8 -0.7 11.1 12.8 8.4



Bloomberg U.S. Aggregate Bond Index**





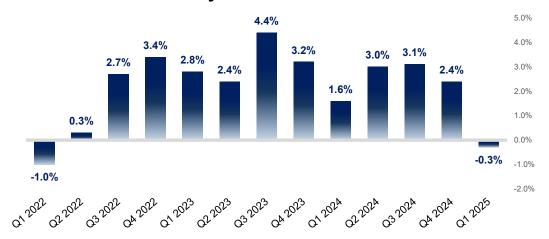
Market	Sub-Category	Index Name	1 M	3 M	FYTD	YTD	1 Y	3 Y	5 Y	10 Y
Reference Portfolio	60:40 Equity:Bond Portfolio	60% MSCI ACWI IMI/ 40% Bloomberg U.S. Aggregate Index	0.7	-1.3	5.0	0.9	9.9	6.7	7.4	5.8
	U.S. Large Cap	S&P 500 Total Return	-0.7	-7.5	3.1	-4.9	12.1	12.2	15.6	12.3
Global Equity	U.S. Small Cap	Russell 2000 Total Return	-2.3	-13.8	-3.0	-11.6	0.9	3.3	9.9	6.3
Global Equity	Non-U.S. All Cap	MSCI ACWI-ex U.S. IMI Total Return	3.8	4.7	8.5	8.5	11.4	7.6	10.1	4.9
	Emerging Markets	MSCI Emerging Markets Total Return	1.3	2.4	4.3	4.3	9.0	3.8	6.3	3.1
Private Equity	Private Equity Buyout	Thomson Reuters PE Buyout Index	-0.3	-11.3	-0.5	-7.0	11.4	7.4	12.1	9.7
	U.S. Corporate High Yield Bonds	Bloomberg U.S. Corporate High Yield Total Return	0.0	-0.4	6.5	1.0	8.7	6.2	6.3	4.9
Fixed Income	U.S. Long Term Treasury Bonds	Bloomberg Long Term U.S. Treasury Total Return Index	-1.1	3.1	2.0	3.5	6.7	-4.6	-8.5	-0.4
	Developed Markets Leveraged Loans	Credit Suisse Leveraged Loan Total Return	-0.1	-0.2	5.0	0.5	6.2	7.0	8.0	4.9
	Natural Resources	S&P Global Natural Resources Total Return Index	-3.0	-1.6	-5.1	3.9	-6.7	-0.7	12.5	5.3
Real Assets & Inflation	Global Infrastructure	Dow Jones Brookfield Global Infrastructure Composite Index	2.5	9.1	21.9	9.9	25.1	6.7	10.0	5.0
Hedges	Treasury Inflation-Protected Securities	Bloomberg U.S. Treasury TIPS 0-5 Years Total Return	0.8	2.9	6.3	3.9	8.0	3.5	4.0	2.8
	Real Estate	NCREIF Fund Index - ODCE (Net) ¹	_	1.0	1.0	_	-2.3	-3.1	2.0	4.9

Source: Bloomberg, State Street

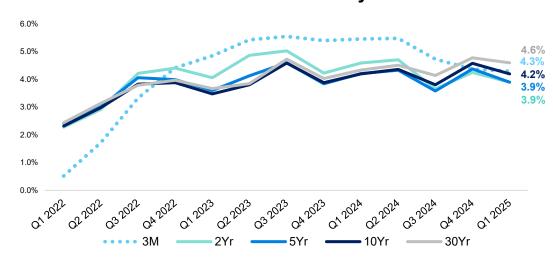
Key Macro Indicators²



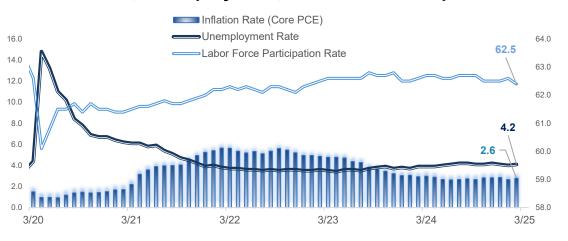
Quarterly Real GDP Growth



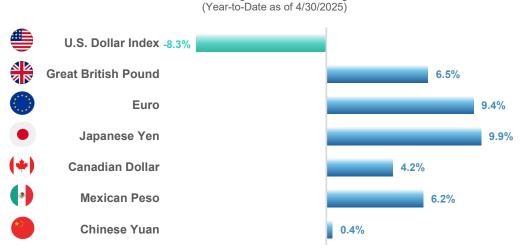
Market Yields on U.S. Treasury Securities



Inflation, Unemployment, and Labor Participation



U.S. Dollar and Major Currency Performance



Sources: Bloomberg, St. Louis Federal Reserve





Total Fund Performance & Risk

Total Fund

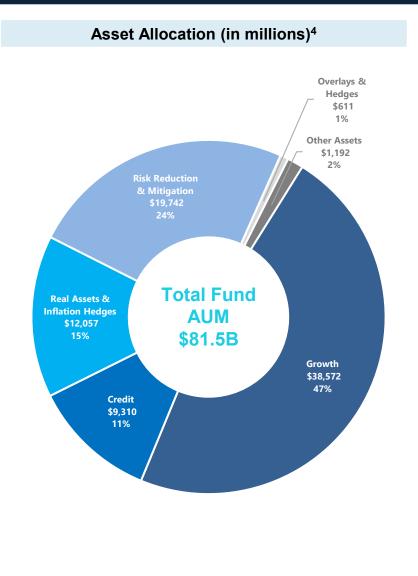
Performance Summary as of March 2025





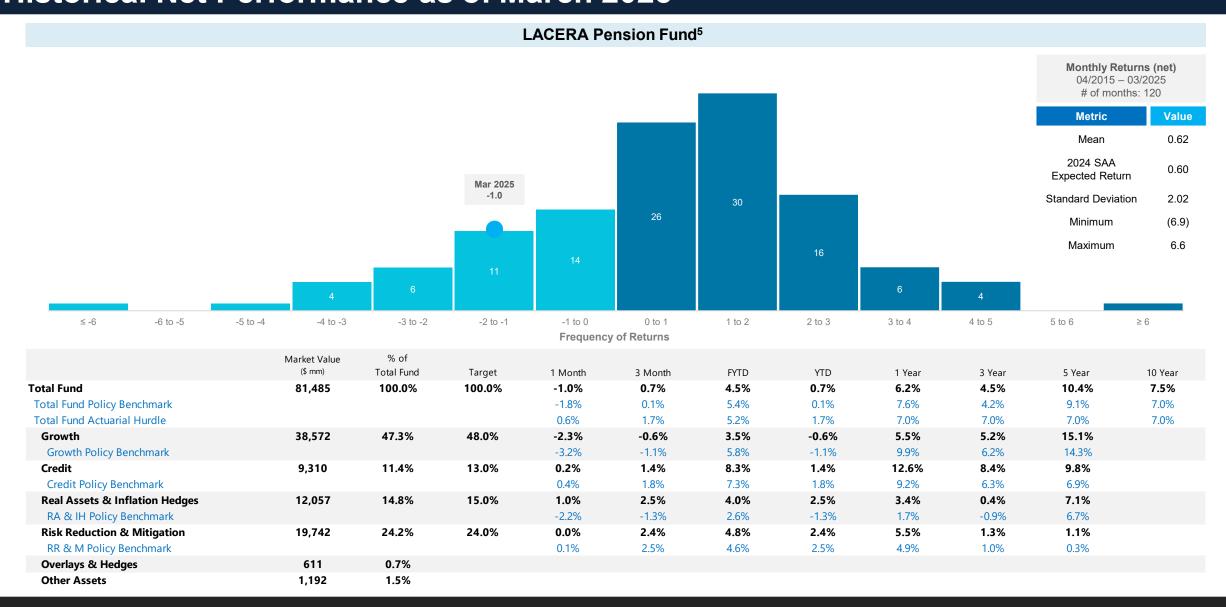






Total FundHistorical Net Performance as of March 2025

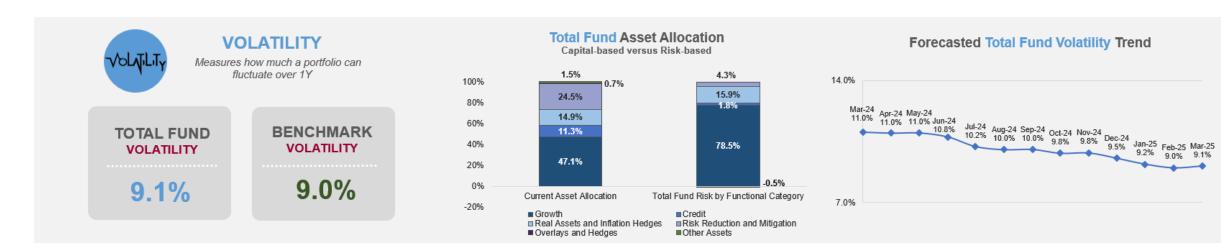


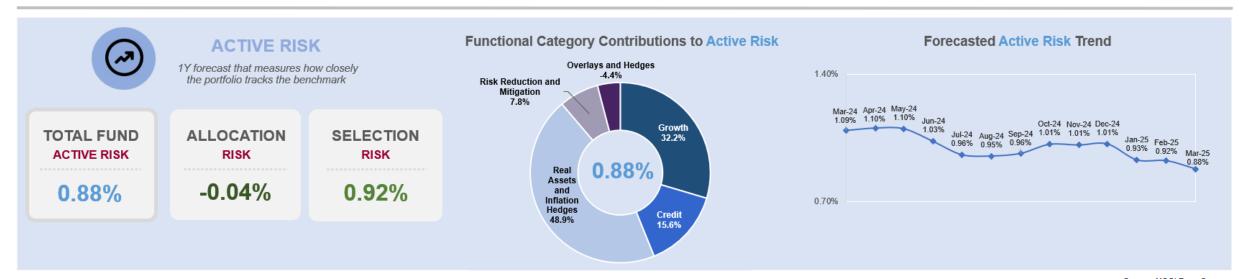


Total Fund

Forecast Volatility as of March 2025⁶







Source: MSCI BarraOne

Total Fund

Geographic Exposure by AUM as of March 2025^{7,8}

25
developed markets

7	Top 5 Countries	Portfolio
	United States	76.6%
	United Kingdom	4.7%
(+)	Canada	2.4%
	France	1.7%
	Japan	1.6%





To	pp 5 Countries	Portfolio
*;	China	1.9%
	Taiwan	0.6%
0	India	0.5%
	Brazil	0.4%
404	South Korea	0.3%





OPEB Trust Performance & Risk

Performance Summary as of March 2025



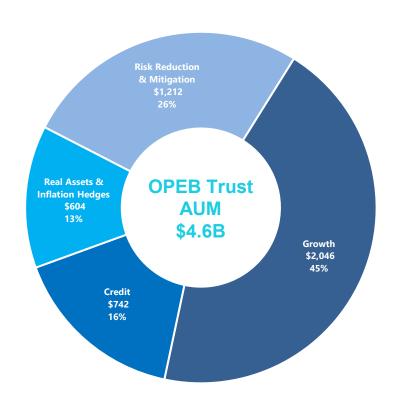










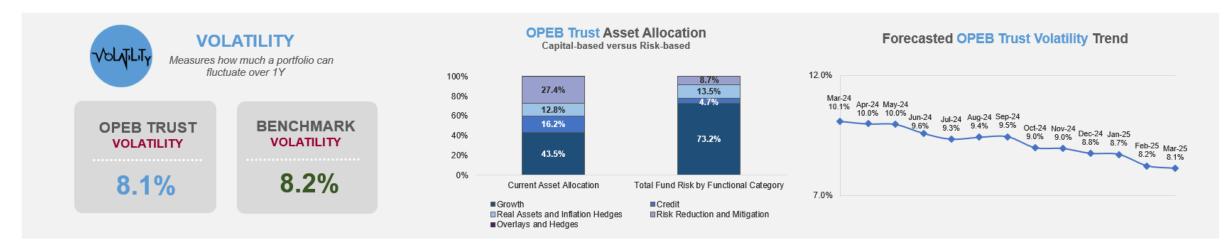


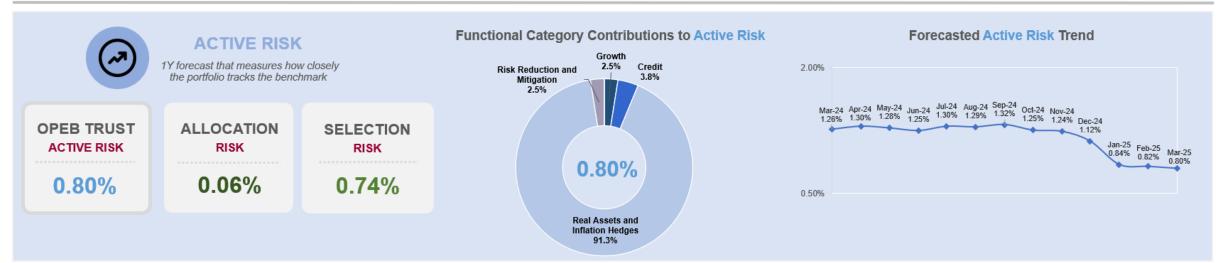
Historical Net Performance as of March 2025



Forecast Volatility as of March 2025¹⁰







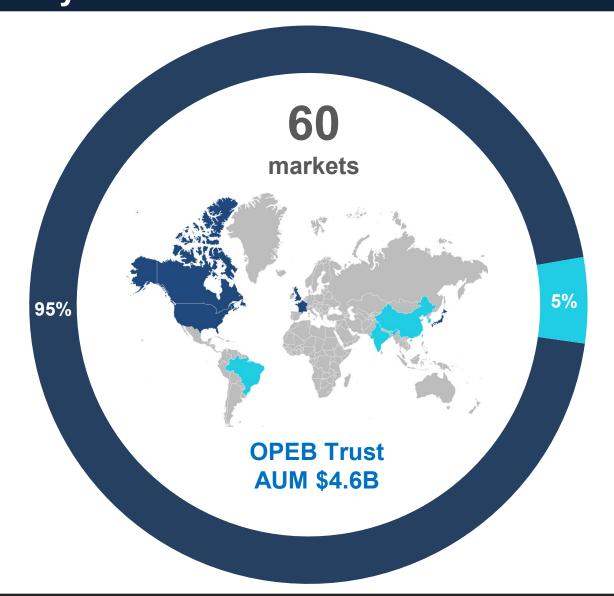
Source: MSCI BarraOne

Geographic Exposure by AUM as of March 2025^{11,12}



25
developed markets

7	Γορ 5 Countries	Portfolio
	United States	80.4%
	Japan	2.6%
(+)	Canada	2.3%
	United Kingdom	2.2%
	France	1.2%





To	p 5 Countries	Portfolio
*	China	1.4%
0	India	0.9%
	Taiwan	0.8%
# n	South Korea	0.5%
(Brazil	0.2%



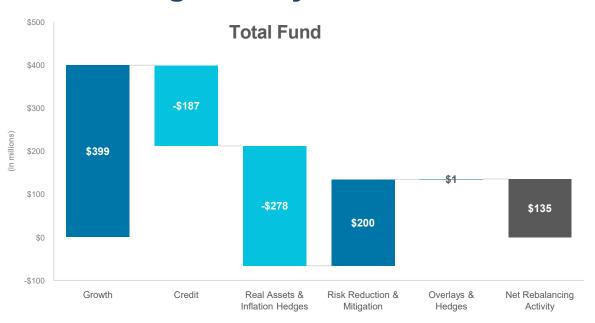


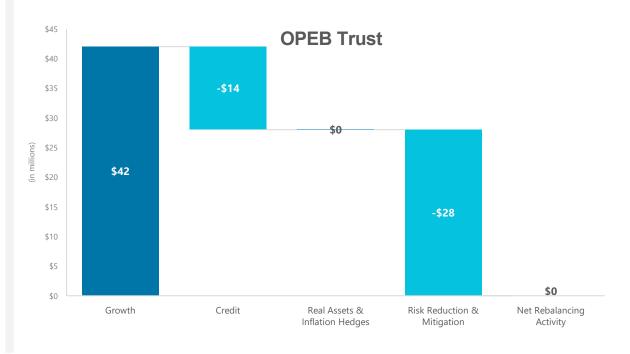
Portfolio & Structural Updates

Portfolio Updates



Rebalancing Activity





Overlays & Hedges

Program	March Gain / (Loss) in \$ millions	Since Inception Gain / (Loss) in \$ millions
Currency Hedge	1.2	1,691.1
Cash / Rebalance Overlay	(2.5)	577.9

Key Initiatives and Operational Updates





Key Initiatives & Operational Updates

	Status
Total Fund	
April 2024 approved Strategic Asset Allocation implementation	In Progress
Adhering to the BOI-approved 2025 Strategic Framework	In Progress
Risk system onboarding	In Progress
Finance Analyst I program	In Progress
OPEB Trust	
April 2024 approved Strategic Asset Allocation implementation	In Progress
Risk system onboarding	In Progress



	Status
Investments Division	
Principal Investment Officer – 1 position	In Development
Finance Analyst III – 3 positions	In Development
Finance Analyst II – 3 positions	In Development
Finance Analyst I – 2 positions	In Progress

Key Initiatives and Operational Updates





No Manager/Consultant Updates to Report

Change In Fiduciary Net Position¹³





FIDUCIARY NET POSITION

Additions

+ Deductions



ADDITIONS

Employer and Employee Contributions Net Investment Income/(Loss)



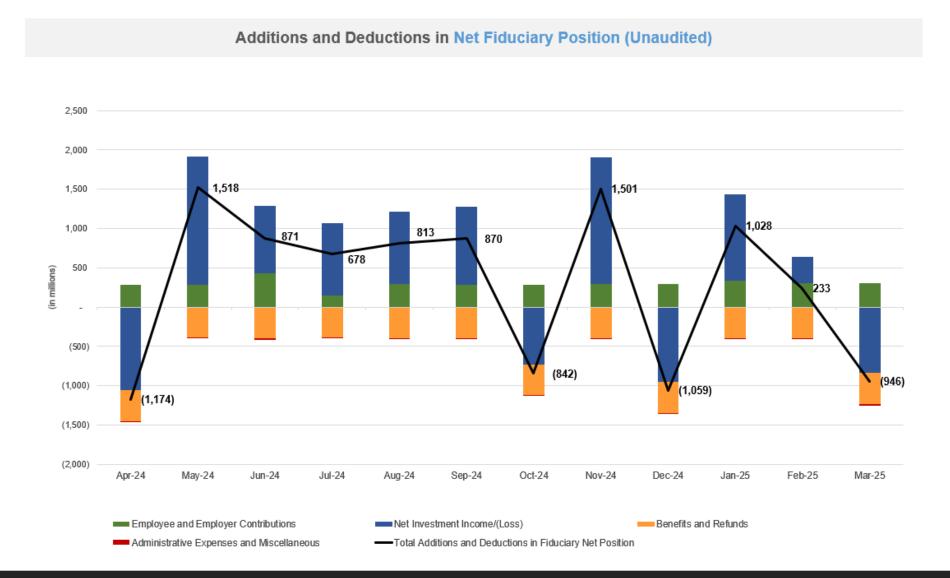
DEDUCTIONS

Benefits and Refunds Administrative Expenses

Total Net Position Change Trend (in billions)

\$5.2 \$3.3 \$2.3 4 5 3 8 7 FY2025 FY2024 FY2023

Positive Months | Negative Months







Staff Chart of the MonthU.S. Treasury Market Volatility in April 2025





Source: Financial Times

Quiet Period for Search Respondents



Real Assets Emerging Manager Program Discretionary Separate Account Manager









RFP Launched Q1 2024

Diligence Period Q2-Q3 2024 Investment Committee Approval Q1 2025 Negotiation Phase Q2 2025

 Artemis Real Estate Partners ORG Portfolio Management Aether Investment Partners Barings Neuberger Berman Group Belay Investment Group The Townsend Group Hamilton Lane BGO Strategic Capital Partners Cambridge Associates BlackRock Seed Partners StepStone Stable Asset Management GCM Grosvenor Wafra Inc.

Disclosures & Definitions



Page / Footnote	Disclosure	
Page 5 / Footnote 1	NCREIF Fund Index – ODCE (Net) returns represent the latest available quarterly performance.	
Page 6 / Footnote 2	The information on the "Key Macro Indicators" charts is the best available data and may not reflect the current market and economic environment.	
Page 8, 13 / Footnote 3, 9	Reference portfolio = 60% MSCI ACWI IMI / 40% Bloomberg US Aggregate Bond Index.	
Page 8, 9 / Footnote 4, 5	Other Assets include receivables due to deferred sales and rebalancing activity pending settlement.	
Page 10, 15 / Footnote 6, 10	Real estate and private equity data is based on best available cash flow adjusted market values. Exposure data is based on security level holdings and/or proxies.	
Page 11, 16 / Footnote 7, 11	Geographic exposure ex-overlays and hedges is based on the domicile country of a given security/asset.	
Page 11, 16 / Footnote 8, 12	Information displayed represents best available holdings level transparency. Based on MSCI Market Classification Framework.	
Page 21 / Footnote 13	Includes unrealized and realized net investment income.	

Term	Definition	
Active risk	Risk that a managed portfolio creates to outperform the benchmark returns.	
Allocation risk	Investment manager's decision to overweight or underweight sector weights in the portfolio versus the benchmark.	
Mean	Expected return of an asset over a specified period.	
Selection risk	Investment manager's selection of securities within the portfolio versus the benchmark.	
Standard deviation	Statistical measure of dispersion around the mean.	
Volatility	Statistical measure of dispersion of returns for a portfolio.	



Recognizing Our Members' Service and Accomplishments

LACERA has nearly 100,000 active members working in dozens of L.A. County departments, many of whom dedicate their entire working lives to serving the community. Meet one of our long-serving members as she prepares to enjoy her well-earned retirement.





Retiring Member

Deanna Hernandez



Document Processing Coordinator, LACERA

Years of Service: 28

Notable Contributions and Service: Deanna is set to retire in March after nearly three decades at LACERA as a Document Processing Coordinator. In her vital behind-the-scenes role, Deanna processes mail, including checks, deposits, and other important member documents.

Proudest Accomplishment: Deanna takes great pride in her career longevity—a testament to her hard work and commitment to her role.

Retirement Plans: After a short period of rest and relaxation, Deanna looks forward to finishing a few home projects and volunteering at her church.





April 29, 2025

TO: Each Trustee,

> **Board of Retirement Board of Investments**

FROM:

Luis A. Lugo Deputy Chief Executive Officer

CHIEF EXECUTIVE OFFICER'S REPORT - MAY 2025 SUBJECT:

The following Chief Executive Officer's Report highlights key operational and administrative activities that have taken place during the past month.

LACERA Vacancy and Hiring Report Update

Trustees will notice a change in the manner LACERA is reporting our vacancy and hiring activity within the CEO dashboard. Instead of just listing the classifications that were open for solicitation at the time of the report, we will now report the status of all vacant classifications at various phases within the recruitment process. This change will provide a more complete depiction of the total hiring activity in process each month.

Benefit Security in Uncertain Times

With tariff and market instability headlines dominating the news over the last several months, LACERA understands the anxiety that many of our members are feeling. Please be assured, you do not need to worry about the security of your LACERA defined benefits, which are promised for your lifetime when you retire. LACERA's fund is designed to perform across varying conditions and market cycles, ensuring stability even during economic downturns.

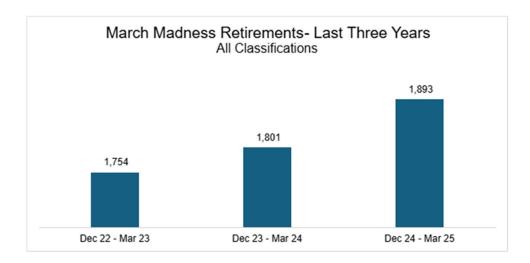
We'll highlight this topic in detail during our summer edition active member *Pathways* and retiree Spotlight newsletters.

Board of Retirement Offsite

LACERA's annual Board of Retirement Offsite will be held on May 20-21, 2025 at the Westin in Long Beach. The theme of the 2025 BOR Offsite is "Empowering Success Through Shared Action." Staff has solicited and received a number of suggested educational topics from Trustees and will develop the agenda with input from Board leadership. We are excited to collaborate with Trustees to advance our Strategic Plan initiatives and will continue to keep Trustees abreast of our plans as they develop.

March Madness Update

We refer to the period beginning in November/December through the end of March as "March Madness" due to the surge in retirements during this period as members desire to retire in time to be eligible for any April 1st cost-of-living adjustment (COLA) that may be approved. As indicated in the chart below, over the last three years we have noted a slight, but steady increase in the number of retirements during this period.



We will provide a more comprehensive look at the March Madness season over the last three years in the June Operations Oversight Committee.

Retiree Healthcare

Retiree Healthcare Educational Video Launch

The LACERA Communications and Retiree Healthcare (RHC) divisions worked collaboratively to launch a series of RHC video guides to support active members and retirees as they complete their retiree healthcare forms—and to assist the LACERA team in answering any questions relating to completing and submitting enrollment forms.

These step-by-step videos walk members through how to complete and submit enrollment, change, and cancellation forms for Medical, Dental/Vision, and Medicare Advantage Prescription Drug (MAPD) plans. They also educate members on the different retiree healthcare plans available to them, as well as what to do if they move outside of their current coverage area. The videos can be found on lacera.com within our video library.

Retiree Healthcare Wellness Event

LACERA hosted its spring Staying Healthy Together Retiree wellness workshop on April 29, 2025 at the Diamond Bar Center in Diamond Bar, CA. The half-day event focused on wellness for healthy aging, with a presentation from United Healthcare. The day was well attended and enjoyed by everyone in attendance.

CIGNA Digital ID Card Update

Last month, staff informed the Board that Cigna provided LACERA notification that our LACERA members will once again begin receiving physical ID cards starting May 1, 2025, or sooner.

Since our last meeting, Cigna clarified that physical ID cards will be issued to new members. Existing members who would like new ID cards may call Cigna's customer service at (800) 244-6224 beginning May 1, 2025.

Members who prefer the digital ID card will continue having access to a digital card via their MyCigna.com portal account.

SHK CEO Report May 2025.doc

Attachments



April 29, 2025

TO: Each Trustee

Board of Retirement Board of Investments

FROM: JJ Popowich, Assistant Executive Officer

SUBJECT: 2025 Election for the Seventh Member and Alternate Safety Member of

the Board of Retirement and the Fourth Member of the Board of

Investments Update

On April 15, 2025, the Board of Supervisors approved the election plan submitted by the Board of Supervisors Executive Office (BOS EO). This action officially kicks off the 2025 LACERA Safety Member election season. (See Attachment A).

Based on the combined efforts of the LACERA Election Team and the BOS EO, the election calendar outlined below has been developed to detail the flow for this year's election. As we shared last month, we have already begun a new education campaign designed to help members better understand both Boards' structure and the powers and duties of the trustees, through three articles and social media posts.

LACERA SAFETY MEMBER ELECTION CALENDAR				
DATE	EVENT	COMPLETE		
04/09/2025	"Powers & Duties" LACERA.com Article & Social Media Posts	©		
04/15/2025	Board of Supervisors Approves Election Memo	\bigcirc		
04/16/2025	"Meet the Trustees" LACERA.com Article & Social Media Post			
04/24/2025	"Get to Know the Committee" LACERA.com Article & Social Media Post	©		
04/30/2025	LACERA Safety Member Call for Candidates Postcard (Email/Mail)			

LACERA SAFETY MEMBER ELECTION CALENDAR				
DATE	EVENT	COMPLETE		
04/30/2025	EO Notifies Safety Member Department Heads About Election			
05/15/2025	EO Notifies & Trains Election Coordinators			
05/23/2025	LACERA Publishes Newsletter Election Announcement			
05/23/2025	Safety Members Notified (County Email)			
05/23/2025	Candidate Filing Period Begins			
06/23/2025	Candidate Filing Period Ends			
06/27/2025	Registrar Certifies Candidate List			
07/03/2025	Registrar Determines Election Required			
07/02/2025	Ballot Order Determined (If Election is Required)			
07/31/2025	Voting Instructions Sent (LACERA Email Blast)			
07/18/2025	County Issues Safety Member Ballot Instructions (Email)			
08/01/2025	Physical Ballots Mailed			
08/04/2025	Safety Members Receive Voting Credentials Email			
08/04/2025	VOTING BEGINS			
08/21/2025	LACERA Voting Reminder (Email/Mail)			
08/29/2025	VOTING ENDS			
09/09/2025	Candidate Notification of Preliminary Election Results			
09/11/2025	LACERA Notified of Preliminary Election Results			
09/16/2025	Last Day for Candidates to File Election Protest			
10/21/2025	Board of Supervisors Certifies Election Results			

In addition to the efforts outlined above, the BOS EO will also be cross-promoting LACERA's social media efforts by sharing links to the three educational articles we released in April.

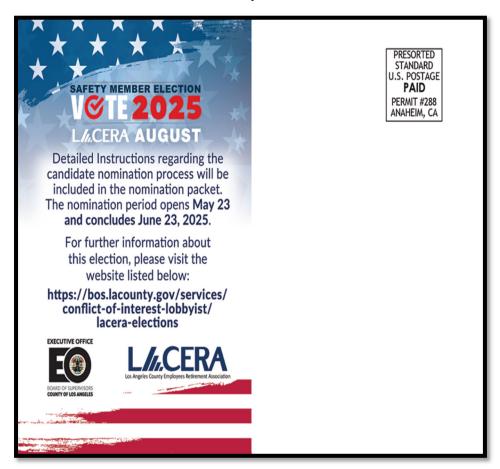
Call for Nominations

The next step in the election campaign will be the Call for Candidate Nominations which will be distributed by both LACERA and the election vendor. Both the election vendor and LACERA will distribute notices to all eligible Safety members, letting them know about the elections and encouraging those interested in serving on the Boards to seek information from the Registrar-Recorder regarding filing requirements.

Front of postcard



Back of postcard



NOTED AND REVIEWED:

Luis Lugo, Deputy Chief Executive Officer

JJ: JJ

ATTACHMENT A

BOARD OF SUPERVISORS COUNTY OF LOS ANGELES EDWARD YEN

EXECUTIVE OFFICER

April 15, 2025

EXECUTIVE OFFICE BOARD OF SUPERVISORS

KENNETH HAHN HALL OF ADMINISTRATION 500 WEST TEMPLE STREET, ROOM 383 LOS ANGELES, CALIFORNIA 90012 (213) 974-1411 • www.bos.lacounty.gov

MEMBERS OF THE BOARD

HILDA L. SOLIS

HOLLY J. MITCHELL

LINDSEY P. HORVATH

JANICE HAHN

KATHRYN BARGER

ADOPTED

BOARD OF SUPERVISORS COUNTY OF LOS ANGELES

The Honorable Board of Supervisors County of Los Angeles 383 Kenneth Hahn Hall of Administration 500 West Temple Street Los Angeles, California 90012

Dear Supervisors:

8 April 15, 2025

EDWARD YEN
EXECUTIVE OFFICER

ELECTION OF THE FOURTH MEMBER OF THE BOARD OF INVESTMENTS AND THE SEVENTH MEMBER AND ALTERNATE SAFETY MEMBER OF THE BOARD OF RETIREMENT (ALL DISTRICTS) (3-VOTES)

SUBJECT

ADOPTION OF RESOLUTION ESTABLISHING THE GOVERNING PROCEDURES FOR THE 2025 LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION (LACERA) ELECTION.

IT IS RECOMMENDED THAT THE BOARD:

Adopt the attached resolution establishing the procedures to elect the Fourth Member of the LACERA Board of Investments, and The Seventh Member and the Alternate Safety Member of the LACERA Board of Retirement, with the term beginning on January 1, 2026, and expiring on December 31, 2028; and instruct the Executive Officer of the Board of Supervisors to send notice of the election and copies of the election resolution to all County departments that employ Safety Members of LACERA.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The County Employees Retirement Law of 1937 provides for the membership of the Board of Retirement and the Board of Investments of LACERA. Every year, the Board of Supervisors adopts, by resolution, the election procedures for members of the Board of Retirement and the Board of Investments of LACERA whose terms of office will expire on December 31st of that year.

This year, the terms of office for the Fourth Member of the Board of Investments, and the Seventh Member and Alternate Safety Member of the Board of Retirement will expire on December 31, 2025.

The Honorable Board of Supervisors 4/15/2025 Page 2

Therefore, it is necessary that the Board adopt these resolutions to ensure that the seats are filled as soon as possible.

Implementation of Strategic Plan Goals

Approval of the attached resolution broadly supports the County Strategic Goal of North Star 3-Realize Tomorrow's Government Today, Focus Area A- Communication & Public Strategy II.-Stakeholder Engagement.

FISCAL IMPACT/FINANCING

The cost of conducting the LACERA election will be absorbed within the Board of Supervisors' and the Registrar-Recorder/County Clerk's budgets.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Government Code Sections 31520.1 and 31520.2 grant the Board of Supervisors the authority to conduct the election for the elected members of the Board of Retirement and the Board of Investments. Your Board has given the Executive Officer of the Board of Supervisors the responsibility for coordinating these elections with the Registrar-Recorder/County Clerk, LACERA and County departments through departmental election coordinators.

The election of the Fourth Member of the Board of Investments, and the Seventh and Alternate Safety Members of the Board of Retirement is a regular election to fill terms of office that expire on December 31, 2025. Active Safety Members of LACERA in service on April 15, 2025, are eligible to vote in this election. There are approximately 13,000 Safety Members eligible to vote in this election.

To increase voter turnout, voters will be able to cast their votes online, by telephone, or by paper ballot.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Besides the evident need to fill these offices on the Board of Retirement and the Board of Investments, this election provides an opportunity for Safety Members to participate in selecting board members whose official decisions have a great impact on their own retirement system. Thus, County departments must ensure that any communication from the Executive Officer concerning this election is posted and/or distributed in a timely manner. As always, departments will be called upon to respond immediately to situations that may surface. It is important to emphasize that the integrity of these elections often rests with a department's cooperation and active participation in the election process.

The Honorable Board of Supervisors 4/15/2025 Page 3

Respectfully submitted,

Edward yen

Edward Yen

Executive Officer

EY:pn

Enclosures

c: Chief Executive Officer
County Counsel
Chief Executive Officer, LACERA
Registrar-Recorder/County Clerk
Auditor-Controller
Director, Internal Services Department

RESOLUTION ESTABLISHING THE ELECTION FOR THE FOURTH MEMBER OF THE BOARD OF INVESTMENTS AND THE SEVENTH MEMBER AND ALTERNATE SAFETY MEMBER OF THE BOARD OF RETIREMENT

WHEREAS, under the provisions of the County Employees Retirement Law of 1937, the Board of Retirement shall consist of nine members and two alternate members; the Board of Investments shall consist of nine members; and

WHEREAS, the term of the Fourth Member of the Board of Investments, and the Seventh Member of the Board of Retirement, and the Alternate Safety Member of the Board of Retirement, will expire on December 31, 2025; and

WHEREAS, pursuant to the provisions of the County Employees Retirement Law of 1937, Sections 31520.1 and 31520.2 of the Government Code, a successor shall be elected to fill the offices for the term beginning <u>January 1, 2026</u>, at an election conducted in a manner to be determined by the Board of Supervisors:

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles that the nomination of candidates and the election of the Fourth Member of the Board of Investments and the Seventh Member and Alternate Safety Member of the Board of Retirement, Los Angeles County Employees Retirement Association (LACERA), to be determined by the Safety Members of LACERA to fill the terms beginning from January 1, 2026, and expiring December 31, 2028, shall be in accordance with Government Code Sections 31520.1 and 31520.2, and the rules and process herein prescribed:

- The Executive Officer of the Board of Supervisors shall administer the election for the Fourth Member of the LACERA Board of Investments and the Seventh Member and Alternate Safety Member of the LACERA Board of Retirement.
- 2. The Executive Officer of the Board of Supervisors shall, on or before April 30, 2025, notify department heads who employ Safety Members of the election and shall provide department heads with an election notice for use in notifying their respective employees. Similarly, LACERA shall email an election notice approved by the Executive Officer of the Board of Supervisors to its eligible Safety Members who have

an email on file with LACERA, on or before May 23, 2025. LACERA will include the Executive Office (LACERA_Election@bos.lacounty.gov) as a recipient of this email as proof of delivery. These election notices shall provide relevant information on the upcoming election, including the nomination process and the candidate filing deadline.

- Department heads with Safety Member employees in their departments shall notify their employees of the election by posting sufficient copies of the election notice in work areas on or before May 23,2025.
- 4. The Executive Office of the Board of Supervisors, through a coordinated effort with the Internal Services Department, shall, on or before <u>May 23, 2025</u>, send an email to Safety Members within the County that have County email addresses, advising them of the upcoming LACERA election.
- 5. Each department head with Safety Members in their department shall appoint at least one employee who will act as the departmental election coordinator, and at least one employee who will act as the alternate departmental election coordinator. Election coordinators and alternate coordinators shall be responsible for communicating election information to the employees of the department, and shall participate in all training sessions, as specified by the Executive Officer of the Board of Supervisors, regarding the administration of the election. Departments with work locations which have more than 100 employees who are eligible to vote are urged to select an on-site election coordinator for each of these locations. It is the responsibility of the department head or their designated administrative deputy to notify the Executive Board of Supervisors at (213) 893-1151 or email Office of the LACERA ELECTION@bos.lacounty.gov the names, telephone numbers, workplace mailing addresses and/or email addresses for employees appointed as coordinators on or before May 12, 2025.
- 6. LACERA Safety Member candidates shall a) be active Safety Members of LACERA on <u>April 15, 2025</u>, b) be nominated by a petition signed by at least fifty (50) active Safety Members of LACERA, who themselves were active Safety Members on <u>April 15, 2025</u>, except as provided in paragraph 7, below. No member may sign more than one nominating petition. Candidates shall complete the required documents in the

nomination packet which may be obtained from the Registrar-Recorder/County Clerk by contacting the Election Planning Section at (562) 462-2317, or via email at Electionplanning@rrcc.lacounty.gov, on or after May 23, 2025. Nomination packets contain: (1) nomination petitions; (2) Candidate Statement of Qualifications Form; (3) resolution; and (4) candidate information booklet. Completed nomination packets shall be filed with the Registrar-Recorder/County Clerk at 12400 Imperial Highway, Norwalk, 90650, or via email at Electionplanning@rrcc.lacounty.gov no later than 5:00 p.m. Pacific Standard Time (PST) on June 23, 2025.

- 7. In the event that LACERA candidates cannot obtain nominating petition signatures in person due to local, state, or federal mandates that directly or indirectly prohibit such activity, the Registrar-Recorder/County Clerk shall accept nominating petitions from qualifying members described in paragraph 6, above, by email in lieu of petition signatures. Detailed instructions regarding candidate nomination petitions will be included in the nomination packet available on or after May 23, 2025.
- 8. Except in the event that local, state, or Federal mandate prohibits such activity, each department head shall allow nominees to solicit nominating petitions and allow candidates to engage in campaign-related activities during working hours on County property provided such nomination solicitation and campaign activities are conducted during the employees' lunch, break time, or other off-duty time and does not interfere with County operations or the conduct of County business.
- 9. The Registrar-Recorder/County Clerk shall verify all nominations and notify each nominee of their status, no later than <u>June 27, 2025</u>. If the Registrar-Recorder/County Clerk determines that only one member for a particular seat has been duly nominated, pursuant to the provisions of the County Employees Retirement Law of 1937, Sections 31523 and 31523.1 of the Government Code, the Registrar-Recorder/County Clerk shall notify the Board of Supervisors and the Board of Supervisors shall order that no election be held and the Executive Officer of the Board of Supervisors shall be directed to cast a unanimous ballot in favor of such nominated member. If more than one member has been duly nominated, the Registrar-Recorder/County Clerk shall certify to the Executive Officer of the Board of Supervisors by <u>June 27, 2025</u>, the names of the candidates to be placed on the official ballot.

- Nominees in this election may file with the Registrar-Recorder/County Clerk a statement of qualifications of not more than 200 words. Words shall be counted as provided in Elections Code Section 9. Any statement of qualifications filed with the Registrar-Recorder/County Clerk shall be limited to a recitation of the nominee's own personal background and qualifications and shall not in any way make reference to other nominees or to another nominee's qualifications. A nominee may file their statement of qualifications beginning May 23, 2025, and ending June 23,2025. No statement of qualifications may be withdrawn and/or re-filed after 5:00 p.m. PST, June 23, 2025. The statement shall become a part of the official voting material, except as provided in paragraph 11, below.
- 11. Within 5 days of receipt of a candidate's statement of qualifications, the Registrar-Recorder/County Clerk shall examine the statement of qualifications. Any statement of qualifications which the Registrar-Recorder/County Clerk determines is not limited to a recitation of the nominee's own personal background and qualifications or which includes any reference to other nominees or to another nominee's qualifications shall not be printed or circulated by the Registrar-Recorder/County Clerk. The Registrar-Recorder/County Clerk shall notify each nominee by telephone at their telephone number that the nominee has provided, and via U.S. Mail sent to the nominee's mailing address if the nominee's statement of qualifications is rejected pursuant to this provision. The decision of the Registrar-Recorder/County Clerk to accept or reject a nominee's statement of qualifications is final. However, a candidate may re-file a statement of qualifications for reconsideration prior to 5:00 p.m. PST, June 23, 2025. Any judicial proceeding challenging the decision of the Registrar-Recorder/County Clerk to reject or accept a nominee's statement of qualifications shall be governed, to the extent determined applicable by a court, under the procedures set forth in Elections Code Section 13314.
- 12. Candidates' statements of qualifications will be available for public inspection upon request by contacting the Registrar-Recorder/County Clerk's Election Planning Section at (562) 462-2317, beginning on <u>June 23, 2025</u>, and ending at 5:00 p.m. PST, <u>June 27, 2025</u>. Beginning on <u>July 3, 2025</u>, candidates' statements of qualifications approved by the Registrar-Recorder/County Clerk may be viewed at:

- http://bos.lacounty.gov/Services/Conflict-of-Interest-Lobbyist/LACERA-Election
- 13. A public drawing will be held to determine the ballot order at 2:00 p.m. PST on <u>July 2</u>, <u>2025</u>, in the Executive Office of the Board of Supervisors, B-1 Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles.
- 14. Any County employee who is a candidate in this election is a candidate in their personal capacity and may not use County time or County resources to further their campaign or election. Any candidate who violates this provision, or has others violate this provision on behalf of their candidacy, is subject to discipline, including discharge from County employment.
- 15. Department heads with Safety employees shall designate existing departmental bulletin board space for all candidates to display campaign material. If none exists, the department can choose to post candidate campaign material on their existing departmental intranet website. Campaign material shall clearly state that employees are prohibited from using County time or County resources to further the campaign or election of the candidate. Any campaign communication transmitted physically or electronically, must include a disclaimer that states: "This is not official election information."
- 16. Upon request of a candidate, on or after <u>June 27, 2025</u>, each department head shall provide the address of each department's work locations where employees who are eligible to vote in this election are employed. Candidates and/or their representatives are advised to coordinate with the department-assigned election coordinator prior to visiting work locations of a department.
- 17. Except as otherwise prohibited by law, employees may wear campaign badges or buttons during working hours.
- 18. Active Safety Members of LACERA on <u>April 15, 2025</u>, are eligible to vote for Safety Member candidates in this election.
- 19. On or before May 16, 2025, in coordination with the Auditor-Controller, Internal Services Department, and LACERA, the Executive Officer of the Board of Supervisors

- shall obtain an electronic file of eligible Safety Members who were active Safety Members of LACERA on April 15, 2025.
- 20. Eligible voters will be able to cast their votes either online, by telephone, or by paper ballot beginning August 4, 2025, through the closing of the election on August 29, 2025. The online voting system will be provided through a secure website and can be accessed using any web enabled device. The telephone voting system will be provided through a dedicated toll-free number for voters using a touch-tone dial pad. The online voting and telephone system shall be available 24 hours per day, seven days a week during the voting period. Paper ballots will be mailed to all eligible voters via U.S. Mail using the mailing addresses provided by Auditor-Controller no later than August 1, 2025.
- 21. Safety Members eligible to vote in this election who have County email addresses will be emailed login credentials on opening voting day <u>August 4, 2025</u>. The email will contain: (1) a URL link to the online voting website; (2) toll-free number to the telephonic voting system; (3) an Election Code; (4) unique pin number; (5) voting instructions; and any other information deemed necessary.
- 22. The online voting system will require voters to enter their login credentials and other identifying information. Once logged in, the online voting website will include the following: (1) a list of the certified candidates and sufficient information to acquaint members with the nature of the election and the proper method of casting an electronic ballot; (2) a link to the statements of qualifications if properly filed by the candidate; and (3) a link to the statement of powers and duties of the Board Members (see Attachment A). Voters will be able to mark their selection for each seat and make changes before confirming their final selections.
- 23. The telephone voting system will require voters to enter their login credentials and other identifying information before accessing their telephonic ballot. The telephone system will play a recording of the election seat and the candidates for the seat, along with a corresponding number for the voter to select the candidate of their choosing or allow the voter to move on to the next election seat if they choose not to cast a vote for any candidate. Once the voter has selected the corresponding number of the

candidate they wish to vote for using their touch-tone dial pad, the telephone system will ask the voter to confirm the vote or go back to the menu selection of candidates. If the voter confirms their candidate selection, the telephone system will proceed to the next election seat following the same steps stated in this paragraph. Eligible voters will have the opportunity to review their final selections before casting their online/telephonic vote as final. Once a final ballot is cast by the voter online, a unique receipt code will be displayed online for the voter to print or write down for reference, and receipt codes provided by the telephone voting system will be recited for the voter to write down.

- 24. Paper ballots to be used in the election shall include: (1) a list of the certified candidates with a voting space opposite each name and sufficient information to acquaint members with the nature of the election and the proper method of casting a ballot; (2) statement(s) of qualifications, if properly filed by the candidates; (3) a return envelope; (4) login credentials and instructions for voting online or by telephone; and (5) information directing eligible voters to all relevant election information made available online, such as the statement of powers and duties of LACERA's Board of Investments and Board of Retirement Trustees.
- 25. Paper ballots shall be returned to the address listed on the REPLY envelope provided via U.S. Mail. To be counted, paper ballots shall be completed properly by the eligible voter, placed within the REPLY envelope and received by <u>August 29, 2025</u>. There are no provisions for write-in candidates; therefore, no write-in votes shall be counted.
- 26. An eligible member who does not receive their paper ballot by <u>August 8, 2025</u>, or has made a mistake on their original ballot and wishes to correct it, shall notify the Executive Officer of the Board of Supervisors on or before <u>August 11, 2025</u>. Duplicate paper ballots will be mailed by <u>August 14, 2025</u>, to allow time for return and processing; eligible members requesting duplicate ballots beyond <u>August 14, 2025</u>, will instead receive a duplicate credential email in order to be able to vote online or by telephone.

- 27. Department heads who employ Safety Member employees shall allow employees eligible to vote in this election to vote online or by telephone using County property during working hours, provided that this is conducted during the employees' lunch, break time, or other off-duty time and does not interfere with County operations or the conduct of County business.
- 28. No member may vote more than once in this election. The online, telephonic, and paper ballot processing systems will include controls to prevent a voter from casting a ballot if a ballot has already been cast.
- 29. The Executive Office of the Board of Supervisors shall provide eligible voters with the contact information to use if voter assistance is needed. Contact information will be provided with the login information sent to voters, listed on the ballots and the online voting system, and posted on the Executive Office of the Board of Supervisors' website.
- 30. The Executive Officer of the Board of Supervisors shall confirm the election results on or before <u>September 9, 2025</u>.
- 31. The Executive Office of the Board of Supervisors shall (a) telephone each candidate at their telephone number provided as to the election results on or after <u>September 9</u>, <u>2025</u>, and (b) send written or electronic notice of the results to each candidate's mailing or email address, on or after <u>September 9</u>, <u>2025</u>.
- 32. In the event any candidate desires to protest the results of the election, they must file a written protest with the Executive Office of the Board of Supervisors no later than 5:00 p.m. PST, <u>September 16, 2025</u>. The written protest must specify the grounds for the protest and be accompanied by supporting documentation.
- 33. In the event that a candidate makes a request for a recount, the requestor shall bear the cost of such recount and shall file a written request with the Executive Officer of the Board of Supervisor no later than 5:00 p.m. PST, September 16, 2025. The requester of the recount shall, before the recount is commenced, deposit with the Executive Officer of the Board of Supervisors a sum as required by the Executive Officer of the Board of Supervisors to cover the cost of the recount. The Executive

Officer of the Board of Supervisors shall commence a recount no later than <u>September 23, 2025</u>. In the event the recount results in a determination that the candidate who requested the recount has received a plurality of the votes cast and it changes the outcome of the election, all money deposited shall be returned to the requester.

- 34. The Board of Supervisors at its meeting on or before October 21, 2025, or on a date following the completion of any recount and/or investigation of a protest, shall declare the results official. The person receiving the highest number of votes for the Fourth Member of the Board of Investments, and the Seventh Member of the Board of Retirement, shall be declared elected. The elected Alternate Safety Member of the Board of Retirement shall be that candidate, if any, for the Seventh Member from the group under Government Code Section 31470.2 or 31470.4, or any other eligible Safety Member Candidate, if there is no candidate from the groups under Sections 31470.2 and 31470.4 which is not represented by the candidate who received the highest number of votes of all candidates in that group. In the event of a tie, such persons shall determine which of them shall be elected by drawing lots before the Board of Supervisors.
- 35. In lieu of declaring the results official, the Board of Supervisors may order a new election if the Board determines, on the basis of written protest or on its own motion, that any error, omission or neglect occurred attributable to the County in the administration of the election sufficient to change the result. The rejection of a candidate's statement of qualifications by the Registrar-Recorder/County Clerk, or the failure of the Registrar-Recorder/County Clerk to reject a candidate's statement of qualifications shall not constitute grounds for a new election. Allegations of candidate misconduct shall not constitute grounds for a new election, but if later substantiated, may lead to administrative discipline or criminal culpability.
- 36. Election material/data retained by the Executive Office of the Board of Supervisors and its affiliates, and nominating petitions retained by the Registrar-Recorder/County Clerk may be discarded or otherwise disposed of no earlier than sixty (60) days after the date of the final declaration of the election results by the Board of Supervisors.

37.	The Executive Officer of the Board of Supervisors may, in the exercise of discretion, mplement additional procedures, as deemed necessary in order to preserve a fair and equitable election process. The Executive Officer of the Board of Supervisors shall, within ten (10) days, notify the Board of Supervisors, the Boards of Investments and Retirement and all candidates of any additional procedures implemented pursuant to this provision.			
	The foregoing resolution was adopted on the day of, 2025, by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.			
		Edward Yen, Executive Officer- Clerk of the Board of Supervisors of the County of Los Angeles By: Deputy		
	APPROVED AS TO FORM: DAWYN R. HARRISON County Counsel By Eva Chu Senior Deputy County Counsel			

POWERS AND DUTIES

OF BOARD OF INVESTMENTS TRUSTEES

The Board of Investments provides this high-level summary to enable voters to evaluate candidates for the Board. The Board urges voters to review this summary prior to voting. This Powers and Duties document is drawn from the Board's adopted governing policies and the input of the Board in its providing approval, but it is not itself a governing document for the Board or LACERA. The Board's governing documents may be found at https://www.lacera.com/accountability/governing-documents/.

INTRODUCTION

The Board of Investments oversees investment of LACERA's pension retirement fund (\$79.2 billion as of June 30, 2024) and determination of County and member contribution rates, as well as investment of funds to support retiree healthcare benefits, also referred to as other post-employment benefits (OPEB) (\$4.0 billion as of June 30, 2024). Board of Investments trustees are fiduciaries who must at all times put the interests of LACERA's almost 200,000 members and beneficiaries above any other interest. In total, Board trustees can expect to commit as many as 60 to 120 hours of their time each month to discharging their fiduciary duties, subject to variations based on the length and complexity of meeting agendas, each trustee's background and experience, Board tenure, level of familiarity with investment and financial issues, and time spent on a trustee's other LACERA activities as described below.

As to those elected Board trustees who are employed by the County or a participating district, the law provides that these LACERA duties are included as part of their County or other public employment and shall normally take precedence over any other duties. Given the time commitment necessary to fulfill the responsibilities of Board membership, elected Board trustees will be required to spend a material amount of their working time each month in carrying out their important LACERA duties and responsibilities.

The responsibilities and duties of the Board trustees are explained in detail below.

BOARD TRUSTEE RESPONSIBILITIES

Board of Investments trustees' duties include:

1. Board and Committee Meetings. The Board meets once each month in person at LACERA's Pasadena offices unless otherwise specified, usually on the second Wednesday, with each meeting generally lasting from 4 to 6 hours. The Board has established committees to assist in carrying out its responsibilities. The Board also shares additional committees jointly with the system's Board of Retirement, including the Audit, Compliance, Risk, and Ethics Committee and Joint Organizational Governance Committee. The Board of Retirement is a separate board having responsibility for overseeing general plan administration. Committee meetings may be held both before and after regular Board meetings, and at other

times, and generally last 1 to 2 hours. The Board also holds an annual two-day offsite meeting to devote focused attention to strategic issues, education, and discussion. In addition to the time required to attend meetings, trustees will spend time to perform other duties, including preparation time for meetings, review of materials developed by staff and management, meetings with staff, other meetings, travel commitments, and other responsibilities described here.

- 2. **Pension Fund Investments.** The Board of Investments has exclusive fiduciary responsibility for all retirement system investments and is responsible for approving investment beliefs and objectives, the asset allocation for the portfolio, strategies, policies, and governance processes, which are subject to evaluation and change by the Board as part of strategic initiatives. The Board evaluates risk and return, including consideration of corporate governance issues. The Board makes these decisions based on information and input provided by staff and external consultants. Currently, LACERA's investment portfolio is, with a few exceptions, externally managed. The Board establishes investment objectives and guidelines and has delegated authority to the Chief Investment Officer (CIO) to approve selection of external investment managers in accordance with Board-approved guidelines and policies. The Board does not make individual investment selections for the externally managed portfolio. The Board of Investments oversees the investment activities and results of the portfolio based on ongoing due diligence by staff which is reported to the Board.
- 3. **Retiree Healthcare Funds.** Under agreement with the County and other participating employers, the Board of Investments manages and invests the OPEB trust funds prepaid for future retiree healthcare benefits. As with the pension fund, the Board of Investments oversees OPEB trust investments and is responsible for approving investment beliefs and objectives, the asset allocation, strategies, policies, and governance processes, which are subject to evaluation and change by the Board as part of strategic initiatives.
- 4. Contribution Rates and Actuarial Services. Using an annual actuarial valuation process, the Board of Investments determines the level of contributions necessary to fund retirement benefits. The Board of Investments is responsible for setting actuarial valuation policies, selecting the actuary who will perform the annual valuation and the triennial investigation of experience, approving the actuarial valuation services provided, and approving the actuarial assumptions utilized in the valuation based on the actuary's recommendation. The actuary submits to the Board of Investments for the Board's approval such changes in County and member contribution rates as are necessary to fund retirement benefits.
- 5. **Securities and Other Claims and Litigation.** The Board of Investments, through counsel and staff, is charged with actively identifying, evaluating, and monitoring securities class action lawsuits and other investment-related claims in which the fund has sustained a loss, and to determine whether the best interests of the fund are served by actively participating in such cases. The Board also participates with the Board of Retirement in certain other claims appropriate for joint Board

oversight. The Board of Retirement oversees claims and litigation related to fund administration.

- 6. *Other Fund Administration.* Some administrative functions are shared with the Board of Retirement:
 - a. <u>CEO Appointment and Evaluation</u>. The two Boards jointly act as the appointing authority for LACERA's Chief Executive Officer (CEO) and oversee the CEO's performance evaluation. The Boards work together on certain other senior staff personnel matters.
 - b. <u>Budget Approval and Oversight.</u> The Boards of Retirement and Investments, acting jointly, review, evaluate, and adopt LACERA's annual budget and monitor actual results against the budget. The Boards jointly approve a budget policy to govern the process.
 - c. <u>Certain Employee Relations</u>. The two Boards also act jointly in certain employee relations matters, including approval of class specifications for LACERA's employees, approval of Memoranda of Understanding (MOUs) negotiated with SEIU Local 721, which is the union bargaining for represented employees of LACERA, and approval of compensation to be provided to LACERA's nonrepresented employees.

The Board of Investments alone provides input on the Chief Investment Officer's appointment and performance evaluation. Other personnel issues are the responsibility of the Board of Retirement. The Board of Investments is not responsible for general administration of the retirement system and benefits. The Legislature assigned those responsibilities to the Board of Retirement.

7. **Delegation.** Day-to-day investment operations, including manager selection and termination, of the retirement system are delegated to the Chief Investment Officer, who oversees other staff and outside service providers. Board trustees consider what responsibilities will be delegated and to whom delegation is made. Board trustees ensure that delegated responsibilities are clearly defined and properly performed through monitoring, questioning, and accountability. In addition, the Board approves and oversees the retention and performance of expert consultants to assist in investment decision-making and monitoring, interact with staff, and aid the Board in performing its fiduciary duty.

The Boards have delegated stakeholder management to the Chief Executive Officer for administrative matters such as media and plan sponsor relations and to the Chief Investment Officer for matters related to LACERA's investments.

8. Legal, Regulatory, and Policy Compliance and Risk Management. The Board ensures that the retirement system maintains compliance with the plan documents and all other applicable laws, regulations, and policies governing the investments and funding of the system. Board trustees comply with this responsibility by overseeing investments and actuarial matters, evaluating

organizational and investment risks and controls, conducting a periodic review of plan documents and policies concerning matters within the Board's oversight, monitoring changing legal and regulatory requirements, with the assistance of counsel and other advisors, and maintaining accountability.

- 9. Education. Board trustees are legally required to further their education on appropriate topics, which may include pension fund investments and investment management processes, actuarial matters, pension funding, pension fund governance, ethics, and fiduciary responsibilities, among other topics. Such education must consist of a minimum of 24 hours within two years of assuming office and 24 hours every subsequent two-year period the trustee serves on the Board.
- 10. Involvement. Subject to applicable laws, Board policies, and LACERA protocols, Board trustees may participate in state and national pension and investment related organizations, including serving as an executive or committee member in these organizations. Subject to the same laws, policies, and protocols, Board trustees, with approval, may also represent LACERA's interests through engagement with the legislative and executive branches of state and federal government, which may add to the hours of time spent on a trustee's responsibilities depending on the extent of the trustee's organizational involvement.

FIDUCIARY DUTIES

The funds set aside for the payment of retirement benefits to LACERA members are trust funds held for the benefit of these members and their beneficiaries, and LACERA's investment operations further the delivery of plan benefits. The California Constitution requires that Board of Investments trustees have the following fiduciary duties as trustees of the fund:

- 1. Duty of Loyalty. The California Constitution provides that Board of Investments trustees are fiduciaries and are required to "discharge their duties with respect to the system solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system. A retirement board's duty to its participants and their beneficiaries shall take precedence over any other duty." All Board trustees, whether elected or appointed, have the same fiduciary duty. The Board trustees' duty of loyalty at all times is to the participants and beneficiaries as a whole. Board trustees do not serve as the agent or representative of the agency or group responsible for their election or appointment. Where different groups of participants have different interests on an issue, Board trustees have a duty to be impartial as between conflicting participant interests and act to serve the overall best interests of all of the participants of the system.
- 2. **Duty of Care.** The California Constitution provides that assets of the retirement

system are trust funds to be used only for the purpose of providing benefits and paying the costs of administering the system. Under the Constitution, trustees of the Board of Investments "shall diversify the investments of the system so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so." Governing law provides that the Board "may, in its discretion, invest, or delegate the authority to invest, the assets of the fund through the purchase, holding, or sale of any form or type of investment, financial instrument, or financial transaction when prudent in the informed opinion of the board." The Constitution further requires that Board trustees "shall discharge their duties with respect to the system with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims."

The duty of care means that Board trustees must exercise a prudent level of effort and diligence in administering and exercising oversight over the investments of the system, including: implementing, and periodically reviewing and updating, policies, procedures, and processes; determining whether and when to delegate authority to staff and third-parties, and exercising proper oversight; requesting necessary reports and information; analyzing the information, advice, and recommendations received; asking questions; seeking expert advice when required from staff and outside expert consultants; deliberating carefully before making decisions; and understanding the reason for actions before taking them. Board trustees must monitor the investments of the system, follow the plan documents and other applicable law, and take corrective action when required to ensure the sound administration of the retirement fund's investments and the other matters under the responsibility of the Board of Investments are properly performed.

CONFLICTS OF INTEREST

Board trustees must be free of conflicts of interest in compliance with applicable legal requirements and LACERA's Conflict of Interest Code and Code of Ethical Conduct. Board trustees must disclose conflicts of interest when they arise, and they cannot participate in decisions that will impact, positively or negatively, their own financial interests or the interests of certain of their related persons and entities. Board trustees are public officials under California conflict of interest laws, and they must be familiar with and follow those laws. Board trustees are subject to public disclosure of their economic interests (Form 700) and annual reporting requirements under the Political Reform Act and Fair Political Practices Commission regulations. Violation of conflict of interest laws and regulations can result in civil and criminal penalties. Conflict of interest laws and regulations are complex, and Board trustees should seek legal advice when appropriate. See http://www.fppc.ca.gov/ for more information.

COMPENSATION AND EXPENSES

Elected Board trustees who are employed by the County or a participating district and the

Treasurer and Tax Collector who serves on the Board *ex officio* do not receive payment for attendance at Board meetings; they receive their County salary.

Board trustees elected by retirees and appointed trustees receive payment of \$100 per Board or committee meeting attended up to a maximum of \$500 per month. Required federal and state income tax and federal Health Insurance Tax (HIT) withholding is made from payments, which is reported on a Form W-2 for tax reporting purposes. Federal Social Security tax is not withheld.

All Board trustees receive reimbursement of reasonable and necessary expenses and are provided reasonable support for the performance of their duties.

APPROVED BY THE BOARD OF INVESTMENTS ON MARCH 12, 2025.

POWERS AND DUTIES OF BOARD OF RETIREMENT TRUSTEES

The Board of Retirement provides this high-level summary to enable voters to evaluate candidates for the Board. The Board urges voters to review this summary prior to voting. This Powers and Duties document is drawn from the Board's adopted governing policies and the input of the Board in providing its approval, but it is not itself a governing document for the Board or LACERA. The Board's governing documents may be found at https://www.lacera.com/accountability/governing-documents/.

INTRODUCTION

The exclusive responsibility of the Board of Retirement is to oversee the administration of the retirement pension system and the retiree healthcare program to ensure that members are provided with the promised benefits upon completion of their public service with Los Angeles County and other participating public employers. Board of Retirement trustees are fiduciaries who must at all times put the interests of LACERA's almost 200,000 members and beneficiaries above any other interest. In total, Board trustees can expect to commit as many as 120 to 140 hours of their time each month to discharging their fiduciary duties, subject to variations based on the length and complexity of meeting agendas, each trustee's background, Board tenure, familiarity with matters under consideration, and time spent on a trustee's other LACERA activities as described below.

As to those elected Board trustees who are employed by the County or a participating district, the law provides that these LACERA duties are included as part of their County or other public employment and shall normally take precedence over any other duties. Given the time commitment necessary to fulfill the responsibilities of Board membership, elected Board trustees will be required to spend a material amount of their working time each month carrying out their important LACERA duties and responsibilities.

The responsibilities and duties of the Board trustees are explained in detail below.

BOARD TRUSTEE RESPONSIBILITIES

Board of Retirement trustees' duties include:

1. Board and Committee Meetings. The Board meets once each month in person at LACERA's Pasadena offices unless otherwise specified, usually on the first Wednesday, with each meeting generally lasting as many as 4 to 6 hours. In addition, the Board has established committees to assist in carrying out its responsibilities. The Board also shares additional committees jointly with the system's Board of Investments, including the Audit, Compliance, Risk, and Ethics Committee and Joint Organizational Governance Committee. The Board of

Investments is a separate board having responsibility for establishing the investment policies of LACERA and for overseeing investment of the LACERA retirement fund and certain other matters. Some committees meet monthly; others meet less frequently but up to several times per year. Committee meetings may be held both before and after regular Board meetings, and at other times, and generally last 1 to 2 hours. In addition to the time required to attend meetings, considerable time is required to prepare for meetings and review relevant materials developed by staff and management. The Board also holds an annual two-day offsite meeting to devote focused attention to strategic issues, education, and discussion.

2. General Administration. The general administration of LACERA is under the Board of Retirement's oversight. To exercise this responsibility, the Board establishes policies, procedures, and governance processes, and receives, discusses, and questions reports on operational activities. The Board of Retirement oversees development of its Strategic Plan for administration of the system, ensuring inclusion of support for the Board of Investments. The Board of Retirement also provides oversight of the Board's federal and state legislative agenda. The Board of Retirement is not responsible for oversight of investments, for the adoption of funding policies and the setting of contribution rates, or for oversight of the Chief Investment Officer. The Legislature assigned those responsibilities to the Board of Investments.

A few administrative functions are shared with the Board of Investments:

- a. <u>CEO Appointment and Evaluation</u>. The two Boards jointly act as the appointing authority for LACERA's Chief Executive Officer (CEO) and oversee the CEO's performance evaluation. The Boards work together on certain other senior staff personnel matters.
- b. <u>Budget Approval and Oversight</u>. The Boards of Retirement and Investments, acting jointly, review, evaluate, and adopt LACERA's annual budget and monitor actual results against the budget; the Boards jointly approve a budget policy to govern the process.
- c. <u>Certain Employee Relations</u>. The two Boards also act jointly in certain employee relations matters, including approval of class specifications for LACERA's employees, approval of Memoranda of Understanding (MOUs) negotiated with SEIU Local 721, the union bargaining for represented employees of LACERA, and approval of compensation to be provided to LACERA's non-represented employees. General personnel responsibilities are the responsibility of the Board of Retirement alone.
- 3. **Payment of Retirement Pension Benefits.** The Board of Retirement administers a statutory retirement plan; it does not establish new retirement benefits. This means that retirement benefits can only be provided if they have

been authorized by the State Legislature in the County Employees Retirement Law of 1937, found in the California Government Code beginning at Section 31450, and the California Public Employees' Pension Reform Act of 2013, found in the California Government Code beginning at Section 7522. Retirement benefits not authorized by the retirement laws cannot be implemented by the Board of Retirement; rather, a bill must be processed through the Legislature to amend the retirement laws. With only a few exceptions, the Legislature has required the County Board of Supervisors to adopt a resolution approving benefit enhancements before they can take effect.

- 4. **Disability Retirement Applications.** One of the most important and by far the most time consuming duties of a Board trustee is to review disability retirement applications and to participate in the Board's decision to grant or deny disability retirements according to applicable legal standards. It is anticipated that the Board of Retirement will process approximately 30 to 50 disability retirement cases per month. Board trustees carefully review each application and all medical and other evidence regarding the application. A Board trustee will then participate in the Board's deliberations and vote on each application.
- 5. **Retiree Healthcare Benefits.** The Board oversees the administration of the retiree healthcare benefits, or other post-employment benefits (OPEB), program under contract with the County and other participating employers.
- 6. **Claims and Litigation.** The Board decides claims made by members concerning their benefits and related issues and other claims related to administration of the fund. The Board also oversees litigation, other than securities litigation (which is overseen by the Board of Investments) and certain claims appropriate for joint Board oversight with the Board of Investments.
- 7. **Retention and Oversight of Vendors, Consultants, and Experts.** The Board approves and oversees the retention and performance of vendors, consultants, and experts, beyond the CEO's purchasing authority, to assist in the administration of the system and to aid the Board when appropriate.
- 8. **Delegation.** The day-to-day operations of the retirement system are delegated to the CEO, who oversees other staff and outside service providers. Board trustees consider what responsibilities will be delegated and to whom delegation is made. Board trustees ensure that delegated responsibilities are clearly defined and properly performed through monitoring and questioning, and the Board holds executive management accountable.

The Boards have delegated stakeholder management to the Chief Executive Officer for administrative matters such as media and plan sponsor relations and to the Chief Investment Officer for matters related to LACERA's investments.

9. Legal, Regulatory, and Policy Compliance and Risk Management. The

Board ensures that the retirement system maintains compliance with the plan documents and all other applicable laws, regulations, policies, and procedures governing the administration of the system. Board trustees comply with this responsibility by overseeing plan operations, evaluating organizational risk and controls, conducting a periodic review of plan documents and policies, monitoring changing legal and regulatory requirements, with the assistance of counsel and other advisors, and maintaining accountability.

- 10. Education. Board trustees are legally required to further their education on appropriate topics, which may include benefits administration, disability evaluation, fair hearings, pension fund governance, new board trustee orientation, ethics, and fiduciary responsibilities, among other topics. Such education must consist of a minimum of 24 hours within two years of assuming office and 24 hours every subsequent two-year period the trustee serves on the Board.
- 11. *Involvement.* Subject to applicable laws, Board policies, and LACERA protocols, Board trustees may participate in state and national pension and retirement related organizations, including serving as an executive or committee member in these organizations. Subject to the same laws, policies, and protocols, Board trustees, with approval, may also represent LACERA's interests through engagement with the legislative and executive branches of state and federal government, which may add to the time spent on a trustee's responsibilities depending on the extent of the trustee's involvement.

FIDUCIARY DUTIES

The funds set aside for the payment of retirement benefits to LACERA members are trust funds held for the benefit of these members and their beneficiaries, and LACERA's operations further the delivery of plan benefits. The California Constitution requires that Board of Retirement trustees exercise the following fiduciary duties as trustees of the fund:

1. Duty of Loyalty. The California Constitution provides that Board of Retirement trustees are fiduciaries and are required to "discharge their duties with respect to the system solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system. A retirement board's duty to its participants and their beneficiaries shall take precedence over any other duty." All Board trustees, whether elected or appointed, have the same fiduciary duty. The Board trustees' duty of loyalty at all times is to the participants and beneficiaries as a whole. Board trustees do not serve as the agent or representative of the agency or group responsible for their election or appointment. Where different groups of participants have different interests on an issue, Board trustees have a duty to be impartial between conflicting participant interests and act to serve the overall best interests of all

the participants of the system.

2. Duty of Care. The California Constitution provides that assets of the retirement system are trust funds to be used only for the purpose of providing benefits and paying the costs of administering the system. Under the Constitution, trustees of the Board of Retirement "shall discharge their duties with respect to the system with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims."

The duty of care means that Board trustees must exercise a prudent level of effort and diligence in administering and exercising oversight over the system, including: implementing, and periodically reviewing and updating, policies, procedures, and processes; determining whether and when to delegate authority to staff and third-parties, and exercising proper oversight; requesting necessary reports and information; analyzing the information, advice, recommendations received; asking questions; seeking expert advice when required from staff and outside expert consultants; deliberating carefully before making decisions; and understanding the reason for actions before taking them. Board trustees must monitor the administration of the system, follow the plan documents and other applicable law, and take corrective action when required to ensure the sound administration of the system so that benefits and related services are timely and correctly delivered to participants and their beneficiaries and the other matters under the responsibility of the Board of Retirement are properly performed.

CONFLICTS OF INTEREST

Board trustees must be free of conflicts of interest and in compliance with applicable legal requirements and LACERA's Conflict of Interest Code and Code of Ethical Conduct. Board trustees must disclose conflicts of interest when they arise, and they cannot participate in decisions that will impact, positively or negatively, their own financial interests or the interests of certain of their related persons and entities. Board trustees are public officials under California conflict of interest laws, and they must be familiar with and follow those laws. Board trustees are subject to public disclosure of their economic interests (Form 700) and annual reporting requirements under the Political Reform Act and Fair Political Practices Commission regulations. Violation of conflict-of-interest laws and regulations can result in civil and criminal penalties. Conflict of interest laws and regulations are complex, and Board trustees should seek legal advice when appropriate. See http://www.fppc.ca.gov/ for more information.

COMPENSATION AND EXPENSES

Elected Board trustees who are employed by the County or a participating district and the Treasurer and Tax Collector who serves on the Board *ex officio* do not receive

payment for attendance at Board meetings; they receive their County salary.

Board trustees elected by retirees and appointed trustees receive payment of \$100 per Board or committee meeting attended up to a maximum of \$500 per month; they also receive payment of \$18.38 per hour for up to 8 hours per day, not to exceed \$147 per day, 32 hours per month, for time spent on review and analysis of disability retirement cases. Such payments are subject to a cost-of-living increase in even-numbered years. Required federal and state income tax and federal Health Insurance Tax (HIT) withholding is made from payments, which is reported on a Form W-2 for tax reporting purposes. Federal Social Security tax is not withheld.

All Board trustees receive reimbursement of reasonable and necessary expenses and are provided reasonable support for the performance of their duties.

APPROVED BY THE BOARD OF RETIREMENT ON MARCH 5, 2025.



CEO DASHBOARD

II.

Services

Member



Striving for Excellence

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: March 2025

Events / Webinar **Attendance** Current Mo.: 744 Current Mo.:



Events / Webinar

Webinar Satisfaction 1-5 Point Scale 4.4



Member Service Center Satisfaction 96.51%

MS Main Queue Total Calls Current Mo. 8,678

15,968 Year-to-Date: Year-to-Date:

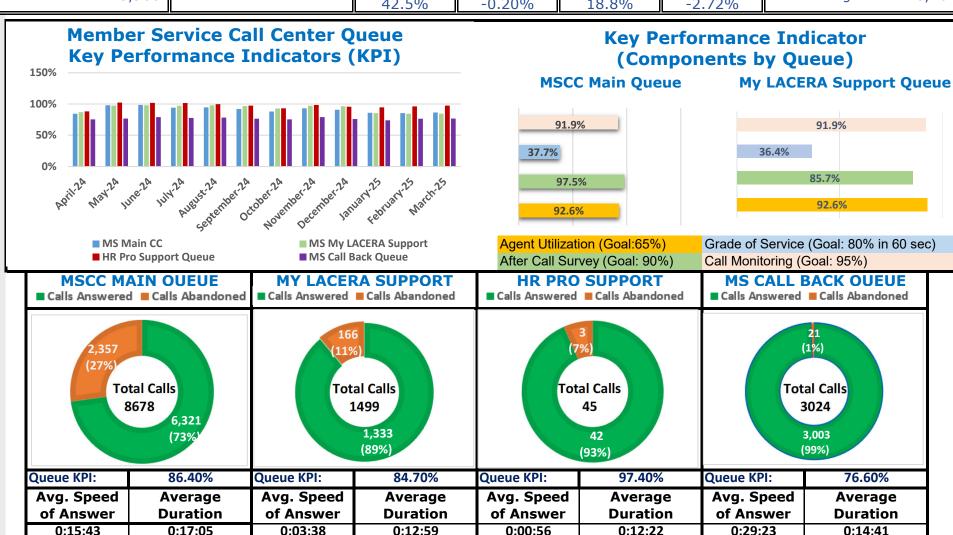
222

23

Resp. Rate Change 42.5% -0.20%

Resp. Rate Change 18.8% -2.72%

3 Month Avg. 8,462





Striving for Excellence

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: March 2025

TOP REASONS MEMBERS CONTACT MEMBER SERVICES

Member Services Call Center

Member Service Center (Outreach)

1. Retirement Counseling	1. Retirement Counseling
2. Taxes	2. Workshops/Appointments
3. My LACERA	3. My LACERA

Contact Center Email/Secure Message Performance

M

Emails (welcome@lacera.com):

420

•••

Secure Message (My LACERA)

1,318

Service Level: 24 Bus. Hours

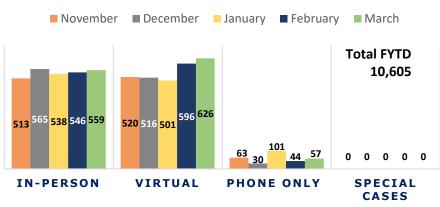
On Target

Service Level: 24 Bus. Hours

On Target

Member Service Center (Outreach)

Member Service Center Appointments



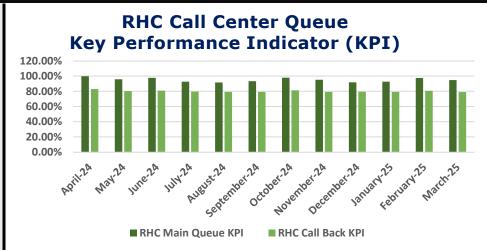


Retiree Healthcare

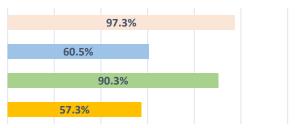


Striving for Excellence

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: March 2025



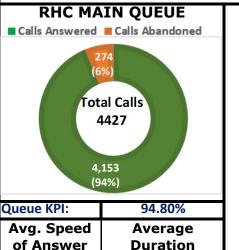




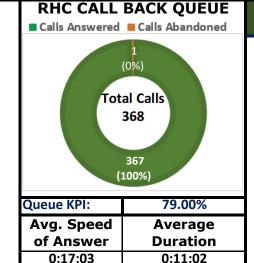
Agent Utilization (Goal:65%)
After Call Survey (Goal: 90%)

Grade of Service (Goal: 80% in 60 sec)
Call Monitoring (Goal: 95%)

TOP RHC CALL TOPICS



0:13:17



- 1. Medical/Dental Enrollments
- 2. Medicare Part B
- 3. General Inquiries

RHC Email/Secure Message Performance



0:03:27

Emails (healthcare@lacera.com): 578

Service Level: 24 Bus. Hours

•••

Secure Message (My LACERA)

546

Service Level: 24 Bus. Hours

On Target

On Target



Striving for Excellence

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: March 2025

Applications 1,026

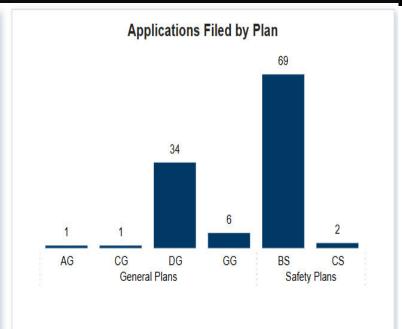
Pending: Applications in Process

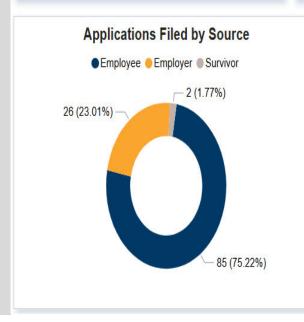
694 Received Year-to-Date To Board - Initial (Presented to BOR) 434 To Board - Initial Year-to-Date 11 Closed (Incomplete/Withdrawn)

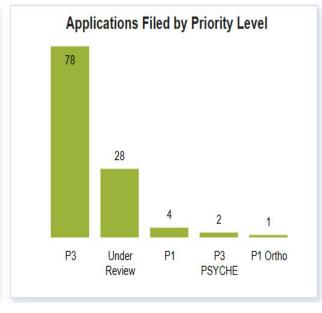
Received: New Applications

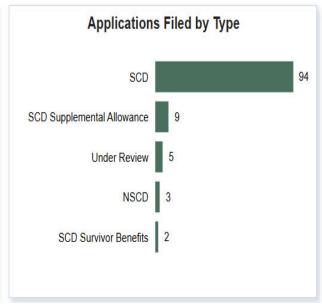
Closed Year-to-Date

Appeals Received: New Appeals 57 12 Received Year-to-Date Pending: Appeals in Process Admin Closed 12 Admin Closed Year-to-Date Referee Recommendations Referee Recommendations Year-to-Date **DLO Recommendations** DLO Recommendations Year-to-Date



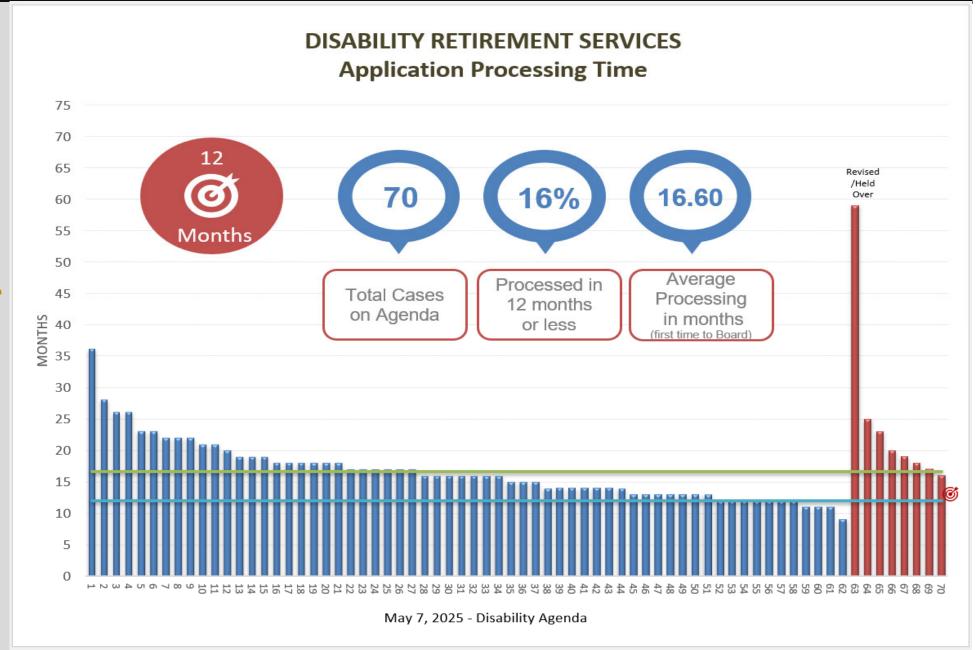






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Striving for Excellence

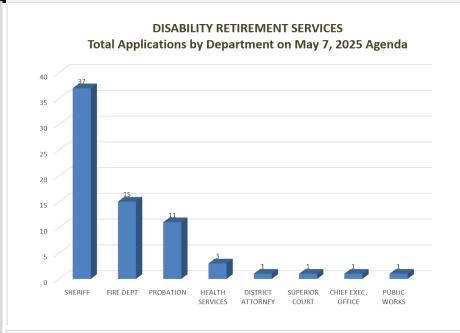


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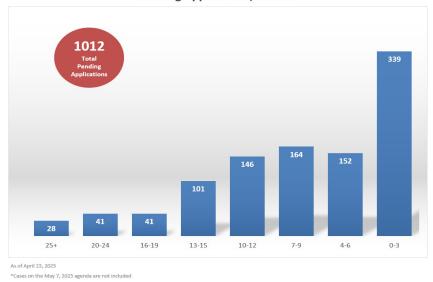
Striving for Excellence

By Department

Applications



DISABILITY RETIREMENT SERVICES Pending Applications/Months



Disability Retirement Services

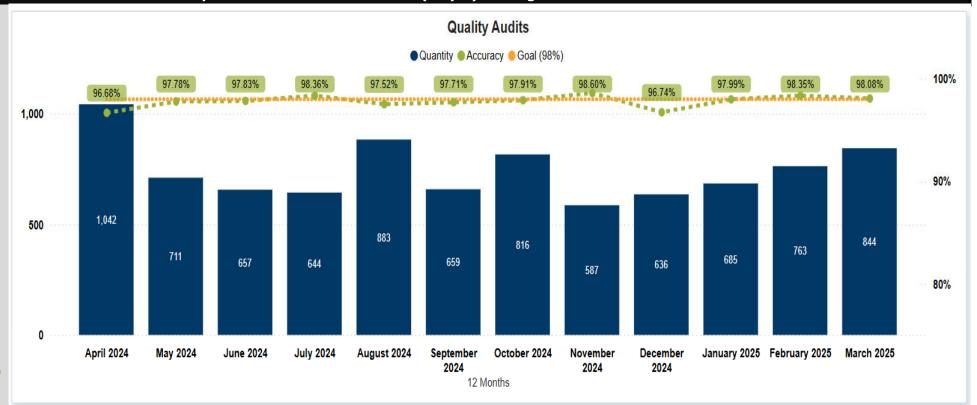
Applications by Department

DEPARTMENT	No. of Applications	% of Inventory
SHERIFF	448	44.27%
L A COUNTY FIRE DEPT	181	17.89%
PROBATION DEPARTMENT	161	15.91%
DEPT OF PUBLIC SOCIAL SERVICES	25	2.47%
CHILDREN & FAMILY SERVICES	23	2.27%
NORTHEAST CLUSTER (LAC+USC)	19	1.88%
PUBLIC HEALTH PROGRAM	19	1.88%
PUBLIC WORKS	14	1.38%
MENTAL HEALTH	13	1.28%
SUPERIOR COURT/COUNTY CLERK	13	1.28%
CORRECTIONAL HEALTH	11	1.09%
DISTRICT ATTORNEY	10	0.99%
COASTAL CLUSTER-HARBOR/UCLA MC	9	0.89%
PUBLIC DEFENDER	8	0.79%
HEALTH SERVICES ADMINISTRATION	8	0.79%
AMBULATORY CARE NETWORK	7	0.69%
INTERNAL SERVICES	7	0.69%
PARKS AND RECREATION	6	0.59%
MEDICAL EXAMINER	4	0.40%
RANCHO LOS AMIGOS HOSPITAL	4	0.40%
SFV CLUSTER-OLIVE VIEW/UCLA MC	3	0.30%
AUDITOR - CONTROLLER	2	0.20%
PUBLIC LIBRARY	2	0.20%
ASSESSOR	2	0.20%
CHILD SUPPORT SERVICES	2	0.20%
CHIEF EXECUTIVE OFFICE	2	0.20%
COUNTY COUNSEL	2	0.20%
REG-RECORDER/COUNTY CLERK	1	0.10%
ANIMAL CONTROL	1	0.10%
JUVENILE COURT HEALTH SERVICES	1	0.10%
AGING DEPARTMENT	1	0.10%
BOARD OF SUPERVISORS	1	0.10%
REGIONAL PLANNING	1	0.10%
BEACHES & HARBORS	1	0.10%
Grand Total	1012	100.00%



Striving for Excellence in Quality

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: March 2025



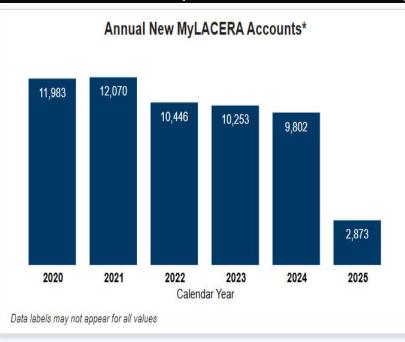
	Monthly Recap		
		Samples	Accuracy
Acreh 2025	Data Entry	119	99.71%
March 2025	Payment Contract	169	97.36%
	Retirement Election	556	97.95%
	Total	844	98.08%

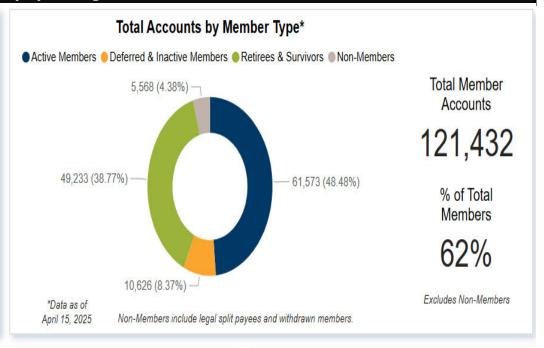
Prior audit values may update due to updated data.

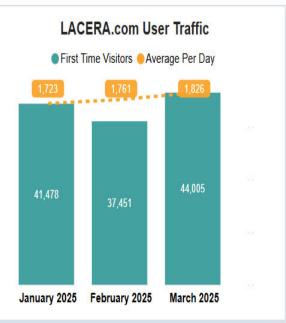
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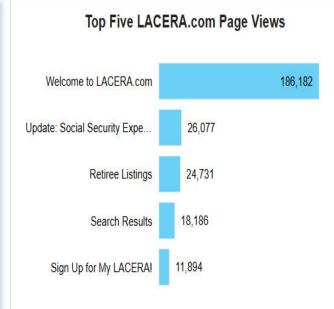
Service Online For All

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: March 2025









Busiest Day 03/03/2025

Home Page Tile	Views	% of Change
Resource Center	4,377	27.13%
Careers	4,168	23.17%
Investments	3,216	13.60%
Sign Up for My LACERA!	11,894	9.73%
Ready to Retire	6,137	3.56%
Board Meetings and Agendas	3,660	-19.33%

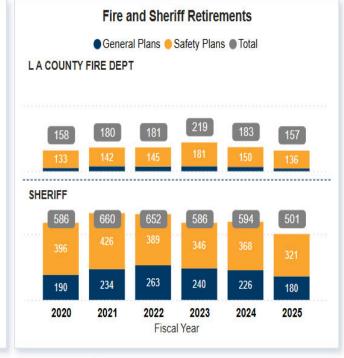


Member Snapshot

Metrics reported based on April 16, 2025

Membership Count vesting status excludes reciprocal service credit.

	Active Inactive		Retired				Total		
	Active Vested	Active Non- Vested	Inactive Vested	Inactive Non- Vested	Service Retirement	SCD- Disability Retirement	NSCD- Disability Retirement	Survivors	
☐ General Plans	65,304	21,612	7,904	12,337	49,696	3,112	590	8,371	168,926
AG	34		9	30	10,639	806	133	4,096	15,747
BG	8		5	3	547	33	5	76	677
CG	8		5	7	344	36	6	67	473
DG	30,339	111	3,727	3,645	21,433	2,173	435	2,265	64,128
EG	11,287	4	2,273	336	16,308			1,828	32,036
GG	23,628	21,497	1,885	8,316	425	64	11	40	55,866
☐ Safety Plans	10,018	2,129	548	996	5,275	7,455	78	2,209	28,708
AS			1	2	1,690	2,209	24	1,712	5,638
BS	6,494	47	395	349	3,567	5,208	53	492	16,60
CS	3,524	2,082	152	645	18	38	1	5	6,468
Total	75,322	23,741	8,452	13,333	54,971	10,567	668	10,580	197,634





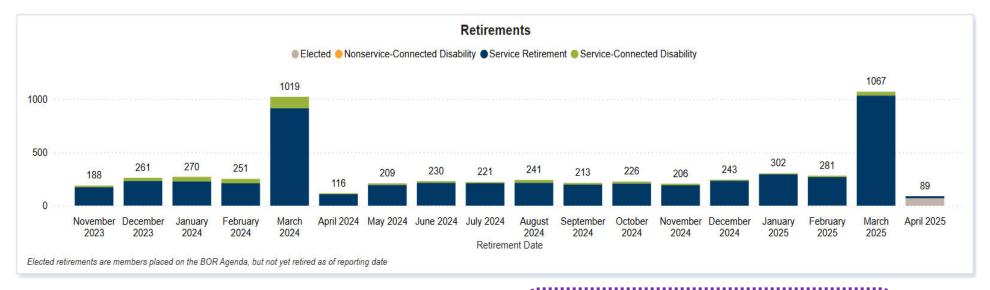
Total	Safety Plans	General Plans	Gross Benefit Range
37,084	1,436	35,648	\$0 to \$3,999
21,732	4,456	17,276	\$4,000 to \$7,999
9,940	4,622	5,318	\$8,000 to \$11,999
4,644	3,082	1,562	\$12,000 to \$15,999
1,365	810	555	\$16,000 to \$19,999
393	223	170	\$20,000 to \$23,999
150	89	61	\$24,000 to \$27,999
60	20	40	> \$28,000
75,368	14,738	60,630	Total

Monthly Benefit Allowance Distribution

Plan Type	Gross Average Benefit
Parameter Con-	A4 470 04
General Plans	\$4,470.21
Safety Plans	\$9,865.95
All Plans	\$5,514.03
Survivor A	verage Monthly Benefit
Survivor A	les acres mess use
Survivor Av	verage Monthly Benefit \$3,815.70



Member Snapshot



Retirements Metrics reported based on April 16, 2025

Monthly Retirements		
Retirement Type	April 2025	
Elected	70	
Service Retirement	19	
Total	89	

Retired Members Payroll	
(As of 3/31/2025)	
Monthly Payroll	\$401.24m
Payroll YTD	\$3.6b
New Retired Payees Added	390
Seamless %	97.95%
New Seamless Payees Added	3,072
Seamless YTD	97.30%
By Check %	2.00%
By Direct Deposit %	98.00%

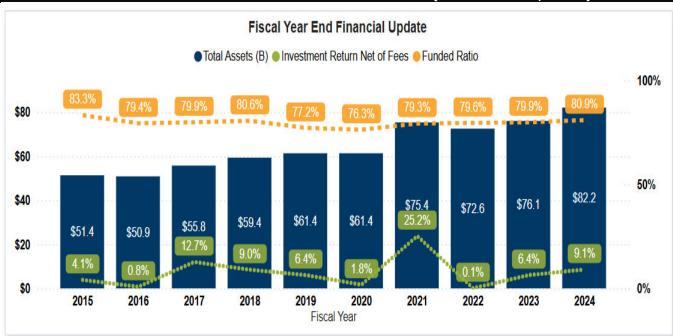
•• Healthcare Program						
(Mo. Ending: 3/31/2025)						
	<u>Employer</u> <u>Member</u>					
Medical	\$527.0	\$36.5				
Dental	\$39.1	\$3.6				
Part B	\$77.0	\$0.0				
Total	\$643.1	\$40.1				

	Total	155,557			
	LTC	434			
	Part B	39,448			
	Dental	58,933			
	Medical	56,742			
	(Mo. Ending: 3/31/2025)				
•	Health Car	e Enrollments			

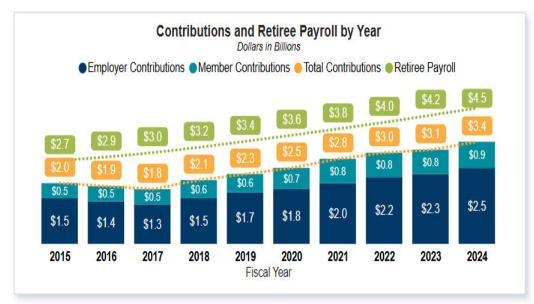


Key Financial Data

(As of June 30, 2024)



Funding Metrics	Contributions	
10.88% Employer NC	\$2.5B Employer Annual Contribution	
14.73% UAAL	25.61% Employer % of Payroll	
7.00% Assumed Rate	\$861.0M Member Annual Contribution	
\$608.6M Star Reserve	8.46% Member % of Payroll	
\$79.2B Total Net Assets	Investment Returns	
	9.1% 1-Year Return	net of fees
	5.2% 3-Year Return	
	7.4 % 10-Year Return	

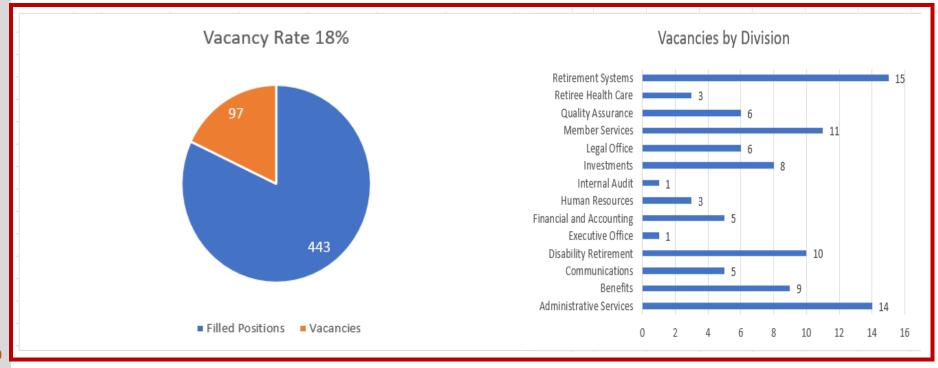


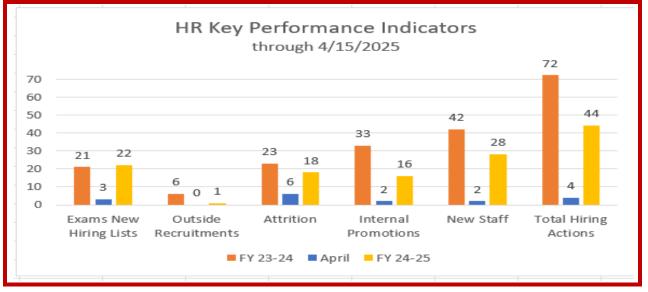


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Human Resources

Metrics reported based on April 15, 2025





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Human Resources

Metrics reported based on April 15, 2025

	Current Recruitments	
Classification	Division	Status
Accountant	FASD	Selection
Finance Analyst III (Internal Promotions)	Investments	Pending CEO Approval
Finance Analyst I (Fellowship)	Investments	Application Review
Disability Retirement Specialist	Disability Retirement	Assessment
ntern	Various	Receiving Applications
∟egal Secretary (Investments)	Legal	Application Review
Retirement Benefits Specialist I (Trainee)	Various	Bulletin Development
Sr. Investment Account (Internal Promotions)	FASD	Assessment
Senior Investment Officer	Investments	Interviews
Special Assistant	Executive	Selection Interviews
nternal Auditor	Internal Audit	Selection Interviews
Senior Human Resources Assistant	Human Resources	Bulletin Development



QUIET PERIOD LIST FOR TRUSTEES AND STAFF

Last Update 04/29/2025

ADMINISTRATIVE/OPERATIONS

Solicitation Name	Issuing Division	Public Release Date	Solicitation Stage*	Bid Respondents*
RFP: Member Experience Communications Platform (MECP)	Systems	11/6/2023	Contract Development	Genesys/TTEC
RFQ: eDiscovery	Legal / InfoSec	12/1/2023	Contract Development	GlobalRelay
RFP: Auditing and Consulting Services Pool	Internal Audit	2/13/2025		 Crowe HORNE Grant Thornton Canaudit Tapp International Armanino Simpson & Simpson Eide Bailly MGO GoldSRD
Secure Access Service Edge	InfoSec	2/6/2025	Bid review	Palo AltoVersaCato

^{*}Subject to change



INVESTMENTS

Solicitation Name	Issuing Division	Public Release Date	Solicitation Stage*	Bid Respondents *
Real Assets Emerging Manager Program Discretionary Separate Account Manager	Investments	3/29/2023	Contract Development Bid Review	 ORG Portfolio Management Barings Belay Investment Group Hamilton Lane Cambridge Associates Seed Partners Stable Asset Management Wafra Inc. Artemis Real Estate Partners Aether Investment Partners Neuberger Berman Group The Townsend Group BGO Strategic Capital Partners BlackRock StepStone GCM Grosvenor

^{*}Subject to change

Date	Conference
May, 2025 6-7	National Association of Corporate Directors (NACD) Master Class – Technology & Innovation Oversight San Francisco, CA
13-16	SACRS Spring Conference Rancho Mirage, CA
17-18	NCPERS (National Conference on Public Employee Retirement Systems) Trustee Educational Seminar (TEDS) Denver, CO
17-18	NCPERS (National Conference on Public Employee Retirement Systems) Accredited Fiduciary (NAF) Program Denver, CO
18-21	NCPERS (National Conference on Public Employee Retirement Systems) Annual Conference & Exhibition (ACE) Denver, CO
19-20	IFEBP (International Foundation of Employment Benefit Plans) Washington Legislative Update Washington D.C.
30	CALAPRS (California Association of Public Retirement Systems) Round Table – Trustees Virtual
June, 2025 2-4	National Association of Securities Professionals (NASP) Annual Financial Services Conference Columbus, OH
3-4	2025 PREA (Pension Real Estate Association) Institute Gleacher Center Chicago, IL
13	CALAPRS (California Association of Public Retirement Systems) Round Table – Benefits Virtual
16-18	NCPERS (National Conference on Public Employee Retirement Systems) Chief Officers Summit New York, NY
17-19	AHIP (America's Health Insurance Plans) 2025 Seattle, WA
July, 2025 17-18	ICGN 30 th Anniversary Conference-Americas New York, NY

Date	Conference
July, 2025 23-25	Pacific Pension Institute (PPI) Summer Roundtable Salt Lake City, UT
August, 2025 17-19	NCPERS (National Conference on Public Employee Retirement Systems) Public Pension Funding Forum Chicago, IL
September, 2025 8-10	Council of Institutional Investors (CII) Fall Conference San Francisco, CA
24-26	NCPERS (National Conference on Public Employee Retirement Systems) Public Pension HR Summit Philadelphia, PA
28-October 1	CRCEA (California Retired County Employees Association) Fall Conference Pleasanton, CA
October, 2025 3	CALAPRS (California Association of Public Retirement Systems) Round Table – Trustees Virtual
12-15	National Association of Corporate Directors (NACD) Directors Summit 2025 Washington D.C.
20-24	Investment Strategies & Portfolio Management Wharton School, University of Pennsylvania
22-24	PREA (Pension Real Estate Association) Annual Institutional Investor Conference Washington D.C.
22-24	Pacific Pension Institute (PPI) Asia Pacific Roundtable Sydney, Australia
25-26	NCPERS (National Conference on Public Employee Retirement Systems) Program for Advanced Trustee Studies (PATS) Ft. Lauderdale, FL
25-26	NCPERS (National Conference on Public Employee Retirement Systems) Accredited Fiduciary (NAF) Program Ft. Lauderdale, FL
26-29	NCPERS (National Conference on Public Employee Retirement Systems) FALL (Financial, Actuarial, Legislative & Legal) Conference Ft. Lauderdale, FL

Date	Conference
November, 2025 4-6	Institutional Limited Partners Association (ILPA) General Partner Summit New York, NY
9-12	IFEBP (International Foundation of Employment Benefit Plans) Annual Employee Benefits Conference Honolulu, HI
11-14	SACRS Fall Conference Huntington Beach, CA
December, 2025 11	CALAPRS (California Association of Public Retirement Systems) Round Table – Benefits Virtual





April 24, 2025

TO: Each Trustee

Board of Retirement Board of Investments

FROM: Patrick Jones, Chair

Joint Organizational Governance Committee

Debbie Martin, Chair

Audit, Compliance, Risk, and Ethics (ACRE) Committee

FOR: May 7, 2025 Board of Retirement

May 14, 2025 Board of Investments

SUBJECT: Chief Ethics and Compliance Officer and Deputy, Chief Ethics and

Compliance Officer, LACERA Proposed Classification and Compensation

RECOMMENDATION

Recommend to the Board of Retirement and Board of Investments the following actions:

1. Approve establishment of one (1) new non-represented classification and salary range applicable only to LACERA.

New Classification Title

Salary Schedule LS12

Chief Ethics and Compliance Officer, LACERA

2. Approve establishment of one (1) new non-represented classification and salary range applicable only to LACERA and two (2) ordinance / budgeted designated positions.

New Classification Title

<u>Salary</u> Schedule

Deputy, Chief Ethics and Compliance Officer, LACERA

119K

3. Direct staff to submit to the Board of Supervisors the required ordinance language to implement the new LACERA classifications and pay ranges by amending the Los Angeles County Salary Code Sections 6.28.050, 6.127.010, and 6.127.030.

LACERA CECO and DCECO Proposed Classification and Compensation April 24, 2025 Page 2 of 14

LEGAL AUTHORITY

The authority to implement the proposed new classifications, additional budgeted positions, and salaries for the above classifications' rests jointly with the Board of Retirement and Board of Investments. Such authority is provided in the California Government Code Sections 31522.1, 31522.2, and 31522.4, and will require the Board of Supervisors to amend the Ordinance. The Boards' authority for LACERA classifications and salaries is also found in Article XVI, Section 17 of the California Constitution, which provides that they have "plenary authority and fiduciary responsibility for investment of moneys and administration of the system," and in Article XVI, Section 17(a), which provides that the Boards have "exclusive fiduciary responsibility over the assets of the public pension or retirement system" and "shall also have sole and exclusive responsibility to administer the system in a manner that will assure prompt delivery of benefits and related services to the participants and their beneficiaries."

Specific authority to create the Chief Ethics and Compliance Officer, LACERA (CECO) and Deputy, Chief Ethics and Compliance Officer, LACERA (DCECO) positions and salaries, and the process to be followed, is found in LACERA's governing board documents and applicable law.

The ACRE Committee Charter, approved by the Committee and the joint Boards in September and October 2024, grants the Committee oversight responsibility for LACERA's Ethics and Compliance Program (EC Program), including oversight of the Chief Ethics and Compliance Officer, LACERA (CECO), in conjunction with the Chief Executive Officer, LACERA (CEO) and joint Boards¹. The Ethics and Compliance Program Charter (EC Charter), approved by the Committee and joint Boards on the same dates stated above, calls for a CECO to lead the EC Program, lead the Ethics and Compliance Office, and report functionally to the ACRE Committee, the Boards, and the CEO². The creation of the CECO classification and salary were approved and recommended at the December 2024 ACRE Committee meeting. The creation of the DCECO classification and salary were approved and recommended at the March 2025 ACRE Committee meeting. The EC Charter is attached as **Attachment A**.

The first step in development of the Program is the hiring of the CECO. The CECO will then, based on the CECO's expertise and experience and in conjunction with the ACRE Committee, the Boards, and CEO, develop other Ethics and Compliance Office staff, which is expected to include two (2) Deputy Chief Ethics and Compliance Officers (DCECO) (each expected to focus on ethics and compliance issues in specialized areas of LACERA's operations and related laws, regulations, policies, and procedures so as to enable the development of specific expertise in the Ethics and Compliance Office) and subordinate analyst-level and administrative support staff.

To implement the actions of the ACRE Committee and Boards and in preparation for the development of the Ethics and Compliance Office, creation of the CECO and DCECO classifications and salaries are, therefore, necessary.

¹ ACRE Committee Charter, Section VIII(B)(1).

² Ethics and Compliance Program Charter, Section III.

LACERA CECO and DCECO Proposed Classification and Compensation April 24, 2025
Page 3 of 14

The JOGC Charter provides that the Committee has the responsibility to "Review and make recommendations on staff requests to create all new Staff Member classifications [and] ... initial compensation levels and ranges applicable to new positions to be added to the County Code." Upon action by the JOGC, the CECO and DCECO classifications and salaries should be referred for final recommendation to the Boards. At its April 2025 meeting, the JOGC recommended the classifications for approval by the Boards, with one change to add a master's degree as an alternative minimum educational requirement for both positions.

BACKGROUND ON THE EC PROGRAM AND CECO AND DCECO POSITIONS

Creation of an Ethics and Compliance Program is a goal of the Board of Retirement's 2023-2028 Strategic Plan, approved in July 2023. (See Strategic Plan, Priority 4, Objective 4.1.) The purpose of this Goal is to further performance of LACERA's Mission to produce, protect, and provide the promised benefits to our members; its Vision to empower our members to enjoy a healthy and secure retirement; and its Core Values of integrity, innovation, inclusivity, accountability, collaboration, and transparency by facilitating "management's efforts in regard to compliance and risk management. These efforts are continuous because risks constantly change." (Plan, page 19.) (See JOGC Charter, Section 7.1.) This Goal seeks to enhance the performance of LACERA's fiduciary duty to members and beneficiaries and develop a "Fully implemented integrated, structured, and mature organizational compliance and risk programs." (Plan, page 20.)

After approval of the Strategic Plan, staff developed and presented to the ACRE Committee and Boards an EC Charter to guide the EC Program. The EC Program is built to assist the Committee, Boards, and CEO "in performing their duty of oversight by providing an independent structure within management for assessment, mitigation, and reporting of LACERA's ethics and compliance risks throughout the organization. The EC Program seeks to provide ongoing assurance and accountability, in a changing environment, that LACERA's operations are conducted in an ethical and compliant manner. The EC Program promotes continuous improvement of LACERA's ethics and compliance controls." (EC Charter, Section I.)

Research supports that strong Ethics and Compliance Programs will achieve the desired results of the Strategic Goal. A strong program is shown to result in improved staff experiences because an ethical culture fosters feelings of trust, purpose, and teamwork, enhanced staff morale and engagement, and will aid staff retention, loyalty, and recruitment. An ethical and compliant culture also empirically leads to improved organizational performance, including improved productivity and efficiency, increased member service and satisfaction, more innovation and adaptability to changed circumstances and new business initiatives, and reputational gains with stakeholders. The research shows that improved performance from a strong ethical and compliant culture is not only at the individual level but to an even greater extent in teams, where there is a multiplier effect as to the impact of a well-designed and implemented Program. Research shows that a strong, well-built, and maintained Program will result in reduced misconduct and claims, and increased internal reporting, without a fear of retaliation, and therefore a reduction in the organizational costs that flow from misconduct. Most importantly, a strong Program will set strong behaviors and tone at the top and assist the ACRE Committee, the Boards, and the CEO and other management in performing their fiduciary duty to oversee and respond to ethics and compliance issues. The role of leadership in the Program is especially important in that research shows that the behaviors and processes actually observed by staff,

LACERA CECO and DCECO Proposed Classification and Compensation April 24, 2025 Page 4 of 14

more than written standards alone, are the largest single factor in explaining variations in ethical and compliant cultures.

As described in the EC Charter, the EC Program is to be "led by the Chief Ethics and Compliance Officer (CECO), who will have the authority and responsibility to independently implement the Program." Under the Program Charter:

- Functionally, the CECO reports to the ACRE Committee, both Boards, and the CEO with respect to the activities of the Program as provided in this Charter and the ACRE Committee Charter to facilitate the ACRE Committee, Board, and CEO oversight of ethics and compliance risk mitigation. The CEO will be the CECO's appointing authority. The ACRE Committee and the Boards will respond to substantive ethics and compliance issues presented by the CECO; approve the CEO's hiring, termination, and discipline of the CECO and contribute to the CEO's performance evaluation of the CECO; approve the Ethics and Compliance Office budget for inclusion in LACERA's annual administrative budget; and approve any additional unexpected expenses for necessary work within the scope of this Charter in accordance with LACERA's Policy for Purchasing Goods and Services.
- Administratively, the Chief Ethics and Compliance Officer reports to the Chief Counsel, who will support the day-to-day operations of the Ethics and Compliance Office and serve as a resource and provide guidance to the CECO on ethics and compliance issues when requested by the CECO. The CECO has direct and independent access to the ACRE Committee, both Boards, and the CEO.

(Ethics and Compliance Program Charter, Section III.)

The EC Program activities over which the CECO and DECO will be responsible include: the Ethics and Compliance Program Framework, including resourcing and staffing; Ethics and Compliance Risk Assessment; Monitoring, as to the ethics and compliance of LACERA's operations, business practices, and key risk indicators; Review of Policies and Procedures, including the ethics and compliance aspects of all LACERA policies, identification of gaps in LACERA's policy and process control environment, and periodic policy review; Vendor/Third-Party Ethics and Compliance Risk Management; Privacy; Training, Communications, and Incentives, focusing on ethics and compliance risk related education; Channels for Staff to Report Ethics and Compliance Concerns, including but not limited to the Ethics Hotline; Investigation, Response, and Commitment to Non-Retaliation, regarding ethics and compliance concerns; Measurement of Organizational Culture of Ethics and Compliance; Reporting, to the ACRE Committee, the Boards, and the CEO, regarding the Program's activities and status; and Self-Assessment and Review of the Program.

The CECO will serve as LACERA's Privacy Officer, develop the Program budget, and will select, train, and lead subordinate Ethics and Compliance Office staff. In connection with these activities, the CECO will develop a Three-Year Roadmap of strategic priorities and an Annual Work Plan. (See Ethics and Compliance Program Charter, Sections VII, VIII.) The CECO will

LACERA CECO and DCECO Proposed Classification and Compensation April 24, 2025
Page 5 of 14

determine and oversee the areas of responsibility of the DCECOs.³ Accordingly, while the CECO will be recruited shortly after final approval of the CECO classification and salary, the DCECOs will be recruited later by the CECO as part of the CECO's development of the Program in consultation with the ACRE Committee, Boards, and the CEO, as well as other relevant staff leaders.

As described in the EC Charter, the EC Program is to be "led by the Chief Ethics and Compliance Officer (CECO), who will have the authority and responsibility to independently implement the Program." Part of implementing the Program includes development and recruitment of a highly specialized ethics and compliance team, starting with the DCECOs.

Positions allocable to this classification will report to the CECO and will assist in overseeing and directing the ethics and compliance program. The DCECOs will carry out the implementation of LACERA's ethics and compliance program based on their knowledge and experience in relation to the risks related to ethical standards and compliance with laws, regulations, policies, and procedures applicable to aspects of LACERA's governance and operations, which may include pension administration, benefits, healthcare, finance and investments.

The Ethics and Compliance Program is designed as a best practice program, including the responsibilities of the CECO and DCECO's, in accordance with The Institute of Internal Auditors' "Three Lines Model" (2020), the United State Sentencing Commission's *Sentencing Guidelines for Organizations* (2023), and the U.S. Department of Justice "Evaluation of Corporate Compliance Programs" (2024).

A proposed Organizational Chart for the Ethics and Compliance Office is shown as **Attachment B**. This Organizational Chart has been shared with the ACRE Committee and Boards in memos and presentations leading to the approval of the Ethics and Compliance Program Charter.

PROPOSED NEW CLASSIFICATIONS

Chief Ethics and Compliance Officer, LACERA Classification

Civil Service Rule 5.01 Standards for the Classification of Positions, C. states that a new class shall be established when it has been determined that the duties and responsibilities of a position or positions, assigned by competent authority, are unique in terms of character, difficulty, and responsibility and do not meet the specifications for an existing class.

To implement the ACRE Committee and Boards' action in creating the EC Program as governed by the Ethics and Compliance Charter, staff proposes creation of the new Chief Ethics and Compliance Officer, LACERA classification with the knowledge and experience to act as a dedicated position to the ethics and compliance efforts of management as described above. The EC Program is led by the CECO, who has the authority and responsibility to independently implement it, reporting directly to the ACRE Committee, the Boards, and the CEO. The position will enable LACERA to implement a compliance structure in line with the Institute of Internal Auditor's "Three Lines" Model of compliance, which describes a dedicated ethics and

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³ EC Charter, Section VIII(A).

LACERA CECO and DCECO Proposed Classification and Compensation April 24, 2025 Page 6 of 14

compliance function within management as a second line within management (operations inhabits the first line and Internal Audit provides independent assurance as the third). The Chief Ethics and Compliance Officer, LACERA fits within the second line, which currently does not have dedicated staff at LACERA. The Program and CECO position and responsibilities are also in line with the best practices set forth in the U.S. Sentencing Guidelines for Organizations and U.S. Department of Justice guidance, both as referenced above.

LACERA has an operational need for a full-time position with primary responsibility for the development, direction, and management of LACERA's Ethics and Compliance Office and Ethics and Compliance Program, including operational ethics and compliance throughout the entire organization, conflicts of interest and ethics, and serving as Privacy Officer. The CECO will oversee an independent Ethics and Compliance Office and staff members, located in the Legal Division, although Chief Counsel will not provide functional oversight. This operational positioning will support the Program in its early implementation stages and is a synergistic fit considering the legal nature of LACERA's operations.

HR reviewed LACERA's existing classifications and found that LACERA does not have any classifications with a specialization in the second line management of risk related to operational ethics and compliance at the level of a Chief Ethics and Compliance Officer position, which requires knowledge and experience in compliance and ethics principles and practices to perform the many specialized program activities described above. Knowledge and abilities are also necessary in the areas of California Government Code provisions, including: the County Employees Retirement Law of 1937; the Public Employees' Pension Reform Act of 2013 (PEPRA); the Ralph M. Brown Act; the Public Records Act; the Political Reform Act (and related Fair Political Practices Commission regulations); other laws and regulations relating to public pension governance, conflicts of interest and ethics; securities laws and regulations; and privacy law and practices, including California law, the Health Insurance Portability and Accountability Act (HIPAA), and related regulations.

Some ethics and compliance functions are currently distributed throughout the Legal Office and other parts of the organization. The intent of the Chief Ethics and Compliance Officer is to go beyond consolidating existing corporate compliance functions under one position. Reporting to the Chief Executive Officer, LACERA, Board of Retirement, Board of Investments, and the ACRE Committee and administratively to the Chief Counsel, LACERA, the expectation is that the Chief Ethics and Compliance Officer (CECO) will serve as a corporate ethics and compliance subject matter expert in the design and implementation of innovative and comprehensive strategies, policies, procedures, and action plans to lead LACERA in elevating its ethics and compliance program to ensure continuous and proactive improvements in LACERA's control environment. This goes beyond general managerial responsibility for ethical and compliant behavior and exceeds all ethics and compliance related duties currently performed at LACERA. The incumbent must have the ability to influence and be a change agent, design strategy, deliver results, and create metrics and accountability for the new EC Program. As the Program evolves and grows, the Ethics and Compliance Office expects to request additional positions, the proposed CECO class specification will be updated in the future for consistency as subordinate positions are developed.

LACERA CECO and DCECO Proposed Classification and Compensation April 24, 2025 Page 7 of 14

The proposed class specification for Chief Ethics and Compliance Officer, LACERA is shown as **Attachment C**. It lists examples of job duties based on the Ethics and Compliance Program Charter and references the minimum requirements:

Option A: A bachelor's or master's degree in accounting, business administration, finance, legal studies, public administration, or a related field from an accredited college or university **AND** five (5) years of responsible experience managing, designing, developing, and implementing ethics and compliance programs or auditing and investigating ethics and compliance risks and concerns and concerns for a large public pension or multi-service public or private sector organization.

Option B: Three (3) years' experience at the level of Deputy, Chief Ethics and Compliance Officer, LACERA.

Option B was added by Human Resources after the ACRE Committee's March 2025 approval of the DCECO classification to recognize experience in that role as satisfying the minimum requirements. The attached proposed class specification includes minor suggested edits from the County Department of Human Resources that do not change the substance of the stated responsibilities as approved by the ACRE Committee. The changes were reviewed by Human Resources, the Executive Office, and the Legal Division and accepted in the exercise of LACERA's independent judgment and authority for LACERA staff. The additional changes are redlined in **Attachment C**.

The proposed Chief Ethics and Compliance Officer, LACERA classification qualifies for exemption under the Fair Labor Standards Act (FLSA) based on the Department of Labor administrative exemption test.

Based on the role and responsibility of the CECO at the executive level, it is recommended that this position be added to the LACERA Management Appraisal and Performance Plan (MAPP), Tier II. The position will be evaluated based on annual MAPP goals set by the ACRE Committee.

Compensation

LACERA typically recommends aligning the compensation for the positions studied to market rates while taking into consideration internal equity and sufficient salary differentials between positions. However, Human Resources canvassed CERL, local regional agencies, and utilized private salary survey data for comparable classifications and market data and found that comparable specialized positions in the public sector is limited due to the specific needs of LACERA and because a stand-alone ethics and compliance office is relatively new in the public sector and within pension systems. Based on the information reviewed, HR proposes setting the salary range for the Chief Ethics and Compliance Officer, LACERA based on internal equity.

Orange County Employees Retirement System (OCERS) recently established a Chief Compliance Officer classification to develop a compliance program and staff and lead the new OCERS Office of Enterprise Compliance. As an organization, OCERS' responsibilities to its members are similar to LACERA. However, the size of the organization, the size of the membership, assets under management, and size of the compliance office is significantly smaller than LACERA making LACERA's EC Program much larger than the OCERS program. In addition, the OCERS program has internal audit design and testing responsibilities, as well

as community and business involvement that does not apply to the LACERA EC program. The Chief Compliance Officer at OCERS is the closest benchmark yet it is not a match.

Similarly, the compliance programs of smaller California pension programs, such as the Alameda County Employees Retirement Association (ACERA), Contra Costa County Employees' Retirement Association (CCCERA), San Diego County Employees Retirement Association (SDCERA), and San Diego City Employees' Retirement System (SDCERS), are not comparable to the size and complexity of LACERA and its EC program.

LACERA found that there were no appropriate salary benchmark matches in the following local public sector agencies:

- Los Angeles County compliance classifications such as the Head Compliance Officer and Senior Deputy Compliance Officer are not a match as they perform duties related to internal audit or administering diversity, equal opportunity, and civil rights related programs, including conducting investigations. Los Angeles County is currently creating a centralized Audit and Compliance Unit within the Risk Mitigation Section; however, the unit will be performing audits and managing a broader range of countywide risks related to IT, Artificial Intelligence, privacy/security, programs, and operations including for Health Services and Sheriff's.
- The organizational structure of agencies such as CalSTRS, CalPERS, Metropolitan Water District, and LA County Metropolitan Transportation Authority are much larger with multiple layers of compliance-related staffing and oversight. No match was found.
 - At CalSTRS, the Director of Enterprise Risk Management and Compliance position reports to the Chief Financial Officer and oversees financial and audit related functions, which is not done by the LACERA position. The Ethics and Compliance Office reports to the General Counsel.
 - At CalPERS, the Chief Compliance Officer is a functional title used for a budgeted Investment Director position and oversees 28 compliance staff. The Enterprise Compliance, Risk, and Governance Office reports to the General Counsel.
 - At Metropolitan Water District, the Ethics Officer oversees three (3) levels of subordinate staff which hold juris doctorate degrees. The office prepares administrative code and reports on California legislative activity, as well as performing ethics and compliance.
 - At the Metropolitan Transportation Authority, the Chief Ethics Officer oversees compliance including lobbyist regulation enforcement and requires staff members have a juris doctorate degree. There are four (4) levels of subordinate staff under the Chief.
 - At the Los Angeles City Ethics Commission, the Ethics Officer III oversees a division handling additional functions such as campaign donation, lobbying, audits and more.

Market data from the Economic Research Institute (ERI) a well-known reliable compensation resource, was taken into consideration for general public and private sector data. Chief Compliance Officer is a C-suite senior executive level position. Although the reporting relationship appears to be similar to the Chief Compliance and Ethics Officer, LACERA, the market data includes a broad range of sources such as very large complex global healthcare,

insurance, investment, life science, technology and other highly regulated industries which has a higher level of compensation and compliance needs. In some companies, this position also oversees audit functions.

ERI (Los Angeles Regional Area)

Classification Title

Chief Compliance Officer (Manages a Division, C-Suite)

Experienced Level

\$278,766 annual / \$362,895 annual / \$30,241 monthly

Market data was sourced from NCPERS/CBIZ specific to national public pension funds. NCPERS/CBIZ does not have data specific to compliance. The market data provided shows that the two functions are typically combined or valued at the same market rate. This supports the recommendation to align LACERA's Ethics and Compliance Office with Internal Audit.

Classification Title	50 th Percentile – Experienced Level	75 th Percentile – Experienced Level
Chief Auditor/Compliance Officer	\$152,300 annual / \$12,691 monthly	\$194,200 annual / \$16,183 monthly
Deputy Chief Auditor/Compliance Officer	\$126,000 annual / \$10,500 monthly	\$167,100 annual / \$13,925 monthly

Market-data was also sourced from the Society of Corporate Compliance and Ethics (SCCE). The following data is for non-healthcare related positions.

SCCE (Filtered Categories Below)						
Classification Title	<u>Filter</u>	50 th Percentile – Experienced Level	75 th Percentile – Experienced Level			
Chief Compliance Officer	Pacific Region	\$155,000 annual / \$12,916 monthly	\$221,900 annual / \$18,491 monthly			
	Governmental	\$132,000 annual/ \$11,000 monthly	\$185,100 annual/ \$15,425 monthly			
	500-999 Employees	\$198,500 annual/ \$16,541 monthly	\$244,600 annual/ \$20,383 monthly			

Internal Equity

Due to the lack of strong market compensation benchmarks, LACERA recommends aligning the compensation for the Chief, Ethics and Compliance Officer, LACERA with the Chief, Internal Audit, LACERA based on internal equity with other LACERA staff. The Chief, Ethics and Compliance Officer, LACERA and the Chief, Internal Audit, LACERA make up leadership for the two parallel lines of the three-line model described in the Ethics and Compliance Program Charter approved by the LACERA Boards on October 2, 2024, and October 9, 2024. The third line is responsible for the delivery of services and support operations. Management oversees the first and second lines. The third line is independent of management.

LACERA recommends setting the compensation for the Chief, Ethics and Compliance Officer, LACERA at LS12 to align with the Chief, Internal Audit, LACERA. The monthly maximum salary of \$18,158.54 per month (\$217,902.48 annual) is slightly above the NCPERS/CBIZ market-data for Chief Auditor/Compliance Officer at the 75th percentile and slightly below the average of the three SCCE data points at the 75th percentile.

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Ethics and	Compliance	Program	Charter	"three lines"	model

<u>Item</u>	Classification Title	Sal Sch	Monthly Sal Max*	Annual Sal Max*
0774	Chief, Internal Audit, LACERA	LS12	\$18,158.54	\$217,902.48
NEW	Chief, Ethics and Compliance Officer, LACERA	LS12	\$18,158.54	\$217,902.48
0773	Division Manager, LACERA	LS12	\$18,158.54	\$217,902.48
0425	Director, Human Resources, LACERA	LS12	\$18,158.54	\$217,902.48
0800	Chief Financial Officer, LACERA	LS12	\$18,158.54	\$217,902.48

<u>Item</u>	<u>Classification Title</u>	Sal Sch	Sal Max*
NEW	Chief Ethics and Compliance Officer, LACERA	LS12	\$18,158.54
0425	Director, Human Resources, LACERA	LS12	\$18,158.54
0773	Division Manager, LACERA	LS12	\$18,158.54
0774	Chief Internal Audit, LACERA	LS12	\$18,158.54
0800	Chief Financial Officer, LACERA	LS12	\$18,158.54
0804	Information Technology Manager II, LACERA	LS12	\$18,158.54
0806	Information Security Officer, LACERA	LS12	\$18,158.54
9212	Staff Counsel, LACERA	LS12	\$18,158.54

Deputy Chief Ethics and Compliance Officer, LACERA Classification

To further implement the ACRE Committee and Boards' action in creating the EC Program as governed by the EC Charter, staff proposes the creation of the new DCECO classification with the knowledge and experience to act as a dedicated position to assist the CECO and the ethics and compliance efforts of the ACRE Committee, Boards, and management as described above.

The EC Program is led by the CECO, who has the authority and responsibility to independently implement it, reporting directly to the ACRE Committee, the Boards, and the CEO.

LACERA has an operational need for two full-time budgeted positions with primary responsibility for assisting the CECO with the development, direction, and management of LACERA's Ethics and Compliance Office and Ethics and Compliance Program, including conflicts of interest, and operational ethics and compliance throughout the entire organization.

HR reviewed LACERA's existing classifications and found that LACERA does not have any classifications with a specialization in the second line management of risk related to operational ethics and compliance at the level of a Deputy, Chief Ethics and Compliance Officer position, which requires knowledge and experience in compliance and ethics principles and practices to perform the many specialized program activities described above. Knowledge and abilities are also necessary in the areas of California Government Code provisions, including: the County Employees Retirement Law of 1937; the Public Employees' Pension Reform Act of 2013 (PEPRA); the Ralph M. Brown Act; the Public Records Act; the Political Reform Act (and related Fair Political Practices Commission regulations); other laws and regulations relating to public pension governance, conflicts of interest and ethics; securities laws and regulations; and privacy law and practices, including California law, the Health Insurance Portability and Accountability Act (HIPAA), and related regulations.

Some ethics and compliance functions are currently distributed throughout the Legal Office and other parts of the organization. The intent of the Deputy, Chief Ethics and Compliance Officer is to go beyond consolidating existing compliance functions under one position. Reporting to the CECO, the expectation is that the DCECOs will serve as an ethics and compliance subject matter experts in relation to the risks related to ethical standards and compliance with laws, regulations, policies, and procedures applicable to aspects of LACERA's governance and

LACERA CECO and DCECO Proposed Classification and Compensation April 24, 2025 Page 11 of 14

operations, which may include pension administration, benefits, healthcare, finance, and investments as determined by the CECO in consultation with the ACRE Committee, Boards, and CEO as stated in the EC Charter.

The incumbents of the DCECO positions must have the ability to assist the CECO in influencing and acting as a change agent, designing ethics and compliance strategy in specific areas, delivering results, and create metrics and accountability for the new EC Program. As the Program evolves and grows, the Ethics and Compliance Office expects to request additional positions, the proposed DCECO class specification will be updated in the future for consistency as subordinate positions are developed.

The proposed class specification for Deputy, Chief Ethics and Compliance Officer, LACERA is shown as **Attachment D**. It lists examples of job duties based on the Ethics and Compliance Program Charter and references the minimum requirements:

A bachelor's or master's degree in accounting, business administration, finance, legal studies, public administration, or a related field from an accredited college or university - **AND-** Three (3) years of responsible experience designing, developing, and implementing ethics and compliance programs or auditing and investigating ethics and compliance risks and concerns in specialized areas for a large public pension system, or multi-service public or private sector organization.

The attached proposed class specification includes minor suggested edits from the County Department of Human Resources that do not change the substance of the stated responsibilities as approved by the ACRE Committee. The changes were reviewed by Human Resources, the Executive Office, and the Legal Division and recommended in the exercise of LACERA's independent judgment and authority for LACERA staff. The additional changes are redlined in **Attachment D**.

The proposed Deputy, Chief Ethics and Compliance Officer, LACERA classification qualifies for exemption under the Fair Labor Standards Act (FLSA) based on the Department of Labor administrative exemption test.

Compensation

LACERA typically recommends aligning the compensation for the positions studied to market rates while taking into consideration internal equity and sufficient salary differentials between positions. However, Human Resources canvassed CERL, local regional agencies, and utilized private salary survey data for comparable classifications and market data and found that comparable specialized positions in the public sector are limited due to the specific needs of LACERA and because a stand-alone ethics and compliance office is relatively new in the public sector and within pension systems. Based on the information reviewed, HR proposes setting the salary range for the DCECO based on internal equity.

Internal Equity

Due to the lack of strong market compensation benchmarks, LACERA recommends aligning the compensation for the Deputy, Chief, Ethics and Compliance Officer, LACERA with the Principal, Internal Auditor, LACERA based on internal equity among LACERA staff. The Deputy, Ethics and Compliance Officer, LACERA will serve a similar role within the second line Ethics and Compliance Program as the Principal Internal Auditor, LACERA serves within the third line Internal Audit program. The Ethics and Compliance Program and Internal Audit are two lines of the three-line model described in the Ethics and Compliance Program Charter approved by the LACERA Boards on October 2, 2024, and October 9, 2024. The third line is Management. LACERA recommends setting the compensation for the Deputy, Chief, Ethics and Compliance Officer, LACERA at 119K to align with the Principal Internal Auditor, LACERA with a monthly maximum salary of \$14,157.74 per month (\$169,892.88 annual).

Е	Ethics and Compliance Program Charter "three lines" model					
	<u>Item</u>	Classification Title	Sal Sch	Sal Max*		
	0771	Assistant Division Manager, LACERA	LS10	\$15,713.18		
	0799	Assistant Chief Financial Officer, LACERA	LS10	\$15,713.18		
ſ	0772	Section Head, LACERA (PMG Supervisor), LACERA	LS09	\$14,616.91		
Ì	0762	Principal Internal Auditor, LACERA (Supervisor), LACERA	119K	\$14,157.74		
	NEW	Deputy Chief Compliance and Ethics Officer, LACERA	119K	\$14.157.74		

comparison with other LACERA Classifications						
<u>ltem</u>	Classification Title	Sal Sch	Sal Max*			
2644	Retirement Systems Specialist, LACERA	121A	\$14,618.00			
0453	EDP Principal Programmer Analyst, LACERA	120K	\$14,546.92			
0762	Principal Internal Auditor, LACERA	119K	\$14,157.74			
NEW	Deputy Chief Compliance and Ethics Officer, LACERA	119K	\$14,157.74			
2600	Programming Systems Specialist, LACERA	118D	\$13,576.18			
0795	Legislative Affairs Officer, LACERA	117K	\$13,409.36			
0474	Investment Accounting Officer, LACERA	117C	\$13,179.64			
0459	Data Systems Supervisor I, LACERA	115L	\$12,731.92			
0469	Data Systems Coordinator, LACERA	115L	\$12,731.92			
0470	Accounting Officer, LACERA	114B	\$12,119.18			
0452	EDP Senior Programmer Analyst, LACERA	112J	\$12.000.92			
0763	Senior Internal Auditor, LACERA	113G	\$11,942.18			
0424	Supervising Administrative Assistant III, LACERA	113C	\$11,824.74			
0761	Risk Management Specialist, LACERA	113C	\$11,824.74			
0765	Internal Auditor, LACERA	112H	\$11,651.46			

Implementation and Budget Impact

Implementation of a Chief Ethics and Compliance Officer and two (2) Deputy Chief Ethics and Compliance Officers will result in an overall annual budget increase of \$849,056.14.

Implementation of Chief Ethics and Compliance Officer as recommended will result in an annual budget increase of \$337,748.84.

No. of Additional Budgeted/	Position Title	SALARY (1/1/23)			TOTAL ANNUAL TOTAL BUDGET IMPACT
Ordinance Pos. Requested		Sch	Max Salary	Annual	w/Benefits @ 55%
1 BUD/ 1 ORD	Chief Ethics and Compliance Officer, LACERA	LS12	\$18,158.54	\$217,902.48	\$119,846.36

LACERA CECO and DCECO Proposed Classification and Compensation April 24, 2025 Page 13 of 14

Implementation of Deputy Chief, Ethics and Compliance Officer as recommended will result in an annual budget increase of \$511,307.30.

No. of Additional	al		SALARY (1/1	TOTAL ANNUAL BUDGET IMPACT	
Budgeted/ Ordinance Pos. Requested	Position Title	Sch	Max Salary	Annual	w/Benefits @ 55%
2 BUD/ 2 ORD	Deputy Chief Ethics and Compliance Officer, LACERA	118J	\$13,744.82	\$164,937.84	\$255,653.65
				TOTAL	

TOTAL (2 Positions)

\$511,307.30

PROCEDURE FOR ESTABLISHING CLASSIFICATIONS AND PAY RANGES

LACERA provides Local 721 notice and consultation regarding new classifications of which the primary duties are derived from represented classifications. The LACERA classifications currently addressed are non-represented; therefore, union notification is not needed.

Establishment of new classification titles and salaries require LACERA Boards approval and County BOS action due to the need for revision in the LACERA ordinance. Upon approval from the Board of Retirement and Board of Investments, Human Resources (HR) will prepare a memorandum to the Los Angeles County's Chief Executive Office (LACCEO) which will include the class specifications and salary schedules. The LACCEO Class and Compensation staff will review the submitted documents to assure all necessary information is provided in order to add the classification titles and salary schedules in the County's Payroll System. HR staff, with the LACERA Legal Office's oversight, will prepare and submit an ordinance amending Sections 6.28.050 and 6.127.010 of LACERA's Salary Code to the Los Angeles County Counsel's Office and the BOS for adoption.

RECOMMENDATION

Recommended to the Board of Retirement and Board of Investments the following actions:

 Approve establishment of one (1) new non-represented classification and salary range applicable only to LACERA.

New Classification Title

Salary Schedule

Chief Ethics and Compliance Officer, LACERA

 Approve establishment of one (1) new non-represented classification and salary range applicable only to LACERA and two (2) ordinance / budgeted designated positions.

New Classification Title

<u>Salary</u> Schedule

Deputy, Chief Ethics and Compliance Officer, LACERA

119K

 Direct staff to submit to the Board of Supervisors the required ordinance language to implement the new LACERA classifications and pay ranges by amending the Los Angeles County Salary Code Sections 6.28.050, 6.127.010, and 6.127.030. LACERA CECO and DCECO Proposed Classification and Compensation April 24, 2025 Page 14 of 14

cc: Luis A. Lugo Steven P. Rice Laura Guglielmo JJ Popowich Carly Ntoya, Ph.D.

Attachments:

- A. Ethics and Compliance Program Charter
- B. Proposed Organizational Chart
- C. Redlined Chief Ethics and Compliance Officer, LACERA Classification Specification
- D. Redlined Deputy Chief Ethics and Compliance Officer, LACERA Classification Specification

LACERA ETHICS AND COMPLIANCE PROGRAM CHARTER

I. STATEMENT OF PURPOSE

The LACERA Ethics and Compliance Program (Program) promotes a strong and engaged culture of ethical conduct and compliance with all applicable laws, regulations, policies, and procedures across the organization.

At LACERA, ethics comes first. "Ethics" means the application of sound judgment and the diligent practice of LACERA's Values of accountability, collaboration, inclusivity, innovation, integrity, and transparency in order to do the right thing, even when hard or inconvenient, in furtherance of the fund's fiduciary duty and Mission to produce, protect, and provide the promised benefits to our members. Compliance is also a requirement. "Compliance" means adhering to laws, regulations, policies, and procedures. Ethics guides LACERA's compliance – and both are necessary – because decisions must be made based on what *should* be done under applicable standards, not just what *can* be done.

The Program supports the Audit, Compliance, Risk, and Ethics (ACRE) Committee, the Board of Retirement and Board of Investments, and management in performing their duty of oversight by providing an independent structure within management for assessment, mitigation, and reporting of LACERA's ethics and compliance risks throughout the organization. The Program seeks to provide ongoing assurance and accountability, in a changing environment, that LACERA's operations are conducted in an ethical and compliant manner. The Program promotes continuous improvement of LACERA's ethics and compliance controls.

II. AUTHORITY

LACERA's Program is established under <u>Article XVI</u>, <u>Section 17 of the California Constitution</u> and <u>California Government Code Section 31595 of the County Employees Retirement Law of 1937 (CERL)</u> in furtherance of the Boards' fiduciary duty of prudence and loyalty, which requires oversight of the organization's ethics and compliance function. The Program is consistent with LACERA's Mission, Vision, and Values.

A formal Ethics and Compliance Program is one of the goals of the <u>Board of Retirement's "2023-2028 Strategic Plan"</u> for LACERA and is supported by best practices in the public pension community.

The Program is consistent with <u>The Institute of Internal Auditors' "Three Lines Model" publication (2020)</u>, which describes a dedicated ethics and compliance function within management as a second line to supplement the first line of ethics and compliance in LACERA's operational divisions. A third line of independent assurance outside management is provided by the Internal Audit Division.

The Program also aligns with the principles outlined in the <u>United States Sentencing Commission's Sentencing Guidelines for Organizations (2023)</u>, which is the most influential of applicable compliance program standards, and the <u>U.S. Department of Justice "Evaluation of Corporate Compliance Programs" (March 2023)</u>, which describes the factors used to determine the adequacy and effectiveness of an organization's compliance program by federal prosecutors in the context of a criminal investigation.

III. ROLES AND REPORTING STRUCTURE

- The ACRE Committee approves this Charter, under authority granted by the Board of Retirement and Board of Investments (Boards) in the ACRE Committee Charter.
- The ACRE Committee, the Board of Retirement and Board of Investments, and the Chief Executive Officer (CEO) oversee the Program, with reporting as provided in this Charter and in the ACRE Committee Charter.
- The Program resides in a separate Ethics and Compliance Office in the Legal Division. The Program is led by the Chief Ethics and Compliance Officer (CECO), who has the authority and responsibility to independently implement the Program. The CECO reports administratively to the Chief Counsel and functionally to the ACRE Committee, both Boards, and the CEO.
 - Functionally, the CECO reports to the ACRE Committee, both Boards, and the CEO with respect to the activities of the Program as provided in this Charter and the ACRE Committee Charter to facilitate the ACRE Committee, Board, and CEO oversight of ethics and compliance risk mitigation. The CEO will be the CECO's appointing authority. The ACRE Committee and the Boards will respond to substantive ethics and compliance issues presented by the CECO; approve the CEO's hiring, termination, and discipline of the CECO and contribute to the CEO's performance evaluation of the CECO; approve the Ethics and Compliance Office budget for inclusion in LACERA's annual administrative budget; and approve any additional unexpected expenses for necessary work within the scope of this Charter in accordance with LACERA's Policy for Purchasing Goods and Services.
 - Administratively, the Chief Ethics and Compliance Officer reports to the Chief Counsel, who will support the day-to-day operations of the Ethics and Compliance Office and serve as a resource and provide guidance to the CECO on ethics and compliance issues when requested by the CECO. The CECO has direct and independent access to the ACRE Committee, both Boards, and the CEO.

The CEO and Chief Counsel will not be involved in any matter as to which they
have a conflict of interest. In the event of such a conflict, the CECO will consult
with the ACRE Committee and/or the Boards. In the event the CECO has a
conflict, the Chief Counsel – or the CEO if Chief Counsel has a conflict – will
confer with the ACRE Committee and/or the Boards as to the proper handling
of the matter.

IV. OBJECTIVES

• Ethics and Compliance Objectives.

The Program independently and objectively performs the following functions:

- A. Establish and maintain the Program as a sound and durable structure in LACERA:
- B. Conduct ethics and compliance risk assessments;
- Monitor, review, evaluate, and make recommendations to improve ethics and compliance in LACERA's operational processes and business practices;
- D. Review and provide input on ethics and compliance-related policies and procedures;
- E. Promote third-party/vendor risk management practices;
- F. Protect privacy of member information and confidentiality of other sensitive information in LACERA's possession;
- G. Provide ethics and compliance training and communications;
- H. Maintain channels for LACERA staff and others to report suspected misconduct and seek guidance on ethics and compliance matters;
- I. Respond to, investigate, or participate in investigations, and make recommendations regarding ethics and compliance concerns;
- J. Measure and promote an organizational culture of ethics and compliance;
- K. Report to the CEO and other senior leaders, the ACRE Committee, and the Boards regarding the Program and organizational ethics and compliance; and
- L. Annually self-assess, and adjust as needed, subject to periodic independent review of the Program.

Consulting and Advisory Objectives.

The Program will work collaboratively with other divisions, management, the ACRE Committee, and the Boards to provide formal or informal consultation and advice to identify, evaluate, and mitigate potential ethics and compliance risks and make recommendations regarding ethics and compliance controls.

V. STANDARDS FOR INDEPENDENT AND OBJECTIVE OPERATION OF THE PROGRAM

• <u>Charters.</u> The Program is designed and implemented in accordance with the terms of this Charter and the ACRE Committee Charter.

- <u>Best Practices and Education.</u> The Program incorporates best practices among
 public pension ethics and compliance programs and is designed and
 implemented considering LACERA's fiduciary duty and other legal
 responsibilities as outlined in Section II above. The CECO and other
 participants in the Program will regularly seek continuing education in ethics
 and compliance.
- <u>Independence and Objectivity.</u> The Program operates independently and objectively. Annually, the CECO will assure the CEO, the ACRE Committee, and the Boards that the Program is operating independently and without interference or conflicts of interest. The CECO will immediately disclose to the CEO, the ACRE Committee, and the Boards all actual or attempted interference with the Program and all conflicts of interest.
- <u>Collaboration.</u> The Program will employ a collaborative approach with all LACERA divisions, while maintaining independence and objectivity.

VI. AUTHORITY FOR ACCESS

The CECO and Ethics and Compliance Office staff, with strict accountability for confidentiality and the safeguarding of records and information, are authorized to have full, free, and unrestricted access to any and all of LACERA's hard copy and electronic records, data maintained within information technology systems or databases, physical properties, and personnel pertinent to carrying out the work of the Program, excluding the work papers of Internal Audit. All LACERA staff are required to cooperate with and assist the CECO and the Ethics and Compliance Office in connection with work in the scope of the Program's role and responsibilities.

The CECO has unrestricted access to communicate directly with the CEO, the ACRE Committee, and the Boards, subject to the requirements of the Ralph M. Brown Act and other applicable laws, regulations, policies, and procedures.

VII. SCOPE OF PROGRAM ACTIVITIES

The Program seeks to identify and address ethics and compliance risks; monitor and evaluate operations for compliance and ethical conduct; review and provide input on policies, procedures, and practices; maintain channels for LACERA staff and others to report suspected misconduct and seek guidance; provide training to ensure organizational ethics and compliance awareness; investigate potential issues and violations and make recommendations; and advise and report on LACERA's ethics and compliance to the ACRE Committee, the Boards, the CEO, and other senior leaders. The Program's activities will be implemented in accordance with all applicable laws, regulations, policies, and procedures. The Program includes consulting and advisory work, as requested. The CECO may hire outside advisors when necessary and approved by the ACRE Committee or

the Boards.

- A. <u>Ethics and Compliance Program Framework.</u> The Program will be adequately resourced and staffed within the Ethics and Compliance Office. The Program's authority and independence will be protected through the CECO's direct reporting to the CEO, ACRE Committee, and the Boards. The multi-divisional staff Ethics and Compliance Committee will assist the CECO in operationalizing the Program and by providing staff input and support. The Program will also use other methods to promote and obtain staff input, involvement, and engagement.
- B. <u>Ethics and Compliance Risk Assessment</u>. The Program will perform ethics and compliance risk assessments no less than every two years to review organization-wide conduct, operations, and processes to proactively anticipate, identify, evaluate, and monitor potential ethics and compliance risks, control gaps and key risk indicators. Assessment findings will be reported to the CEO, other senior leaders, the ACRE Committee, and the Boards, along with recommendations on upgrading current or establishing new controls to mitigate any identified ethics and compliance risks.
- C. <u>Monitoring.</u> The Program will review and monitor LACERA's relevant operations, business practices, and key risk indicators, as appropriate, to promote organization-wide compliance with laws, regulations, policies, procedures, and standards of ethical conduct. The Program will make recommendations for improvement in compliance and ethics controls, working collaboratively with all divisions to receive and provide information.
- D. <u>Review of Policies and Procedures.</u> The Program, with the participation of the Ethics and Compliance Committee, will review and provide input on new and revised policies before they are finalized and will ensure that existing policies are reviewed on a regular cycle and updated as indicated. The Program will:
 - 1. Serve as a resource for ethics and compliance questions or issues relating to the development of policies and procedures.
 - 2. Provide guidance on the drafting of policies and procedures, including the LACERA Code of Ethical Conduct and the Conflict of Interest Code.
 - Identify operations or ethics and compliance control gaps and risks requiring new policies and procedures and recommend new policies and procedures as indicated.
 - 4. Determine the timing for periodic review and updating of policies and procedures as indicated by the scope of the particular policy or procedure.
- E. <u>Vendor/Third-Party Ethics and Compliance Risk Management</u>. The Program will review and monitor ethics and compliance controls for vendor management

and other third-parties with which LACERA does business, including ethics and compliance risk management, ethics and compliance controls related to procurement and contracting, background checks, performance of and ethics and compliance-related contract requirements, investigation of ethics and compliance-related concerns, and enforcement of ethics and compliance-related rights.

- F. <u>Privacy.</u> The Program will review and monitor ethics and compliance controls to protect the privacy of member information and confidentiality of other information created, received, or shared by LACERA, including internal and external vendor activities. The CECO will serve as LACERA's Privacy Officer.
- G. <u>Training, Communications, and Incentives.</u> The Program will provide, and coordinate with other divisions as needed on, risk-based compliance training and communications to the ACRE Committee, the Boards, the CEO, and staff on LACERA's governing laws, regulations, policies, and procedures on a regular cycle. The Program will also provide training and communications on LACERA's values and ethics, including LACERA's Code of Ethical Conduct, Conflict of Interest Code, and other ethical standards and expectations. The Program will include training and communications on the purpose and importance of an ethics and compliance program. The Program will coordinate with Human Resources in the development of positive incentives for improving and modeling ethics and compliance and demonstrating ethical leadership.
- H. <u>Channels for Staff to Report Ethics and Compliance Concerns.</u> The Program will provide and monitor channels through which staff and others will be encouraged to report suspected misconduct and express other comments and concerns about organizational ethics and compliance.
- I. <u>Program Investigation</u>, <u>Response</u>, <u>and Commitment to Non-Retaliation</u>. The Program will evaluate, investigate, respond to, and recommend remediation or other resolution, as needed, of internal and external reports, comments, and concerns regarding ethics and compliance and any alleged violations of applicable laws, regulations, policies, procedures, and ethical standards. The Program will promote understanding of LACERA's commitment to non-retaliation against those who express concerns or participate in investigations.
- J. <u>Measure Organizational Culture of Ethics and Compliance</u>. The Program will periodically conduct a survey of LACERA's culture of ethics and compliance to assist in measuring the success of organizational controls and promoting the Program's objectives.
- K. <u>Reporting.</u> The Program will report to the ACRE Committee, the Boards, and CEO concerning the Program's status and operations, including information to

facilitate oversight of the Program and awareness of ethics and compliance risks and concerns. Reporting will also be made to senior leaders as needed relating to ethics and compliance issues under their authority.

L. <u>Self-Assessment and Review of Program.</u> The Program will conduct an annual self-assessment against the requirements of this Charter, best practices, and key performance indicators to provide quality assurance and improvement of the Program. The ACRE Committee and the Boards will also undertake a periodic independent review of the Program. The Internal Audit Division, when and as it deems appropriate within its authority, may independently review the adequacy of the Program as a system of control for ethics and compliance risks.

VIII. ACCOUNTABILITY OF THE PROGRAM

Under the leadership of the CECO, the Program shall be accountable to the ACRE Committee, Boards, and the CEO for the following:

- A. <u>Program Staff.</u> Select, train, develop, and retain competent Ethics and Compliance Office staff that collectively have the ability to meet the requirements of this Charter. Staff development procedures and changes in Program staff will be reported to the ACRE Committee and the Boards.
- B. <u>LACERA Staff Input, Involvement, and Reporting</u>. Develop a process for staff input into the Program, which will be reported to the ACRE Committee and the Boards. The process will include an Ethics and Compliance Committee (ECC) consisting of a cross-section of LACERA senior leaders to serve an advisory function to the CECO. The ECC will meet monthly to discuss ethics and compliance issues, review policies and procedures, maintain a list of ethics and compliance training opportunities, and discuss Program implementation issues.
- C. <u>Program Roadmap of Priorities</u>. Following initial Program implementation, the CECO will develop a Three-Year Roadmap of priorities and Program management for review and approval by the CEO, ACRE Committee, and Boards.
- D. <u>Annual Work Plan</u>. Annually develop a written Program work plan, which is presented to the CEO and the ACRE Committee for review and approval and provide quarterly status reports thereafter. The approved work plans will also be provided to the Boards.
- E. <u>Program Budget</u>. Annually obtain approval from the ACRE Committee of a budget for the Ethics and Compliance Office for inclusion in the administrative budget approved by the Boards.

- F. <u>Risk Assessment.</u> Report to the ACRE Committee and the Boards the results of all ethics and compliance risk assessments and key risk indicators.
- G. <u>Investigations</u>. Provide written reports to the ACRE Committee, Boards, and CEO of alleged ethics and compliance risks, concerns, and violations that are received, the results of any investigations, the recommended response, and the outcome.
- H. <u>Policies and Procedures</u>. Provide written quarterly reports to the ACRE Committee of any policy and procedure review and to the Boards on review related to their areas of authority.
- Vendor/Third-Party Ethics and Compliance Risk Management. Provide quarterly reports to the ACRE Committee on vendor/third-party ethics and compliance risks and organizational management and response and to the Boards related to their areas of authority.
- J. <u>Annual Ethics and Compliance Report</u>. Provide a written annual report to the ACRE Committee and the Boards regarding the status of the Program, the approved work plan, consulting, or advisory engagements, and LACERA's overall ethics and compliance performance. The report will document exceptions to ethics and compliance standards and the basis for the exceptions.
- K. <u>Annual Privacy Report</u>. Provide a written annual report to the ACRE Committee and the Boards, in collaboration with other interested divisions, regarding the status of LACERA's efforts to protect the privacy of member information and the confidentiality of other organizational information held internally and by LACERA vendors.
- L. <u>Organizational Culture of Ethics and Compliance Report</u>. Provide a written report of the periodic survey of LACERA's culture of ethics and compliance.
- M. <u>Work Papers</u>. The Program will preserve its work papers and other documentation pursuant to a protocol approved by the ACRE Committee and the CEO.
- N. <u>Self-Assessment and Program Review</u>. Provide the CEO, other senior leaders, and the ACRE Committee and the Boards with a written report of the annual Program self-assessment and review, including metrics based on key performance criteria, for review and discussion. Key performance indicators will include the overall effectiveness of the Program in performing the activities described in Section VIII and LACERA's system of ethics and compliance controls, such as training programs, reporting channels, and ethics and compliance risk assessment, monitoring, detection, investigation and

response.

IX. RESPONSIBILITIES OF MANAGERS, SUPERVISORS, AND STAFF

Every LACERA manager, supervisor, and staff member, temporary worker, and contractor has a significant role in implementing and supporting the Program and in promoting ethical and compliant conduct in the organization.

A. <u>Managers and Supervisors</u>. Every LACERA manager and supervisor has a duty to communicate and model the requisite ethical standards and to act in accordance with all laws, regulations, policies, procedures, and business practices, including but not limited to LACERA's Code of Ethical Conduct. In addition to modeling an ethics and compliance mindset and setting behavioral norms, managers and supervisors have a duty to promote a culture of ethics and compliance by creating a space for all staff members, temporary workers, and contractors to safely report any ethics and compliance concerns without retaliation.

Additional manager and supervisor responsibilities include, but are not limited to: collaborating with the Program on identification of ethics and compliance risks and the development of risk mitigation strategies; participating in compliance monitoring and control implementation to strengthen compliance; encouraging staff to identify and report ethics and compliance risks or violations; monitoring for retaliation; ensuring LACERA's commitment to nonretaliation; communicating with division staff about ethics and compliance; participating in ethics and compliance training; ensuring staff complete ethics and compliance training; encouraging employees to review and use the Code of Ethical Conduct and helping them understand their responsibilities under the Code; and escalating issues or reports of suspected misconduct to an appropriate resource.

B. <u>Staff Members.</u> Every LACERA staff member, temporary worker, and contractor has a responsibility to perform day-to-day operations in accordance with the highest ethical standards and to adhere to all laws, regulations, policies, procedures, and business practices, including but not limited to LACERA's Code of Ethical Conduct. Every LACERA staff member, temporary worker, and contractor has a duty to report any activity or behavior that falls below those standards or does not comply with laws, regulations, policies, procedures, and business practices. Every LACERA staff member, temporary worker, and contractor is responsible and accountable for completing all assigned ethics and compliance training.

X. RESOURCES

- A. Board of Retirement's "2023-2028 Strategic Plan"
- B. Article XVI, Section 17 of the California Constitution

- C. California Government Code Section 31595
- D. The Institute of Internal Auditors' "Three Lines Model" publication (2020)
- E. <u>United States Sentencing Commission's Sentencing Guidelines for Organizations (2023)</u>
- F. <u>U.S. Department of Justice "Evaluation of Corporate Compliance Programs"</u> (March 2023)

XI. CHARTER REVIEW

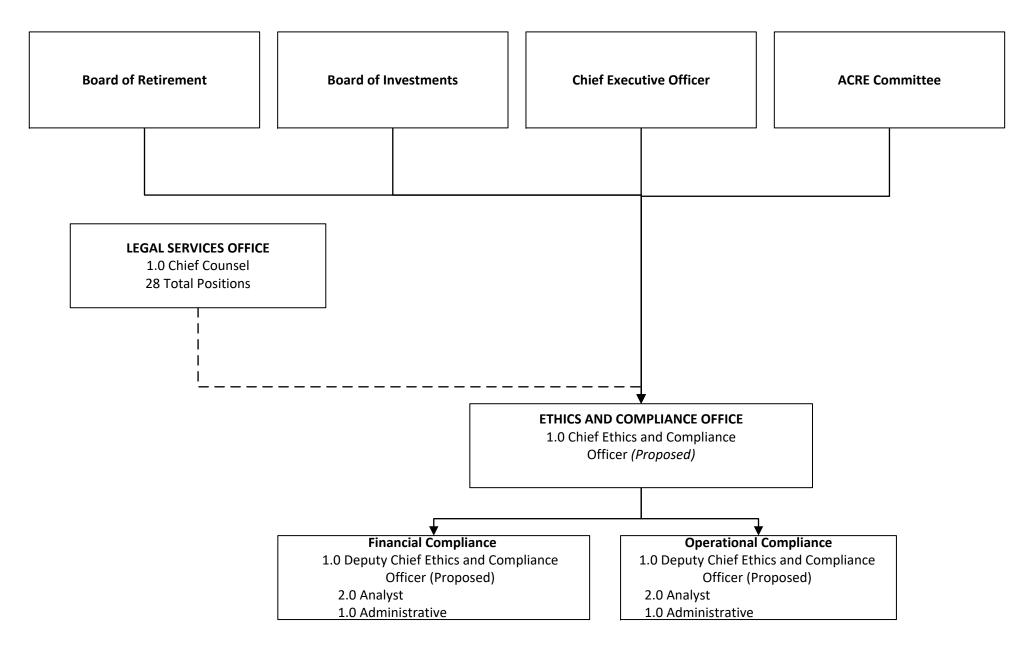
This Charter shall be annually reviewed by the ACRE Committee and the Boards until the Program is fully operational and the Ethics and Compliance Office is developed and staffed. Once those milestones are met, review shall be every three years by the ACRE Committee and the Boards, or more frequently as needed.

Audit, Compliance, Risk, and Ethics Committee Approved September 19, 2024

Board of Retirement Approved October 2, 2024

Board of Investment Approved October 9, 2024

Proposed Organizational Structure COMPLIANCE AND ETHICS OFFICE



<u>Legend</u>

Solid Line – Functional Reporting Relationship

Dotted Line – Administrative Reporting Relationship

CLASS TITLE: CHIEF ETHICS AND COMPLIANCE OFFICER, LACERA

ITEM NUMBER: TBD

APPROVAL DATE: TBD

DEFINITION:

Directs and oversees the ethics and compliance program for the Los Angeles County Employees Retirement Association (LACERA).

POSITION INFORMATION:

The one (1) position allocable to this class oversees the Ethics and Compliance Office and reports functionally to the Chief Executive Officer, LACERA, Board of Retirement, Board of Investments, and the Boards' Audit, Compliance, Risk, and Ethics (ACRE) Committee, and administratively to the Chief Counsel, LACERA. The position is responsible for directing the formulation, development, and implementation of an enterprise-wide ethics and compliance program, as an independent function within management, in relation to the risks related to ethical standards and compliance with laws, regulations, policies, and procedures applicable to LACERA's governance and operations, including pension administration, benefits, healthcare, finance, and investments.

As a key member of LACERA's executive team, the position will collaborate with the Executive Office and internal business partners to promote a risk assessment aware and risk intelligent environment by aligning ethics and compliance risk management and compliance with strategy setting, including the development and implementation of polices, guidelines, processes, and education that promote compliance effectiveness and a positive control culture.

The position must possess a thorough knowledge of ethics and compliance risk principles and practices, and sufficient experience in ethics and compliance processes to understand and effectively address legal obligations, assess, and mitigate ethics and compliance risk, and promote organizational integrity through the operation of effective ethics and compliance programs. The position must also exercise a knowledge of organizational and management practices related to the development and implementation of programs, policies, and operational needs; methods and techniques of designing workflows and mapping processes; defined benefit plan structures, designs, and administration; and principles and practices of investment management compliance and monitoring, project management, and supervision with respect to ethics and compliance risk programs.

The position must possess knowledge of and the ability to analyze and apply California Government Code provisions, including the County Employees Retirement Law of 1937, the Public Employees' Pension Reform Act of 2013 (PEPRA), the Ralph M. Brown Act,

and the Public Records Act; the Political Reform Act (and related Fair Political Practices Commission regulations); Generally Accepted Accounting Principles (GAAP); Governmental Accounting Standards Board (GASB) principles and standards; audit standards, methods, and techniques; Securities and Exchange Commission (SEC) requirements; Internal Revenue Code and other tax policies and regulatory compliance pertaining to retirement plan and pension benefits administration; Los Angeles County Code; and other laws and regulations relating to public pension governance; conflicts of interest and ethics codes; and privacy law and practices, including California law, the Health Insurance Portability and Accountability Act (HIPAA) and related regulations, and other applicable privacy standards and systems to keep abreast of changes and advise on issues concerning ethics and compliance matters, including recommending and developing continuous improvements and controls designed to ensure an effective ethics and compliance program.

In addition, the position must have refined written and oral communication skills to develop policies and procedures; oversee investigations and make recommendations; effectively present and convey ethics and compliance activities and concerns to the Board of Retirement; the Board of Investments; the ACRE Committee; and the Chief Executive Officer, LACERA; and other internal business partners; and the ability to establish and maintain effective and collaborative working relationships with the executive office, managers, staff members, and other governmental agencies.

This class is distinguished from the Process Management Group positions in that the latter is responsible for maintaining effective internal controls and for executing risk and control procedures on a day-to-day basis. This consists of identifying and assessing controls and mitigating risk as a process owner, guiding the development and implementation of internal policies and procedures in alignment with LACERA strategic goals and objectives.

This class is distinguished from the Internal Auditor series in that the latter provides independent and objective appraisals of the organization and provides assurance that internal controls over operations are adequate to safeguard assets and comply with applicable laws, policies, procedures, and professional standards.

EXAMPLES OF ESSENTIAL JOB FUNCTIONS:

The following examples are intended to describe the general nature and level of work performed by persons assigned to each classification. Depending on the assignment, duties may include, but are not limited to the following:

Administers the enterprise-wide ethics and compliance program in accordance with the approved program charter.

Develops and oversees ethics and compliance strategies, and annual work plans approved by the Chief Executive Officer, Boards, and ACRE Committee.

Manages and coordinates the activities of staff members as required in the overall operations and administration of LACERA's Ethics and Compliance program.

Establishes reporting mechanism to advise the Chief Executive Officer, Boards, and ACRE Committee as to the activities of the ethics and compliance program and provides Board and committee education on ethics and compliance.

Manages periodic ethics and compliance risk assessments to identify, evaluate, and monitor risks, controls, key risk indicators, and metrics.

Directs the monitoring of LACERA's governance and operational activities with regard to regarding ethics and compliance risks.

Oversees the ethics and compliance review of LACERA's policies, procedures, and systems for policy development, review, maintenance, and compliance.

Oversees review and monitoring of third-party and vendor ethics and compliance risks.

Serves as LACERA's Privacy Officer and monitor controls to protect the privacy of member information and the confidentiality of other information created, received, or shared by LACERA.

Develops and oversees ethics and compliance training and communication on risk awareness, ethical standards, governing laws, regulations, policies, and procedures, and the role and responsibility of all internal stakeholders for ethical and compliant behavior.

Establishes and monitor channels for reporting of suspected misconduct and other ethics and compliance concerns, with a commitment to non-retaliation, and positive incentives for ethical and compliant behavior.

Manages enforcement, investigations, remediation proposals in response to ethics and compliance concerns.

Directs periodic measurements of organizational culture of ethics and compliance and develop strategies to enhance organizational culture.

Advises and consults with LACERA executive management, division managers, supervisors, and other staff members, including the staff Ethics and Compliance Committee, regarding ethical standards and governing laws, regulations, policies, and procedures, ethics and compliance risks, concerns, and controls.

Oversees periodic assessments of the ethics and compliance program and its effectiveness against the requirements of the program charter, best practices, and key performance indicators.

Manages and develops plans for adequate staffing and resources to support the goals and responsibilities of the ethics and compliance program.

Manages development of internal policies and procedures for the operations of the Ethics and Compliance Office.

Performs other related duties as assigned.

MINIMUM REQUIREMENTS:

TRAINING AND EXPERIENCE:

<u>OPTION A:</u> A bachelor's <u>or masters</u> degree in accounting, business administration, finance, legal studies, public administration, or a related field from an accredited college or university -**AND-** Five (5) years of responsible experience designing, developing, and implementing ethics and compliance programs or auditing and investigating ethics and compliance risks and concerns for a large public pension or multi-service public or private sector organization.

OPTION B: Three years' experience at the level of Deputy, Chief Ethics and Compliance Officer, LACERA.

LICENSE:

A valid California Class C Driver License or the ability to utilize an alternative method of transportation when needed to carry out job-related essential functions.

PHYSICAL CLASS:

2 - Light

CLASS TITLE: DEPUTY, CHIEF ETHICS AND COMPLIANCE OFFICER, LACERA

ITEM NUMBER: TBD

APPROVAL DATE: TBD

DEFINITION:

Assists the Chief Ethics and Compliance Officer, LACERA, in overseeing and directing the ethics and compliance program for the Los Angeles County Employees Retirement Association (LACERA).

STANDARDS:

The two (2) positions allocable to this class will report to the Chief Ethics and Compliance Officer, LACERA, and will assist in the implementation of LACERA's ethics and compliance program in relation to the risks related to ethical standards and compliance with laws, regulations, policies, and procedures applicable to specific aspects of LACERA's governance and operations, which may include defined benefit plan structures, designs, and administration, healthcare, finance, and principles and practices of investment management compliance and monitoring.

Incumbents must possess a thorough knowledge of ethics and compliance and ethics principles and practices, and sufficient experience in ethics and compliance-related risk and promote organizational integrity through the operation of effective ethics and compliance programs in specialized areas. Incumbents must have knowledge of and the ability to analyze and apply relevant law to specific areas, including California Government Code provisions, including the County Employees Retirement Law of 1937, the Public Employees' Pension Reform Act of 2013 (PEPRA), the Ralph M. Brown Act, and the Public Records Act; the Political Reform Act (and related Fair Political Practices Commission regulations), Generally Accepted Accounting Principles (GAAP); Governmental Accounting Standards Board (GASB) principles and standards; audit standards, methods, and techniques; Securities and Exchange Commission (SEC) requirements; Internal Revenue Code and other tax policies and regulatory compliance pertaining to retirement plan and pension benefits administration; Los Angeles County Code; and other laws and regulations relating to public pension governance, conflicts of interest and ethics, and privacy; and privacy law and practices, including California law, the Health Insurance Portability and Accountability Act (HIPAA) and related regulations, and other applicable privacy standards and systems to keep abreast of changes and advise on issues concerning ethics and compliance matters, including recommending and developing continuous improvements and controls designed to ensure an effective ethics and compliance program.

In addition, incumbents must have refined written and oral communication skills to develop policies and procedures; conduct investigations and formulate recommendations; effectively present and convey ethics and compliance activities and concerns to the Chief Ethics and Compliance Officer, Chief Executive Officer, the Audit, Compliance, Risk, and Ethics (ACRE) Committee, the Board of Retirement and the Board of Investments, and other LACERA staff; and the ability to establish and maintain effective and collaborative working relationships with executive management, departmental managers, staff members, and other governmental agencies; and facilitate training.

This class is distinguished from the Chief Ethics and Compliance Officer in that the latter has full oversight and responsibility for all compliance programs of the Ethics and Compliance Office, including supervision of subordinate Staff Members.

This class is distinguished from the Internal Auditor series in that the latter provides independent and objective appraisals of the organization and assurance that internal controls over operations are adequate to safeguard assets and comply with applicable laws, policies, procedures, and professional standards.

EXAMPLES OF ESSENTIAL JOB FUNCTIONS:

The following examples are intended to describe the general nature and level of work performed by persons assigned to each classification.—Depending on the assignment, duties may include, but are not limited to the following in specialized areas of LACERA's operations and related laws, regulations, policies, and procedures:

Assists the Chief Ethics and Compliance Officer, LACERA in overseeing the enterprisewide ethics and compliance program.

Prepares reports to the Chief Executive Officer, Boards, and ACRE Committee as to the activities of the ethics and compliance program and assists in Board and committee education on ethics and compliance.

Assesses, evaluates, monitors, investigates, and prepares recommendations on ethics and compliance risks and culture.

Plans, organizes, directs, and evaluates the work of subordinate Ethics and Compliance Office staff, including evaluating employee performance, collaborating with staff to establish professional and personal development goals, and addressing performance deficiencies, as applicable.

Performs periodic ethics and compliance risk assessments, to identify, evaluate, and monitor risks, controls, key risk indicators, and metrics.

Monitors LACERA's governance and operational activities for ethics and compliance risks.

Coordinates the ethics and compliance review of LACERA's policies, procedures, and systems for policy development, review, maintenance, and compliance.

Reviews and monitors third-party vendors for ethics and compliance risks.

Ensures the monitoring of controls to protect the privacy of member information and the confidentiality of information created, received, or shared by LACERA.

Provides ethics and compliance training and communication on risk awareness, ethical standards, governing laws, regulations, and policies, and procedures.

Reviews, monitors, and maintains channels for reporting of suspected misconduct and other ethics and compliance concerns, with a commitment to non-retaliation, and positive incentives for ethical and compliant behavior.

Performs investigations, and assist in enforcement, remediation proposals, and follow up in response to ethics and compliance concerns.

Conducts periodic measurements of organizational culture of ethics and compliance.

Ensures the Ethics and Compliance Office's work and recommendations are well documented and working papers are complete and properly maintained.

Advises and consults with LACERA executive management, division managers, supervisors, and other staff members, including the staff Ethics and Compliance Committee, regarding ethical standards and governing laws, regulations, policies, and procedures, ethics and compliance risks, concerns, and controls.

May perform in the absence of the Chief Ethics and Compliance Officer, LACERA.

Performs other related duties as assigned.

MINIMUM REQUIREMENTS:

TRAINING AND EXPERIENCE:

A bachelor's <u>or masters</u> degree in accounting, business administration, finance, legal studies, public administration, or a related field from an accredited college or university - **AND-** Three (3) years of responsible experience designing, developing, and implementing ethics and compliance programs or auditing and investigating ethics and compliance risks and concerns in specialized areas for a large public pension system, or multi-service public or private sector organization.

PHYSICAL CLASS:

2 – Light





April 24, 2025

TO: Each Trustee,

Board of Retirement

FROM: Ricki Contreras

Administrative Services, Division Manager

FOR: May 7, 2025 Board of Retirement Meeting

May 14, 2025 Board of Investment Meeting

SUBJECT: Fiscal Year 2025-2026 Proposed Administrative, Retiree Healthcare

and Other Post-Employment Benefits (OPEB) Trust Budgets

RECOMMENDATION

That the Board of Retirement (BOR) and Board of Investments (BOI) approve and adopt the LACERA Fiscal Year (FY) 2025-2026 Proposed Administrative, Retiree Healthcare Benefits Program and Other Post-Employment Benefits (OPEB) Trust Budgets.

SUMMARY

LACERA's Proposed Administrative, Retiree Healthcare Benefits Program and OPEB Trust operating budgets were reviewed and discussed at the Joint Organizational Governance Committee (JOGC) on April 23, 2025. No action was taken due to a lack of quorum and no changes were made by staff as a result of the discussion.

LACERA's Administrative, Retiree Healthcare Benefits Program and OPEB Trust operating budgets represent the organization's fiscal plan in support of the work we will do in FY 2025-26 toward achieving our Mission — To produce, protect and provide the promised benefits to our members. For FY 2025-26, the proposed Administrative Budget, which supports the operating costs to administer pension plan benefits and is funded from investment earnings, totals approximately \$146.3 million. The proposed Retiree Healthcare Benefits Program Budget, which supports the operating costs to administer retiree health care benefits to eligible members and is funded from an administrative fee paid by plan sponsors and participants, totals approximately \$13.2 million. The OPEB Trust Budget, which supports the operating costs to manage and grow the fund assets set aside by trust participants (Los Angeles County, Superior Court and LACERA) to prefund retiree health, dental and death benefits, totals \$1.3 million. LACERA's Board of Investments is the trustee and investment manager for the OPEB Trust Fund.

FY 2025-26 Proposed Budgets April 24, 2025 Page 2

A summary is provided in the attached FY 2025-26 presentation materials. In addition, The complete budget details are found in the attached FY 2025-26 Proposed Administrative, Retiree Healthcare and OPEB Trust Budgets (Budget Book).

The proposed Internal Audit Division and Ethics and Compliance Office budgets were recommended by the Audit, Compliance, Risk, and Ethics (ACRE) Committee at the ACRE Committee's March 13, 2025 meeting for approval as part of LACERA's FY 2025-2026 Administrative Budget.

Attachments:

FY 2025-26 Budget Presentation FY 2025-26 Proposed Administrative, Retiree Healthcare and OPEB Trust Budgets (Budget Book) LACERA Budget Policy – Approved June 2024



Proposed Budget Presentation Fiscal Year 2025-26

Administrative, Retiree Healthcare Benefits & OPEB Trust Budgets



Fiscal Year 2025-26 Proposed Budget



AGENDA

- ➤ Background Legal authority, budget policies, budget process
- ➤ Strategic Priorities & Initiatives
- ➤ Administrative Budget
 - >Assumptions & Structure
 - ➤ Summary of Changes
- ➤ Retiree Healthcare Benefits Program Budget
- ➤ OPEB Trust Budget
- ➤ Questions & Discussion
- ➤ Appendix: FY 2025-26 Strategic Workplans

Legal Authority and Duty



CERL Section 31580.2

• Grants Joint Boards to approve a budget no greater than 21 basis points of AAL by June 30

CA Constitution Article XVI, Section 17(a)

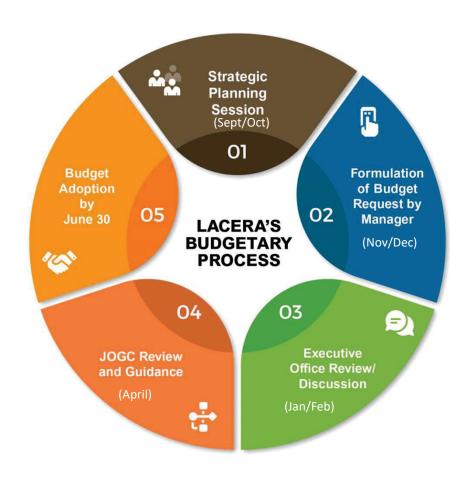
• "The assets of a public pension or retirement system are trust funds and shall be held for the exclusive purposes of providing benefits to participants in the pension or retirement system and their beneficiaries and *defraying reasonable expenses of administering the system*"

CA Constitution Article XVI, Section 17(b)

- Joint Boards' fiduciary duty is to "discharge their duties with respect to the system solely in the
 interest of, and for the exclusive purposes of providing benefits to, participants and their
 beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of
 administering the system. A retirement board's duty is to its participants and their beneficiaries
 shall take precedence over any other duties. "
- The Boards have a fiduciary duty to defray the expenses of administering LACERA, which includes reviewing and questioning the budget as appropriate to serve the members and approving costs required in the Boards' prudent fiduciary judgment to serve the paramount duty to members.

Budget Development Process







Pension Plan Funding

C + I = B + E

Contributions + Investment Earnings = Benefits + Expenses

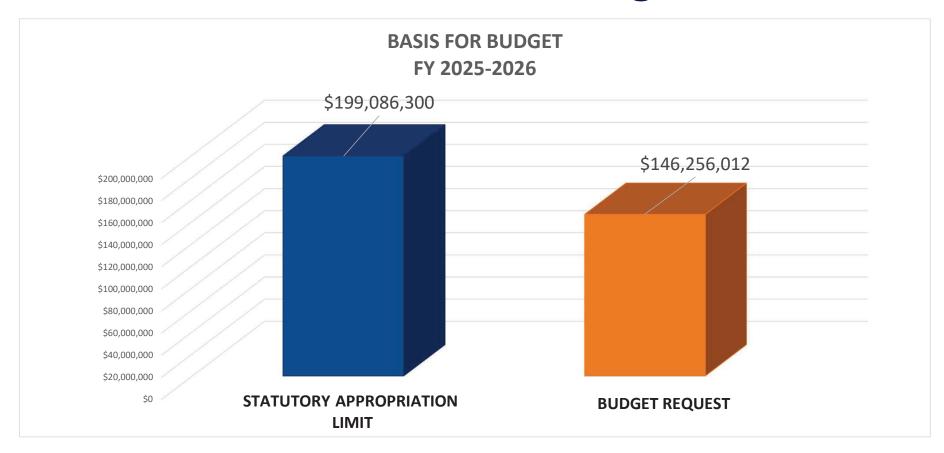
LACERA Pension Dollar





100% of LACERA's Administrative Budget (E) is funded from Investment Earnings (I)

FY 2025-26 Administrative Budget





LACERA's Operating Budgets – FY 2025-26

Administrative

\$146.0 Million

Retiree Healthcare

\$13.1 Million

Benefits Program

OPEB Trust

\$1.3 Million

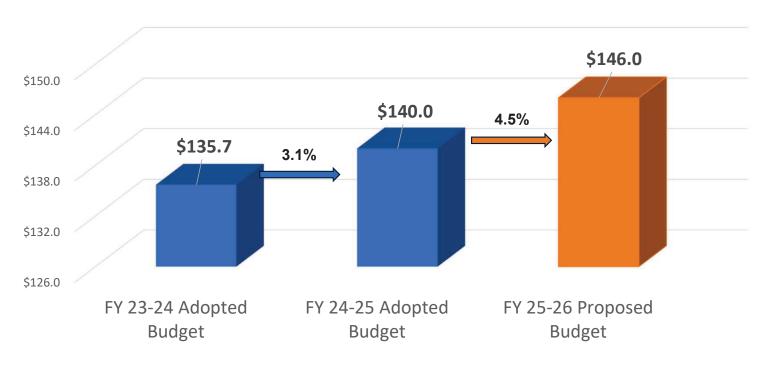
- Provides resources necessary to administer the promised pension benefits
- Funded exclusively from investment returns (per CERL)
- Costs are capped at 0.21% (21 basis points) of Actuarial Accrued Liability (per CERL)
- Provides resources necessary to administer the retiree healthcare benefits to eligible members
- Funded from \$8 per member/plan/month administrative fee paid by plan sponsor or member
- Healthcare premium costs are passed through and paid by plan sponsors on a pay as you go basis
- Pension Trust Assets may not be used to support Retiree Healthcare
- Master trust established in 2012 to pre-fund liability for retiree health, dental and death benefits
- BOI is responsible for the investment policy and managing both the fund and the trust
- Trust Owners are LA County, Superior Court & LACERA only
- Not currently used to pay premiums Goal to use investment earning to pay benefits

FY 2025-26 Administrative Budget



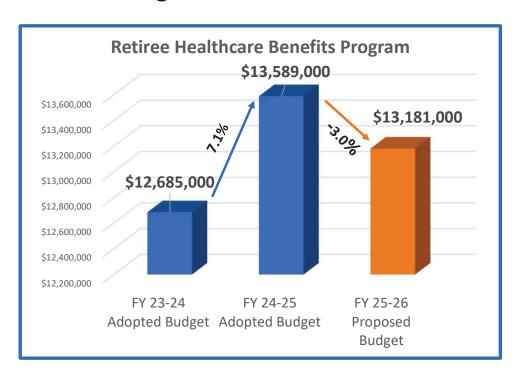
3-Year Budget Trend

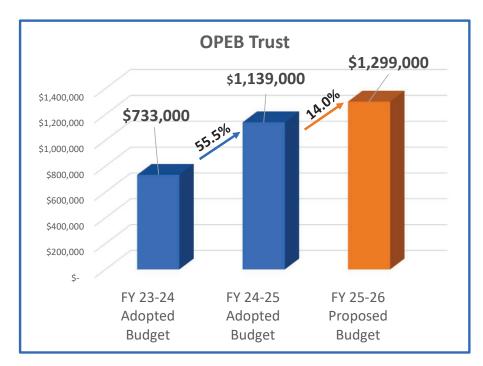
Administrative Budget (in millions)



Retiree Healthcare & OPEB Trust

3-Year Budget Trend





BOR Strategic Priorities

Total BOR Strategic Priorities

5

Total Strategic Objectives 13

Objectives: In-Progress

Objectives: Completed

1

Total Tasks

96

% of Tasks Completed
As of April 2025

44.79%





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Investment in Technology

Members • Technology • People • Risk & Compliance • Fiscal Durability





Current Year IT Budget

Approximately **\$25 million** has been allocated for the Systems Budget for the fiscal year 2024-2025.

The objective of Systems is to leverage these funds to enhance organizational advantages while also making financial decisions aimed at achieving future cost savings.





Current Year AccomplishmentsSolution Highlights for FY 2025-26

- Case Management (\$800k, \$300K license renewal & \$500K development and enhancements)
 - Completed Sol Phase I and Initiated Phase II
 - Implemented Disability Retirement, Disability Litigation, First Payment
- Enterprise Contract Lifecycle Management (ECLM) (\$145K)
 - Launched Cobblestone Contract Insight
- Human Resources Solutions (\$70K)
 - Expanded the use of NeoGov
 - Implemented NeoGov Perform and NeoGov Learn



New Year IT Budget Request

Approximately **\$27 million** is being requested for the fiscal year 2025-2026.

Aligned with the Strategic Initiative: Innovation Through Technology, we are enhancing the budget to support projects aimed at advancing the future operations of LACERA.





Next Year Project Highlights Solution Highlights for FY 2025-26

- Division Software New
 - Digital Mailroom Solution \$150,000
 - Microsoft Fabric Implementation \$120,000
 - Portfolio Project Management (PPM) Solution \$50,000
- Enterprise Software New
 - Member Case Management Solution Continuation of Phase II -\$500,000
 - Member Experience Communication Project \$300,000
 - Enterprise Knowledge Management Solution \$135,000
 - Governance, Risk, and Compliance (GRC) and Audit Solution -\$70,000



Enterprise Business Intelligence Project Highlight for FY 2025-26

- LACERA Strategic Initiative 2.1
 - Centralized Data Governance
 - Decentralized Data Access
 - Single Source of Reference
- Temporary Resources \$840,000
 - Data Architect (1)
 - Business Intelligence Analyst (1)
 - Business Intelligence Developer (2)



Mainframe Migration Project Highlight for FY 2025-26

Legacy Technology

- Scalability and Portability Issues
- Declining Developer Pool

COBOL Migration

- In 2014 2018, we successfully migrated 2,000,000 lines of COBOL to a modern solution
- 1,500,000 lines of COBOL remain on the mainframe

Return on Investment

- Estimated Annual Savings of \$800,000
- Temporary Resources Requested \$920,000
 - Business Analyst (2)
 - Java Developer (2)

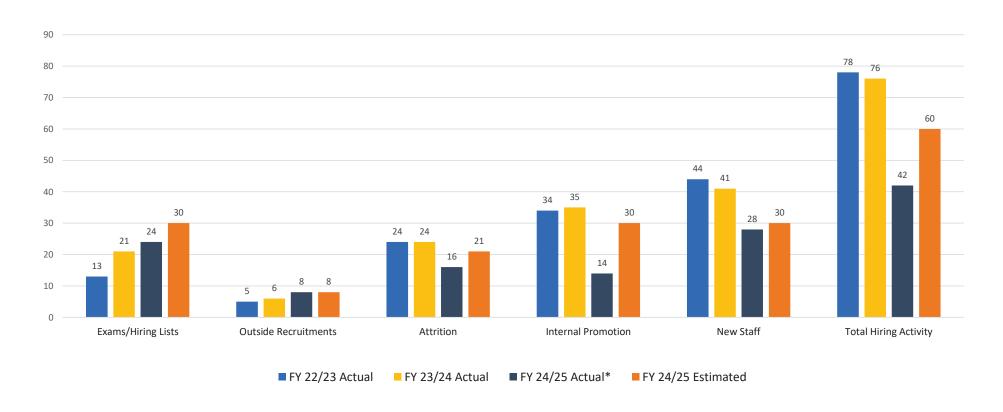
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Current Staffing and Hiring Trends

Members • Technology • People • Risk & Compliance • Fiscal Durability



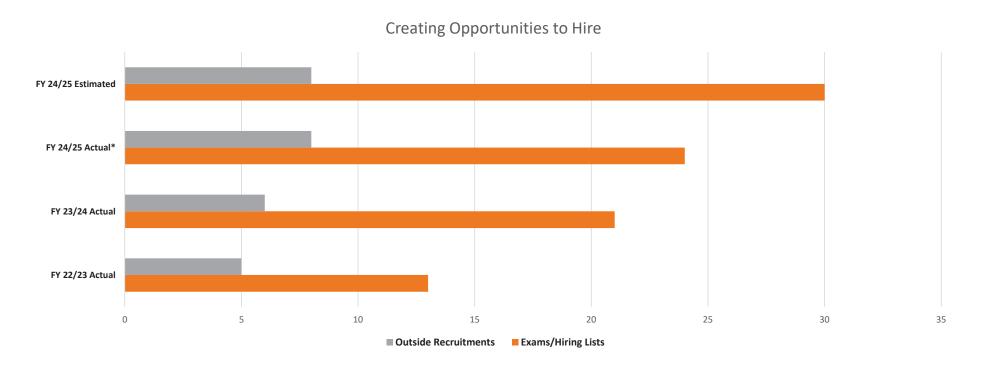
HR Key Performance Indicators - 3 Year Trend



^{*} Navy bars reflect FY 24-25 Actuals through 3/15/2025.



Staffing Key Performance Indicators - 3 Year Trend



- LACERA continued to increased HR staff capacity resulting in more opportunities to hire and promote staff
- Average time to hire is 152.4 days



Exam Metrics - 3 Year Trend

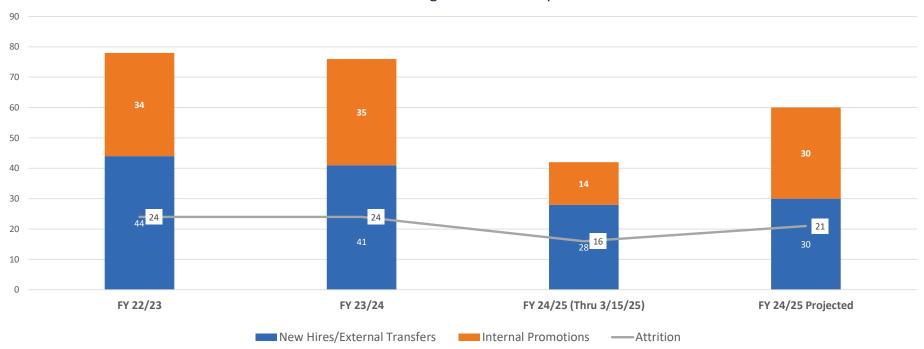
Fiscal Year	#Ex	ams	# Applicants	# H	lired
	Open	Promo		External	Promo
2022 – 2023	11	2	1701	44	34
2023 – 2024	16	5	3800	41	35
2024 – 2025*	22	2	3988	28	14

^{*} FY 24-25 Actuals through 3/15/2025.



Staffing Key Performance Indicators - 3 Year Trend

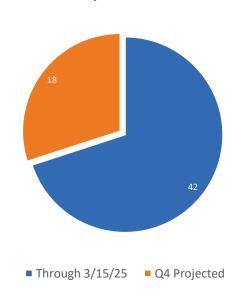
Total Hiring and Attrition by FY





Breakdown of FY 24-25 Projected Hiring

FY 24-25 Projected Total Hires - 60

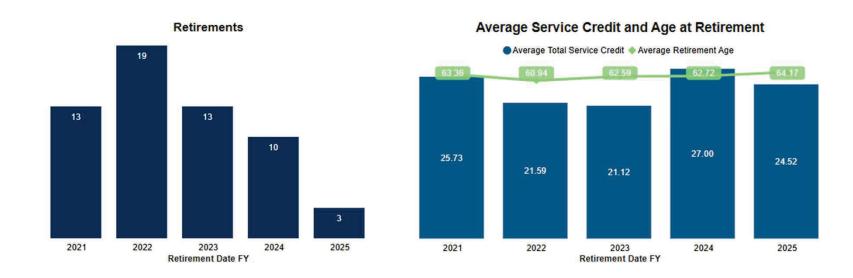


FY 24-25 Q4 Projected Hiring - 18





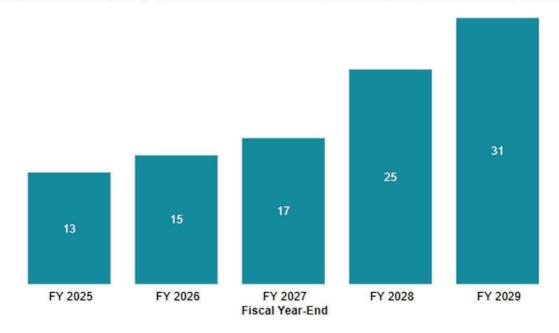
Historical Retirement – LACERA Staff Members





Forecasted Retirement – LACERA Staff Members

Active Members: Potential Retirements Based on Forecasted Factors



Forecasted Retirement Age = 64.2 Forecasted Retirement Service Credit = 24.5 L//,CERA



ADMINISTRATIVE BUDGET

FY 2025-26 Budget Assumptions



Incremental/Activity Based Budget Process

 LACERA's budget is based on the prior year base budget with a focus on changes to core costs and activities



FY 2025-26 Budget Assumptions

Salaries & Employee Benefits

- Filled positions are based on current actual salaries plus salary step/ merit increases where eligible
- Vacant positions are based on Step 1 salary & funded based on the Hiring Plan as of 2/28/25 for the classification (0, 6, 9 or 12 months)
- Current MOU expires December 31, 2025 No COLAs beyond January 1, 2026, were included
- Benefit costs (consistent w/LA County) Estimated 53% of Salaries



FY 2025-26 Budget Assumptions



Services & Supplies

- Historical expenditures adjusted for inflation and/or change in use
- One-time expenditures removed or adjusted





Division Narrative First Page – Summary

- Description of Division's Purpose
- ➤ 3 Year History of Positions Bar Graph
- ➤ 3 Year History of Total Budget Bar Graph
- > Summary of Significant Changes from Previous Year

Next Pages - Greater Detail

- ➤ Status of FY 2024-25 Projects & Initiatives
- > FY 2025-26 Strategic Goals & Objectives
- ➤ Narrative Summary of Budgetary Changes
- Organizational Chart including changes
- ➤ Budget Summary by Account Category
- Budgeted Positions
- ➤ History of Expenditures





Fiscal Year 2025-26 Administrative Budget Request Summary

ADMINISTRATIVE BUDGET	APPROVED BUDGET FY 2024-25	PROPOSED BUDGET FY 2025-26	VARIANCE	% CHANGE
SALARIES & EMPLOYEE BENEFITS	\$105,402,681	\$111,121,312	\$5,718,631	5.4%
SERVICES & SUPPLIES	\$34,613,800	\$35,143,700	\$529,900	1.5%
TOTAL	\$140,016,481	\$146,265,012	\$6,248,531	4.5%



FY 2025-26 Salaries & Employee Benefits

Highlights of Significant Increases Across LACERA



5 New Permanent Positions \$689,000



Temporary Staff \$1,510,000 or 32.1%



Sick Leave Buyback \$51,000 or 74.1%

Budget Impact of Requested Position Changes

FY 2025-2026

DIVISION	#	POSTION TITLE	BUDGET IMPACT
Administrative Services	1	Administrative Services Analyst II	\$110,754
Administrative Services	(1)	Procurement Assistant II	(\$95,056)
-11: 0.0 1:	1	Deputy Chief, Ethics & Compliance Officer	\$192,409
Ethics & Compliance	1	Senior Administrative Assistant	\$101,594
Financial & Accounting	1	Accountant II	\$113,522
Services	(1)	Accountant I	(\$108,863)
nvestment Office	2	Finance Analyst I	\$304,426
Member Services	1	Retirement Benefits Specialist III	\$118,088
	2	Info. Tech. Manager I	\$409,797
	(2)	Data Systems Supervisor II	(\$415,374)
Systems Division	(2)	Retirement Systems Specialists	(\$409,254)
	1	EDP Prin. Programmer Analyst	\$203,630
	1	EDP Senior Programmer Analyst	\$163,501
Total	5		\$689,175



FY 2025-26 Services & Supplies

Highlights of Significant Increases Across LACERA



Professional & Specialized Services \$917,000 or 20.8%



Educational Expenses \$159,000 or 8.8%

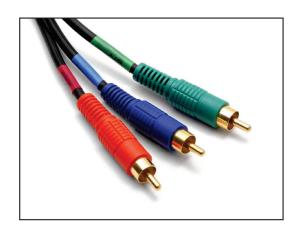


Disability Fees & Services \$375,000 or 12.1%



FY 2025-26 Services & Supplies

Highlights of Significant Decreases Across LACERA



Computer Service & Support (\$925,000) or -12.3%



Equipment Maintenance (\$231,000) or -54.0%





RHCBP & OPEB TRUST BUDGETS





Retiree Healthcare Benefits Program Budget Request Summary

RHCBP BUDGET	APPROVED BUDGET FY 2024-2025	PROPOSED BUDGET FY 2025-2026	VARIANCE	% CHANGE
SALARIES & EMPLOYEE BENEFITS	\$6,519,686	\$5,843,495	(\$676,191)	-10.4%
SERVICES & SUPPLIES	\$7,069,334	\$7,337,353	\$268,019	3.8%
TOTAL	\$13,589,020	\$13,180,848	(\$408,172)	-3.0%



Reminder: Pension plan assets may not be used to support the RHCBP

RHCBP 2025-26 BUDGET

Highlights of Significant Increases Across RHCBP



Departmental Overhead \$317,000 or 6.3%



Special Retiree Mailings \$25,000 or 7.7%

RHCBP 2025-26 BUDGET

Highlights of Significant Decreases Across RHCBP



Variable Benefits (PEPRA Staff) (\$945,000) or -33.3%



Outside Legal Costs (\$42,000) or -85.0%



OPEB Valuation (\$50,000) or -12.4%





Fiscal Year 2025-26

Other Post Employment Benefits (OPEB) Trust Budget Request Summary

OPEB TRUST BUDGET	APPROVED BUDGET FY 2024-2025	PROPOSED BUDGET FY 2025-2026	VARIANCE	% CHANGE
SALARIES & EMPLOYEE BENEFITS	\$825,111	\$976,786	\$151,675	18.4%
SERVICES & SUPPLIES	\$314,357	\$322,645	\$8,288	2.6%
TOTAL	\$1,139,468	\$1,299,431*	\$159,963	14.0%

^{*} Represents 0.032% of the Trust's Actuarial Value of Assets as of 06/30/24

THANK YOU!



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Appendix FY 2025-26 Strategic Workplans

Members • Technology • People • Risk & Compliance • Fiscal Durability



LACERA Strategic Priorities and Objectives



BOR approved the Strategic Plan on July 6, 2023.



Strategic Priority Goals



Superior Member Experience Innovate and continuously improve the member experience



2 Innovation through Technology Leverage technological solutions to advance capabilities, increase productivity, and elevate operational maturity



3 Investing in People Attract, motivate, hire, and retain a highly engaged and skilled workforce



4 Compliance and Enterprise Risk Management Adopt and implement compliance and enterprise risk frameworks aimed at facilitating strengthened governance around risk management and compliance



5 Fiscal Durability
Exercise care and
prudence in managing
our resources and fund
assets

Objectives

- 1.1 Ensure a consistent omnichannel member experience at every stage of the member's journey
- 1.2 Enhance member educational content at every stage in their journey and launch LACERA Communication Plan
- 1.3 Develop, implement, and deploy a digital strategy to better serve our members
- 1.4 Improve and enhance the retiree healthcare experience
- 2.1 Promote an enterprise approach to information gathering, integration, analysis, and sharing that fosters decision-making through the adoption of a business intelligence
- 2.2 Implement an enterprise-wide knowledge management system to digitally capture, document, organize, and access critical business knowledge and information
- 3.1 Develop and implement a DEI framework aimed at
- promoting and embracing diversity, equity, and inclusion 3.2 Develop enterprise-wide Training and Development Programs designed to support and encourage employee growth and development
- 3.3 Improve and simplify the hiring process, aimed at building a solid foundation for succession planning
- 4.1 Develop an enterprise compliance plan and program to ensure adherence to established processes, procedures, policies, and governing rules and regulations
- 4.2 Implement a comprehensive enterprise risk management framework and structure to facilitate stronger organizational risk management
- 5.1 Develop organizational tools to support enterprise-wide fiscal responsibility
- 5.2 Support the LACERA Investment Office in implementing and achieving the BOI's Strategic Plan goals. Completed

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Our Focus and Commitment





Superior Member Experience

Objective 1.1 Member Journey

LEAD: Tatiana Bayer

Executive Sponsor: JJ Popowich

Objective 1.4 Retiree Healthcare

LEAD: Tionna Fredericks

Executive Sponsor: JJ Popowich



Innovation Through Technology

Objective 2.1 Business Intelligence

LEAD: Kathy Delino

Executive Sponsor: Luis Lugo

Objective 2.2 Knowledge Management

LEAD: Eugenia Der

Executive Sponsor: JJ Popowich



Investing in People

Objective 3.1 D.E.I

LEAD: Jasmine Bath

Executive Sponsor: Laura Guglielmo

Objective 3.3 Simplify and Improve Hiring

LEAD: Carly Ntoya

Executive Sponsor: Laura Guglielmo

The eight strategic objectives serve as our focus this year, along with other strategic initiatives already underway.



Compliance and Enterprise Risk

Objective 4.1 Build Ethics and Compliance Program

LEAD: Steve Rice and Allison Barrett Executive Sponsor: Luis Lugo



Fiscal Durability

Objective 5.1 Improve Organizational Tools and Controls to Support Fiscal Responsibility

LEAD: Ricki Contreras

Executive Sponsor: Laura Guglielmo

WORKPLAN - Strategic Objective 1.1

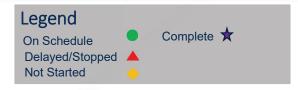


Strategic Goal: Superior Member Experience

Strategic Objective: 1.1 – Ensure an omni-channel experience at every stage of a member journey

Executive Sponsor and Leads: JJ Popowich; Tatiana Bayer (Lead)

#	Objective Milestones	Status	Start	Expected Completion
1	Create team to define objective goals and initiatives	*	10/2023	01/01/2024
2	Determine the member's journey methodology	*	10/2023	01/12/2024
3	Member Experience Council Charter	*	10/2023	06/30/2024
4	Internal Communication Plan (BOR, OOC, Executive Team, and Staff)	*	10/2023	06/01/2024
5	Identify and define Member Journeys	*	1/1/2024	07/01/2024
6	Create tools to review and track progress on objective/initiatives	•	12/1/2024	06/30/2026
7	Identify the channels of service required for each member journey		TBD	06/30/2026
8	Establish goals and KPI's for each member journey	•	TBD	10/31/2026
9	Assess the consistency and service quality across each channel	•	TBD	12/31/2026
10	Identify member interaction pain points and opportunities for improvement	•	TBD	12/31/2026
11	Identify Budget Needs		TBD	12/31/2026





WORKPLAN - Strategic Objective 1.4

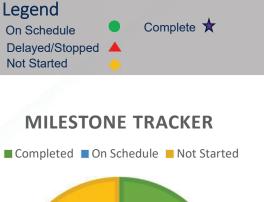


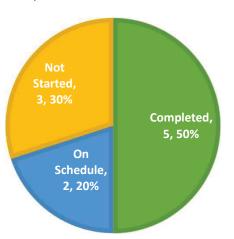
Strategic Goal: Superior Member Experience

Strategic Objective: 1.4 - Improving the Retiree Healthcare (RHC) experience.

Executive Sponsor and Lead: JJ Popowich; Tionna Fredericks (Lead)

#	Objective Milestones	Status	Start	Expected Completion
1	Build core team and schedule meeting cadence	*	10/2023	01/04/2024
2	Set-up team's collaboration timeline	*	10/2023	01/12/2024
3	Discuss ideas and opportunities for improving the Retiree RHC experience	*	10/2023	06/30/2024
4	Approval of Strategic Outline objective	*	10/2023	06/01/2024
5	Identify, Define, and Document Retiree Healthcare Roadmap	•	01/2024	12/31/2024*
6	Establish County – LACERA working group	*	07/2024	07/18/2024
7	Coordinate communication plan with internal and stakeholders	•	TBD	12/31/2024
8	Identify and implement automation opportunities i.e. SSA Data Exchange	•	TBD	12/31/2024
9	Collaborate with Union sponsored healthcare plans	•	3/2025	12/31/2024*
10	Develop actionable KPI's to measure retiree and member satisfaction	•	TBD	6/30/2025
11				





^{*} Expected completion date: 7/31/2025

WORKPLAN - Strategic Objective 2.1

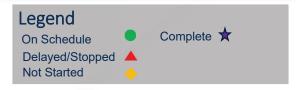


Strategic Goal: Innovation Through Technology

Strategic Objective: 2.1 – Implement Enterprise Business Intelligence Solution

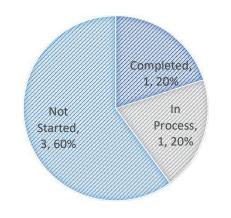
Executive Sponsor: Luis Lugo; Kathy Delino (Lead)

#	Objective Milestones	Status	Start	Expected Completion
1	Develop objective scope and goals	*	10/2023	01/01/2024
2	Communication Plan, Communicate objective goals to various stakeholders	*	01/2024	06/30/2024
3	Centralize Data Governance- Establish Data Management Team		7/1/2024	12/31/2024*
4	Publish Dashboards for Enterprise/Member Data (Explore Enterprise Solution)		7/1/2024	12/31/2026
5	Replace reporting requests with on-demand dashboards	•	TBD	12/31/2025**
6				
7				
8				
9				
10				
11				



Milestone Tracker





WORKPLAN - Strategic Objective 2.2

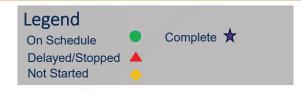


Strategic Goal: Innovation Through Technology

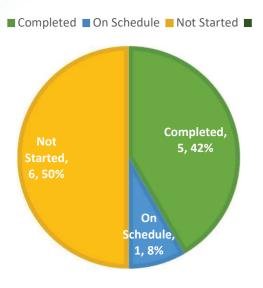
Strategic Objective: 2.2 - Implement Enterprise Knowledge Management System

Executive Sponsor: JJ Popowich; Eugenia Der (Lead)

#	Objective Milestones	Status	Start	Expected Completion
1	Create team to define objective goals and initiatives	*	10/2023	01/01/2024
2	Project Approval by the IT Coordination Council	*	10/2023	03/31/2024
3	Communication Plan- Educate and Engage stakeholders on Knowledge Mgmt.	*	10/2023	07/01/2024
4	RFP for taxonomy consultant	*	03/2024	12/31/2024
5	Selection of consultant	*	11/2024	03/31/2025
6	Complete assessment of organizational needs and specifications, consultant discovery work	•	03/2025	04/30/2025
7	Update and reconcile data and knowledge	•	TBD	06/30/2025
8	Complete taxonomy and content tagging	•	TBD	09/30/2025
9	Select vendor and product	•	TBD	06/30/2026
10	Project Launch	•	TBD	07/31/2026
11	Create and adopt knowledge playbook/policy/guidelines	*	TBD	12/31/2028



MILESTONE TRACKER



WORKPLAN - Strategic Objective 2.2



Strategic Goal: Innovation Through Technology

Strategic Objective: 2.2 – Implement Enterprise Knowledge Management System

Executive Sponsor: JJ Popowich; Eugenia Der (Lead)

#	Objective Milestones	Status	Start	Expected Completion
12	Project Completion	*	TBD	12/31/2028
13				
14				
15				



WORKPLAN - Strategic Objective 3.1

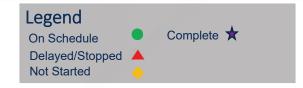


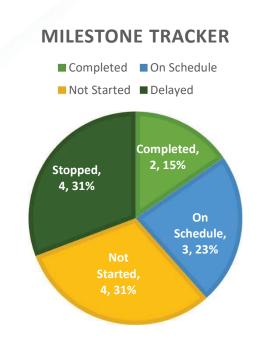
Strategic Goal: Investing in People

Strategic Objective: 3.1 – Develop and implement framework aimed at promoting D.E.I.

Executive Sponsor: Laura Guglielmo

#	Objective Milestones	Status	Start	Expected Completion			
1	Create team to define objective goals and initiatives	*	10/2023	01/01/2024			
2	Communication Plan – IDEA (Inclusion, Diversity, Equity, and Accessibility)	•	10/2023	6/30/2025			
3	Assemble a staff driven IDEA Council	*	3/2024	07/26/2024			
4	Prepare Charter for IDEA Council	_					
5	Develop a Statement of Commitment	•	02/2025	06/30/2025			
6	Identify scope of work for Diversity, Equity, Inclusion, Belonging, and Accessibility (DEIBA) Advisor	A					
7	Issue RFP and select advisor	_					
8	Collect data from staff, members, vendors, and business partners re: DEIBA	•	06/2024	6/30/2025 and ongoing			
9	Develop topical library for internal and external users	•	TBD	6/30/2025			
10	Post IDEA initiative and educational content within LACERA Connect	•	TBD	06/30/2025			
11	Identify external business partners/vendors	_	TBD	2027			





WORKPLAN - Strategic Objective 3.1

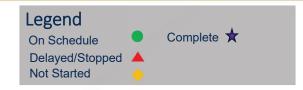


Strategic Goal: Investing in People

Strategic Objective: 3.1 – Develop and implement framework aimed at promoting D.E.I.

Executive Sponsor: Laura Guglielmo

#	Objective Milestones	Status	Start	Expected Completion
12	Develop an Organizational Training Plan for DEIBA	•	TBD	12/31/2025
13	Communication Plan – IDEA (Inclusion, Diversity, Equity, and Accessibility)	•	06/2025	12/31/2025



WORKPLAN - Strategic Objective 3.3

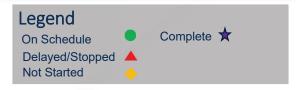


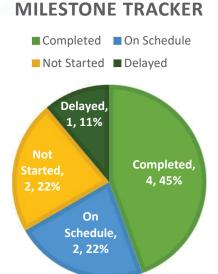
Strategic Goal: Investing in People

Strategic Objective: 3.3 – Improve and simplify hiring process

Executive Sponsor: Laura Guglielmo; Carly Ntoya (Lead)

#	Objective Milestones	Status	Start	Expected Completion
1	Create team to define objective goals and initiatives	*	10/2023	01/01/2024
2	Labor Agreement for performance management changes	*	5/2024	10/31/2024
3	Explore opportunities to simplify LACERA Hiring Playbook		ongoing	6/30/2025
4	Revise and publish employee handbook and orientation	_	10/2023	12/31/2024
5	Revise rater training	*	10/2024	12/31/2024
6	Expand use of NEOGOV for performance management	•	2/2024	06/30/2025
7	Achieve an organizational vacancy rate of 15% (determine internal KPI)	_	7/2024	12/31/2024
8	Enhance recruitment and applicant communication in NeoGov	*	1/2024	12/31/2024
9	Implement use of a job analysis tool to use and create competency-based assessment	•	TBD	3/31/2026
10				
11				





WORKPLAN - Strategic Objective 4.1

1 of 2



Strategic Goal: Compliance and Enterprise Risk

Strategic Objective: 4.1 – Develop and implement an Enterprise Ethics and Compliance Program

Executive Sponsor: Luis Lugo; Steven Rice and Allison Barrett (Leads)

#	Objective Milestones	Status	Start	Expected Completion
1	Ethics Compliance Program (ECP) Communication campaign		10/2023	Ongoing
2	Approval of Ethics and Compliance program Charter	*	10/2023	10/09/2024
3	Update and obtain approval of Charter	*	10/2023	10/09/2024
4	Chief Ethics and Compliance Officer (CECO) job description and class spec.	*	10/2023	12/01/2024
5	Ethics and Compliance Program Foundational Work Plan	*	7/2023	10/09/2024
6	Complete inventory of all Policies, Procedures, and Charters		2/2022	6/01/2025
7	Ethics and Compliance Orientation (ACRE, MAC, SAC, and Staff)		11/1/24	6/01/2025
8	Update LACERA Code of Ethical Conduct		7/2023	6/01/2025
9	Ethics and Compliance Training Program Plan		TBD	12/01/2025
10	Determine critical ethics and compliance risk areas and Scope of Program Oversight	•	TBD	6/01/2025
11	PPC Management Software Solution/Compliance GRC solution (GRC 360) - Compass	*	3/2023	12/01/2024
12	County Approval of CECO Position	•	TBD	6/01/2025





Los Angeles County Employees Retirement Association

WORKPLAN - Strategic Objective 4.1

2 of 2



Strategic Goal: Compliance and Enterprise Risk

Strategic Objective: 4.1 – Develop and implement an Enterprise Ethics and Compliance Program.

Executive Sponsor: Luis Lugo; Steven Rice and Allison Barrett (Leads)

#	Objective Milestones	Status	Start	Expected Completion
13	Initial/Baseline Divisional EC Risk Assessments and Ethical Culture Measurement		TBD	6/1/2025
14	Development of recruitment process for ECO staff	*	TBD	TBD
15	Recruit/Hire CECO staff	•	TBD	TBD
16	Recruit/Hire ECO staff	•	TBD	TBD

Legend		
On Schedule	Complete 🖈	
Delayed/Stopped		
Not Started		

WORKPLAN - Strategic Objective 5.1



Strategic Goal: Fiscal Durability

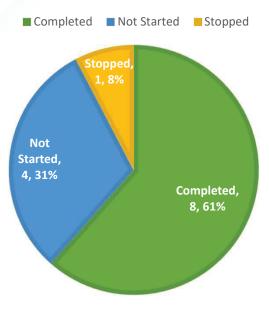
Strategic Objective: 5.1 - Develop organizational tools and mindset to support fiscal responsibility

Executive Sponsor: Laura Guglielmo; Ricki Contreras (Lead)

#	Objective Milestones	Status	Start	Expected Completion
1	Create team to define objective goals and initiatives	*	10/2023	01/01/2024
2	Finalize Certify AP Implementation	*	10/2023	02/28/2024
3	Finalize Budget software (Questica) Implementation/Complete full budget cycle	*	10/2023	06/30/2024
4	Finalize Contract/Vendor solution (Cobblestone) implementation/Train Users	*	10/2023	12/31/2024
5	Design and Implement Centralized Vendor Mgmt. Program	*	10/2023	09/30/2024
6	Update Procurement Policy	*	10/2023	09/30/2024
7	Create Non-Administrative Budget in Questica	*	07/2024	12/31/2024
8	Design and Assess Scope of ERP & Timing of Acquisition – Consultant Only	•	TBD	06/30/2027
9	Design and Deliver a Comprehensive Financial Training for Managers	*	TBD	06/30/2025
10	Design and Deliver Basic Financial Training for Staff	•	TBD	06/30/2025
11	Implement Travel Expense Module for Certify AP or equivalent	*	10/2024	06/30/2025
12	Automate the budget book publishing	_	10/2024	Canceled
13	Design and Deliver a Comprehensive Financial Training for Supervisors (1-30/2026)	*	TBD	1/30/2026



MILESTONE TRACKER







Mission: To produce, protect and provide the promised benefits to our members



Optimize Investment Model

Objective:

Utilize our knowledge, skills, and experience to develop forward thinking and enduring investment models and structures with a focus on technology, cost effectiveness, and human capital to maximize risk-adjusted returns

Progress:

- Improving LACERA's investment acumen to fulfill the mission
- Implementing Board adopted triennial Strategic Asset Allocation studies
- · Deploying co-investment and secondary capital across several asset categories
- Executing secondary sales to focus private equity portfolio on strategic relationships
- Transitioning real estate portfolio from separate accounts to commingled funds to broaden diversification
- · Active monitoring and quarterly portfolio-wide discussion of performance and risk management



Aspirations:

- Continue to seek better compensation for risks across the portfolio
- Promote and enhance dynamic investment program
- Fine tune rebalancing practices
- Organize and deliver effective educational sessions and orientations



Maximize Stewardship and Ownership Rights

Objective:

Steward our investments – including legal rights associated with them – to promote and safeguard our economic interests and durable financial value, including through proxy voting, engagement, and policy advocacy

Progress:

- Increased proxy voting authority to 96% of defined benefit portfolio and assumed voting rights in OPEB Trust
- · All mandates undergo systemic due diligence for material ESG risks
- Updated stress testing of 2024 Strategic Asset Allocation for energy transition scenarios and climate risks
- Deepened ESG considerations in real assets with restated Responsible Contractor Policy (RCP) and Global Real Estate Sustainability Benchmark (GRESB) affiliation
- Expanded engagement initiatives (e.g., investor voting rights, energy transition, public policy, board diversity)



Aspirations:

- Execute on strategic engagement initiatives with credible outcomes
- · Amplify progress and leadership in governance and ESG initiatives
- Continue to expand proxy voting authority
- Increase ESG and climate data coverage in private asset classes
- · Elevate annual stewardship report



Strengthen Influence on Fees and Cost of Capital

Objective:

Leverage our influence on fees and cost of capital across all investment strategies and structures in a manner that aligns interests and promotes resilient investment returns

- Utilizing co-investments across the Fund to drive portfolio intentionality, better risk-adjusted returns, and fee savings
- Investing with early-stage emerging managers while achieving future capacity rights and revenue sharing agreements where possible
- · Making use of scale and strategic relationships to invest in high-quality assets at a discount
- Integrating fee structures that pay for outperformance, not just market returns



- Aspirations: Set industry standard as "term-makers" as opposed to "term-takers" on fee, legal, and other terms
 - Foster higher alignment of interest with business partners
 - · Incorporate intentionality when designing terms and account structures to both limit risks and enhance expected return outcomes
 - Deliver on optimization of implementation costs through improved expense and fee analytics and reporting





LACERA TIDE (Towards Inclusion, Diversity, and Equity)

Objective:

Enhance outcomes through comprehensive, total Fund efforts that encourage constructive, inclusive, and equitable talent management at investment partners, service providers, industry, and internally

Progress:

- Focusing on career development for existing team and onboarding new hires
- · Continued increase in manager reporting responsiveness, granularity, and candor
- · Expanding allocation opportunities for emerging managers
- Supporting expansion of due diligence and standardized templates at industry associations to facilitate DEI reporting availability and reliability in financial services industry



Aspirations:

- Continue to focus on better human capital management practices across the asset management industry
- Be an employer of choice at all levels from internships through management
- Inspire external asset managers to adopt DEI practices to increase risk-adjusted returns
- · Utilize wider data sets to inform and influence effective industry-wide practices
- Refine annual TIDE report



Enhance Operational Effectiveness

Objective:

Expand the efficiency of our resources (internal and external, human and technological) and mitigate varied investment and enterprise risks, which can improve future outcomes

Progress:

- Evolving LACERA's policies, governance, and investment selection decision process
- Broadening utilization of software platform to distribute, collect, evaluate, and warehouse questionnaires and other diligence materials
- Onboarding service provider for a consolidated public and private markets investment analytics platform
- Transitioning real estate portfolio from separate accounts to commingled funds to reduce operational risk
- · Aligning benchmarks to better reflect opportunity set and desired portfolio risk and return profile



Aspirations:

- · Optimize presentation and quality of information available to the Board
- Align resources with Board and organizational priorities
- Maximize value from adoption of technological innovation and opportunities
- Improve internal investment committees and due diligence practices
- Launch a development program for early-career investment analysts



ADMINISTRATIVE,
RETIREE HEALTHCARE BENEFITS, AND
OPEB TRUST BUDGETS

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EXECUTIVE SUMMARY

The proposed Administrative Budget for FY 2025-26 represents the fiscal plan for implementing LACERA's administrative and operational objectives toward achieving our mission to produce, protect and provide the promised benefits to our members. This proposed budget reflects the Strategic Priorities and Strategic Initiatives outlined in the Board of Retirement's (BOR) adopted 2023-28 Strategic Plan and the Board of Investments' (BOI) Strategic Plan.

BOR Strategic Priorities

- Superior Member Experience
- Innovation Through Technology
- Investing In People
- Enterprise Risk Management and Compliance
- Fiscal Durability

BOI Strategic Initiatives

- Optimize the Investment Model
- Maximize Stewardship and Ownership Rights
- Strengthen Influence on Fees and Cost of Capital
- Promote LACERA TIDE
- Enhance Operational Effectiveness

Together, the BOR and BOI ensure LACERA's resources are allocated effectively and prudently managed, consistent with their fiduciary duties to our members.

Board of Retirement's Strategic Priorities

Superior Member Experience

LACERA remains committed to innovating and continuously improving the member experience, from the beginning of their career through the legacy they leave their survivors. We call this the "member lifecycle" and the member experience is defined by the many "member journeys" that reflect different stages of their lifecycle. Each member journey is defined by every interactive touchpoint they have with LACERA throughout that journey. We recognize that LACERA's membership is diverse with different needs and

preferences, which often change at different stages of their lifetime. Our approach to service must be nimble enough to meet their individual needs today and into the future.

Our current focus is augmenting our highly personalized service by building an educational, digital, customized, and member-centered framework for every stage of the member journey with the long-term goal of enabling members to conveniently access our benefit and healthcare enrollment services 24/7 and confidently retire in the palm of their hand.

In FY 2024-25, LACERA's Member Experience Council has been identifying and defining the beginning of the mapping process for member journeys and documenting the retiree healthcare roadmap concurrently. Our goal is to ensure we are able to consistently track the member experience performance and continually focus on making these journeys a superior member experience.

In FY 2025-26, LACERA's Member Experience Council will expand on its foundational work and will:

- Create tools to review and track progress on objectives and initiatives
- Identify the channels of service required for each member journey they are focusing on
- Establish goals and key performance indicators (KPIs) for each member journey
- Establish goals and KPIs to measure member satisfaction with retiree healthcare
- Partner with the Social Security Administration to identify opportunities to automate data collection and exchange
- Collaborate with Union-sponsored healthcare plans
- Assess the consistency and service quality across each channel
- Identify member interaction pain points and opportunities for improvement

Innovation Through Technology

LACERA is committed to leveraging technological solutions to advance capabilities, increase productivity, and elevate our operational maturity. Information technology (IT) tools, when well designed and implemented, support the effective and efficient accomplishment of an organization's goals, objectives, and strategies. LACERA's strategic objectives ensure the organization's IT architecture and applications infrastructure continue to mature and adapt to current and evolving demands.

Our current focus centers on data and knowledge—specifically, developing an enterprise-wide approach to information gathering, integration, analysis, and sharing to foster decision-making through a business intelligence platform. Additionally, we intend to implement an enterprise-wide knowledge management system to digitally capture, document, organize, and access critical business knowledge and information.

The Systems Division plays a critical role in successfully implementing all LACERA strategic priorities and initiatives. New technology solutions to business problems are

vetted through the Information Technology Coordination Committee (ITCC). Once approved and budgeted, the Project Management Office (PMO) leads the implementation with subject-matter experts in the impacted operating divisions and then transitions the ongoing support and maintenance to either the Infrastructure Group or the Business Solutions Group. This process has been documented in a PMO Playbook, developed and implemented in FY 2024-25 to guide all stakeholders and ensure consistency across the organization.

A detailed summary of planned IT projects for FY 2025-26 can be found immediately following this summary.

Investing in People

LACERA recognizes that the key to its success lies in its people. Our overarching goal is to make LACERA the employer of choice by offering a workplace culture that values and encourages staff development, actively implements equity and inclusion in our policies and practices, pays fair wages, values employees' ideas, and provides staff the tools and resources necessary for individual and collective success.

In FY 2024-25, LACERA is on track to administer exams to promulgate 19 new lists, onboard 26 new permanent staff members and promote 14 staff members in 9 of 15 divisions throughout the organization. Eleven students participated in internships where they were assigned meaningful projects and paired with a mentor. New staff onboarded included two new Human Resources professionals, allowing for greater service capacity throughout the organization. Hiring is projected to be lower than in previous years because we did not begin a new Retirement Benefits Specialist I Core Training class. The next Core Training class is scheduled for the fall of 2025.

Additionally, we worked on the following major projects in FY 2024-25 supporting the Investing In People strategic priority:

- Implemented HR Liaisons to Client Divisions. Four teams of two professionals
 were established to directly support three to four divisions within LACERA, or
 approximately 120 to 130 staff. This includes job analyses, examinations,
 compensation analysis, background checks, bonus requests, performance
 evaluation reviews, grievances, investigations, and general consultation. Payroll,
 leave management, and employee training and development functions are
 supported by separate units within Human Resources.
- Implemented a new Learning Management System (NeoGov LEARN) to support, track, and guide staff development. This system will also help to ensure that staff take all required training, including training that is required to maintain individual professional certifications.
- Implemented new technology, improving and enhancing applicant communication to more efficiently and effectively target prospective applicants (NeoGov Attract).
- Revised our rater training.

- Implemented a new onboarding program, moving away from a one-day orientation to a full twelve-month onboarding experience.
- Underwent a comprehensive review and analysis of our New Employee Handbook, resulting in a complete redesign that, once finalized, will ensure better readability and compliance with all underlying policies and procedures.

In FY 2025-26, LACERA will continue focusing on reducing our vacancy rate through increased hiring, increasing staff training and development, and maturing our workplace culture. Implementing our hiring plan priorities is expected to systematically reduce the vacancy rate.

We will continue to foster inclusivity and belonging in our workforce through:

- Active leadership and support of the IDEA initiative by soliciting and obtaining employee feedback to support their sense of belonging within the organization;
- Reviewing our policies and procedures through a DEI lens to identify and attempt to remove artificial barriers;
- Increasing and expanding staff training and development opportunities;
- Beginning the implementation of the Leadership Pipeline to support transparent succession planning;
- Assessing career ladders to identify and remove barriers and open new pathways for career advancement where possible; and
- Reimagining LACERA's 20-year-old employee mentorship program to ensure it has measurable goals and expected outcomes, and that it reflects both best practices and our organization's specific needs.

Enterprise Risk Management and Compliance

LACERA will enhance and elevate our risk governance structure through the establishment of formal compliance and enterprise risk management (ERM) programs that will facilitate management's efforts regarding compliance and risk management. These efforts are continuous because risks constantly change.

In FY 2024-25, LACERA focused on foundational actions towards implementing a centralized Ethics and Compliance Program (ECP). The purpose of the ECP is to promote a strong and engaged culture of ethical conduct and compliance with laws, regulations, policies, and procedures in order to meet our fiduciary duty to LACERA members, reduce risk, and improve business operations.

The FY 2025-26 workplan includes:

- Ongoing communication to socialize the goals and objectives of the ECP
- Continuing to identify the critical risk areas and the program oversight structure required
- Identifying and obtaining approval for key staff and beginning recruitment
- Developing an Ethics and Compliance Training Program Plan

• Identifying how the program will assess and measure success by evaluating the current baseline and key performance indicators

Fiscal Durability

LACERA has two equally critical responsibilities when it comes to managing resources and fund assets. We must:

- Ensure prudent and durable fiscal management of LACERA's budget and resources expended to administer the benefits; and
- Ensure the Board of Investments' strategic initiatives to manage LACERA's investment portfolio are implemented and supported to maximize the performance of our funds.

These responsibilities are necessary to ensure the long-term viability of the fund and intergenerational equity for future members, balanced with keeping employer and member contribution rates low, and the services provided to our members high.

In FY 2024-25, LACERA completed the following projects that support this Strategic Initiative:

- Updated our Procurement policy and procedures
- Designed and implemented a centralized Vendor Management Program within Administrative Services
- Implemented an enterprise contract lifecycle management system (Cobblestone)
- Updated our Staff Travel policy and procedures
- Implemented a new Travel Expense module within our Accounts Payable system
- Developed and implemented budget system training and step-by-step user guides for managers
- Created a non-administrative budget within our Questica Budget system

In FY 2025-26, LACERA will continue developing and promoting organizational tools and a mindset to support enterprise-wide fiscal responsibility. Specific projects include:

- Beginning the process of identifying future needs for an Enterprise Resource Planning tool to replace our aging financial system and implementation requirements
- Continuing to identify and deliver basic financial training for all staff
- Designing and implementing a comprehensive financial training plan for managers and supervisors
- Implementing an automated travel booking module that complements the travel expense module to better support trustee and staff travel needs

LACERA will also continue to support the BOI's strategic initiatives discussed below.

Board of Investments' Strategic Initiatives

Implementation of the Board of Investments' Strategic Initiatives is key to ensuring the plan's long-term fiscal durability and moving toward our vision to be a best-in-class investor. While the Investment Office has primary responsibility for these initiatives, they are supported by the Executive Office, Legal Services Office and the Business Services Group (Human Resources, Financial and Accounting Services, Systems, and Administrative Services).

Optimize the Investment Model

Our objective is to leverage our competitive advantages through deliberate investment models and structures that harness technology, cost effectiveness, and human capital to maximize risk-adjusted returns. In FY 2025-26, the Investment Office will continue to seek better compensation for risks across the portfolio; promote and enhance a dynamic investment program; fine tune rebalancing practices; and organize and deliver effective educational sessions and orientations.

Maximize Stewardship & Ownership Rights

Our objective is to steward our investments, including the legal rights associated with them, in a manner that safeguards our economic interests and durable financial value, including through proxy voting, engagement, and policy advocacy. The Investment Office plans to execute strategic initiatives with credible outcomes; amplify progress and leadership in governance and Environmental, Social, and Governance (ESG) initiatives; continue to expand proxy voting authority; increase ESG and climate data coverage in private data classes; and elevate the annual stewardship report.

Strengthen Influence on Fees and Cost of Capital

Our objective is to strengthen our influence on fees and cost of capital with the goal of maximizing returns by minimizing cost across all investment strategies and structures in a manner that promotes durable investment returns. We plan to work toward this by continuing to be "term-makers" as opposed to "term-takers" on fees, legal, and other terms; fostering higher alignment of interests with business partners; incorporating intentionality when designing terms and account structures to both limit risks and enhance expected return outcomes; and delivering on optimization of implementation costs through improved expense and fee analytics and reporting.

Although under the County Employees Retirement Law of 1937 (CERL), investment fees are not included in the administrative budget, the expenditures are noted in the Non-Administrative Expense section of the FY 2025-26 Proposed Budget documents.

Promote LACERA T.I.D.E. (Towards Inclusion, Diversity, and Equity)

Our objective is to improve outcomes through comprehensive, total Fund efforts that encourage constructive, inclusive, and equitable talent management at investment partners, industry and internally. We plan to work towards becoming an employer of choice at all levels, from internships to management; inspire external asset managers to adopt DEI practices to increase risk-adjusted returns; utilize wider sets of data to inform and influence effective industry-wide practices; and refine the annual T.I.D.E Report. While complementary, LACERA T.I.D.E. is distinct from the Board of Retirement's Inclusion, Diversity, Equity, and Accessibility (IDEA) Initiative in that it focuses on Investment staff and partnerships.

Enhance Operational Effectiveness

Our objectives are to maximize the efficiency of our resources (internal, external, human, and technological) and to mitigate varied investment and enterprise risks to improve future outcomes. The Investment Office plans to optimize presentation and quality of information available to the Board of Investments; align resources with Board and organizational priorities; maximize value from the adoption of technological innovation and opportunities; improve internal investment committees and due diligence practices; and launch a development program for early-career investment analysts.

Conclusion

The FY 2025-26 Proposed Budget outlines the essential resources required to efficiently manage the retirement programs, ensuring that LACERA's mission is fulfilled. After the Trustees review and deem the fiscal plan prudent, we expect them to approve and adopt the FY 2025-26 Budget.

Summary of Technology Modernization Projects for FY 2025-26

Project Title	Description	Goal and Benefit	FY 2025-26 Budget	Phase	Estimated Completion Date
Project Porfolio Management (PPM) Solution	The Systems Project Management Office (PMO) seeks to implement a Portfolio Project Management (PPM) solution to help LACERA manage and prioritize multiple projects within our portfolio. A PPM solution will help define project portfolios and prioritize them based on ROI, resource availability, and strategic objectives. Once the projects are initiated, the PPM solution will enhance our ability to track costs, identify risks, manage timelines, and report on status.	The goal of the PPM solution is to optimize the selection, prioritization, and execution of projects to ensure they align with LACERA's strategic initiatives. One of the most important features of a PPM is cross-project visibility, allowing the Executive Office and the Systems PMO the ability to visualize dependencies between project resources, maximizing efficiency and avoiding hidden bottlenecks.	\$50,000	Phase 1 of 1	12/30/25
Member Case Management System - Continuation of Phase 2	Case management continues to be a top priority for LACERA in the upcoming fiscal year. LACERA completed Phase 1 of the project, which includes the Disability Retirement, Disability Appeals, and First Payment processes. The estimate in this current fiscal year is for the completion of Phase 2. Phase 2 includes the death benefit claim and seamless survivor processes. The future phases may involve additional RFPs for professional services, or LACERA may choose to implement the additional phases using internal resources.	The goal is to track and manage the death benefit claim process and the seamless survivor process. The benefits will be more efficient processing, greater automation, and improved member satisfaction.	\$500,000	Phase 2 of 5	06/30/26
Member Experience Communication Platform (MECP)	LACERA seeks to modernize our existing telecommunications infrastructure for servicing our members. This funding is requested to continue to support LACERA's telecommunications strategy to acquire a world-class Member Service Contact Center solution that integrates with our existing Microsoft suite of products, case management application, and pension administration system. Initial funding for this project was requested during the FY 2024-25 budget. However, due to delays, the project was not initiated until towards the end of FY 2024-25. Portions of the initial budget proposal are being carried forward to FY 25-26.	The goal is to establish a modern member contact center that provides efficient customer service, omnichannel support, and an enhanced customer experience. The benefits will be enhanced service quality, reduced costs, and improved member satisfaction.	\$300,000	Phase 1 of 2	06/30/26
Digital Mailroom Solution	LACERA seeks a virtual mailroom to ensure business continuity by providing efficient and secure management of incoming mail.—The virtual mailroom would use an outsourced solution to provide uninterrupted document processing and remote accessibility. The same amount for this project was requested during the FY 2024-25 budget; however, this project was deferred due to resource constraints and to focus on higher priority initiatives.	The objective of this project is to contract with a third-party service provider to handle the receipt and scanning of LACERA's paper mail. The scanned documents will then be transmitted to LACERA for integration into our existing automated document routing workflow. This initiative aims to ensure business continuity for LACERA's Document Processing Center (DPC), which currently manages the opening and scanning of all incoming paper mail. In the event of a disaster affecting LACERA's building in Pasadena, this solution will provide a reliable and efficient alternative for mail processing.	\$150,000	Phase 1 of 1	06/30/26

Summary of Technology Modernization Projects for FY 2025-26

Project Title	Description	Goal and Benefit	FY 2025-26 Budget	Phase	Estimated Completion Date
Knowledge Management Solution	To support LACERA's strategic objective of Innovation Through Technology, the organization seeks to implement an enterprise knowledge management solution that stores and organizes the knowledge and information of the organization into a single robust solution. We currently maintain this critical enterprise content in multiple formats and on disparate systems. This project will improve the efficiency of processes and operations by reducing the time and effort required to access and use relevant knowledge and information, preserve intellectual assets by capturing and storing knowledge of subject matter experts or retirees and support learning and development of staff by providing a resource to acquire and update their knowledge and skills. Initial funding for this project was requested during the FY 2024-25 budget. However, due to delays, the project was not initiated until towards the end of FY 2024-25. Portions of the initial budget proposal are being carried forward to FY 2025-26. Preliminary work in Phase 1 has been completed, and the goal is to finish Phase 1 in the upcoming fiscal year.	The goal of the Phase 1 is to develop a comprehensive taxonomy for the Knowledge Management Solution, ensuring that LACERA's organizational knowledge is systematically categorized and easily accessible.	\$135,000	Phase 1 of 2	06/30/26
Microsoft Fabric Implementation	To support LACERA's strategic objective of Innovation through Technology, the Systems Division seeks to implement Microsoft Fabric, a comprehensive, cloudbased data analytics platform designed to unify data, Artificial Intelligence (AI), and analytics tools for various workloads and industries. Fabric will provide a unified data platform, real-time data processing, and seamless integration with other Microsoft 365 apps while adhering to LACERA's security and governance requirements.	The goal of implementing Microsoft Fabric is to unify and streamline data management and analytics. Microsoft Fabric is an artificial intelligence (AI) powered data platform that will integrate administrative and operational data into a single, cohesive experience. It will support LACERA's strategic initative of enterprise business intelligence by supporting the entire data lifecycle from data ingestion to data analysis to data visualization.	\$120,000	Phase 1 of 1	06/30/26
Governance, Risk, and Compliance (GRC) Solution	LACERA seeks to implement a comprehensive IT Governance, Risk, and Compliance Solution. The same amount for this project was requested during the FY 2024-25 budget; however, this project was deferred due to resource constraints and to focus on higher priority initiatives. During FY 2024-25, the organization also internally developed a separate Policy Management solution so that module is no longer needed.	The goals of the project include the ability to identify and assess risks, predict and prevent losses, compliance with industry standards, and transparent information sharing. The benefits include greater efficiency, increased transparency, and overall organizational accountability.	\$70,000	Phase 1 of 1	06/30/26

FISCAL YEAR 2025-2026

Mission

To produce, protect, and provide the promised benefits to our members

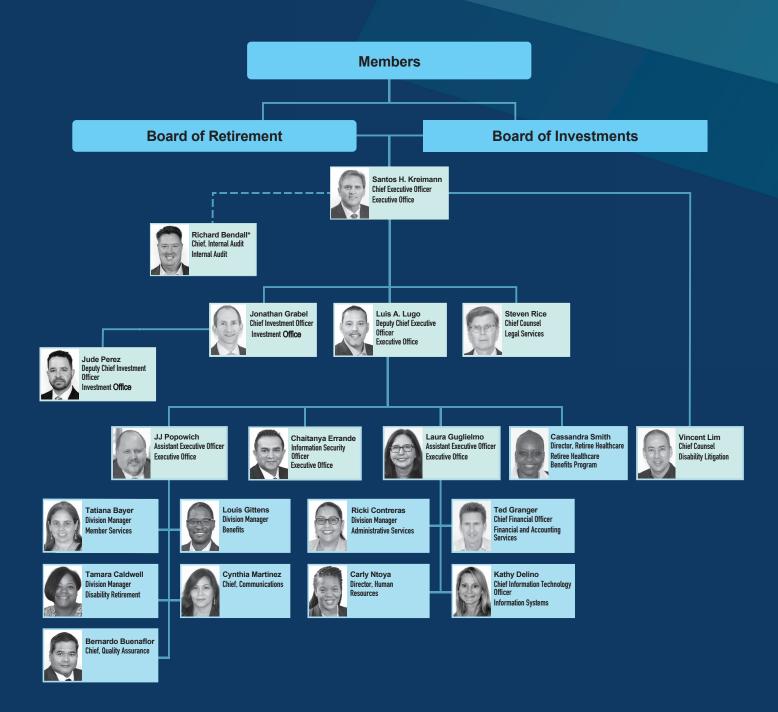
Values

Empowering our members to enjoy a healthy and secure retirement

Accountability Collaboration Inclusivity Innovation Integrity Transparency

FISCAL YEAR 2025-2026

Organizational Chart



^{*} Reports functionally to the Audit Committee and administratively to the CEO

Board of Retirement

Mission Statement

To produce, protect, and provide the promised benefits to our members

The Board

Composed of nine trustees and two alternates:

- Two trustees elected by active general members
- One regular and one alternate trustee elected by retired members
- One regular and one alternate trustee elected by safety members
- Four trustees appointed by the Los Angeles County Board of Supervisors
- One ex-officio trustee (the County Treasurer and Tax Collector)
- One acting ex-officio trustee (the Chief Deputy County Treasurer and Tax Collector)

Responsibilities

Overall management of LACERA is vested in the Board of Retirement. The Board is responsible for the administration of the retirement system and the Retiree Healthcare Benefits Program (OPEB Program). Its duties also include the review and processing of disability retirement applications.



Les Robbins Chair Elected by Retired Members



Ronald Okum Vice Chair Appointed by Board of Supervisors



Shawn R. Kehoe Secretary Elected by Safety Members



Nancy M. Durazo Elected by General Members



Bobbie Fesler
Appointed by Board of Supervisors



Elizabeth B. Ginsberg Treasurer and Tax Collector Ex-Officio Member



Jason E. Green Elected by Safety Members



James P. Harris Elected by Retired Members



Aleen Langton
Elected by General Members



Wayne Moore
Appointed by Board of Supervisors



Lisa Proft
Chief Deputy Treasurer and Tax
Collector
Acting Ex-Officio Member



David Ryu Appointed by Board of Supervisors

II.

Board of Investments

Mission Statement

To produce, protect, and provide the promised benefits to our members

The Board

Composed of nine trustees:

- Four trustees appointed by the Los Angeles County Board of Supervisors
- · Four elected trustees
 - Two elected by active general members
 - One elected by retired members
 - One elected by safety members
- One ex-officio trustee (the County Treasurer and Tax Collector)
- One acting ex-officio trustee (the Chief Deputy County Treasurer and Tax Collector)

Responsibilities

The Board of Investments is responsible for establishing LACERA's investment policy and objectives, as well as exercising authority and control over the investment of the retirement fund.



Jason E. Green Chair Elected by Safety Members



Patrick L. Jones Vice Chair Appointed by Board of Supervisors



David E. Ryu Secretary Appointed by Board of Supervisors



Mike Gatto
Appointed by Board of Supervisors



Elizabeth B. Ginsberg
Treasurer and Tax Collector
Ex-Officio Member



Aleen Langton Elected by General Members



Debbie Martin Elected by Retired Members



Alma K. Martinez
Appointed by Board of Supervisors



Nicole Mi Elected by General Members



Lisa Proft
Chief Deputy Treasurer and Tax
Collector
Acting Ex-Officio Member

BUDGET POLICIES

The LACERA Budget is an annual financial plan with the purpose of promoting the long-term economic sustainability and responsible resource allocation to meet LACERA's mission to produce, protect, and provide the promised benefits to our members and beneficiaries.

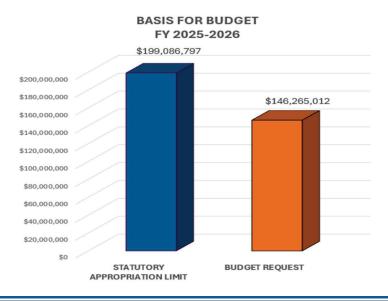
The budget is made up of three operating funds: the Administrative Fund, the Retiree Healthcare Benefits Program Fund, and the Other Post-Employment Benefits (OPEB) Trust Fund.

The annual budget aligns with LACERA's fiscal year (FY), the 12-month period from July 1 to June 30.

Legal Requirement

Government Code 31580.2 of the County Employees Retirement Law (1937 Act) requires the annual adoption of a budget covering the entire expense of administration of the retirement system. The code requires that the expenses be charged against the earnings of the retirement fund and that the expenses may not exceed 21 basis points (0.21 percent) of the actuarial accrued liability of the retirement system. Although expenses for computer software, hardware, and computer technology consulting services are included in the Administrative Budget, such costs are not subject to the budget limit. Additionally, Government Code Section 31596.1 provides that the following expenses shall not be considered as costs of administering the system: investing its moneys, securing custodial bank services, securing actuarial services, and securing attorney services. As such, these costs are not included in the Administrative Budget.

Per the 1937 Act, LACERA's statutory appropriation limit for FY 2025-26 is \$199,086,797. The proposed budget for FY 2025-26 totals \$146,265,012, \$52,821,785 below the statutory appropriation limit. Further, CERL requires that the administrative budget be funded from investment earnings of the plan.



JOGC Oversight

In addition to the statutory codes, the budget is also guided by LACERA's Joint Organizational Governance Committee (JOGC), which provides oversight during the annual budget development cycle. The process consists of staff developing a preliminary budget plan that considers and supports the approved strategic objectives and general operating needs. The preliminary budget is presented to the JOGC for review. Recommendations by the JOGC are presented to the Board of Retirement and Board of Investments ("the Boards") during the budget hearings. Staff incorporates changes agreed upon in the budget hearings and brings the recommended budget to the Board of Retirement and the Board of Investments for review and independent adoption before June 30.

Budgetary Control and Financial Forecasting

LACERA has a responsibility to maintain a fiscally sustainable budget that aligns our Strategic Plan objectives and goals with the itemized resources and organization required to fulfill our mission, vision, and values. This financial plan is developed by staff and management and is approved by the Boards. After the budget is developed and approved, staff and management have a responsibility to monitor and forecast expenditures to ensure resources are being used as intended to meet LACERA's needs.

While the annual budget process is designed to develop the 12-month budget or financial plan for approval prior to the start of the fiscal year, a mid-year review of that plan helps to ensure the enterprise is on track. During the mid-year budget review process, the Boards may address any enterprise-critical, unforeseen, and emergency resources not included in the current fiscal year budget. The mid-year budget review shall be presented to the JOGC for information or action if required.

Chief Executive Officer (CEO) Authority

In FY 2022-23, the Boards adopted a new Budget Policy that, among other things, granted the CEO the authority to transfer up to \$1 million between major fund categories (e.g., between Salaries and Employee Benefits and Services and Supplies) or between accounts within a major fund category (e.g., between postage and insurance within Services and Supplies) to address operational needs in a timely manner. Such changes shall be communicated to the Boards as part of the regular budget control reporting. The CEO may not increase total appropriations or add position authority without the approval of the Boards.

Retiree Healthcare Benefits Program

LACERA's Retiree Healthcare Benefits Program provides healthcare benefits to our membership on behalf the plan sponsors. The insurance premiums are borne solely by the participants of the plan or the plan sponsor if the participant is eligible for such benefits. LACERA trust funds are not used for premium payments. The direct costs and variable overhead costs associated with the administration of the Retiree Healthcare Benefits Program are fully included with the monthly premium payments and, as such, are not included in the Administrative Budget.

Non-Administrative Expenses

As provided in Government Code Section 31596.1, the expenses of investing its moneys, securing custodial bank services, actuarial services, and attorney services shall not be considered a cost of administering the system. As such, investment expenses are not included in the Administrative Budget, but are illustrated as part of the Non-Administrative Expenses section of the budget.

BUDGET PROCESS



LACERA's budget process includes five major stages, as depicted in the diagram above. The budget process typically begins in October of each year and coincides with the strategic planning discussion, which is generally held offsite by the management team to engage in team-building exercises and begin discussion about organizational priorities and strategic direction consistent with the Boards' vision.

The budget is a fiscal plan that supports the organization's planned activities and goals for the upcoming year. The first stage of the budget is to review the strategic plan priorities and work plans for the coming fiscal year. From October to November, the management team begins to formulate their budget requests to support those activities. Throughout the month of December, the budget team meets with the managers to gather information about their needs. This discussion helps the budget team and their partners begin preparing spending plans to support the divisional and management requests.

During the month of January, the management team meets with the Executive Office to present their proposed budgets. During this process, the Executive Office weighs the requests against the organizational goals and the strategic plan as well as ancillary support requirements. These discussions help refine the requests and balance competing needs throughout the organization. At the end of this process, the Executive Office and the management team agree upon their divisional requests and the Budget Unit begins to assemble the budget.

The fourth stage includes presenting the preliminary budget to the JOGC for review, discussion, and guidance. The JOGC meeting is open to the public and all Trustees are invited to participate in the discussion. Staff incorporates changes requested by the JOGC and prepares the final proposed budget on behalf of the JOGC for consideration by the Board of Retirement and Board of Investments.

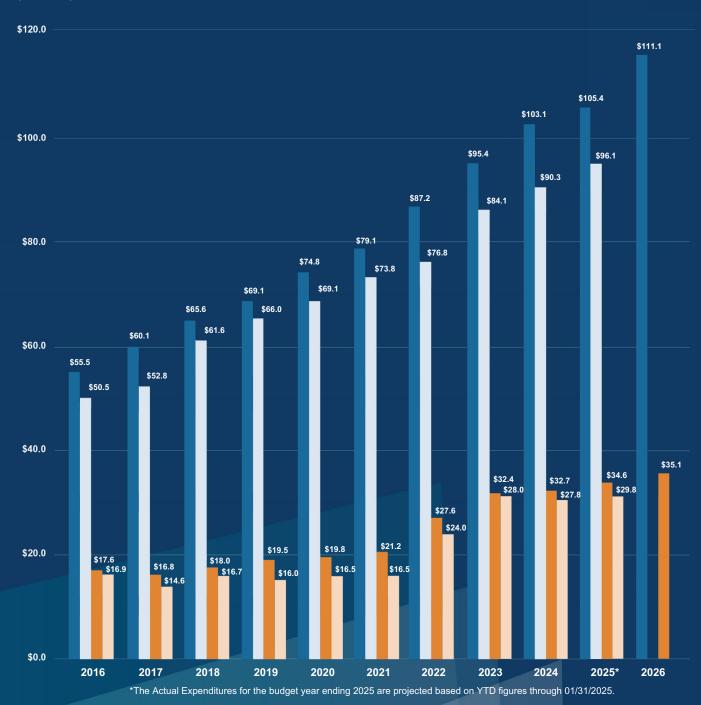
Lastly, the JOGC's proposed budget is submitted for approval at the meetings of each Board in June. Each year the budget must be adopted by June 30th to take effect on

July 1st.

HISTORY: BUDGET EXPENDITURES

Salaries & Employee Benefits and Services & Supplies

2016-2026 (\$ in Millions)





Salaries and Employee Benefits Approved BudgetServices and Supplies Approved Budget

■ Salaries and Employee Benefits Actual Expenditures

Services and Supplies Actual Expenditures

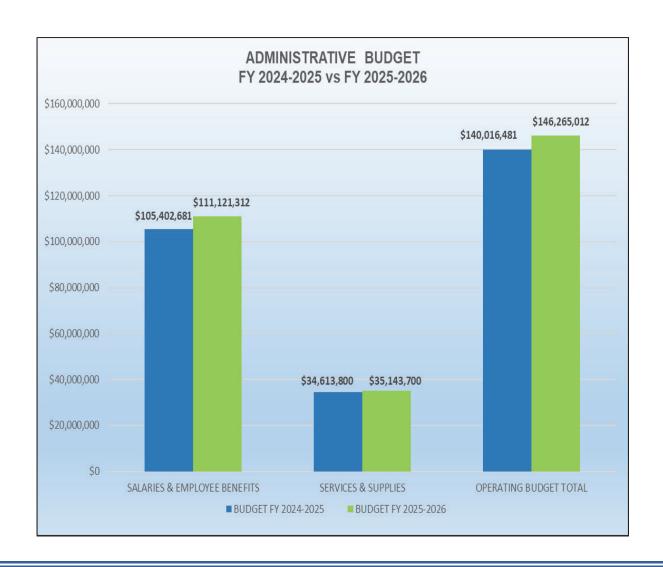


BUDGET REQUEST SUMMARY

Overview

The Administrative Budget consists of two components: Salaries and Employee Benefits (S&EB) and Services and Supplies (S&S). The proposed Administrative Budget request for FY 2025-26 is \$146,265,012. This represents a 4.5 percent increase from the prior year budget.

ADMINISTRATIVE BUDGET	BUDGET FY 2024-25	BUDGET FY 2025-26	VARIANCE	% CHANGE
SALARIES & EMPLOYEE BENEFITS	\$105,402,681	\$111,121,312	\$5,718,631	5.4%
SERVICES & SUPPLIES	\$34,613,800	\$35,143,700	\$529,900	1.5%
TOTAL	\$140,016,481	\$146,265,012	\$6,248,531	4.5%



The chart below displays the total budgeted costs per division in comparison to the prior year. For additional details see the divisional tabs.

DIVISION	BUDGET REQUEST FY 2024-2025	BUDGET REQUEST FY 2025-2026	VARIANCE	% CHANGE
Administrative Services	\$16,809,779	\$17,043,924	\$234,145	1.4%
Benefits	12,915,341	13,374,834	459,493	3.6%
Board of Retirement	341,500	361,500	20,000	5.9%
Board of Investments	556,000	579,000	23,000	4.1%
Communications	3,752,475	4,312,331	559,856	14.9%
Disability Litigation	2,504,711	2,516,477	11,765	0.5%
Disability Retirement	11,620,273	11,316,482	(303,791)	-2.6%
Ethics & Compliance Office	219,400	356,341	136,941	62.4%
Executive Office	4,039,504	4,837,217	797,712	19.7%
Financial & Accounting Services	5,658,426	5,981,192	322,766	5.7%
Human Resources	6,470,103	6,670,206	200,103	3.1%
Information Security Office	1,590,829	1,913,642	322,813	20.3%
Internal Audit	3,294,298	3,484,879	190,581	5.8%
Investment Office	19,377,272	20,791,311	1,414,040	7.3%
Legal Services	10,387,249	9,516,635	(870,614)	-8.4%
Member Services	12,157,076	12,762,490	605,414	5.0%
Quality Assurance	3,320,272	3,215,620	(104,652)	-3.2%
Systems	25,001,973	27,230,931	2,228,958	8.9%
TOTAL	\$140,016,481	\$146,265,012	\$6,248,531	4.5%

Salaries and Employee Benefits Summary

Salaries and Employee Benefits (S&EB) costs consist of the ongoing personnel costs for the organization. These costs include salaries, variable benefits (e.g., retirement costs, 457(b) and 401(k) plan costs, etc.), agency temporary staff, overtime, OPEB contributions, and other benefit costs.

S&EB CATEGORY	BUDGET REQUEST FY 2024-2025	BUDGET REQUEST FY 2025-2026	VARIANCE	% CHANGE
SALARIES & OTHER PAYS				
Permanent / County Temporary	\$59,549,043	\$62,845,154	\$3,296,110	5.5%
Agency Temporary	4,702,600	6,213,100	1,510,500	32.1%
LACERA Intern Program	336,000	360,000	24,000	7.1%
Stipends	65,000	65,000	0	0.0%
Overtime	1,508,700	1,472,400	(36,300)	-2.4%
Bilingual Bonus	20,400	20,400	0	0.0%
Transportation Allowance	36,000	36,000	0	0.0%
Rideshare Allowance	70,300	70,300	0	0.0%
Sickleave Buyback	68,800	119,800	51,000	74.1%
TOTAL SALARIES & OTHER PAYS	\$66,356,843	\$71,202,154	\$4,845,310	7.3%
VARIABLE BENEFITS				
Retirement	11,694,440	11,896,604	202,164	1.7%
FICA Contribution	867,404	904,370	36,966	4.3%
County Subsidy - Insurance	3,651,760	3,651,760	0	0.0%
Options Plan	5,821,379	5,876,077	54,698	0.9%
Life Insurance	26,217	26,173	(44)	-0.2%
Health Insurance Temps	375,682	22,541	(353,141)	-94.0%
Flexible Benefit Plan	18,805	18,805	0	0.0%
Thrift Plan / Horizons	2,392,838	2,494,813	101,975	4.3%
Savings Plan	1,546,989	1,606,228	59,240	3.8%
Pension Savings Plan	59,193	59,193	0	0.0%
MegaFlex	6,553,702	6,826,471	272,769	4.2%
TOTAL VARIABLE BENEFITS	\$33,008,408	\$33,383,035	\$374,627	1.1%
OPEB CONTRIBUTION	\$2,366,430	\$2,791,123	\$424,694	17.9%
OTHER BENEFITS	\$3,671,000	\$3,745,000	\$74,000	2.0%
TOTAL EMPLOYEE BENEFITS	\$39,045,838	\$39,919,158	\$873,321	2.2%
TOTAL SALARIES & EMPLOYEE BENEFITS	\$105,402,681	\$111,121,312	\$5,718,631	5.4%

Assumptions

The following assumptions were used in developing the budgets:

- LACERA utilizes an incremental-based budget process with the prior year resources as the "budget base" adjusted to reflect changes to activities or costs.
- Salaries are budgeted based on projected yearly costs by position. Filled positions assume salary-step and/or merit increases where eligible.
- Vacant positions are budgeted at the first step and salary savings are calculated by reducing the salary cost by the number of months it takes to hire against the position. The number of months funded is based on LACERA's hiring plan as of February 28, 2025, and is clearly identified in each division's tab. Vacant positions as of January 2025 that are expected to be filled by June 30, 2025 are budgeted for the full year.
- The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2025, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2025-26.
- Variable benefits costs are adjusted consistently with Los Angeles County negotiated fringe benefit rates.

Explanation of S&EB Costs

The proposed budget for S&EB totals \$111,121,312, an increase of approximately \$5.7 million or 5.4 percent. A breakdown of the significant changes impacting S&EB costs are detailed below.

Staffing Changes

A net increase of five permanent positions is requested for FY 2025-26, bringing LACERA's budgeted authority (excluding the Retiree Healthcare Program) from 503 to 508, as outlined below.

Summary of Position Changes

DIVISION	#	POSTION TITLE	FULL YEAR SALARY	FULL YEAR EMPLOYEE BENEFITS	FULL YEAR BUDGET IMPACT
Administrative	1.0	Administrative Services Analyst II	\$72,388	\$38,366	\$110,754
Services	(1.0)	Procurement Assistant II	(\$62,128)	(\$32,928)	(\$95,056)
Benefits Division	(1.0)	Administrative Assistant	(\$52,792)	(\$27,980)	(\$80,772)
Disability Litigation	(1.0)	Senior Staff Counsel	(\$192,261)	(\$101,898)	(\$294,159)
Ethics & Compliance	1.0	Deputy Chief, Ethics & Compliance Officer	\$125,758	\$66,652	\$192,409
Office	1.0	Senior Administrative Assistant	\$66,401	\$35,193	\$101,594
Financial &	1.0	Accountant II	\$74,197	\$39,324	\$113,522
Accounting Services	(1.0)	Accountant I	(\$71,152)	(\$37,711)	(\$108,863)
Investment Office	2.0	Finance Analyst I	\$198,971	\$105,455	\$304,426
Legal Services	1.0	Senior Staff Counsel	\$192,261	\$101,898	\$294,159
Marris Carriera	1.0	Retirement Benefits Specialist III	\$77,182	\$40,906	\$118,088
Member Services	1.0	Administrative Assistant	\$52,792	\$27,980	\$80,772
	2.0	Info. Tech. Manager I	\$267,841	\$141,956	\$409,797
	(2.0)	Data Systems Supervisor II	(\$271,486)	(\$143,888)	(\$415,374)
Systems Division	(2.0)	Retirement Systems Specialists	(\$267,486)	(\$141,768)	(\$409,254)
	1.0	EDP Prin. Programmer Analyst	\$133,091	\$70,538	\$203,630
	1.0	EDP Senior Programmer Analyst	\$106,863	\$56,638	\$163,501
Total	5.0		\$450,441	\$238,734	\$689,175

Permanent/County Temporary Salaries

Funding for Permanent/County Temporary Salaries is increasing by approximately \$3.3 million or 5.5 percent. The five new positions account for a portion of this increase, but other factors include full-year funding for previously unfunded or partially funded vacant positions, salary-step and merit increases, and the last six months of negotiated cost-of-living adjustment (COLA) increase through December 31, 2025. No future COLAs beyond that date were included in the proposed budget.

Agency Temporary Salaries

Funding for Agency Temporary Salaries is increased by approximately \$1.5 million, or 32.1 percent, from FY 2024-25. LACERA uses Agency Temporary staff for two primary purposes: 1) To meet critical operational needs while we work toward permanently filling vacant positions; and 2) temporarily address gaps in skillsets or augment existing teams

to complete short-term projects where permanent additional staff are not required. The increase in FY 2024-25 is due to two significant short-term projects in the Systems Division, the Enterprise Business Intelligence project and the final phase of the Mainframe Migration Project.

Intern Program

Internships are part of LACERA's diversity, equity, and inclusion strategies. Our intent is to provide underrepresented students with opportunities to learn about LACERA and how we fulfill our mission to produce, protect and provide the promised benefits to our members by offering short-term employment and mentorship. They are provided with hands-on experience that increases their professional preparedness.

For FY 2025-26, LACERA hopes to welcome 17 Interns to work on special projects across the organization as outlined below:

Division	No.	Project Description		
Administrative Services	1	Records management		
Human Resources	1	Employee and organizational development		
Information Security Office	1	Knowledge management and information security program projects		
Investment Office	4*	Performance attribution, market research, and investment analysis		
Legal Office	2	Legal projects (law students)		
Member Services	1	Member Services support		
Quality Assurance	1	Data consolidation/CEM benchmarking report		
Systems	5	Workflow automation, onsite data center, and data lake		
Retiree Healthcare	1	Automation of quality metrics		
Total	17			

^{*} Two funded through LACERA and two funded through outside organizations

At LACERA, internships are paid with the intention to ensure access to these opportunities. The FY 2025-26 Administrative Budget includes \$360,000 to fund 15 Interns; two additional Interns for the Investment Office will be funded through outside organizations that seek to encourage individuals of diverse and underrepresented backgrounds.

Employee Benefits

Total employee benefits are projected to total \$39,919,158, an increase of \$873,321 or 2.2 percent. Total variable benefits increased by \$374,627 or 1.1 percent. Within variable benefits, adjustments were made to reflect anticipated benefits changes associated with staff promotions. As a result, some categories received increases such as MegaFlex and other categories such as Health Insurance Temporary benefits decreased for an overall net increase of 1.1 percent. Other Post-Employment Benefits (OPEB) Contributions and Other Benefits increased by approximately \$498,700. This represents the employer portion of pension benefits that LACERA pays for its own employees, and the reduction is tied to the higher percentage of employees who are in the PEPRA plan (Plan G).

Total Budgeted Positions

Based on the proposal of a net increase of five permanent positions, LACERA's total budgeted positions count will be 508.

DIVISION	BUDGETED POSITIONS FY 2024-2025	CHANGE	BUDGETED POSITIONS FY 2025-2026
ADMINISTRATIVE SERVICES	44	0	44
BENEFITS DIVISION	79	(1)	78
COMMUNICATIONS	14	0	14
DISABILITY LITIGATION	7	(1)	6
DISABILITY RETIREMENT	44	0	44
ETHICS & COMPLIANCE OFFICE	1	2	3
EXECUTIVE OFFICE	10	0	10
FINANCIAL & ACCOUNTING	33	0	33
HUMAN RESOURCES	21	0	21
INFORMATION SECURITY OFFICE	5	0	5
INTERNAL AUDIT SERVICES	11	0	11
INVESTMENT OFFICE	46	2	48
LEGAL SERVICES	28	1	29
MEMBER SERVICES	79	2	81
QUALITY ASSURANCE	19	0	19
SYSTEMS	62	0	62
TOTAL	503	5	508

Ordinance Positions

Ordinance positions reflect the employment authority by classification ratified by the Los Angeles County Board of Supervisors for LACERA. Not all positions outlined in LACERA's Ordinance are funded in the budget. Each year, the Board of Retirement and the Board of Investments adopt a budget, which includes funding for a specified number of positions. Most of these positions are funded for a full year; positions that are anticipated to be vacant at the beginning of the fiscal year are generally funded for less than 12 months. Historically, LACERA has maintained a higher number of Ordinance

positions than budgeted to allow flexibility in filling positions within specific classifications. Each time a position is filled, it must be applied against an authorized position identified in the Ordinance, and funding must be available within the budget. Additionally, when the Boards authorize new positions as part of the budget, they cannot be immediately filled if there is not sufficient authority within the Ordinance, and it typically takes the Board of Supervisors several months to add new positions to LACERA's Ordinance. All positions proposed to be funded in the FY 2025-26 Budget are included in the existing Ordinance with the exception of the Chief and Deputy Chief Ethics and Compliance Officer, which are currently pending.

Vacancy Information

Each year as part of the budgeting process, the management team reviews the current workload to forecast the number of staff needed to fulfill LACERA's mission to produce, protect, and provide the promised benefits to our members. One of the results of the process is a staffing plan that is presented to the executive team as part of each division's budget proposal.

Once the executive and management teams have agreed on a plan, the staffing requests are approved in the budget proposal presented to the Boards. The vacant position chart below shows that there are 95 vacant positions as of March 31, 2025. However, LACERA anticipates hiring or promoting staff in the fourth quarter of FY 2024-25, for a total of 60 hiring actions for the full year.

Vacant Positions Summary

DIVISION	BUDGETED POSITIONS FY 2024-25	VACANCY (AS OF 03/31/25)	%	BUDGETED POSITIONS FY 2025-26*
Administrative Services	44	13	30%	44
Benefits	79	6	8%	78
Communications	14	5	36%	14
Disability Litigation	7	1	14%	6
Disability Retirement Services	44	10	23%	44
Ethics & Compliance Office Ø	1	1	100%	3
Executive	10	1	10%	10
Financial Accounting Services	33	6	18%	33
Human Resources	21	3	14%	21
Information Security Office	5	0	0%	5
Internal Audit	11	1	9%	11
Investment Office	46	8	17%	48
Legal Services Ø	28	8	29%	29
Member Services	79	10	13%	81
Quality Assurance	19	6	32%	19
Systems	62	16	26%	62
LACERA Total	503	95	19%	508

^{*}Includes new requested positions

Ø Includes three (3) budgeted positions not yet approved by Board of Supervisors

Hiring Plan

LACERA's Human Resources (HR) Division is responsible for implementing Strategic Objective 3.3 Improving and Simplifying our Hiring Process. In FY 2024-25, we are on track to promulgate 30 hiring lists by the end of the fiscal year, approximately 50% more lists than created in FY 2023-24. Once lists are created, hiring managers interview and select candidates to fill specific vacancies. Candidates then must undergo an extensive background process. We expect to see a significant increase in the number of new staff hired and internal promotions, with 60 actions anticipated by the end of FY 2024-2025.

Services and Supplies (S&S)

The FY 2025-26 Services and Supplies (S&S) budget is \$35,143,700, an increase of \$529,900, or 1.5 percent. S&S costs are reflective of the daily operational needs of the organization and are primarily based on historical expenditures adjusted for inflation. Reductions or additions for one-time expenditures are also applied. Significant or noteworthy increases or decreases are explained below:

- Professional and Specialized Services are expected to increase by \$916,900, or 20.8 percent primarily due to consulting services for Human Resources recruitment support, Administrative Services records management consultant, the Bi-Annual Economic Impact Report in Executive Office, a Strategic Planning consultant and a consultant for a workforce planning manager in Member Services, and finally the new SASE project funded in Information Security Office.
- Disability Fees & Services are expected to increase by \$375,000 or 12.1 percent due to an anticipated increase in production due to hiring new team members.
- Educational Expenses are expected to increase by \$158,600 or 8.8 percent. The
 proposed increase is the result of multiple divisions requesting a modest
 adjustment in alignment with Strategic Initiative 3: Investing in People. This
 initiative underscores LACERA's commitment to becoming an employer of choice
 at all levels.
- Computer Services & Support expenses are expected to decrease by \$925,100 or 12.3 percent and Equipment Maintenance costs are expected to decrease by \$231,300, or 54.0 percent. The decreases were attributed to the completion of the FY 2024-25 System Projects and a calculated restructuring of funding towards new initiatives and objectives for the upcoming fiscal year.

Services & Supplies Summary

S&S CATEGORY	BUDGET REQUEST FY 2024-2025	BUDGET REQUEST FY 2025-2026	VARIANCE	% CHANGE
Auto Expenses	\$51,300	\$52,300	\$1,000	1.9%
Communications	390,000	355,000	(35,000)	-9.0%
Transportation & Travel	922,300	970,100	47,800	5.2%
Postage	1,239,000	1,269,000	30,000	2.4%
Stationery & Forms	1,022,500	948,000	(74,500)	-7.3%
Office Supplies & Equipment	740,600	855,500	114,900	15.5%
Insurance	1,440,200	1,381,900	(58,300)	-4.0%
Equipment Maintenance	428,300	197,000	(231,300)	-54.0%
Equipment Rents & Leases	260,000	260,000	0	0.0%
Building Costs	7,663,500	7,775,000	111,500	1.5%
Parking Fees	517,000	561,000	44,000	8.5%
Professional & Specialized Services	4,409,600	5,326,500	916,900	20.8%
Bank Services	200,000	200,000	0	0.0%
Legal Fees & Services	2,333,000	2,360,000	27,000	1.2%
Disability Fees & Services	3,090,300	3,465,200	374,900	12.1%
Computer Services & Support	7,500,100	6,575,000	(925,100)	-12.3%
Educational Expenses	1,807,400	1,966,000	158,600	8.8%
Miscellaneous	598,700	626,200	27,500	4.6%
TOTAL	\$34,613,800	\$35,143,700	\$529,900	1.5%

FISCAL YEAR 2025-2026

SALARIES AND EMPLOYEE BENEFITS CATEGORY SUMMARY

		CURRENT YEAR 2 0 2 4 - 2 0 2 5		COMPARI CURRENT YEA	AR BUDGET	COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET		
	PROPOSED				TO PROJI		2024-2025	BUDGET
	BUDGET		YTD		OVER/(U	′		
	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
Gross Salaries	\$62,845,154	\$59,549,043	\$28,348,591	\$54,227,600	(\$5,321,443)	-8.9%	\$3,296,110	5.5%
Salary Differential	-	-	-	-	- (0.5,004,440)	-	-	
Permanent Salaries	\$62,845,154	\$59,549,043	\$28,348,591	\$54,227,600	(\$5,321,443)	-8.9%	\$3,296,110	5.5%
Outside Agency Temporary Staffing	6,213,100	4,702,600	2,940,238	5,229,800	527,200	11.2%	1,510,500	32.1%
LACERA Intern Program	360,000	336,000	175,388	312,000	(24,000)	-7.1%	24,000	7.1%
Variable Benefits								
Retirement	11,896,604	11,694,440	6,179,024	11,754,800	60,360	0.5%	202,164	1.7%
FICA Contribution	904,370	867,404	469,009	890,600	23,196	2.7%	36,966	4.3%
County Subsidy - Insurance	3,651,760	3,651,760	1,262,177	2,410,100	(1,241,660)	-34.0%	0	0.0%
Options Plan	5,876,077	5,821,379	2,323,647	4,409,400	(1,411,979)	-24.3%	54,698	0.9%
Life Insurance	26,173	26,217	11,792	22,500	(3,717)	-14.2%	(44)	-0.2%
Health Insurance Temps	22,541	375,682	133,097	252,600	(123,082)	-32.8%	(353,141)	-94.0%
Flexible Benefit Plan Thrift Plan/Horizons	18,805	18,805	0	0	(18,805)	-100.0%	104.075	0.0%
Savings Plan	2,494,813 1,606,228	2,392,838 1,546,989	857,551 583,654	1,635,100 1,114,200	(757,738) (432,789)	-31.7% -28.0%	101,975 59,240	4.3% 3.8%
Pension Savings Plan	59,193	59,193	6,101	11,600		-80.4%	0	0.0%
Megaflex	6,826,471	6,553,702	3,126,871	5,961,900	(47,593) (591,802)	-9.0%	272,769	4.2%
Total	33,383,035	33,008,408	14,952,922	28,462,800	(4,545,608)	-13.8%	374,627	1.1%
Total	30,000,000	00,000,400	14,502,522	20,402,000	(4,040,000)	-10.070	014,021	1.170
Other Benefits	3,745,000	3,671,000	1,703,719	3,597,900	(73,100)	-2.0%	74,000	2.0%
OPEB Contribution	2,791,123	2,366,430	1,247,594	2,496,000	129,570	5.5%	424,694	17.9%
Stipends	65,000	65,000	19,440	45,000	(20,000)	-30.8%	0	0.0%
Cuponas	00,000	33,333	.0,0	.0,000	(20,000)	00.075		0.070
Overtime	1,472,400	1,508,700	762,016	1,596,100	87,400	5.8%	(36,300)	-2.4%
Bilingual Bonus	20,400	20,400	7,150	20,400	0	0.0%	0	0.0%
Sickleave Buyback	119,800	68,800	97,657	97,900	29,100	42.3%	51,000	74.1%
Rideshare Allowance	70,300	70,300	2,085	4,000	(66,300)	-94.3%	0	0.0%
	. 5,566	. 5,500	2,000	.,500	(33,300)	0370		3.370
Transportation Allowance	36,000	36,000	19,500	36,000	0	0.0%	0	0.0%
S&EB TOTAL	\$111,121,312	\$105,402,681	\$50,276,301	\$96,125,500	(\$9,277,181)	-8.8%	\$5,718,631	5.4%

^{*}All amounts rounded to the nearest dollar.

FISCAL YEAR 2025-2026

SALARIES AND EMPLOYEE BENEFITS DIVISION SUMMARY

			CURRENT YEAR 2024-2025		COMPARIS CURRENT YEA TO PROJE	R BUDGET	COMPAR PROPOSED 2024-2025	BUDGET TO
	PROPOSED BUDGET		YTD		OVER/(UN	IDER)		
	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
Administrative Services	\$6,402,524	\$6,040,479	\$2,557,496	\$4,962,600	(\$1,077,879)	-17.8%	\$362,045	6.0%
Benefits	13,237,934	12,778,841	6,917,606	13,090,400	311,559	2.4%	459,093	3.6%
Communications	2,713,931	2,118,875	983,903	1,889,700	(229,175)	-10.8%	595,056	28.1%
Disability Litigation	2,481,377	2,451,211	1,160,645	2,215,700	(235,511)	-9.61%	30,165	1.2%
Disability Retirement	7,533,582	8,241,073	3,583,459	6,864,100	(1,376,973)	-16.7%	(707,491)	-8.6%
Ethics and Compliance Office	\$236,141	127,400	4,567	9,400	(118,000)	-92.6%	108,741	85.4%
Executive Office	3,939,117	3,224,904	1,796,820	3,553,200	328,296	10.2%	714,212	22.1%
Financial & Accounting Services	5,724,192	5,405,426	2,595,006	4,934,900	(470,526)	-8.7%	318,766	5.9%
Human Resources	4,064,506	4,206,103	1,768,603	3,563,400	(642,703)	-15.3%	(141,597)	-3.4%
Information Security Office	1,339,442	1,250,129	678,252	1,227,700	(22,429)	-1.8%	89,313	7.1%
Internal Audit	2,715,679	2,545,098	1,069,036	2,191,000	(354,098)	-13.9%	170,581	6.7%
Investment Office	20,429,811	19,027,772	8,708,490	16,626,500	(2,401,272)	-12.6%	1,402,040	7.4%
Legal Services	7,019,735	7,904,049	3,502,418	6,665,100	(1,238,949)	-15.7%	(884,314)	-11.2%
Member Services	12,424,890	12,062,576	5,823,391	11,189,500	(873,076)	-7.2%	362,314	3.0%
Quality Assurance	3,129,520	3,234,172	1,532,122	2,926,500	(307,672)	-9.5%	(104,652)	-3.2%
Systems Division	17,728,931	14,784,573	7,594,487	14,215,800	(568,773)	-3.8%	2,944,358	19.9%
S&EB TOTAL	\$111,121,312	\$105,402,681	\$50,276,301	\$96,125,500	(\$9,277,181)	-8.8%	\$5,718,631	5.4%

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/25, with the exception of Agency Temp Salaries, which are as of 01/31/25.

^{*}All amounts rounded to the nearest dollar.

FISCAL YEAR 2025-2026

AGENCY TEMPORARY STAFFING DIVISION SUMMARY

		CURRENT YEAR 2024-2025			COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET	
	PROPOSED BUDGET		YTD		OVER/(L	JNDER)		
	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
Administrative Services	\$350,900	\$412,400	\$196,017	\$412,400	\$0	0.0%	(\$61,500)	-14.9%
Benefits	0	57,900	9,122	30,000	(27,900)	-48.2%	(57,900)	-100.0%
Communications	400,100	276,400	112,082	192,200	(84,200)	-30.5%	123,700	44.8%
Disability Litigation	0	0	0	0	0	0.0%	0	0.0%
Disability Retirement	420,000	407,300	206,652	400,000	(7,300)	-1.8%	12,700	3.1%
Ethics & Compliance Office	0	0	0	0	0	0.0%	0	0.0%
Executive Office	247,200	161,000	7,788	161,000	0	0.0%	86,200	53.5%
Financial & Accounting Services	526,500	482,500	307,977	482,500	0	0.0%	44,000	9.1%
Human Resources	28,000	50,500	5,241	5,300	(45,200)	-89.5%	(22,500)	-44.6%
Information Security Office	213,000	302,000	355,348	609,200	307,200	101.7%	(89,000)	-29.5%
Internal Audit	0	0	0	0	0	0.0%	0	0.0%
Investment Office	0	0	0	0	0	0.0%	0	0.0%
Legal Services	127,400	116,700	63,335	108,600	(8,100)	-6.9%	10,700	9.2%
Member Services	0	295,800	63,990	64,000	(231,800)	-78.4%	(295,800)	-100.0%
Quality Assurance	0	0	0	0	0	0.0%	0	0.0%
Systems Division	3,900,000	2,140,100	1,612,686	2,764,600	624,500	29.2%	1,759,900	82.2%
TOTAL	\$6,213,100	\$4,702,600	\$2,940,238	\$5,229,800	\$527,200	11.2%	\$1,510,500	32.1%

^{*}All amounts rounded to the nearest dollar.

LACERA
BUDGET REQUEST INFORMATION

AGENCY TEMPORARY STAFFING HISTORY OF EXPENDITURES

	FYE 2	023	FYE	2024	FYE 2	025	FYE 2025
DIVISION	Budget	Actual	Budget	Actual	Budget	Projection	Budget
Administrative Services	\$473,400	\$282,409	\$457,800	\$297,609	\$412,400	\$412,400	\$350,900
Benefits	154,900	92,043	62,200	45,355	57,900	30,000	0
Communications	56,200	41,983	331,000	85,859	276,400	192,200	400,100
Disability Litigation	9,800	0	0	0	0	0	0
Disability Retirement	129,000	52,858	138,100	191,004	407,300	400,000	420,000
Ethics & Compliance Office	0	0	0	0	0	0	0
Executive Office	1,129,700	1,077,533	645,200	1,011,813	161,000	161,000	247,200
Financial & Accounting Services	778,100	485,257	776,700	544,167	482,500	482,500	526,500
Human Resources	144,300	137,617	139,000	156,870	50,500	5,300	28,000
Information Security Office	0	0	0	0	302,000	609,200	213,000
Internal Audit	0	0	0	0	0	0	0
Investment Office	0	0	0	0	0	0	0
Legal Services	196,600	132,911	179,400	180,763	116,700	108,600	127,400
Member Services	37,000	0	72,600	57,563	295,800	64,000	0
Quality Assurance	0	0	0	0	0	0	0
Systems	4,576,300	2,941,429	2,881,700	3,285,956	2,140,100	2,764,600	3,900,000
GRAND TOTAL	\$7,685,300	\$5,244,040	\$5,683,700	\$5,856,959	\$4,702,600	\$5,229,800	\$6,213,100

^{*}All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2025-2026

OVERTIME REQUEST DIVISION SUMMARY

		CURRENT YEAR 2024-2025			COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET		YTD		OVER/(l	JNDER)		
	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
Admininstrative Services	\$54,500	\$47,300	\$12,282	\$40,000	(\$7,300)	-15.4%	\$7,200	15.2%
Benefits	579,700	562,900	441,963	757,700	194,800	34.6%	16,800	3.0%
Communications	4,600	4,500	375	1,500	(3,000)	-66.7%	100	2.2%
Disability Litigation	3,000	2,900	81	400	(2,500)	-86.2%	100	3.4%
Disability Retirement	59,400	140,800	42,394	100,000	(40,800)	-29.0%	(81,400)	-57.8%
Ethics & Compliance Office	0	0	0	0	0	0.0%	0	0.0%
Executive Office	28,400	28,400	15,731	27,000	(1,400)	-4.9%	0	0.0%
Financial & Accounting Services	62,300	62,800	34,748	60,000	(2,800)	-4.5%	(500)	-0.8%
Human Resources	6,700	6,500	2,052	5,000	(1,500)	-23.1%	200	3.1%
Information Security Office	0	0	0	0	0	0.0%	0	0.0%
Internal Audit	5,700	5,500	194	2,000	(3,500)	-63.6%	200	3.6%
Investment Office	800	800	30	200	(600)	-75.0%	0	0.0%
Legal Services	21,000	20,300	16,575	20,300	0	0.0%	700	3.4%
Member Services	397,900	384,900	119,116	380,000	(4,900)	-1.3%	13,000	3.4%
Quality Assurance	12,300	11,900	0	2,000	(9,900)	-83.2%	400	3.4%
Systems Division	236,100	229,200	76,476	200,000	(29,200)	-12.7%	6,900	3.0%
TOTAL	\$1,472,400	\$1,508,700	\$762,016	\$1,596,100	\$87,400	5.8%	(\$36,300)	-2.4%

^{*}All amounts rounded to the nearest dollar.

LACERA
BUDGET REQUEST INFORMATION

OVERTIME HISTORY OF EXPENDITURES

	FYE 20	023	FYE 2	024	FYE 2	2025	FYE 2026
DIVISION	Budget	Actual	Budget	Actual	Budget	Projection	Budget
Administrative Services	\$49,400	\$9,935	\$35,700	\$14,068	\$47,300	\$40,000	\$54,500
Benefits	398,100	580,501	426,400	818,091	562,900	757,700	579,700
Communications	4,800	2,721	4,500	1,821	4,500	1,500	4,600
Disability Litigation	6,600	1,058	2,800	572	2,900	400	3,000
Disability Retirement	165,300	120,189	103,600	192,653	140,800	100,000	59,400
Ethics & Compliance Office	0	0	0	0	0	0	0
Executive Office	25,600	17,850	27,600	32,129	28,400	27,000	28,400
Financial & Accounting Services	65,300	45,783	64,700	52,129	62,800	60,000	62,300
Human Resources	3,800	18,840	4,700	13,998	6,500	5,000	6,700
Information Security Office	0	0	0	0	0	0	0
Internal Audit	5,000	928	5,300	258	5,500	2,000	5,700
Investment Office	1,000	0	800	24	800	200	800
Legal Services	18,400	20,668	19,900	27,524	20,300	20,300	21,000
Member Services	174,000	268,449	214,200	381,613	384,900	380,000	397,900
Quality Assurance	21,500	803	11,500	2,031	11,900	2,000	12,300
Systems	150,000	215,349	229,200	226,414	229,200	200,000	236,100
GRAND TOTAL	\$1,088,800	\$1,303,073	\$1,150,900	\$1,763,326	\$1,508,700	\$1,596,100	\$1,472,400

^{*}All amounts rounded to the nearest dollar.

BUDGET REQUEST INFORMATION

VACANT POSITIONS SUMMARY

DIVISION	PROPOSED BUDGETED POSITIONS FY 2024-2025	VACANCY (AS OF 03/31/25)	%	PROPOSED BUDGETED POSITIONS FY 2025-2026 *	VACANCY	%
Administrative Services	44	13	30%	44	13	30%
Benefits	79	6	8%	78	6	8%
Communications	14	5	36%	14	5	36%
Disability Litigation	7	1	14%	6	0	0%
Disability Retirement Services	44	10	23%	44	10	23%
Ethics & Compliance Office Ø	1	1	100%	3	3	100%
Executive	10	1	10%	10	1	10%
Financial Accounting Services	33	6	18%	33	6	18%
Human Resources	21	3	14%	21	3	14%
Information Security Office	5	0	0%	5	0	0%
Internal Audit	11	1	9%	11	1	9%
Investment Office	46	8	17%	48	10	21%
Legal Services Ø	28	8	29%	29	9	31%
Member Services	79	10	13%	81	11	14%
Quality Assurance	19	6	32%	19	6	32%
Systems	62	16	26%	62	16	26%
LACERA Total	503	95	19%	508	100	20%

* Includes new requested positions.
Ø Includes three (3) budgeted positions not yet approved by Board of Supervisors.

LACERA

FISCAL YEAR 2025-2026

SERVICES AND SUPPLIES CATEGORY SUMMARY

		CURRENT YEAR			COMPARIS CURRENT YEA		COMPARISON OF PROPOSED BUDGET TO	
			2024-2025		TO PROJE	CTION	2024-2025 E	BUDGET
	PROPOSED BUDGET		YTD		OVER/(UI	NDER)		
	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
Auto Expense	\$52,300	\$51,300	\$7,342	\$16,000	(\$35,300)	-68.8%	\$1,000	1.9%
Communications	355,000	390,000	139,093	349,000	(41,000)	-10.5%	(35,000)	-9.0%
Transportation and Travel	970,100	922,300	282,641	700,800	(221,500)	-24.0%	47,800	5.2%
Postage	1,269,000	1,239,000	782,487	1,239,000	0	0.0%	30,000	2.4%
Stationery and Forms	948,000	1,022,500	347,574	703,600	(318,900)	-31.2%	(74,500)	-7.3%
Office Supplies and Equipment	855,500	740,600	356,250	616,800	(123,800)	-16.7%	114,900	15.5%
Insurance	1,381,900	1,440,200	1,232,368	1,232,700	(207,500)	-14.4%	(58,300)	-4.0%
Equipment Maintenance	197,000	428,300	251,165	419,400	(8,900)	-2.1%	(231,300)	-54.0%
Equipment Rents and Leases	260,000	260,000	98,116	220,000	(40,000)	-15.4%	0	0.0%
Building Costs	7,775,000	7,663,500	3,488,052	6,438,200	(1,225,300)	-16.0%	111,500	1.5%
Parking Fees	561,000	517,000	318,470	522,000	5,000	1.0%	44,000	8.5%
Professional and Spec. Srvcs.	5,326,500	4,409,600	1,532,880	3,316,700	(1,092,900)	-24.8%	916,900	20.8%
Bank Services	200,000	200,000	109,450	200,000	0	0.0%	0	0.0%
Legal Fees and Services	2,360,000	2,333,000	888,176	2,097,300	(235,700)	-10.1%	27,000	1.2%
Disability Fees and Services	3,465,200	3,090,300	1,263,928	2,993,200	(97,100)	-3.1%	374,900	12.1%
Computer Services and Support	6,575,000	7,500,100	3,833,806	7,001,800	(498,300)	-6.6%	(925,100)	-12.3%
Educational Expense	1,966,000	1,807,400	528,957	1,326,400	(481,000)	-26.6%	158,600	8.8%
Miscellaneous	626,200	598,700	357,482	434,800	(163,900)	-27.4%	27,500	4.6%
S&S TOTAL	\$35,143,700	\$34,613,800	\$15,818,235	\$29,827,700	(\$4,786,100)	-13.8%	\$529,900	1.5%

^{*}All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2025-2026

SERVICES AND SUPPLIES DIVISION SUMMARY

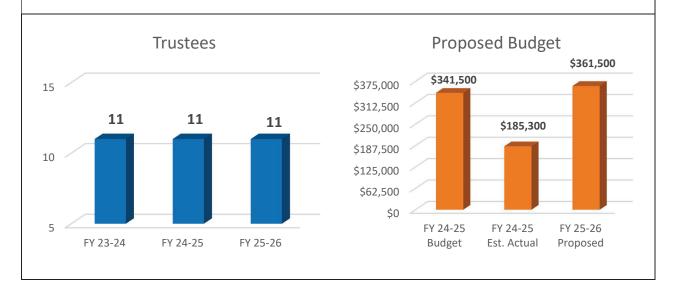
		CURRENT YEAR 2 0 2 4 - 2 0 2 5			COMPARIS	AR BUDGET	COMPARI PROPOSED E	BUDGET TO
	PROPOSED		YTD		TO PROJI		2024-2025	BUDGET
	BUDGET 2025-2026	DUDGET		DDO IECTION	•	,	¢ CHANCE	0/ CHANCE
	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
Administrative Services	\$10,641,400	\$10,769,300	\$5,527,067	\$8,969,000	(\$1,800,300)	-16.7%	(\$127,900)	-1.2%
Benefits	136,900	136,500	25,117	59,300	(77,200)	-56.6%	400	0.3%
Board of Retirement	361,500	341,500	97,281	185,300	(156,200)	-45.7%	20,000	5.9%
Board of Investments	579,000	556,000	264,695	479,800	(76,200)	-13.7%	23,000	4.1%
Communications	1,598,400	1,633,600	606,590	1,266,300	(367,300)	-22.5%	(35,200)	-2.2%
Disability Litigation	35,100	53,500	6,986	29,100	(24,400)	-45.6%	(18,400)	-34.4%
Disability Retirement	3,782,900	3,379,200	1,355,176	3,176,200	(203,000)	-6.0%	403,700	11.9%
Ethics & Compliance Office	120,200	92,000	59,291	77,800	(14,200)	-15.4%	28,200	30.7%
Executive Office	898,100	814,600	178,392	391,900	(422,700)	-51.9%	83,500	10.3%
Financial & Accounting Services	257,000	253,000	125,798	242,600	(10,400)	-4.1%	4,000	1.6%
Human Resources	2,605,700	2,264,000	971,323	1,942,000	(322,000)	-14.2%	341,700	15.1%
Information Security Office	574,200	340,700	125,738	269,000	(71,700)	-21.0%	233,500	68.5%
Internal Audit	769,200	749,200	203,626	527,500	(221,700)	-29.6%	20,000	2.7%
Investment Office	361,500	349,500	148,217	289,900	(59,600)	-17.1%	12,000	3.4%
Legal Services	2,496,900	2,483,200	927,454	2,182,900	(300,300)	-12.1%	13,700	0.6%
Member Services	337,600	94,500	30,857	60,900	(33,600)	-35.6%	243,100	257.2%
Quality Assurance	86,100	86,100	2,603	75,400	(10,700)	-12.4%	0	0.0%
Systems	9,502,000	10,217,400	5,162,026	9,602,800	(614,600)	-6.0%	(715,400)	-7.0%
S&S TOTAL	\$35,143,700	\$34,613,800	\$15,818,235	\$29,827,700	(\$4,786,100)	-13.8%	\$529,900	1.5%

^{*}All amounts rounded to the nearest dollar.



BOARD OF RETIREMENT

The Board of Retirement is responsible for the strategic direction of the association and the administration of the retirement system and retiree healthcare benefits program, and the review and processing of disability retirement applications. The Board must execute its duties with care, skill, prudence and diligence. The Board is composed of 11 trustees. Four are appointed by the Los Angeles County Board of Supervisors; two are elected by general active members; one trustee and one alternate trustee are elected by safety members; and one trustee and one alternate trustee are elected by retired members. The law requires the County Treasurer and Tax Collector to serve as an ex-officio trustee. The Deputy County Treasurer and Tax Collector serves as the acting ex-officio trustee in the absence of the ex-officio trustee as needed.



Summary of Significant Changes

Description	Position Changes	<u>Amount</u>
Registration Fees		\$20,000

FY 2025-26 STRATEGIC GOALS AND OBJECTIVES

The Board of Retirement supports LACERA's 2023-28 Strategic Plan, providing broad direction to the Chief Executive Officer.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S) Removal of One-Time Expenditures

Board of Retirement does not have any removal of one-time expenditures for FY 2025-26.

Services and Supplies Adjustments

The Board's Services and Supplies budget request is based on actual expenditure trends.

Registration Fees

The Registration Fees budget request increased from \$30,000 to \$50,000, an increase of \$20,000.

FISCAL YEAR 2025-2026

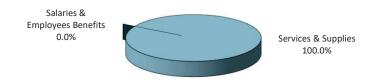
BUDGET SUMMARY

BOARD OF RETIREMENT

	CURRENT YEAR			COMPARISON OF CURRENT YEAR BUDGET		COMPARISON OF PROPOSED BUDGET TO		
		2024-2025		TO PROJ	ECTION	2024-2025 BUDGET		
PROPOSED BUDGET		YTD		OVER/(L	JNDER)			
2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE	
\$0	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%	
361,500	341,500	97,281	185,300	(156,200)	-45.7%	20,000	5.9%	
\$361 500	\$341 500	\$97 281	\$185 300	(\$156 200)	-45 7%	\$20,000	5.9%	

Salaries & Employees Benefits Services & Supplies OPERATING BUDGET

2025 - 2026 PROPOSED BUDGET



^{*}All amounts rounded to the nearest dollar.

FISCAL YEAR 2025-2026

SERVICES & SUPPLIES ACCOUNT SUMMARY

BOARD OF RETIREMENT

COMPARISON OF COMPARISON OF CURRENT YEAR CURRENT YEAR BUDGET PROPOSED BUDGET TO 2024-2025 **TO PROJECTION** 2024-2025 BUDGET PROPOSED YTD OVER/(UNDER) BUDGET **ACCOUNT CLASSIFICATION** 2025-2026 **BUDGET** (01-31-25)**PROJECTION** BUDGET % CHANGE \$ CHANGE % CHANGE TRANSPORTATION & TRAVEL \$93,500 \$93,500 \$39,856 \$80,000 -14.4% \$0 0.0% (\$13,500)**EDUCATIONAL EXPENSES** 106,000 86,000 50,457 92,000 6,000 7.0% 20,000 23.3% MISCELLANEOUS 162,000 162,000 6,967 13,300 (148,700)-91.8% 0 0.0% TOTAL \$361,500 \$341,500 \$97,281 \$185,300 (\$156,200) -45.7% \$20,000 5.9%

^{*}All amounts rounded to the nearest dollar.

BOARD OF RETIREMENT

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 20	024	FYE 2	Proposed	
	Budget	Actual	Budget	Projection	Budget
SERVICES & SUPPLIES					
Transportation & Travel	\$93,500	\$64,778	\$93,500	\$80,000	\$93,500
Educational Expenses	86,000	26,283	86,000	92,000	106,000
Miscellaneous	124,000	110,318	162,000	13,300	162,000
TOTAL OPERATING BUDGET	\$303,500	\$201,378	\$341,500	\$185,300	\$361,500

^{*}All amounts rounded to the nearest dollar.



BOARD OF INVESTMENTS

The Board of Investments is responsible for establishing LACERA's investments policies and objectives, as well as exercising authority and control over the investment management of the Pension Fund. The Board must exercise its duties with care, skill, prudence and diligence. The Board is composed of nine trustees. Four trustees are appointed by the Los Angeles County Board of Supervisors; two are elected by active general members; one is elected by safety members; and one is elected by retired members. The law requires the County Treasurer and Tax Collector to serve as an exofficio trustee. The Deputy County Treasurer and Tax Collector serves as the acting exofficio trustee sitting in for the ex-officio trustee as needed.



Summary of Significant Changes

D	<u>escription</u>	Position Changes	<u>Amount</u>
•	Registration Fees Educational Materials		\$11,000 \$5,000

FY 2025-26 STRATEGIC GOALS AND OBJECTIVES

The Board of Investments supports LACERA's Investments Strategic Plan, providing broad direction to the Chief Investment Officer and Chief Executive Officer.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S) Removal of One-Time Expenditures

The Board of Investments does not have any removal of one-time expenditures for FY 2025-26.

Services and Supplies Adjustments

The Board's Services and Supplies budget request is based on actual expenditure trends.

Registration Fees

The Registration Fees budget increased from \$114,000 to \$125,000.

Educational Materials

The Educational Materials budget increased from \$5,000 to \$10,000.

Offsite Board Meeting

The Offsite Board Meeting budget increased from \$93,000 to \$100,000.

FISCAL YEAR 2025-2026

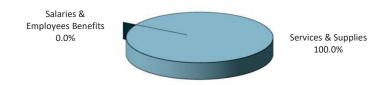
BUDGET SUMMARY

BOARD OF INVESTMENTS

		CURRENT YEAR			COMPARISON OF CURRENT YEAR BUDGET		COMPARISON OF PROPOSED BUDGET TO	
			2024-2025		TO PROJ	ECTION	2024-2025 BUDGET	
PROP			YTD		OVER/(L	JNDER)		
2025-	-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
	\$0	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
57	79,000	556,000	264,695	479,800	(76,200)	-13.7%	23,000	4.1%
\$57	79 000	\$556,000	\$264 695	\$479.800	(\$76.200)	-13.7%	\$23,000	4 1%

Salaries & Employees Benefits Services & Supplies OPERATING BUDGET

2025 - 2026 PROPOSED BUDGET



^{*}All amounts rounded to the nearest dollar.

FISCAL YEAR 2025-2026

SERVICES & SUPPLIES ACCOUNT SUMMARY

BOARD OF INVESTMENTS

ACCOUNT CLASSIFICATION

TRANSPORTATION & TRAVEL EDUCATIONAL EXPENSES MISCELLANEOUS

TOTAL

	CURRENT YEAR 2024-2025			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET	
PROPOSED BUDGET	YTD			OVER/(L	JNDER)		
2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
\$246,000	\$246,000	\$67,554	\$195,000	(\$51,000)	-20.7%	\$0	0.0%
216,000	200,000	98,521	179,000	(21,000)	-10.5%	16,000	8.0%
117,000	110,000	98,620	105,800	(4,200)	-3.8%	7,000	6.4%
\$579,000	\$556,000	\$264,695	\$479,800	(\$76,200)	-13.7%	\$23,000	4.1%

^{*}All amounts rounded to the nearest dollar.

BOARD OF INVESTMENT

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

FYE 2025

\$195,000

179,000

\$479,800

Proposed

Budget

\$246,000

216,000

117,000

\$579,000

	Budget	Actual	Budget	Projection
SERVICES & SUPPLIES				
Transportation & Travel	\$246,000	\$141,865	\$246,000	\$195,000
Educational Expenses	200,000	184,502	200,000	179,000
Miscellaneous	105,000	80,653	110,000	105,800
TOTAL OPERATING BUDGET	\$551,000	\$407.019	\$556,000	\$479.800

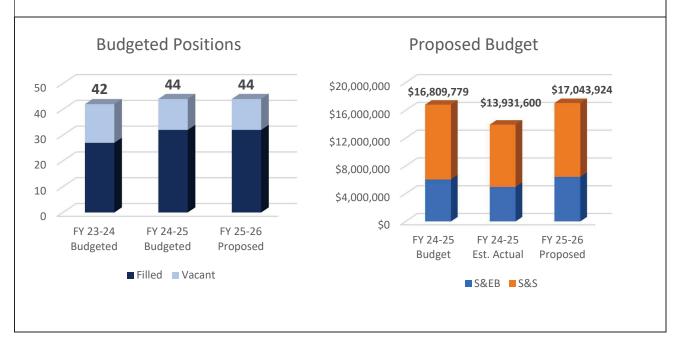
FYE 2024

^{*}All amounts rounded to the nearest dollar.



ADMINISTRATIVE SERVICES

The Administrative Services Division (ASD) provides the operational infrastructure that supports all divisions in administering LACERA's programs and services. Specific services include budget development and monitoring; vendor management including procurement and contract compliance; document processing; records management; facilities management; and risk management, including business continuity, insurance, and health and safety.



Summary of Significant Changes

<u>Description</u>	Position Changes	<u>Amount</u>
 Add one Administrative Services Analyst II Delete one Procurement Assistant II Reduction in Agency Temp. Increase in Overtime 	1 (1)	\$110,754 (\$95,056) (\$61,500) \$7,200

STATUS OF FY 2024-25 PROJECTS AND INITIATIVES

Promoting Fiscal Responsibility Objective 5.1

In FY 2024-25, Division Managers have been utilizing the Questica Budget Software to effectively manage their division's needs and strategic priorities. This transition to a centralized budget system has replaced the previous practices, which were inefficient and took valuable time.

The Budget Unit played a crucial role in facilitating this process by empowering managers with autonomy and providing insights on historical trends and cash flow data, enabling informed decision-making.

This strategic adjustment has allowed managers to be more intentional in their budget allocations, furthering the promotion of fiscal durability. The implementation of Questica Budget Software has not only streamlined the budgeting process but also improved the financial management within the organization.

The increased participation of Division Managers in the budget process, facilitated by the automatic delivery of Budget to Actual reports twice a month, has further enhanced transparency. Managers can access all their expenditures in real time from their desktops, making budgeting accessible for everyone, regardless of their financial expertise. This real-time tracking allows Division Managers to keep an up-to-date view of their financial health, generate detailed visualizations, and gain insights into their spending habits, ultimately enabling them to make informed financial decisions.

Additionally, we are in the process of implementing a non-administrative budget in Questica. This initiative not only fosters transparency but also strengthens confidence in our financial statements and planning.

Moreover, an automated travel module is in progress to better support the travel needs of our trustees and staff. This initiative is well underway and promises to streamline travel arrangements.

LACERA's centralized vendor management program is part of a broader initiative to enhance operational efficiency and ensure responsible financial management. This program is supported by an Enterprise Contract Lifecycle Management (ECLM) solution from Cobblestone, which automates the development, approval, and management of contracts and RFPs at LACERA.

This solution replaces a legacy system and supports the centralization of vendor management. Additionally, the program is part of LACERA's strategic priority to exercise care and prudence in managing resources and fund assets, ensuring fiscal responsibility with member-entrusted funds.

ASD joined OMNIA Partners, a strategic partnership that grants LACERA access to 1,176 contract solutions from various government organizations for services and supplies. This partnership's \$30 billion joint purchasing power ensures cost savings on products and services, as well as reduced contract processing times. This collaboration is a significant step forward in optimizing our procurement processes and achieving greater efficiency.

These initiatives are aimed at fostering a culture of fiscal responsibility and supporting the long-term viability of the fund.

FY 2025-26 STRATEGIC GOALS AND OBJECTIVES

The ASD's goals and objectives are to provide the operational infrastructure that supports the divisions in administering LACERA's programs and services. ASD plays a leading role in LACERA's Fiscal Durability Strategic Priority, ensuring that resources are utilized appropriately and judiciously. Some of these fiscal elements involve improvements in:

- Financial and budgeting systems that support LACERA's ability to make, monitor, and ensure prudent and strategic expenditure decisions;
- Systems, technologies and processes that can simplify and improve staff efficiency and effectiveness.
- Developing and reinforcing a fiscal prudent mindset
- Ensuring LACERA's staff and management responsible for financial operations have appropriate training and qualifications.

Specific functions include:

- Budget Development and Monitoring
- Business Continuity Management
- Business Insurance Management
- Document Processing/Mailroom Services
- Facilities Management/Renovations
- Health and Safety Services
- Records and Information Management
- Rideshare Administration (Transition to HR, effective FY 2025-26)
- Risk Management
- Vendor Management (Procurement & Contract Compliance)

1. Enhance Financial Management and Reporting

Implement Advanced Budgeting Tools: Continue leveraging Questica Budget Software to enhance real-time reporting and transparency. Introduce additional modules for more detailed financial analysis and forecasting.

Centralized Vendor Management: Fully implement the centralized Vendor Management Program to streamline procurement processes, reduce costs, mitigate risk, and ensure compliance.

Records and Information Management (RIM) Retention Schedule Consulting Services: Contract a consultant for LACERA's records retention schedule to ensure legal and regulatory compliance.

2. Foster a Culture of Fiscal Responsibility

Financial Training: Promote financial training for all managers to ensure a thorough understanding of budgeting principles and fiscal responsibility.

Automated Processes: Continue automating processes such as budget book publishing and travel module to reduce manual errors, improve efficiency, and free up valuable time.

3. Drive Innovation through Technology

Copilot/Digital Tools: Leverage Copilot AI to create innovative tools that centralize departmental needs, reporting, and tracking. The tools created from ASD would improve interdivisional communication and efficiency.

DPC Digital Mailroom: Advanced digital mailroom solutions will enhance our document processing efficiency and accuracy, ensuring that all incoming documents are swiftly and accurately digitized, indexed, and routed to the appropriate departments. This initiative will not only streamline our operations but also reduce the risk of errors and improve overall service delivery. By integrating new technology into our document management processes, we are committed to driving innovation and achieving operational excellence, ultimately supporting our goal of providing superior service to our members.

4. Support Employee Development

Investing in People: ASD is an avid advocate for empowering and supporting staff growth. We recognize that staff is the power and drive behind dynamic operations and the future of LACERA. In FY 2024-25, the division participated in a Cliftons Strengths Finder Assessment. Team dynamics have been identified, and we are now working toward optimizing synergy via mindful emotional intelligence.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2025, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2025-26.

Adjustments to Permanent Staffing

Following the reorganization of the Administrative Services Division this fiscal year and the implementation of a centralized vendor management program, it has become clear that a generalist position is needed to assist with vendor management, budget, records management, and facilities.

To undergird operational efficiency and support accurate, responsible, and sound financial management, we propose adding an Administrative Services Analyst (ASA) II position. This will be a position-neutral request as we are deleting the Procurement Assistant II position. The ASA II will immediately support financial reporting and budget preparation as well as assist with contract renewals and vendor payments. This additional role will also help streamline and centralize the records management function and improve overall efficiency. This role will provide essential support across multiple functional areas, contributing to the overall success and effectiveness of Administrative Services.

Temporary Staffing

ASD's proposed budget for agency temporary staff is \$350,900 for FY 2025-26. This amount represents a reduction in funds allocated for temporary staff, stemming from the filling of permanent positions which reduces the need for temporary agency staff.

Currently, ASD has 44 budgeted positions, with a 27 percent vacancy rate. The HR hiring plan for FY 2025-26 includes:

- Hiring four Document Processing Specialists (Projected Quarter 1 and Quarter 2)
- Hiring one Document Processing Supervisor (Projected Quarter 1 and Quarter 2)
- Potentially hiring one Administrative Services Officer and one Supervising Administrative Assistant II in the latter half of the fiscal year (Projected Quarter 3 and Quarter 4)

Although ASD aims to hire permanent staff to fill the remaining vacancies, it remains practical to continue employing temporary staff until the workload is fully transitioned.

Overtime Needs

We expect overtime to be necessary for FY 2025-26 during periods of heightened activity related to budget preparation, facilities maintenance, repairs and modifications, special projects, and for the DPC staff during the March Rush. Overtime will be essential for staff to continue to support these projects while fulfilling their current duties.

We are requesting an increase of \$7,200 to the overtime budget. Due to a restructuring of the division, there is necessary work to be done before reaching optimal efficiency.

Interns

In response to our organization's growing need for efficient records management, the Records and Information Management Unit seeks a highly motivated, detail-oriented, meticulous intern to spearhead a comprehensive records management project. This role will involve conducting a thorough organization-wide inventory of business records and utilizing advanced data analysis techniques to extract valuable insights. The intern will play a pivotal role in assessing the current state of our records and formulate recommendations for updating the Records Retention Schedule and ensuring compliance

with industry regulations. This hands-on experience will give the intern valuable records management skills and significantly enhance our overall organizational efficiency and information governance. The funding for Interns is budgeted in Human Resources and is not reflected in the Administrative Services Budget.

Rehired Retirees

Administrative Services does not anticipate any use of retired rehires in FY 2025-26.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

Administrative Services does not have any removal of one-time expenditures for FY 2025-26.

Services and Supplies Adjustments

Travel

The Administrative Services Division (ASD) is expecting an increase in travel costs due to the addition of new staff. An addition of \$16,400 is being requested, an increase from \$28,700 to \$45,100. The travel opportunities will allow supervisors to enhance their knowledge and skills through various trainings and conferences. With the ongoing innovation and restructuring of administrative operations, the leadership is being equipped to find dynamic ways forward.

Safety and Health Supplies

To replenish essential health and safety supplies in conjunction with the initiative to secure the building with bulletproof glass, an addition of \$24,400 is being requested, an increase from \$42,000 to \$66,400.

Computer Supplies

ASD is transferring this account to the Systems Division.

Insurance

Various insurance cost variance derives from percentage projections (5-20 percent) forecasted by our insurance brokers and current market conditions. Overall, insurance costs are decreasing by \$58,300 from \$1,440,200 to \$1,381,900. Individual business lines are changing as follows:

- Fiduciary Insurance: Increase of \$22,100, which is a 15 percent increase from the prior year's budget.
- Earthquake/Flood Insurance: Decrease of \$7,100 from the prior year's budget.

- Business Package Insurance: Decrease of \$24,700, which is a 20 percent decrease from the actual expenditure amount.
- Employment Practice Liability Insurance: Increase of \$35,900, which is a 15 percent increase from the prior year's budget.
- Cyber Liability Insurance: Decrease of \$84,700 from the prior year's budget.

Production Copiers: Leases

ASD is transferring this account to the Systems Division.

HVAC/Lighting

Low historical actuals have informed ASD to lower the budgeted amount. ASD is not anticipating for costs to exceed \$100,000. A reduction of \$35,000 will apply, which is a decrease from \$135,000 to \$100,000.

Security Services

The allocated funds for this line item are decreasing. The budgeted amount was based off actual monthly expenditure. A reduction of \$14,000 will apply, which is a decrease from \$32,000 to \$18,000.

Consulting and Contracting Services

ASD requests \$190,000 for consulting services for two projects. This year, ASD will embark on a strategic facility planning process to align our short- and long-term facility plans with our anticipated future needs. This planning process is essential as we envision LACERA's future state as a \$100 billion fund. We are requesting \$150,000 for this service and the development of a 5- to 10-year facilities master plan. An additional amount of \$40,000 is being requested for a consultant for LACERA's records retention schedule to ensure legal and regulatory compliance.

Shredding Services

Our shredding services vendor cost has increased due to higher useage. We propose a \$40,000 budget increase, raising the total from \$50,000 to \$90,000.

Courier Services

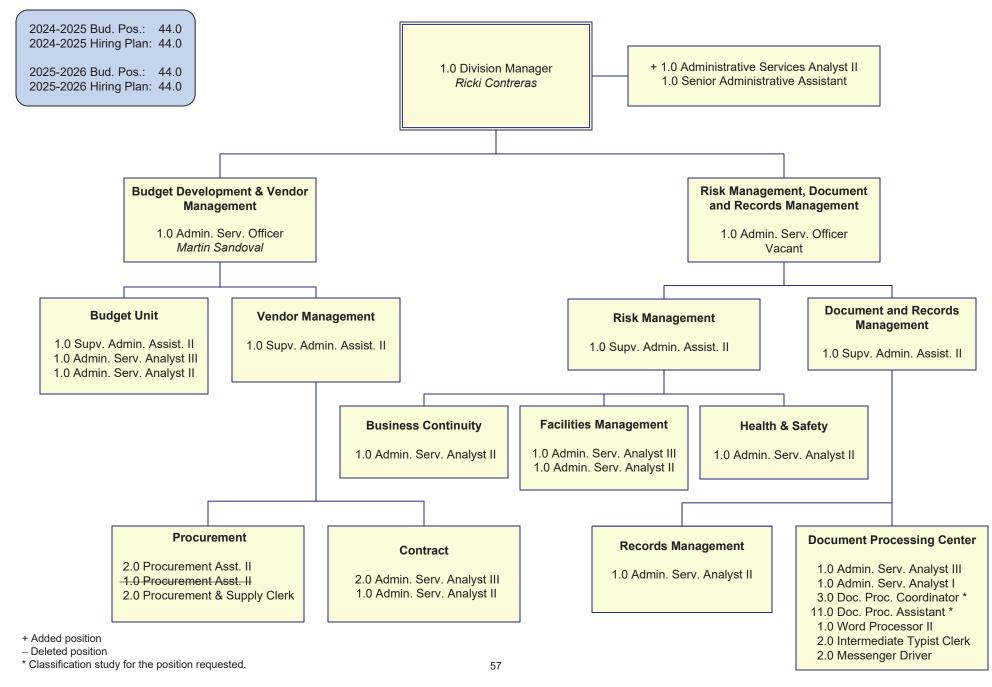
Digital resource transition has contributed to reduced spending for courier services. For the prior year, \$25,000 was budgeted. We look to reduce this line item by \$15,000 for a budget request of \$10,000.

Furniture Off-Site Storage

Storage services are required during anticipated renovations, which is indicative of increased cost for this budget line. An addition of \$9,000 is being requested, an increase from \$21,000 to \$30,000.

ADMINISTRATIVE SERVICES DIVISION

FISCAL YEAR 2025-2026



FISCAL YEAR 2025-2026

BUDGET SUMMARY

ADMINISTRATIVE SERVICES DIVISION

	CURRENT YEAR			COMPARISON OF CURRENT YEAR BUDGET		COMPARISON OF PROPOSED BUDGET TO	
		2024-2025		TO PROJ	ECTION	2024-2025 BUDGET	
PROPOSED BUDGET		YTD		OVER/(L	JNDER)		
2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
\$6,402,524	\$6,040,479	\$2,557,496	\$4,962,600	(\$1,077,879)	-17.8%	\$362,045	6.0%
10,641,400	10,769,300	5,527,067	8,969,000	(1,800,300)	-16.7%	(127,900)	-1.2%
\$17 043 924	\$16 809 779	\$8 084 564	\$13 931 600	(\$2 878 179)	-17 1%	\$234 145	1 4%

Salaries & Employees Benefits Services & Supplies OPERATING BUDGET

2025 - 2026 PROPOSED BUDGET



^{*}All amounts rounded to the nearest dollar.

FISCAL YEAR 2025-2026

SALARIES AND EMPLOYEE BENEFITS SUMMARY

ADMINISTRATIVE SERVICES DIVISION

		CURRENT YEAR 2024-2025			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET	
	PROPOSED BUDGET		YTD		OVER/(UNDER)			
	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
Total LACERA Salaries	\$3,586,967	\$3,293,363	\$1,389,842	\$2,665,000	(\$628,363)	-19.1%	\$293,604	8.9%
Total Agency Temp Salaries	350,900	412,400	196,017	412,400	0	0.0%	(61,500)	-14.9%
Employee Benefits (Variable)	2,024,610	1,928,832	783,949	1,487,700	(441,132)	-22.9%	95,778	5.0%
Employee Benefits (Other)	212,039	208,726	96,006	204,600	(4,126)	-2.0%	3,313	1.6%
OPEB Contribution	159,308	135,659	71,522	143,100	7,441	5.5%	23,649	17.4%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	54,500	47,300	12,282	40,000	(7,300)	-15.4%	7,200	15.2%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	7,300	7,300	5,792	5,800	(1,500)	-20.5%	0	0.0%
Rideshare Allowance	6,900	6,900	2,085	4,000	(2,900)	-42.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$6,402,524	\$6,040,479	\$2,557,496	\$4,962,600	(\$1,077,879)	-17.8%	\$362,045	6.0%
Salary Differential	-		-			_	-	-
TOTAL S&EB	\$6,402,524	\$6,040,479	\$2,557,496	\$4,962,600	(\$1,077,879)	-17.8%	\$362,045	6.0%

^{*}All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/25, with the exception of Agency Temp Salaries, which are as of 01/31/25.

FISCAL YEAR 2025-2026

BUDGETED POSITIONS

ADMINISTRATIVE SERVICES DIVISION

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0773	DIVISION MANAGER, LACERA	1	LS12
0410	ADMINISTRATIVE SERVICES OFFICER, LACERA	1	LS09
0423	SUPERVISING ADMIN ASSIST II, LACERA	3	111B
0421	ADMINISTRATIVE SERVICES ANALYST III	5	102E
0420	ADMINISTRATIVE SERVICES ANALYST II	6	098E
0419	ADMINISTRATIVE SERVICES ANALYST I	1	089A
0439	SENIOR ADMINISTRATIVE ASSISTANT, LACERA	1	095C
0472	DOCUMENT PROCESSING COORDINATOR	1	088D
0471	DOCUMENT PROCESSING ASSISTANT, LACERA	6	085D
0464	PROCUREMENT ASSISTANT II, LACERA	2	092J
0467	PROCUREMENT & SUPPLY CLERK, LACERA	2	086B
0461	MESSENGER DRIVER, LACERA	2	079E
	Total Filled Positions =	31	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0410	ADMINISTRATIVE SERVICES OFFICER, LACERA	1	LS09
0423	SUPERVISING ADMIN ASSIST II, LACERA	1	111B
0420	ADMINISTRATIVE SERVICES ANALYST II	1	098E
0472	DOCUMENT PROCESSING COORDINATOR	2	088D
0448	WORD PROCESSOR II, LACERA	1	087C
0471	DOCUMENT PROCESSING ASSISTANT, LACERA	5	085D
0445	INTERMEDIATE TYPIST-CLERK, LACERA	2	079L
	Total Vacant Positions =	13	
			_
	TOTAL POSITIONS =	44]

Non-Represented positions shown in black. Represented positions shown in blue. Salary schedule as of 01/01/2025.

FISCAL YEAR 2025-2026

SERVICES & SUPPLIES ACCOUNT SUMMARY

ADMINISTRATIVE SERVICES DIVISION

		CURRENT YEAR 2024-2025			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET	
	PROPOSED BUDGET	YTD			OVER/(UNDER)			
ACCOUNT CLASSIFICATION	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
AUTO EXPENSE	\$34,000	\$33,000	\$301	\$1,500	(\$31,500)	-95.5%	\$1,000	3.0%
TRANSPORTATION & TRAVEL	47,400	31,600	6,071	16,000	(15,600)	-49.4%	15,800	50.0%
POSTAGE	410,000	410,000	350,000	410,000	0	0.0%	0	0.0%
STATIONERY & FORMS	1,000	1,000	3,771	4,000	3,000	300.0%	0	0.0%
OFFICE SUPPLIES & EQUIPMENT	242,900	280,500	59,454	188,000	(92,500)	-33.0%	(37,600)	-13.4%
INSURANCE	1,381,900	1,440,200	1,232,368	1,232,700	(207,500)	-14.4%	(58,300)	-4.0%
EQUIPMENT MAINTENANCE	2,000	3,300	675	1,400	(1,900)	-57.6%	(1,300)	-39.4%
EQUIPMENT RENTS & LEASES	40,000	260,000	98,116	220,000	(40,000)	-15.4%	(220,000)	-84.6%
BUILDING COSTS	7,775,000	7,663,500	3,488,052	6,438,200	(1,225,300)	-16.0%	111,500	1.5%
PROFESSIONAL & SPEC. SRVCS.	646,000	583,000	274,838	427,900	(155,100)	-26.6%	63,000	10.8%
EDUCATIONAL EXPENSES	49,200	49,200	7,183	17,300	(31,900)	-64.8%	0	0.0%
MISCELLANEOUS	12,000	14,000	6,239	12,000	(2,000)	-14.3%	(2,000)	-14.3%
TOTAL	\$10,641,400	\$10,769,300	\$5,527,067	\$8,969,000	(\$1,800,300)	-16.7%	(\$127,900)	-1.2%

^{*}All amounts rounded to the nearest dollar.

ADMINISTRATIVE SERVICES

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

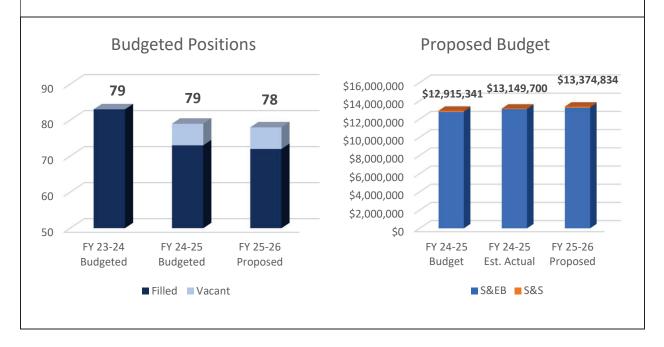
	FYE 20)24	FYE 2	Proposed	
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$2,813,145	\$2,106,003	\$3,293,363	\$2,665,000	\$3,586,967
Total Agency Temp Salaries	457,800	297,609	412,400	412,400	350,900
Employee Benefits (Variable)	1,911,226	1,212,387	1,928,832	1,487,700	2,024,610
Employee Benefits (Other)	180,309	158,021	208,726	204,600	212,039
OPEB Contribution	99,927	104,240	135,659	143,100	159,308
OPEB Contribution (Budget Surplus)	0	99,927	0	0	0
Stipends	0	0	0	0	0
Overtime	35,700	14,068	47,300	40,000	54,500
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	7,300	8,774	7,300	5,800	7,300
Rideshare Allowance	6,900	2,981	6,900	4,000	6,900
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Auto Expenses	33,500	21,448	33,000	1,500	34,000
Transportation & Travel	17,600	3,099	31,600	16,000	47,400
Postage	351,500	365,000	410,000	410,000	410,000
Stationery & Forms	1,000	0	1,000	4,000	1,000
Office Supplies & Equipment	298,000	194,218	280,500	188,000	242,900
Insurance	1,374,700	1,217,452	1,440,200	1,232,700	1,381,900
Equipment Maintenance	3,300	3,990	3,300	1,400	2,000
Equipment Rents & Leases	250,000	208,204	260,000	220,000	40,000
Building Costs	7,800,000	6,754,174	7,663,500	6,438,200	7,775,000
Professional & Specialized Services	429,000	392,940	583,000	427,900	646,000
Educational Expenses	25,500	22,578	49,200	17,300	49,200
Miscellaneous	12,000	11,138	14,000	12,000	12,000
TOTAL OPERATING BUDGET	\$16,108,407	\$13,198,252	\$16,809,779	\$13,931,600	\$17,043,924

^{*}All amounts rounded to the nearest dollar.



BENEFITS DIVISION

The Benefits Division is responsible for accurately and consistently calculating the member's promised pension benefit, collecting the required contributions to fund those benefits, and safeguarding, or protecting, the members' accounts. This work is done in compliance with CERL, PEPRA, Board of Retirement regulations, and organizational policies and values. The Benefits Division is made up of four sections to perform this mission-critical work: Core Benefits Services; Special Benefits Services; Account Integrity Services; and the Process Management Group.



Summary of Significant Changes

<u>Description</u>	Position Changes	Amount
Remove 1 Administrative Assistant in Core Benefits Section	(1)	(\$80,772)
Removal of Agency Temp.		(\$57,900)

STATUS OF FY 2024-25 PROJECTS AND INITIATIVES

- Guide and provide consultation regarding the automation of Temporary Time purchases (In progress)
- Guide and provide consultation regarding the automated calculation of Final Average Compensation (FAC) for PEPRA members (In progress)
- Design and implement the process to reduce LACERA's risk regarding retirees who work part time up to 960 hours (Complete)
- Redesign LACERA's Recovery of Underpaid Contributions and Overpaid Benefits to conform with industry best practices and improve the member experience (In progress)
- Clarify the Supplemental Disability process to address situations where members are not assigned an alternate position prior to the granting of the disability (In progress)
- Work with Systems to create a process where staff can generate Previous Service contracts through Workspace without the use of the Excel templates (Complete)
- Implement automation to improve the efficiency of the Benefits payroll process. While we are still in progress, we have experienced a significant reduction in turnaround time, from an average of 83 minutes to 26 minutes for routine work.

FY 2025-26 STRATEGIC GOALS AND OBJECTIVES

The following objectives support the Strategic Plan priorities of the Superior Member Experience and Investing in People. These goals will help improve the member experience by increasing our flexibility to respond to changes, while developing future leaders as they learn how to build better trust and accountability, develop cohesive teams, and collaborate on behalf of our members:

- Increase opportunities for staff to network and gain industry knowledge by attending outside training and conferences
- Work with an outside consultant to help Benefits managers and supervisors build cohesive and collaborative teams and work with the entire division to foster a culture of trust and accountability
- Enhance the quality of our training program by incorporating Retirement Benefits Specialist IIIs from both Member Services and Benefits into the training to serve as leads focused on mentoring and adding real-life context to the training process and to provide focused individual support as needed. In FY 2024-25, we increased the number of industry-related conferences and trainings as well as the number of staff who attend them. This year, we will continue to invite staff and supervisors to attend trainings and represent LACERA at industry events. In addition to SACRS and CALAPRS Benefits Roundtables, leaders within the division will attend Cost Effective Measurement (CEM) and the National Conference on Public Employee

Retirement Systems (NCPERS). (NCPERS offers a variety of conferences. Benefits will attend the one titled Annual Conference and Exhibitions [ACE]).

In FY 2024-25, we intended to transform the culture of the Benefits Division by working with an outside consultant. This would empower the leadership team (supervisors and above) to further develop their skills and abilities to become better leaders. We will also focus on the whole division, so the entire team grows together, allowing the leadership team to immediately apply what they learn and receive feedback as part of the training process. We plan to move forward with this once our leadership team is complete. Currently, we have two Supervisor positions and one Section Head position vacant.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2025, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2025-26.

Adjustments to Permanent Staffing

As a result of changes in automation and the development of document templates, Benefits no longer requires the services of an Administrative Assistant to support the Core Section. However, we have found that Member Services would benefit from having an Administrative Assistant greet members at the Member Service Center. Additionally, this individual would handle member delivery of completed documents and scheduling appointments. They would also assist with non-technical questions. Benefits Division will be transferring their Administrative Assistant to the Member Services Division permanently.

Temporary Staffing

LACERA plans to offer a Core Benefits Training class beginning in late FY 2025-26 to ensure a steady inflow of new, fully trained Retirement Benefits Specialist to support the Benefits and Member Services Division. These trainees are County Temporary until they successfully complete the training program.

The Benefits Division does not anticipate any use of agency temporary staffing in FY 2025-26.

Overtime Needs

The Benefits Division anticipates the need for approximately 8,600 hours of overtime at an approximate cost of \$579,700 (includes 3 percent COLA) in FY 2025-26. While we anticipate filling two Retirement Benefits Specialist II positions upon completion of the current training class, we also anticipate the promotion of up to six staff members. As a result, we would like to maintain the budgeted overtime amount to ensure we provide a Superior Member Experience through the delivery of timely and accurate responses to member requests.

Interns

The Benefits Division does not anticipate any use of interns in FY 2025-26.

Rehired Retirees

The Benefits Division does not anticipate any use of rehired retirees in FY 2025-26.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

The Benefits Division does not have any removal of one-time expenditures for FY 2025-26.

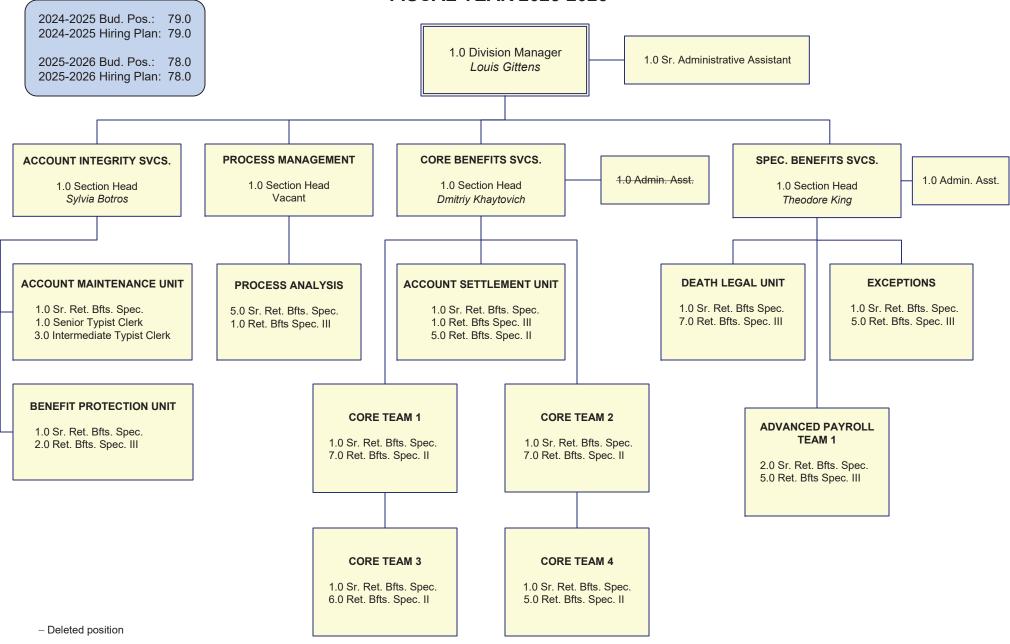
Services and Supplies Adjustments

Miscellaneous

Historically, the Benefits Division celebrates staff's accomplishments at the end of the year with a division-wide lunch. It is a time for the entire division to come together and for the organization to show its appreciation to staff for their dedication and service. This year, we would like to reward individual staff and supervisors with plaques that they can display in their work area. We also anticipate an increase in food costs. As a result, we would like to increase the miscellaneous budget from \$1,600 to \$2,000.

BENEFITS DIVISION

FISCAL YEAR 2025-2026



FISCAL YEAR 2025-2026

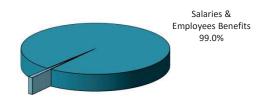
BUDGET SUMMARY

BENEFITS DIVISION

	CURRENT YEAR			COMPARISON OF CURRENT YEAR BUDGET		COMPARISON OF PROPOSED BUDGET TO		
		2024-2025		TO PROJ	ECTION	2024-2025	BUDGET	
PROPOSED BUDGET		YTD		OVER/(L	JNDER)			
2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE	
\$13,237,934	\$12,778,841	\$6,917,606	\$13,090,400	\$311,559	2.4%	\$459,093	3.6%	
136,900	136,500	25,117	59,300	(77,200)	-56.6%	400	0.3%	
\$13,374,834	\$12,915,341	\$6,942,723	\$13,149,700	\$234,359	1.8%	\$459,493	3.6%	

Salaries & Employees Benefits Services & Supplies OPERATING BUDGET

2025 - 2026 PROPOSED BUDGET



Services & Supplies 1.0%

^{*}All amounts rounded to the nearest dollar.

FISCAL YEAR 2025-2026

SALARIES AND EMPLOYEE BENEFITS SUMMARY

BENEFITS DIVISION

		(CURRENT YEAR 2024-2025		COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPAR PROPOSED 2024-2025	BUDGET TO
	PROPOSED BUDGET		YTD		OVER/(L	JNDER)		
	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
Total LACERA Salaries	\$7,565,746	\$7,118,357	\$3,987,185	\$7,566,000	\$447,643	6.3%	\$447,389	6.3%
Total Agency Temp Salaries	0	57,900	9,122	30,000	(27,900)	-48.2%	(57,900)	-100.0%
Employee Benefits (Variable)	4,254,339	4,292,096	2,097,012	3,979,400	(312,696)	-7.3%	(37,757)	-0.9%
Employee Benefits (Other)	447,236	433,766	200,513	425,100	(8,666)	-2.0%	13,470	3.1%
OPEB Contribution	336,014	281,922	148,637	297,300	15,378	5.5%	54,092	19.2%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	579,700	562,900	441,963	757,700	194,800	34.6%	16,800	3.0%
Bilingual Bonus	3,600	3,600	1,950	3,600	0	0.0%	0	0.0%
Sick Leave Buyback	35,000	12,000	31,225	31,300	19,300	160.8%	23,000	191.7%
Rideshare Allowance	16,300	16,300	0	0	(16,300)	-100.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$13,237,934	\$12,778,841	\$6,917,606	\$13,090,400	\$311,559	2.4%	\$459,093	3.6%
Salary Differential	-	-	-				-	
TOTAL S&EB	\$13,237,934	\$12,778,841	\$6,917,606	\$13,090,400	\$311,559	2.4%	\$459,093	3.6%

^{*}All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/25, with the exception of Agency Temp Salaries, which are as of 01/31/25.

FISCAL YEAR 2025-2026

BUDGETED POSITIONS

BENEFITS DIVISION

of Budget Positions Budget Salary Schedule

78

FILLED POSITIONS

Budget Classification Title

TOTAL POSITIONS =

0773	DIVISION MANAGER, LACERA	1	LS12
0772	SECTION HEAD, LACERA	3	LS09
1312	SENIOR RETIREMENT BENEFITS SPECIALIST	12	106C
1311	RETIREMENT BENEFITS SPECIALIST III	20	100J
0439	SENIOR ADMINISTRATIVE ASSISTANT, LACERA	1	095C
1310	RETIREMENT BENEFITS SPECIALIST II	30	094C
0438	ADMINISTRATIVE ASSISTANT, LACERA	1	088L
0446	SENIOR TYPIST-CLERK, LACERA	1	083K
0445	INTERMEDIATE TYPIST-CLERK, LACERA	3	079L
	Total Filled Positions =	72	
	VACANT POSITIONS		
Budget Classification Number	VACANT POSITIONS Budget Classification Title	# of Budget Positions	Budget Salary Schedule
Budget Classification Number		# of Budget Positions	Budget Salary Schedule LS09
9	Budget Classification Title		<u> </u>
0772	Budget Classification Title SECTION HEAD, LACERA	1	LS09

Non-Represented positions shown in black. Represented positions shown in blue. Salary schedule as of 01/01/2025.

Budget Classification Number

FISCAL YEAR 2025-2026

SERVICES & SUPPLIES ACCOUNT SUMMARY

BENEFITS DIVISION

CURRENT YEAR

COMPARISON OF

CURRENT YEAR BUDGET

(600)

(\$77,200)

-37.5%

-56.6%

COMPARISON OF

PROPOSED BUDGET TO

400

\$400

25.0%

0.3%

			2024-2025		TO PROJ	ECTION	2024-2025	BUDGET
	PROPOSED BUDGET		YTD		OVER/(U	JNDER)		
ACCOUNT CLASSIFICATION	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	\$14,700	\$14,700	\$9,223	\$14,700	\$0	0.0%	\$0	0.0%
OFFICE SUPPLIES & EQUIPMENT	3,400	3,400	125	1,000	(2,400)	-70.6%	0	0.0%
PROFESSIONAL & SPEC. SRVCS.	65,200	65,200	13,419	36,000	(29,200)	-44.8%	0	0.0%
EDUCATIONAL EXPENSES	51,600	51,600	2,160	6,600	(45,000)	-87.2%	0	0.0%

189

\$25,117

1,000

\$59,300

1,600

\$136,500

2,000

\$136,900

TOTAL

MISCELLANEOUS

^{*}All amounts rounded to the nearest dollar.

BENEFITS DIVISION

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

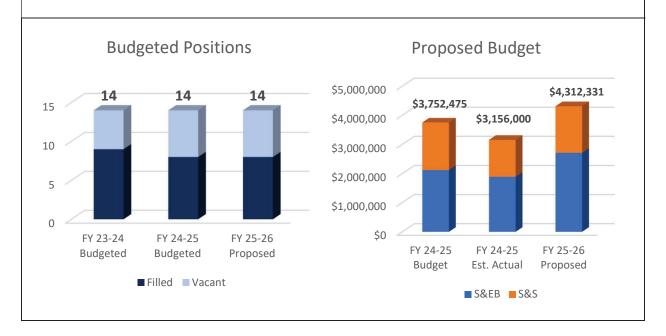
	FYE 2024		FYE 2	FYE 2025		
	Budget	Actual	Budget	Projection	Budget	
SALARIES & EMPLOYEE BENEFITS						
Total LACERA Salaries	\$6,799,486	\$6,934,062	\$7,118,357	\$7,566,000	\$7,565,746	
	. , ,	. , ,	. , ,	. , ,	\$7,505,740	
Total Agency Temp Salaries	62,200	45,355	57,900	30,000	- 1	
Employee Benefits (Variable)	4,365,974	3,724,784	4,292,096	3,979,400	4,254,339	
Employee Benefits (Other)	435,814	389,517	433,766	425,100	447,236	
OPEB Contribution	241,527	251,953	281,922	297,300	336,014	
OPEB Contribution (Budget Surplus)	0	241,526	0	0	0	
Stipends	0	0	0	0	0	
Overtime	426,400	818,091	562,900	757,700	579,700	
Bilingual Bonus	3,600	3,600	3,600	3,600	3,600	
Sick Leave Buyback	12,000	22,879	12,000	31,300	35,000	
Rideshare Allowance	16,300	0	16,300	0	16,300	
Transportation Allowance	0	0	0	0	0	
SERVICES & SUPPLIES						
Transportation & Travel	7,300	13,454	14,700	14,700	14,700	
Office Supplies & Equipment	3,400	593	3,400	1,000	3,400	
Professional & Spec. Srvcs.	41,000	33,410	65,200	36,000	65,200	
Educational Expenses	33,600	4,080	51,600	6,600	51,600	
Miscellaneous	800	760	1,600	1,000	2,000	
TOTAL OPERATING BUDGET	\$12,449,401	\$12,484,065	\$12,915,341	\$13,149,700	\$13,374,834	

^{*}All amounts rounded to the nearest dollar.



COMMUNICATIONS

Communications Division's mission is to strategically envision, create, and distribute essential information and high-quality products for our members, stakeholders, and internal audiences, while consistently advancing our technological tools and outreach methods.



Summary of Significant Changes

<u>Description</u>	Position Changes	<u>Amount</u>
9004, Agency Temporary		\$123,700

<u>Description</u>	Position Changes	Amount
9210, Miscellaneous Mailings	_	\$30,000
• 9233, Dis. Policy & Hearing Brochure		(\$7,500)
 9256, PostScript/Pathways Printing 		(\$40,000)
 9261, Spotlight Printing 		(\$20,000)
• 9262, Survey		\$9,500
• 9265, Digitized/Personalized Mailings		(\$60,000)
 9269, Disability Packets 		\$15,000
• 9274, Stationery		\$30,000
 9286, Community Property Guide 		\$7,000
 9287, Case Management 		(\$25,000)
• 9673, New account: Photocopies of		\$25,000
Documents		
 9724, Strategic Planning 		(\$10,000)

STATUS OF FY 2024-25 PROJECTS AND INITIATIVES

Communications Division maintained its regular schedule of requisite annual projects and continued to move prioritized projects forward that were identified prior to the approved LACERA 2023-2028 Strategic Plan. Communications Division worked closely with leadership to identify opportunities for linking new strategic goals and priorities to existing and developing projects. Below are the projects and initiatives that were completed in FY 2024-25:

- Enhancements to lacera.com (1.1)
- New Hire Journey Map and packet update (1.1)
- RHC Medicare 101 video (1.4)
- Extensive communication to members regarding WEP/GPO, COLA, and the State of Emergency regarding the Fire Disaster using various touchpoints (1.1)
- Assisted Internal Audit with Speak Up campaign (4.1)
- Launched social media presence on LinkedIn and Facebook (1.1) (3.3)
- Assisted in reviewing workspace and portal case display content for Sol and Disability Retirement (4.1)

FY 2025-26 STRATEGIC GOALS AND OBJECTIVES

In FY 2025-26, Communications Division aims to continue its commitment to enhancing member engagement, improving communication channels, and supporting strategic goals. Below is an outline of the goals and initiatives currently in production for FY 2025-26:

• Objective 1.1, Superior Member Experience: Omnichannel

- o Retirement Guide redesign
- Steps to Prepare campaign
- Retirement University videos and campaign
- o My LACERA video updates (including Online Disability and Online Retirement)
- My LACERA campaign: Sign-up to My LACERA to secure member email addresses
- Expand LACERA's social media presence

Objective 1.4, RHC Superior Member Experience: RHC

- RHC medical/dental forms walkthrough videos
- Development of Plan Summary charts
- RHC newsletter
- Other priority goals (Investing in People, 3.3; Compliance and Enterprise Risk Management, 4.1; and Fiscal Durability, 5.1):
 - o Assist in creating LACERA Connect webpage, specific to Benefits and EOD
 - Assist in developing NeoGov Attract (Home, Careers, and Benefits)
 - Assist divisions and strategic initiative teams with various media requests
- Additional major projects managed or supported:
 - o Annual Retirement Benefits Statement (ABS) redesign (1.1)
 - o Public domain migration, from lacera.com to lacera.gov (4.1)
 - PEPRA FAC update (1.1)
 - Update LACERA plan books (1.1)
- Complete Retirement University video series (12 videos) and begin production
 on revised My LACERA and Board Elections videos; increase overall video
 production (1.1, 1.4): Communications Division continues to increase video
 production due to growing demand for this format for internal and member-facing
 communications; our understanding of our member's need for various modes of
 learning materials/media; and as a part of the omnichannel experience. By producing
 more videos, we aim to improve the way we communicate and engage with our
 members, ensuring they have access to clear and informative content.
- Update plan books/brochures (1.1): The member plan books should serve as the
 definitive source for all plan information. Since they are a supportive component for
 the Superior Member Experience priority, we want to redesign and update the plan
 books as one of the central media components of the omnichannel experience and
 enhanced educational content. This effort aligns with our strategic goal of improving
 member services by providing superior member services, ensuring they have
 accurate, comprehensive, and easily accessible plan information. This allocation has

been reflected on Communications budget for the past couple of years, with the lack of resources as the primary reason this allocation continues to carry over. With the hiring of additional writers, we hope to move this forward.

- Support LACERA's social media goals and strategy (1.1, 1.4): Utilizing social
 media to communicate with our members will round out the omnichannel experience
 and provide opportunities for digital engagement and promotion of LACERA's online
 resources. This initiative aligns with our strategic goal of expanding digital outreach,
 thereby enhancing our ability to reach a broader audience and engage with members
 through diverse digital channels.
- Training and development goals (3.2): Educational enrichment is instrumental for staff members to improve and modernize their skillsets as well as maintain enthusiasm for their craft. For FY 2025-26, the budget reflects Communications' goals to:
 - Have supervisors continue to participate in the L.A. County Learning Academy to complete the remaining recommended courses;
 - Provide training programs for staff members focusing on job-specific skills as well as team building and collaboration;
 - Participate in the California Association of Public Information Officials (CAPIO), including CAPIO training webinars and the annual conference (two staff members);
 - Participate in the National Conference on Public Employee Retirement Systems (NCPERS) Pension Communications Summit (one staff member); and
 - Participate in two to four courses of NN/g Virtual Training UX Experience (Nielson Norman Group).

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2025, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2025-26.

Adjustments to Permanent Staffing

No proposed changes are requested for this fiscal year. We will continue to work with HR to fill the vacant positions for one Public Information Officer, one Senior Writer, two Senior Media Artists, and two Writer IIs.

Temporary Staffing

We are requesting two agency temporary staff members: one Senior Media Artist for one year and one Writer II for one year. These temporary positions are needed to backfill vacant positions to assist with work overflow.

We are also requesting one Social Media Specialist temporary staff member to underfill the PIO position. Communications is pending the hiring of additional budgeted writers. These resources are needed to fully develop a comprehensive and consistent social media campaign along with internal management resources to immediately assist with the development of this campaign. We are proposing the hiring of a Social Media Specialist.

Overtime Needs

Communications is requesting overtime for various staff positions to be available when urgent requests arise that require the staff member to work beyond the normal hours to complete a task. Overtime may also be needed throughout the year when multiple major and unanticipated projects have the same deadline and the staff member needs the additional hours to complete the project(s).

Interns

Communications is not requesting interns in FY 2025-26.

Rehired Retirees

Communications is not requesting rehired retirees in FY 2025-26.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

Communications does not have any removal of one-time expenditures for FY 2025-26.

Services and Supplies Adjustments

A few of our immediate goals, objectives, and/or one-time projects for FY 2025-26 are listed below, outlining specific **summary of significant changes** and the justifications for budget allocations in detail.

• Increased miscellaneous mailings (1.1): As Communications moves forward in supporting the Strategic Member Experience initiatives, we are developing multiple campaigns to reach and inform our members using various touchpoints. Our primary communication channels include lacera.com, newsletters (Pathways and Spotlight), and mass email distributions. We also use direct mail distribution for those members without an email address. While we continue to promote the My LACERA campaign to secure email addresses, we need to ensure that members without email access receive printed communications. With the increased campaigns, including the My LACERA (sign-up) campaign, additional funding is requested to support this initiative. This will help to decrease print communications and move members to digital/electronic correspondence, ensuring all members receive communication from LACERA.

To support this initiative, we propose a budget request of \$60,000 for FY 2025-26, which is an increase of \$30,000 from the \$30,000 prior year budget amount. This effort aligns with our strategic goal of enhancing member engagement and improving the efficiency of our communication channels.

• Increased stationery production (4.1): Communication supports the organization in various ways, including other initiatives outside of the Strategic Initiatives such as the Public Domain Migration from lacera.com to lacera.gov. Our current domain, lacera.com, does not clearly indicate that we are a government entity. By transitioning to a different domain, users of our website and recipients of our emails will be able to instantly recognize them as official and trustworthy. This change can bolster the system's credibility and ensure that users and other agencies feel secure and confident in the legitimacy of their interactions with LACERA. With the domain migration, stationery like letterhead, envelopes, and business cards need updating to reflect lacera.gov.

To support this initiative, we propose a budget allocation increase of \$30,000, from \$50,000 in the prior year for a total allocated amount of \$80,000 for this fiscal year.

 Photocopies of documents (2.1 or 2.2): Communications has produced numerous printed collateral pieces for member communication regarding retirement benefit information, which have been retained for historical purposes and reference. Most of these documents are not available electronically, and keeping them organized and accessible to staff has become a challenge. Digitizing and organizing these documents would significantly enhance our reference support capabilities.

To support this initiative and align with our strategic objective of improving internal efficiencies and member communication, we propose a new budget allocation of \$25,000 for the 2025-26 fiscal year. This funding will enable us to implement a robust document digitization and management system.

Services and Supplies Adjustments, not outlined above:

Disability Policy & Hearing Brochures

Account will be deleted and merged into Disability Packets.

PostScript/Pathways Printing

Reduced budget amount by \$40,000 based on actual expenditure, which decreased the budget from \$140,000 to \$100,000.

Spotlight Printing

Reduced budget amount by \$20,000 based on actual expenditure, which decreased the budget from \$120,000 to \$100,000.

Survey

Increased budget by \$9,500 for proposed communication-specific survey to members. This increased the budget from \$2,500 to \$12,000.

Digitized/Personalized Mailings

Increased budget by \$60,000.

Disability Packets

Increased budget amount by \$15,000 due to merging of account. This increased the budget from \$5,000 to \$20,000.

Community Property Guide

Increased budget by \$7,000 in anticipation of redesign, update, and reprint. Budget increased from \$3,000 to \$10,000.

Case Management

Deleted due to no activity.

Strategic Planning

Deleted. Initiative costs to be covered under specific accounts.

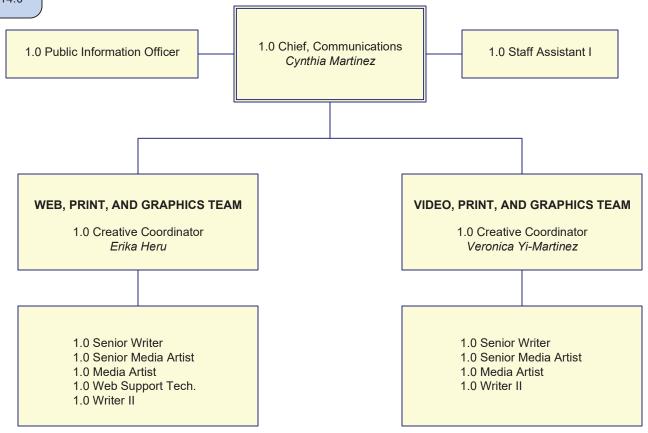
COMMUNICATIONS

2024-2025 Bud. Pos.: 14.0 2024-2025 Hiring Plan: 14.0

2025-2026 Bud. Pos.: 14.0

2025-2026 Hiring Plan: 14.0

FISCAL YEAR 2025-2026



FISCAL YEAR 2025-2026

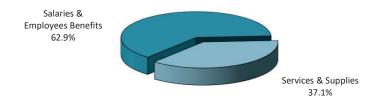
BUDGET SUMMARY

COMMUNICATIONS

	CURRENT YEAR			COMPARISON OF CURRENT YEAR BUDGET		COMPARISON OF PROPOSED BUDGET TO	
		2024-2025		TO PROJ	ECTION	2024-2025	BUDGET
PROPOSED BUDGET		YTD		OVER/(L	JNDER)		
2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
\$2,713,931	\$2,118,875	\$983,903	\$1,889,700	(\$229,175)	-10.8%	\$595,056	28.1%
1,598,400	1,633,600	606,590	1,266,300	(367,300)	-22.5%	(35,200)	-2.2%
\$4.312.331	\$3 752 475	\$1 590 493	\$3 156 000	(\$596 475)	-15 9%	\$559 856	14 9%

Salaries & Employees Benefits Services & Supplies OPERATING BUDGET

2025 - 2026 PROPOSED BUDGET



^{*}All amounts rounded to the nearest dollar.

FISCAL YEAR 2025-2026

SALARIES & EMPLOYEE BENEFITS SUMMARY

COMMUNICATIONS

		C	CURRENT YEAR 2024-2025		COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPAR PROPOSED 2024-2025	BUDGET TO
	PROPOSED BUDGET		YTD		OVER/(L	JNDER)		
	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
Total LACERA Salaries	\$1,402,621	\$1,078,612	\$529,222	\$1,039,200	(\$39,412)	-3.7%	\$324,009	30.0%
Total Agency Temp Salaries	400,100	276,400	112,082	192,200	(84,200)	-30.5%	123,700	44.8%
LACERA Intern Program	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	756,903	646,418	286,939	544,600	(101,818)	-15.8%	110,484	17.1%
Employee Benefits (Other)	82,914	65,726	30,201	64,500	(1,226)	-1.9%	17,188	26.2%
OPEB Contribution	62,294	42,718	22,522	45,100	2,382	5.6%	19,576	45.8%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	4,600	4,500	375	1,500	(3,000)	-66.7%	100	2.2%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	3,500	3,500	2,562	2,600	(900)	-25.7%	0	0.0%
Rideshare Allowance	1,000	1,000	0	0	(1,000)	-100.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$2,713,931	\$2,118,875	\$983,903	\$1,889,700	(\$229,175)	-10.8%	\$595,056	28.1%
Salary Differential	-		-				-	
TOTAL S&EB	\$2,713,931	\$2,118,875	\$983,903	\$1,889,700	(\$229,175)	-10.8%	\$595,056	28.1%

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/25, with the exception of Agency Temp Salaries, which are as of 01/31/25.

^{*}All amounts rounded to the nearest dollar.

FISCAL YEAR 2025-2026

BUDGETED POSITIONS

COMMUNICATIONS

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0794	CHIEF, COMMUNICATIONS, LACERA	1	LS10
0779	CREATIVE COORDINATOR, LACERA	2	112B
0784	SENIOR WRITER, LACERA	1	110A
0807	SENIOR MEDIA ARTIST, LACERA	1	107K
0789	MEDIA ARTIST, LACERA	2	104E
0787	WEB SUPPORT TECHNICIAN, LACERA	1	100G
0426	STAFF ASSISTANT I, LACERA	1	090B
	Total Filled Positions =	9	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0784 0465 0807 0786	SENIOR WRITER, LACERA PUBLIC INFORMATION OFFICER, LACERA SENIOR MEDIA ARTIST, LACERA WRITER II, LACERA	1 1 1 2	110A 108L 107K 100G
	Total Vacant Positions =	5	
	TOTAL POSITIONS =	14	

Non-Represented positions shown in black. Represented positions shown in blue. Salary schedule as of 01/01/2025.

FISCAL YEAR 2025-2026

SERVICES AND SUPPLIES

COMMUNICATIONS

		CURRENT YEAR			COMPAR CURRENT YE		COMPAR PROPOSED	
		2024-2025			TO PROJ	IECTION	2024-2025	BUDGET
	PROPOSED BUDGET		YTD		OVER/(l	JNDER)		
ACCOUNT CLASSIFICATION	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	\$17,600	\$17,600	\$2,055	\$10,700	(\$6,900)	-39.2%	\$0	0.0%
POSTAGE	409,000	379,000	191,853	379,000	0	0.0%	30,000	7.9%
STATIONERY & FORMS	947,000	1,021,500	343,803	699,600	(321,900)	-31.5%	(74,500)	-7.3%
OFFICE SUPPLIES & EQUIPMENT	10,000	10,000	3,053	8,000	(2,000)	-20.0%	0	0.0%
PROFESSIONAL & SPEC. SRVCS.	185,000	175,000	58,622	150,500	(24,500)	-14.0%	10,000	5.7%
EDUCATIONAL EXPENSES	29,000	29,900	6,789	17,900	(12,000)	-40.1%	(900)	-3.0%
MISCELLANEOUS	800	600	415	600	0	0.0%	200	33.3%
TOTAL	\$1,598,400	\$1,633,600	\$606,590	\$1,266,300	(\$367,300)	-22.5%	(\$35,200)	-2.2%

^{*}All amounts rounded to the nearest dollar.

COMMUNICATIONS

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2024		FYE 2	FYE 2025		
	Budget	Actual	Budget	Projection	Budget	
SALARIES & EMPLOYEE BENEFITS						
Total LACERA Salaries	\$1,263,940	\$1,014,104	\$1,078,612	\$1,039,200	\$1,402,621	
Total Agency Temp Salaries	331,000	85,859	276,400	192,200	400,100	
Employee Benefits (Variable)	870,339	545,689	646,418	544,600	756,903	
Employee Benefits (Other)	81,012	70,999	65,726	64,500	82,914	
OPEB Contribution	44,897	46,835	42,718	45,100	62,294	
OPEB Contribution (Budget Surplus)	0	44,897	0	0	0	
Stipends	0	0	0	0	0	
Overtime	4,500	1,821	4,500	1,500	4,600	
Bilingual Bonus	0	0	0	0	0	
Sick Leave Buyback	3,500	0	3,500	2,600	3,500	
Rideshare Allowance	1,000	0	1,000	0	1,000	
Transportation Allowance	0	0	0	0	0	
SERVICES & SUPPLIES						
Transportation & Travel	17,600	3,196	17,600	10,700	17,600	
Postage	342,200	379,386	379,000	379,000	409,000	
Stationery & Forms	981,700	667,141	1,021,500	699,600	947,000	
Office Supplies & Equipment	6,000	19,588	10,000	8,000	10,000	
Professional & Specialized Services	140,000	70,493	175,000	150,500	185,000	
Computer Services & Support	0	0	0	0	О	
Educational Expenses	29,400	8,158	29,900	17,900	29,000	
Miscellaneous	600	510	600	600	800	
TOTAL OPERATING BUDGET	\$4,117,688	\$2,958,678	\$3,752,475	\$3,156,000	\$4,312,331	

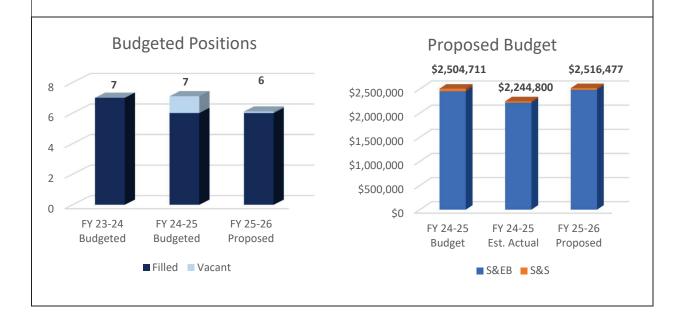
^{*}All amounts rounded to the nearest dollar.



DISABILITY LITIGATION

The Disability Litigation Office is a distinct legal division, separate and independent from the Legal Office, that represents LACERA at the administrative level in disputed applications for disability retirement pensions, applications for service-connected survivors' allowances, and felony forfeitures.

The DLO is composed of six staff: one Chief Counsel, two Senior Staff Counsels, and three Senior Legal Secretaries. The Chief Counsel reports to the Chief Executive Officer.



Summary of Significant Changes

<u>Description</u>	Position Changes	<u>Amount</u>
Senior Staff CounselEducational Materials	(1)	(\$294,159) (\$16,000)

STATUS OF FY 2024-25 PROJECTS AND INITIATIVES

The Disability Litigation Office (DLO) has been working to develop and implement a case management system (Sol) to digitize and automate the disability litigation process. During the 2025-26 fiscal year, the Sol project will near completion as it is out of testing and in the continuous improvement phase. Sol is currently being utilized for live cases and appeals by both Disability Retirement Services and the Disability Litigation Office.

With Sol, the DLO has been able to convert all open cases into digital files. Staff can actively manage the files through Sol, which includes documenting communications, reviewing digitized records, organizing exhibits electronically, and drafting letters/pleadings with auto-population of data from the Sol database.

FY 2025-26 STRATEGIC GOALS AND OBJECTIVES

The DLO looks forward to working with its internal business partners in the ongoing move toward a fully electronic operation to make our business operations and processes more efficient and to enhance employee productivity. We will continue to serve as active participants and subject-matter experts in the development and implementation of Sol; and to wholeheartedly engage in LACERA-wide committees for the advancement of our organization as a whole.

The DLO team is actively involved in the implementation of LACERA's strategic plan. Four DLO members are currently team members on two different strategic objectives:

- Strategic Objective 2.2, Enterprise Knowledge Management System: one Senior Staff Counsel as Project Lead, one Senior Staff Counsel as team member, and one Senior Legal Secretary as scribe
- Strategic Objective 3.1, IDEA Initiative: one Chief Counsel as team member

The DLO is also fully committed to developing our staff with ongoing training in support of their long-term career goals. It is anticipated that two Senior Staff Counsels will be attending the State Association of County Retirement Systems (SACRS) Fall Conference in 2025 and the National Association of Public Pension Attorneys (NAPPA) Legal Conference in the spring of 2026. The Senior Legal Secretaries have received hands-on training to learn the budget process, and they have been actively involved in the project management process of the Sol case management system.

The DLO is working to incorporate Microsoft Copilot into its workflow. Staff has taken Copilot training courses through UDEMY. Additionally, one Chief Counsel and two Senior Legal Secretaries are members of the Copilot Champions Committee.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2025, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2025-26.

Adjustments to Permanent Staffing

For FY 2024-25, there were seven budgeted full-time positions in the DLO, with one Senior Staff Counsel position unfilled.

For FY 2025-26, DLO staff was reduced from seven staff to six, with one Senior Staff Counsel position transferred to Legal Services.

Temporary Staffing

The DLO does not anticipate any use of temporary staffing in FY 2025-26.

Overtime Needs

For FY 2025-26, the DLO has budgeted 40 hours of overtime for Senior Legal Secretaries, as there is additional work necessary to finalize the Sol case management system. Although the Sol project is close to completion, as it becomes more operational, additional meetings and testing may be needed to fix bugs and edit functionality. Overtime is also used if additional work is needed on Strategic Objective 2.2 project.

Interns

The DLO anticipates sharing legal interns with Legal Services in the same manner as FY 2024-25.

Rehired Retirees

The DLO does not anticipate any use of rehired retirees in FY 2025-26.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

DLO does not have any removal of one-time expenditures for FY 2025-26.

Services and Supplies Adjustments

For FY 2025-26, there was a significant change to Educational Materials, which was reduced by \$16,000 (from \$31,000 to \$15,000), as DLO no longer utilizes Westlaw services. The remaining budget maintains status quo with only slight adjustments to existing accounts as detailed below:

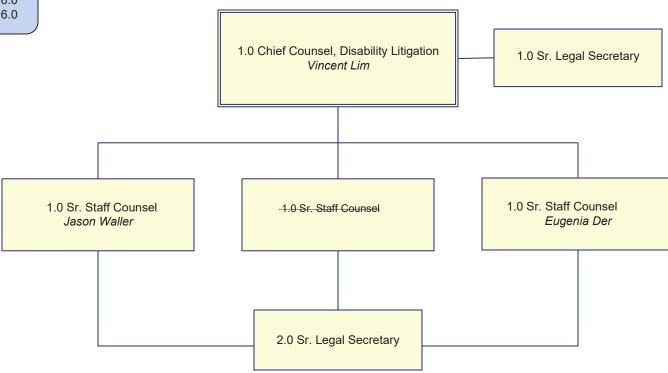
- Special Orders/Minor Equipment: Decreases \$200 from \$1,500 to \$1,300
- Photocopies of Documents: Increases from \$0 to \$300
- Memberships: Decreases \$500 from \$3,000 to \$2,500
- Registration Fees: Decreases \$2,000 from \$5,000 to \$3,000

DISABILITY LITIGATION

FISCAL YEAR 2025-2026

2024-2025 Bud. Pos.: 7.0 2024-2025 Hiring Plan: 7.0

2025-2026 Bud. Pos.: 6.0 2025-2026 Hiring Plan: 6.0



Deleted position

FISCAL YEAR 2025-2026

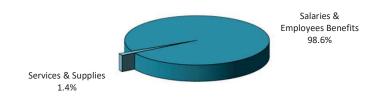
BUDGET SUMMARY

DISABILITY LITIGATION

	С	URRENT YEAR		COMPAR CURRENT YE		COMPARISON OF PROPOSED BUDGET TO		
		2024-2025		TO PROJ	ECTION	2024-2025	BUDGET	
PROPOSED BUDGET		YTD		OVER/(L	JNDER)			
2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE	
\$2,481,377	\$2,451,211	\$1,160,645	\$2,215,700	(\$235,511)	-9.61%	\$30,165	1.2%	
35,100	53,500	6,986	29,100	(24,400)	-45.6%	(18,400)	-34.4%	
\$2 516 477	\$2 504 711	\$1 167 631	\$2 244 800	(\$259 911)	-10.4%	\$11.765	0.5%	

Salaries & Employees Benefits Services & Supplies OPERATING BUDGET

2025 - 2026 PROPOSED BUDGET



^{*}All amounts rounded to the nearest dollar.

FISCAL YEAR 2025-2026

SALARIES AND EMPLOYEE BENEFITS SUMMARY

DISABILITY LITIGATION

		C	CURRENT YEAR 2024-2025		COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPAR PROPOSED 2024-2025	BUDGET TO
	PROPOSED BUDGET		YTD		OVER/(L	JNDER)		
	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
Total LACERA Salaries	\$1,485,700	\$1,467,993	\$704,353	\$1,336,600	(\$131,393)	-9.0%	\$17,707	1.2%
Total Agency Temp Salaries	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	837,967	831,822	384,454	729,600	(102,222)	-12.3%	6,145	0.7%
Employee Benefits (Other)	87,825	89,455	41,104	87,700	(1,755)	-2.0%	(1,630)	-1.8%
OPEB Contribution	65,984	58,141	30,653	61,400	3,259	5.6%	7,843	13.5%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	3,000	2,900	81	400	(2,500)	-86.2%	100	3.4%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	0	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	900	900	0	0	(900)	-100.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$2,481,377	\$2,451,211	\$1,160,645	\$2,215,700	(\$235,511)	-9.61%	\$30,165	1.2%
Salary Differential	-		-					
TOTAL S&EB	\$2,481,377	\$2,451,211	\$1,160,645	\$2,215,700	(\$235,511)	-9.61%	\$30,165	1.2%

^{*}All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/25, with the exception of Agency Temp Salaries, which are as of 01/31/25.

FISCAL YEAR 2025-2026

BUDGETED POSITIONS

DISABILITY LITIGATION

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
9215 9213 0441	CHIEF COUNSEL, DISABILITY LITIGATION, LACERA SENIOR STAFF COUNSEL, LACERA SENIOR LEGAL SECRETARY, LACERA	1 2 3	LS18 LS16 103K
	Total Filled Positions =	6	
	VACANT POSITIONS		
Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
	Total Vacant Positions =	0	
	TOTAL POSITIONS =	6]

Non-Represented positions shown in black.

Represented positions shown in blue.

Salary schedule as of 01/01/2025.

FISCAL YEAR 2025-2026

SERVICES & SUPPLIES ACCOUNT SUMMARY

DISABILITY LITIGATION

		CURRENT YEAR			COMPAR CURRENT YE		COMPAR PROPOSED	
		2024-2025			TO PROJ	ECTION	2024-2025	BUDGET
	PROPOSED BUDGET		YTD		OVER/(U	JNDER)		
ACCOUNT CLASSIFICATION	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
AUTO EXPENSE	\$2,400	\$2,400	\$1,013	\$2,200	(\$200)	-8.3%	\$0	0.0%
TRANSPORTATION & TRAVEL	7,300	7,300	0	5,500	(1,800)	-24.7%	0	0.0%
OFFICE SUPPLIES & EQUIPMENT	1,300	1,500	76	800	(700)	-46.7%	(200)	-13.3%
PROFESSIONAL AND SPECIALIZED SERVICES	300	0	0	0	0	0.0%	300	0.0%
LEGAL FEES & SERVICES	3,000	3,000	0	2,300	(700)	-23.3%	0	0.0%
EDUCATIONAL EXPENSES	20,500	39,000	5,897	18,000	(21,000)	-53.8%	(18,500)	-47.4%
MISCELLANEOUS	300	300	0	300	0	0.0%	0	0.0%
TOTAL	\$35,100	\$53,500	\$6,986	\$29,100	(\$24,400)	-45.6%	(\$18,400)	-34.4%

^{*}All amounts rounded to the nearest dollar.

DISABILITY LITIGATION

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

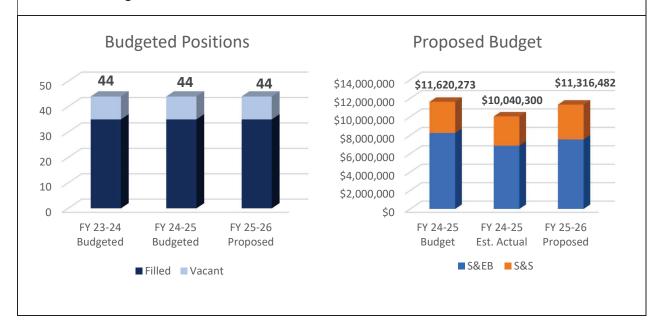
	FYE 2024		FYE 2	025	Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$1,461,729	\$1,450,581	\$1,467,993	\$1,336,600	\$1,485,700
Total Agency Temp Salaries	0	0	0	0	0
Employee Benefits (Variable)	898,999	762,246	831,822	729,600	837,967
Employee Benefits (Other)	93,690	82,109	89,455	87,700	87,825
OPEB Contribution	51,923	54,164	58,141	61,400	65,984
OPEB Contribution (Budget Surplus)	0	51,922	0	0	0
Stipends	0	0	0	0	0
Overtime	2,800	572	2,900	400	3,000
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	0	0	0	0	0
Rideshare Allowance	900	0	900	0	900
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Auto Expenses	2,400	1,943	2,400	2,200	2,400
Transportation & Travel	7,100	0	7,300	5,500	7,300
Office Supplies & Equipment	1,800	57	1,500	800	1,300
Professional and Specialized Services	0	0	0	0	300
Legal Fees & Services	3,000	0	3,000	2,300	3,000
Educational Expenses	36,500	27,764	39,000	18,000	20,500
Miscellaneous	300	0	300	300	300
TOTAL OPERATING BUDGET	\$2,561,141	\$2,431,358	\$2,504,711	\$2,244,800	\$2,516,477

^{*}All amounts rounded to the nearest dollar.



DISABILITY RETIREMENT SERVICES

The Disability Retirement Services Division (DRS) evaluates and investigates disability retirement applications submitted by active, retired, and deferred LACERA members; survivors; and County departments. Staff presents recommendations to the Board of Retirement, the governing board responsible for adjudicating disability retirement applications. Staff also facilitates the administration of the disability appeals process and serves as the Clerk of the Board and Custodian of Record for all disability retirement files. Other operational responsibilities and functions of the DRS include contracting professional services for the investigation and appeals processes, including panel physicians, referees, copy services, court reporters, job analysts, investigative services, and outside legal counsel.



Summary of Significant Changes

Description	Position Changes	Amount
 Increase in Agency Temp Staffing Reduction in Overtime Job Analyst Outside Legal Counsel Hearing Officers Medical Fees 		\$12,700 (\$81,400) \$10,000 \$10,000 (\$20,000) \$400,000

STATUS OF FY 2024-25 PROJECTS AND INITIATIVES

Sol Case Management System

Since the introduction of the Sol case management system over a year ago, the implementation has yielded significant and favorable outcomes. Sol has markedly enhanced data accuracy and the consolidation of information, thereby improving supervisory oversight. This has resulted in a notable increase in the efficiency and effectiveness of several aspects of our operations. Moreover, continuous efforts are being made to further streamline workflows, enhance access to data, augment automation, and refine supervisory oversight. These ongoing improvements ensure that Sol remains a robust and adaptable tool, continuously enhancing our capability to manage disability retirement cases with exceptional precision and efficiency.

FY 2025-26 STRATEGIC GOALS AND OBJECTIVES

As we advance our Strategic Plan priorities, we will focus on improving the member experience; developing and enhancing the omnichannel member experience, journeys, and educational content; standardizing counseling, procedures, and communications; and working on the development, implementation, and deployment of a digital strategy to better serve our members. Additionally, we will prioritize developing staff through internal and external training opportunities to ensure they have the skills and knowledge necessary to excel in their roles.

Reimagining the Disability Retirement Process

For FY 2025-26, the strategic goals and objectives are to reimagine the Disability Retirement Process for improved efficiency, compliance, case management, and member engagement. To manage the increasing number of applications, we are focusing on recruiting and redistributing existing staff, optimizing processes through workflow streamlining and task automation, and re-evaluating our existing goals with enhanced performance measurements. This re-evaluation process brings several benefits:

 Enables us to identify any gaps or inefficiencies in our current process, providing a clearer understanding of areas requiring improvement. By setting realistic and

- achievable targets, we can ensure that our resources are utilized effectively, thereby minimizing the likelihood of backlogs and delays.
- Regular monitoring and goal adjustment foster a culture of continuous improvement. This approach encourages staff to remain agile and responsive to evolving demands, ensuring that our processes stay relevant and effective over time.
- Increased engagement between supervisors and staff through regular feedback helps maintain high levels of motivation and accountability. This collaborative approach promotes a shared commitment to achieving our objectives, leading to overall enhanced performance.

Ultimately, re-evaluating our goals supports a more transparent and goal-oriented environment, enhancing our capacity to serve our members efficiently and effectively. Other key initiatives include updates to the disability retirement application, both paper and online versions, revision to the current case processing model, and the creation of educational materials and videos to assist members throughout the disability retirement process. We will also be adjusting production goals from a minimum of 32 cases to the Board of Retirement to 36 cases per specialist. We will also explore adjusting service levels for each case milestone. In conclusion, by focusing on these goals and initiatives, we aim to significantly improve the efficiency and effectiveness of the Disability Retirement Process and overall member experience.

Artificial Intelligence Solution for Disability Record Processing

DRS is exploring and incorporating technology solutions that can reduce unnecessary or repetitive work efforts. DRS has transitioned from a paper-based application processing workflow to a digital workflow where most documents are received electronically. This shift has streamlined many aspects of our business processes; however, some tasks continue to be performed manually by staff. DRS aims to streamline these manual processes using artificial intelligence (AI). The goal is to use AI tools to automate at least the indexing and medical listing creation processes. The strategic objective is to enhance operational efficiency and reduce costs through advanced technology solutions, thereby aligning with our strategic objectives related to Innovation Through Technology and Fiscal Durability. The aim is to identify AI tools that can decrease manual labor and improve accuracy in the indexing and medical listing creation processes, thereby achieving cost savings and improved overall productivity. Furthermore, leveraging technology to automate parts of the process can save time and reduce errors.

Training and Development

This upcoming year, we will continue to develop a training curriculum tailored to our team's diverse needs and provide ongoing training and development opportunities to enhance their skills and efficiency. Succession planning involves reviewing staff skills and goals to invest in their development, aligning with our Strategic Plan's priority of investing in people.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2025, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2025-26.

Adjustments to Permanent Staffing

Centralizing Administrative Support Staff

DRS plans to move administrative support staff under one supervisor, which is crucial for enhancing oversight and performance management. Support staff responsible for providing support to the investigation units will be moved under the supervision of the Intake/Records Management & Member Care Unit, whose primary responsibilities include file indexina. medical appointment scheduling and follow-up. cropping/proofing. By consolidating these staff members under a single supervisor, we can ensure more consistent and effective supervision, resulting in better coordination and communication within the team. This move allows the supervisor to have a clearer understanding of each staff member's responsibilities and performance, facilitating the identification of areas for improvement and the provision of targeted support and training. For instance, having one supervisor can streamline the process of setting and monitoring performance goals, ensuring that all staff members are aligned with the division's objectives. Additionally, it can enhance accountability, as the supervisor can more effectively track progress and address any issues promptly. This consolidation also fosters a more cohesive team environment, where staff members can collaborate more efficiently and share best practices, ultimately leading to improved overall performance and productivity.

Temporary Staffing

The Disability Retirement Services Division requests to maintain current temporary staffing level of four Staff Assistant II positions for a period of 12 months each to provide administrative support at a total estimated cost of \$420,000, a minor increase due to cost-of-living adjustment rates effective January 1, 2025.

Overtime Needs

A total of \$59,400 is being requested to support overtime for ongoing Sol case management system updates, enhancements, and testing. Overtime is necessary to

ensure continuity of work and achieve the division's goals until new hires from the disability retirement specialist recruitment are trained and operational. The amount of overtime has been reduced with the expectation of having a fully trained new staff capable of processing cases by the second quarter of the fiscal year.

Interns

The Disability Retirement Services Division does not anticipate onboarding interns during FY 2025-26. **Rehired Retirees**

The Disability Retirement Services Division does not anticipate employing any rehired retirees in FY 2025-26.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

The Disability Retirement Services Division does not have any removal of one-time expenditures for FY 2025-26.

Services and Supplies Adjustments

Special Orders/Minor Equipment

After reviewing the expenditures of previous years and analyzing historical spending patterns, we propose a reduction from \$5,000 to \$1,500.

Photocopies of Documents

Given the increase of annual case production goals from 32 cases to the Board to 36 per specialist and filling seven disability retirement specialist vacancies, we anticipate an increase in records orders. Therefore, we propose an increase from \$215,000 to \$225,000.

Job Analyst

Given the increase of annual case production goals from 32 cases to the Board to 36 per specialist, filling seven disability retirement specialist vacancies, and being slightly over budget for the past two fiscal years, we propose an increase from \$20,000 to \$30,000.

Outside Legal Counsel

Based on the recommendation of Legal Counsel, who oversees and outsources cases to external counsel handling confidential disability retirement applications, we propose increasing the budget allocation for this item from \$20,000 to \$30,000.

Hearing Officers

After reviewing the expenditures of previous years and analyzing the number of appeals filed and processed annually, we propose a reduction from \$120,000 to \$100,000.

Medical Fees

Given the increase of annual case production goals from 32 cases to the Board to 36 per specialist and filling seven disability retirement specialist vacancies, we anticipate an increase in medical evaluations. Therefore, we propose an increase from \$2,800,000 to \$3,200,000.

Investigative Services

After reviewing the expenditures of previous years and analyzing historical spending patterns, we propose a reduction from \$20,000 to \$15,000.

Database Searches

After reviewing the expenditures of previous years and analyzing historical spending patterns, we propose a reduction from \$300 to \$200.

Registration Fees

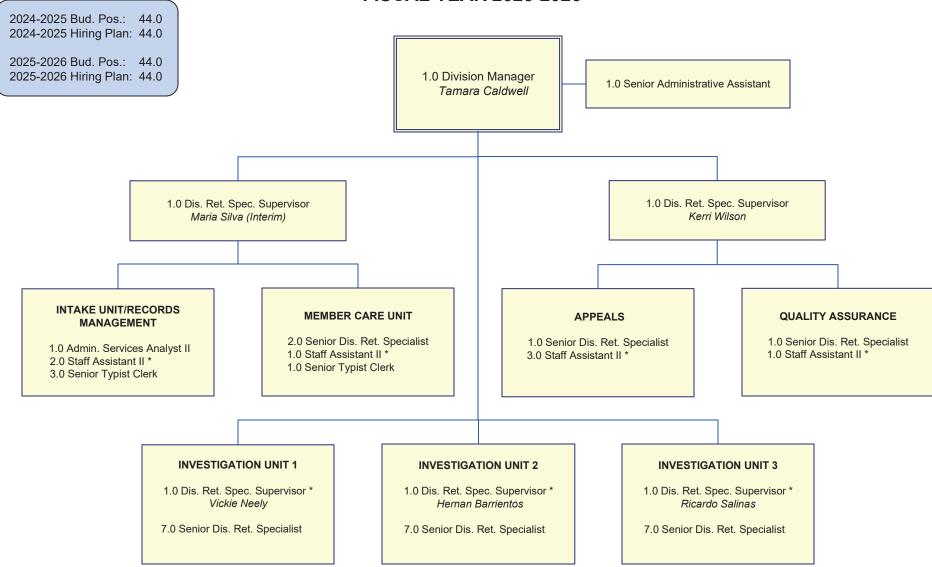
We propose to maintain the current budget allocation of \$20,000 for attending conferences such as SACRS, CALAPRS, and the National Premier Workers' Compensation Conference. In addition, we are exploring further opportunities for workforce development and management training. A comprehensive training curriculum is being developed in collaboration with HR to enhance staff knowledge and professional growth. Furthermore, supervisor and management training needs are being addressed, ensuring all relevant personnel attend the Los Angeles County training academy courses, along with appropriate refresher courses and other pertinent training programs. These investments are essential for maintaining our division's high standards of service and ensuring that our team remains at the forefront of industry best practices.

Miscellaneous

At the end of each year, we host a special division lunch to celebrate our team's achievements. Additionally, we hold bi-monthly team-building activities and internal staff training sessions aimed at fostering a positive work environment, boosting team cohesion, and enhancing overall productivity and employee expertise. Currently, our budget does not cover the necessary expenses to continue these valuable events. Therefore, we propose an increase from \$500 to \$2,500. These funds are crucial for supporting staff education, team-building, and appreciation activities, which are essential for maintaining a positive work atmosphere, improving team collaboration, and driving overall productivity.

DISABILITY RETIREMENT

FISCAL YEAR 2025-2026



^{*} Classification and/or compensation study requested.

FISCAL YEAR 2025-2026

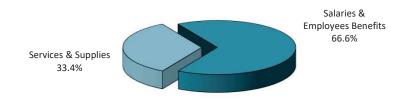
BUDGET SUMMARY

DISABILITY RETIREMENT

	C	URRENT YEAR 2024-2025		COMPAR CURRENT YE TO PROJ	AR BUDGET	PROPOSED 2024-2025	BUDGET TO
PROPOSED BUDGET		YTD		OVER/(L	JNDER)		
2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
\$7,533,582	\$8,241,073	\$3,583,459	\$6,864,100	(\$1,376,973)	-16.71%	(\$707,491)	-8.6%
3,782,900	3,379,200	1,355,176	3,176,200	(203,000)	-6.0%	403,700	11.9%
\$11,316,482	\$11,620,273	\$4,938,635	\$10,040,300	(\$1,579,973)	-13.6%	(\$303,791)	-2.6%

Salaries & Employees Benefits Services & Supplies OPERATING BUDGET

2025 - 2026 PROPOSED BUDGET



^{*}All amounts rounded to the nearest dollar.

FISCAL YEAR 2025-2026

SALARIES AND EMPLOYEE BENEFITS SUMMARY

DISABILITY RETIREMENT

		CURRENT YEAR 2024-2025			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET	
	PROPOSED BUDGET		YTD		OVER/(UNDER)			
	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
Total LACERA Salaries	\$4,110,752	\$4,545,563	\$1,926,450	\$3,655,600	(\$889,963)	-19.6%	(\$434,811)	-9.6%
Total Agency Temp Salaries	420,000	407,300	206,652	400,000	(7,300)	-1.8%	12,700	3.1%
Employee Benefits (Variable)	2,507,357	2,679,885	1,182,682	2,244,300	(435,585)	-16.3%	(172,528)	-6.4%
Employee Benefits (Other)	243,003	276,995	127,575	271,500	(5,495)	-2.0%	(33,992)	-12.3%
OPEB Contribution	182,571	180,030	94,915	189,900	9,870	5.5%	2,541	1.4%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	59,400	140,800	42,394	100,000	(40,800)	-29.0%	(81,400)	-57.8%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	6,000	6,000	2,791	2,800	(3,200)	-53.3%	0	0.0%
Rideshare Allowance	4,500	4,500	0	0	(4,500)	-100.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$7,533,582	\$8,241,073	\$3,583,459	\$6,864,100	(\$1,376,973)	-16.7%	(\$707,491)	-8.6%
Salary Differential	-		-				-	
TOTAL S&EB	\$7,533,582	\$8,241,073	\$3,583,459	\$6,864,100	(\$1,376,973)	-16.7%	(\$707,491)	-8.6%

^{*}All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/25 with the exception of Agency Temp Salaries, which are as of 01/31/25.

FISCAL YEAR 2025-2026

BUDGETED POSITIONS

DISABILITY RETIREMENT

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0773	DIVISION MANAGER, LACERA	1	LS12
1643	DISABILITY RETIREMENT SPECIALIST SUPERVISOR, LACERA	4	111C
1632	SENIOR DISABILITY RETIREMENT SPECIALIST, LACERA	18	107C
0420	ADMINISTRATIVE SERVICES ANALYST II	1	098E
0427	STAFF ASSISTANT II, LACERA	7	097B
0446	SENIOR TYPIST-CLERK, LACERA	3	083K
	Total Filled Positions =	34	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
1643	DISABILITY RETIREMENT SPECIALIST SUPERVISOR, LACERA	1	111C
1632	SENIOR DISABILITY RETIREMENT SPECIALIST, LACERA	7	107C
0439	SENIOR ADMINISTRATIVE ASSISTANT, LACERA	1	095C
0446	SENIOR TYPIST-CLERK, LACERA	1	083K
	Total Vacant Positions =	10	
	TOTAL POSITIONS =	44]

Non-Represented positions shown in black. Represented positions shown in blue. Salary schedule as of 01/01/2025.

FISCAL YEAR 2025-2026

SERVICES & SUPPLIES ACCOUNT SUMMARY

DISABILITY RETIREMENT

		CURRENT YEAR 2024-2025			COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET	
	PROPOSED BUDGET		YTD		OVER/(l	JNDER)		
ACCOUNT CLASSIFICATION	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	\$8,000	\$7,700	\$3,246	\$7,000	(\$700)	-9.1%	\$300	3.9%
OFFICE SUPPLIES & EQUIPMENT	1,500	5,000	732	3,000	(2,000)	-40.0%	(3,500)	-70.0%
PROFESSIONAL & SPEC. SRVCS.	255,000	235,000	59,902	125,000	(110,000)	-46.8%	20,000	8.5%
LEGAL FEES & SERVICES	30,000	20,000	25,912	35,000	15,000	75.0%	10,000	50.0%
DISABILITY FEES & SERVICES	3,465,200	3,090,300	1,263,928	2,993,200	(97,100)	-3.1%	374,900	12.1%
EDUCATIONAL EXPENSES	20,700	20,700	1,097	12,500	(8,200)	-39.6%	0	0.0%
MISCELLANEOUS	2,500	500	360	500	0	0.0%	2,000	400.0%
TOTAL	\$3,782,900	\$3,379,200	\$1,355,176	\$3,176,200	(\$203,000)	-6.0%	\$403,700	11.9%

^{*}All amounts rounded to the nearest dollar.

DISABILITY RETIREMENT

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 20)24	24 FYE 20		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$4,579,337	\$4,019,431	\$4,545,563	\$3,655,600	\$4,110,752
Total Agency Temp Salaries	138,100	191,004	407,300	400,000	420,000
Employee Benefits (Variable)	3,140,376	2,340,122	2,679,885	2,244,300	2,507,357
Employee Benefits (Other)	293,514	259,489	276,995	271,500	243,003
OPEB Contribution	162,664	169,686	180,030	189,900	182,571
OPEB Contribution (Budget Surplus)	0	162,664	0	0	0
Stipends	0	0	0	0	0
Overtime	103,600	192,653	140,800	100,000	59,400
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	6,000	3,762	6,000	2,800	6,000
Rideshare Allowance	4,500	0	4,500	0	4,500
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Transportation & Travel	7,700	5,315	7,700	7,000	8,000
Office Supplies & Equipment	5,000	421	5,000	3,000	1,500
Professional & Specialized Services	235,000	245,917	235,000	125,000	255,000
Legal Fees & Services	20,000	12,511	20,000	35,000	30,000
Disability Fees & Services	3,090,300	2,801,795	3,090,300	2,993,200	3,465,200
Educational Expenses	10,700	11,038	20,700	12,500	20,700
Miscellaneous	300	1,085	500	500	2,500
TOTAL OPERATING BUDGET	\$11,797,091	\$10,416,892	\$11,620,273	\$10,040,300	\$11,316,482

^{*}All amounts rounded to the nearest dollar.



ETHICS AND COMPLIANCE OFFICE

The Ethics and Compliance Office enhances LACERA's ethical culture and provides dedicated resources to foster compliance with laws, regulations, policies, and procedures, and provides assessment, monitoring, investigation, training, and other services to mitigate ethics and compliance risks throughout the organization. The Office will move from foundational planning to program implementation in FY 2025-26.



Summary of Significant Changes

<u>Description</u>	Position Changes	<u>Amount</u>
Deputy Chief Ethics and Compliance Officer (DCECO) (3 months)	1	\$48,102
 Senior Administrative Assistant (6 months) Consulting Outside Legal Counsel Educational Materials 	1	\$50,797 \$35,000 \$7,000 (\$15,000)

REPORTING STRUCTURE

Under the Board-approved Ethics and Compliance Program Charter, the Chief Ethics and Compliance Officer (CECO) will oversee the Ethics and Compliance Program and report functionally to the Audit, Compliance, Risk, and Ethics (ACRE) Committee and the CEO. The CECO will also provide reporting to the Board of Retirement and Board of Investments. The program supports and will further the fiduciary duty of the ACRE Committee, Boards, and the CEO to provide oversight of ethics and compliance risk management and respond to red flags in these areas.

In December 2024, the ACRE Committee approved and recommended the CECO class description and salary, which is subject to review by the Joint Organizational Governance Committee (JOGC) and approval by the Boards, followed by the Board of Supervisors' addition of the positions to the County's Salary Ordinance. A Deputy Chief Ethics and Compliance Officer (DCECO) will also be presented to the ACRE Committee, JOGC, and Boards to assist the CECO by providing subject-matter expertise in particular areas of LACERA's operations.

The proposed Ethics and Compliance Office initially will be administratively housed within the Legal Services Office. However, all staffing and expenses are being tracked and reported separately to ensure that the Ethics and Compliance Program is adequately resourced and is independent, consistent with best practices.

STATUS OF FY 2024-25 PROJECTS AND INITIATIVES

The Ethics and Compliance Program is a goal in the Board of Retirement's 2023-28 Strategic Plan, and substantial progress is being made to implement the program.

The Ethics and Compliance Program Charter was approved by the Audit Committee and Boards. The Audit Committee was renamed the ACRE Committee, and a new Committee Charter was approved to reflect its increased scope of risk oversight responsibilities.

Pursuant to the new program and ACRE Committee Charters, a foundational work plan was approved and is underway, consisting of activities to enhance LACERA's readiness to implement the program upon arrival of the CECO. Based on the foundational work plan, staff is developing specific strategies to enhance LACERA's organizational culture based on LACERA's Values and thereby promote ethical and compliant behaviors throughout LACERA. The program is using the Values as a structure for revising and reorganizing LACERA's Code of Ethical Conduct based on open discussions with the ACRE Committee, the Boards, and staff. The program is collaborating with Internal Audit on ethics and compliance risk assessment, values, and behavior-based cultural measurement, training, and other related activities. Staff implemented a new, internally developed policy management tool, Compass, which will serve as a policy repository and will also provide other policy management resources to assist with new policy creation, acknowledgment and training on new policies, and monitoring of scheduled review

periods for existing policies. Education and training resources on ethics and compliance have been purchased and are already available to staff, including the Society of Corporate Compliance and Ethics and the Practising Law Institute. In addition, ethical culture was featured at the November 2024 Management Offsite, and additional efforts are in the planning stages to enhance organizational culture.

The staff Ethics and Compliance Committee (ECC) has been provided with training and continues to function as a broad-based staff resource to support the program, particularly with regard to policy review, and to serve as ambassadors for the program in their individual divisions throughout LACERA.

An ethics and compliance counsel and additional consulting services from Gartner were engaged to provide professional expertise and have assisted throughout the year in finalizing the Program Charter and implementation of the program.

FY 2025-26 STRATEGIC GOALS AND OBJECTIVES

The first priority for the new fiscal year will be to hire the CECO, and then a DCECO and a Senior Administrative Assistant, to provide dedicated program leadership and support staff. In the interim, foundational steps will continue, including: baseline ethics and compliance risk assessment; baseline ethical culture assessment based on LACERA's Values and behaviors; evaluation of additional Governance, Risk, and Compliance (GRC) software for compliance, ethics, and privacy; development of processes to support LACERA's Values and organizational culture; training on ethics, compliance, and culture and revised LACERA Code of Ethical Conduct; and integration of the CECO, DCECO, and Senior Administrative Assistant.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2025, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2025-26.

Adjustments to Permanent Staffing

The Chief Ethics and Compliance Officer classification description and salary that were approved by the ACRE Committee in December 2024 will be submitted to the Joint Organizational Governance Committee (JOGC) and the Boards for review and approval, and then to the Board of Supervisors. The Deputy Chief Ethics and Compliance Officer (DCECO) and Senior Administrative Assistant classifications and salary were approved by the ACRE Committee in February 2025 and will thereafter be submitted to the JOGC and Boards. These steps are expected to be completed in FY 2024-25, which will enable recruitments to be conducted in FY 2025-26.

Funding totaling approximately \$220,000 is included to reflect nine months of funding for the CECO, six months of funding for the Senior Administrative Assistant, and three months of funding for the first DCECO. However, this amount is subject to change based on the actual salary authorized and the date of onboarding.

Temporary Staffing

Temporary staffing is not anticipated for this program in FY 2025-26.

Overtime Needs

Overtime is not anticipated for this program in FY 2025-26

Interns

No interns are requested for this program in FY 2025-26.

Rehired Retirees

The Ethics and Compliance Office is not requesting any rehired retiree assistance in FY 2025-26.

SUMMARY OF PROPOSED BUDGETARY CHANGES – SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

The Ethics and Compliance Office does not have any removal of one-time expenditures for FY 2025-26.

Services and Supplies Adjustments

The following services and supplies are proposed in support of this program in FY 2025-26:

Auto Mileage/Transportation

Funding totaling \$3,500 is requested to support anticipated auto mileage associated with the Chief Ethics and Compliance Officer and Deputy Chief Ethics and Compliance Officer positions, and other staff involved in the program, for business meetings and attendance at training and other events.

Travel

Funding totaling \$8,000 is requested to ensure the Chief Ethics and Compliance Officer can participate in training and development opportunities.

Special Orders/Minor Equip

Funding totaling \$1,200 is requested for new and developing office special supplies.

Ethics and Compliance Consulting

Funding totaling \$35,000 is requested for additional consulting services previously allocated to Educational Materials to obtain input on best practices in Ethics and Compliance Program design and implementation.

Outside Legal Counsel

Funding totaling \$27,000 is requested for outside ethics and compliance counsel to support the development and implementation of LACERA's Ethics and Compliance Program.

Memberships

Funding totaling \$8,000 is requested for memberships to support the Chief Ethics and Compliance Officer's professional development and participation in ethics and compliance-related organizations.

Registration Fees

Funding totaling \$7,500 is requested to ensure the Chief Ethics and Compliance Officer can participate in training and development opportunities.

Educational Materials

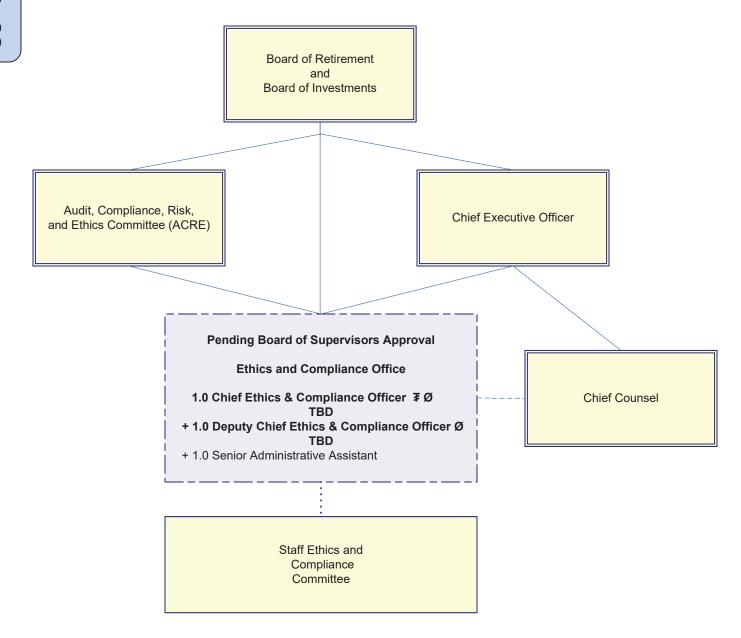
Funding \$30,000 is requested to ensure the program has the educational and professional materials and subscriptions needed to successfully implement LACERA's Ethics and Compliance Program.

ETHICS AND COMPLIANCE OFFICE

FISCAL YEAR 2025-2026

2024-2025 Bud. Pos.: 1.0 2024-2025 Hiring Plan: 1.0

2025-2026 Bud. Pos.: 3.0 2025-2026 Hiring Plan: 3.0



— — Administrative

— Functional

..... Advisory

+ Added position

₹ Title changed from Ethics & Compliance Officer to Chief Ethics & Compliance Officer

Ø Chief Ethics & Compliance Officer pending Board of Supervisors approval. Deputy Chief Ethics & Compliance Officer pending LACERA Boards and Board of Supervisors approval.

FISCAL YEAR 2025-2026

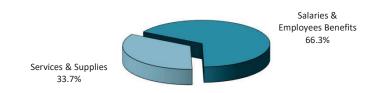
BUDGET SUMMARY

ETHICS AND COMPLIANCE OFFICE

	С	URRENT YEAR		COMPAR CURRENT YE		COMPAR PROPOSED	
		2024-2025		TO PROJ	ECTION	2024-2025	BUDGET
PROPOSED BUDGET		YTD		OVER/(L	JNDER)		
2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
\$236,141	\$127,400	\$4,567	\$9,400	(\$118,000)	-92.6%	\$108,741	85.4%
120,200	92,000	59,291	77,800	(14,200)	-15.4%	28,200	30.7%
\$356.341	\$219 400	\$63 857	\$87 200	(\$132,200)	-60.3%	\$136 941	62 4%

Salaries & Employees Benefits Services & Supplies OPERATING BUDGET

2025 - 2026 PROPOSED BUDGET



^{*}All amounts rounded to the nearest dollar.

FISCAL YEAR 2025-2026

SALARIES AND EMPLOYEE BENEFITS SUMMARY

ETHICS AND COMPLIANCE OFFICE

COMPARISON OF

		CURRENT YEAR			CURRENT VE		COMPARISON OF PROPOSED BUDGET TO	
			2024-2025		CURRENT YEAR BUDGET TO PROJECTION		2024-2025 BUDGET	
	PROPOSED BUDGET		YTD		OVER/(L	JNDER)		
	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
Total LACERA Salaries	\$172,614	\$93,330	\$0	\$0	(\$93,330)	-100.0%	\$79,284	85.0%
Total Agency Temp Salaries	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	45,656	24,686	4	100	(24,586)	-99.6%	20,970	84.9%
Employee Benefits (Other)	10,204	5,687	2,613	5,300	(387)	-6.8%	4,517	79.4%
OPEB Contribution	7,666	3,696	1,949	4,000	304	8.2%	3,970	107.4%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	0	0	0	0	0	0.0%	0	0.0%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	0	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	0	0	0	0	0	0.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$236,141	\$127,400	\$4,567	\$9,400	(\$118,000)	-92.6%	\$108,741	85.4%
Salary Differential	0	0					-	
TOTAL S&EB	\$236,141	\$127,400	\$4,567	\$9,400	(\$118,000)	-92.6%	\$108,741	85.4%

^{*}All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/25, with the exception of Agency Temp Salaries, which are as of 01/31/25.

FISCAL YEAR 2025-2026

BUDGETED POSITIONS

ETHICS AND COMPLIANCE OFFICE

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule		
	Total Filled Positions =	0			
	VACANT POSITIONS				
Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule		
99999A	CHIEF, ETHICS & COMPLIANCE OFFICER	1	LS12		
99999A	DEPUTY CHIEF, ETHICS & COMPLIANCE OFFICER	1	118J		
0439	SENIOR ADMINISTRATIVE ASSISTANT	1	095C		
	Total Vacant Positions =	3			
	TOTAL POSITIONS =	3	1		

Non-Represented positions shown in black. Represented positions shown in blue. Salary schedule as of 01/01/2025.

FISCAL YEAR 2025-2026

SERVICES & SUPPLIES ACCOUNT SUMMARY

ETHICS AND COMPLIANCE OFFICE

		(CURRENT YEAR	1	COMPAR CURRENT YE		COMPARISON OF PROPOSED BUDGET TO	
			2024-2025		TO PROJ	ECTION	2024-2025 BUDGET	
	PROPOSED BUDGET		YTD		OVER/(L	JNDER)		
ACCOUNT CLASSIFICATION	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	\$11,500	\$11,500	\$1,239	\$1,300	(\$10,200)	-88.7%	\$0	0.0%
OFFICE SUPPLIES & EQUIPMENT	1,200	0	0	0	0	0.0%	1,200	0.0%
PROFESSIONAL AND SPECIALIZED SERVICES	35,000	0	0	0	0	0.0%	35,000	0.0%
LEGAL FEES & SERVICES	27,000	20,000	44,650	55,000	35,000	175.0%	7,000	35.0%
EDUCATIONAL EXPENSES	45,500	60,500	13,402	21,500	(39,000)	-64.5%	(15,000)	-24.8%
MISCELLANEOUS	0	0	0	0	0	0.0%	0	0.0%
TOTAL	\$120,200	\$92,000	\$59,291	\$77,800	(\$14,200)	-15.4%	\$28,200	30.7%

^{*}All amounts rounded to the nearest dollar.

ETHICS AND COMPLIANCE OFFICE

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

FYE 2024		FYE 2	Proposed	
Budget	Actual	Budget	Projection	Budget
\$90,700	\$0	\$93,330	\$0	\$172,614
0	0	0	0	0
0	0	24,686	100	45,656
0	0	5,687	5,300	10,204
0	0	3,696	4,000	7,666
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
	0			
0	0	0	0	0
11,500	0	11,500	1,300	11,500
0	0	0	0	1,200
			0	35,000
20,000	60,105	20,000	55,000	27,000
60,500	5,339	60,500	21,500	45,500
0	0	0	0	0
¢492.700	¢65 444	\$240.400	¢97 200	\$356,341
	\$90,700 0 0 0 0 0 0 0 0 0 0 0 11,500 0 20,000 60,500	\$90,700 \$0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Budget Actual Budget \$90,700 \$0 \$93,330 0 0 0 0 0 24,686 0 0 5,687 0 0 3,696 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 11,500 0 11,500 0 0 0 20,000 60,500 5,339 60,500 0 0 0 0	Budget Actual Budget Projection \$90,700 \$0 \$93,330 \$0 0 0 0 0 0 0 24,686 100 0 0 5,687 5,300 0 0 3,696 4,000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 11,500 1,300 0

^{*}All amounts rounded to the nearest dollar.



EXECUTIVE OFFICE

The Executive Office directs and coordinates the efforts of every LACERA organizational unit toward the effective realization of LACERA's mission, as articulated through policies adopted through the Boards of Retirement and Investments and through administrative policies and procedures under the purview of the Chief Executive Officer.

LACERA's Information Security Office is part of the Executive Office to maintain its independence from the Systems Division. The Information Security Officer reports to the Deputy Chief Executive Officer. Costs are reported separately for improved transparency. See the attached narrative and summary.



Summary of Significant Changes

<u>Description</u>	Position Changes	<u>Amount</u>
Agency Temporary SalariesBi-Annual Economic Impact Report		\$86,200 \$70,000

STATUS OF FY 2024-25 PROJECTS AND INITIATIVES

Throughout FY 2024-25, the Executive Office continued its focus on making incremental progress toward implementing the Board of Retirement's 2023-2028 Strategic Plan and supporting the implementation of the Board of Investment's Strategic Initiatives. We onboarded a temporary staff member with extensive communications experience to help us develop and implement our communications plan and strategy and we anticipate filling the Special Assistant position in early 2025, which will help keep us focused and organized as we manage both the enterprise-wide and division specific projects and initiatives.

FY 2025-26 STRATEGIC GOALS AND OBJECTIVES

The Executive Office supports and is fundamentally responsible for implementing the Board of Retirement's Strategic Plan and supports the Investment Office in their implementation of the Board of Investments' Strategic Plan. The Executive Management Team sponsors the strategic priorities and monitors progress toward achieving our mission of producing, protecting, and providing the promised benefits to our members; our vision of empowering our members to enjoy a healthy and secure retirement, and modeling our values of accountability, collaboration, inclusivity, innovation, integrity, and transparency.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2025, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2025-26.

Adjustments to Permanent Staffing

No changes to permanent staffing are requested for the Executive Office.

Temporary Staffing

Funds are provided for one temporary staff person at the level of Special Assistant/Public Information Officer to collaborate with LACERA's Chief of Communications on the LACERA Communication plan, including the Social Media plan, based on best practices within the industry and LACERA's strategic plan objective for the Superior Member

Experience, as well as assist the Member Experience Council to create a sustainable framework for designing, conducting, and analyzing member surveys. assist with the development LACERA's communications plan and implementation strategy. This work began in FY 2024-25 and is anticipated to continue through FY 2025-26.

Overtime Needs

Overtime funds are provided for the support staff within the Executive Office. Total hours are not changing from prior years.

Interns

The Executive Office does not anticipate the use of interns in FY 2025-26.

Rehired Retirees

The Executive Office does not anticipate any use of rehired retirees in FY 2025-26.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

The Executive Office does not have any removal of one-time expenditures for FY 2025-26.

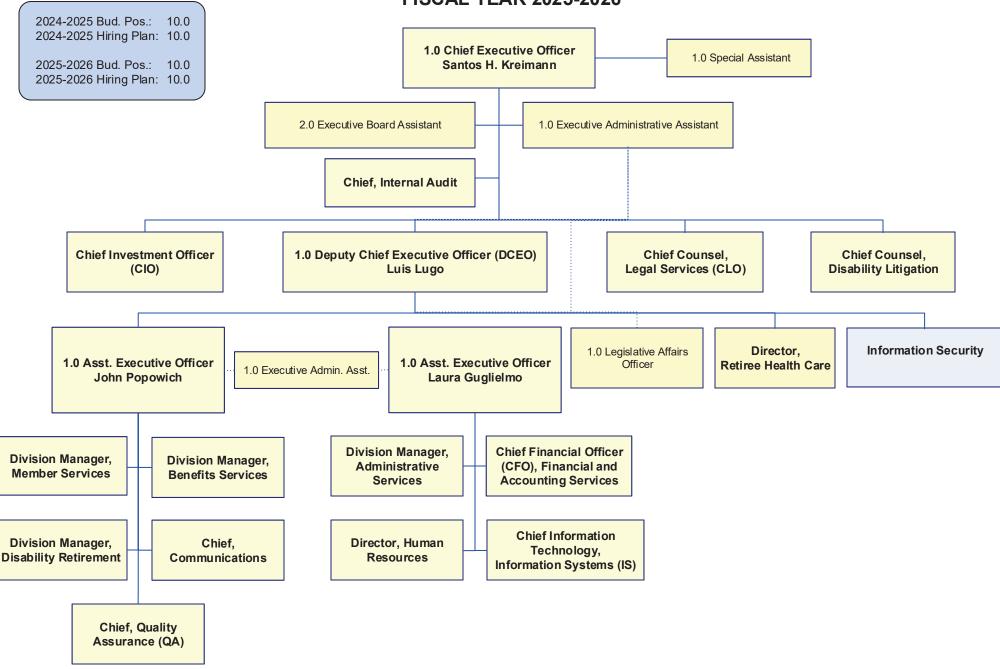
Services and Supplies Adjustments

Professional Services

A one-time increase of \$70,000 is included for the bi-annual Economic Impact Report that helps to communicate and promote the value that LACERA's pension payments have on our local economy

EXECUTIVE OFFICE

FISCAL YEAR 2025-2026



FISCAL YEAR 2025-2026

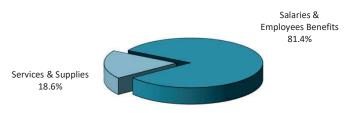
BUDGET SUMMARY

EXECUTIVE OFFICE

	CURRENT YEAR			COMPARISON OF CURRENT YEAR BUDGET		COMPARISON OF PROPOSED BUDGET TO		
		2024-2025		TO PROJ	ECTION	2024-2025	BUDGET	
PROPOSED BUDGET		YTD		OVER/(L	JNDER)			
2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE	
\$3,939,117	\$3,224,904	\$1,796,820	\$3,553,200	\$328,296	10.2%	\$714,212	22.1%	
898,100	814,600	178,392	391,900	(422,700)	-51.9%	83,500	10.3%	
\$4 837 217	\$4 039 504	\$1 975 213	\$3 945 100	(\$94.404)	-2.3%	\$797 712	19 7%	

Salaries & Employees Benefits Services & Supplies OPERATING BUDGET

2025 - 2026 PROPOSED BUDGET



^{*}All amounts rounded to the nearest dollar.

FISCAL YEAR 2025-2026

SALARIES AND EMPLOYEE BENEFITS SUMMARY

EXECUTIVE OFFICE

		CURRENT YEAR		COMPARISON OF CURRENT YEAR BUDGET		COMPARISON OF PROPOSED BUDGET TO		
		2024-2025		TO PROJECTION		2024-2025 BUDGET		
	PROPOSED BUDGET		YTD		OVER/(L			
	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
Total LACERA Salaries	\$2,108,598	\$1,678,887	\$1,043,009	\$1,979,200	\$300,313	17.9%	\$429,711	25.6%
Total Agency Temp Salaries	247,200	161,000	7,788	161,000	0	0.0%	86,200	53.5%
Employee Benefits (Variable)	1,225,822	1,062,942	586,327	1,112,500	49,558	4.7%	162,880	15.3%
Employee Benefits (Other)	154,647	140,837	78,746	138,100	(2,737)	-1.9%	13,810	9.8%
OPEB Contribution	93,649	72,038	37,980	76,000	3,962	5.5%	21,611	30.0%
Stipends	65,000	65,000	19,440	45,000	(20,000)	-30.8%	0	0.0%
Overtime	28,400	28,400	15,731	27,000	(1,400)	-4.9%	0	0.0%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	0	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	1,400	1,400	0	0	(1,400)	-100.0%	0	0.0%
Transportation Allowance	14,400	14,400	7,800	14,400	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$3,939,117	\$3,224,904	\$1,796,820	\$3,553,200	\$328,296	10.2%	\$714,212	22.1%
Salary Differential	-	-	-				-	
TOTAL S&EB	\$3,939,117	\$3,224,904	\$1,796,820	\$3,553,200	\$328,296	10.2%	\$714,212	22.1%

^{*}All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/25, with the exception of Agency Temp Salaries, which are as of 01/31/25.

FISCAL YEAR 2025-2026

BUDGETED POSITIONS

EXECUTIVE OFFICE

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0776	CHIEF EXECUTIVE OFFICER, LACERA	1	LR20
0770	DEPUTY CHIEF EXECUTIVE OFFICER, LACERA	1	LR18
0792	ASSISTANT EXECUTIVE OFFICER, LACERA (UC)	2	LS16
0795	LEGISLATIVE AFFAIRS OFFICER, LACERA	1	117K
0475	EXECUTIVE BOARD ASSISTANT, LACERA	2	109G
0442	EXECUTIVE ADMINISTRATIVE ASSISTANT, LACERA	2	106D
	Total Filled Positions =	9	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0775	SPECIAL ASSISTANT, LACERA	1	LS12
	Total Vacant Positions =	1	
	TOTAL POSITIONS =	10	

Non-Represented positions shown in black. Represented positions shown in blue. Salary schedule as of 01/01/2025.

FISCAL YEAR 2025-2026

SERVICES & SUPPLIES ACCOUNT SUMMARY

EXECUTIVE OFFICE

		CURRENT YEAR 2024-2025			COMPARI CURRENT YE TO PROJ	AR BUDGET	COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET	
	PROPOSED BUDGET	YTD		OVER/(L	JNDER)			
ACCOUNT CLASSIFICATION	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
AUTO EXPENSE	\$10,500	\$10,500	\$5,182	\$9,900	(\$600)	-5.7%	\$0	0.0%
TRANSPORTATION & TRAVEL	68,100	68,100	3,817	38,000	(30,100)	-44.2%	0	0.0%
OFFICE SUPPLIES & EQUIPMENT	3,000	3,000	1,814	3,000	0	0.0%	0	0.0%
PROFESSIONAL & SPEC. SRVCS.	705,000	635,000	149,739	290,000	(345,000)	-54.3%	70,000	11.0%
EDUCATIONAL EXPENSES	83,000	83,000	13,233	37,000	(46,000)	-55.4%	0	0.0%
MISCELLANEOUS	28,500	15,000	4,608	14,000	(1,000)	-6.7%	13,500	90.0%
TOTAL	\$898,100	\$814,600	\$178,392	\$391,900	(\$422,700)	-51.9%	\$83,500	10.3%

^{*}All amounts rounded to the nearest dollar.

EXECUTIVE OFFICE

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

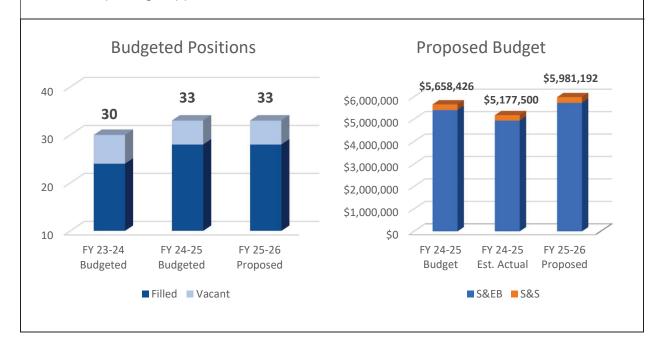
	FYE 2024 FYE		FYE 2	025	Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$2,211,154	\$1,966,913	\$1,678,887	\$1,979,200	\$2,108,598
Total Agency Temp Salaries	645,200	1,011,813	161,000	161,000	247,200
Employee Benefits (Variable)	1,418,875	1,100,174	1,062,942	1,112,500	1,225,822
Employee Benefits (Other)	142,186	152,428	140,837	138,100	154,647
OPEB Contribution	78,799	82,200	72,038	76,000	93,649
OPEB Contribution (Budget Surplus)	0	78,799	0	0	0
Stipends	65,000	40,852	65,000	45,000	65,000
Overtime	27,600	32,129	28,400	27,000	28,400
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	0	0	0	0	0
Rideshare Allowance	1,400	0	1,400	0	1,400
Transportation Allowance	14,400	14,400	14,400	14,400	14,400
SERVICES & SUPPLIES					
Auto Expenses	13,000	5,645	10,500	9,900	10,500
Transportation & Travel	49,800	15,811	68,100	38,000	68,100
Office Supplies & Equipment	3,000	5,873	3,000	3,000	3,000
Professional & Specialized Services	517,000	198,777	635,000	290,000	705,000
Educational Expenses	78,500	50,184	83,000	37,000	83,000
Miscellaneous	10,500	11,410	15,000	14,000	28,500
TOTAL OPERATING BUDGET	\$5,276,414	\$4,767,410	\$4,039,504	\$3,945,100	\$4,837,217

^{*}All amounts rounded to the nearest dollar.



FINANCIAL & ACCOUNTING SERVICES (FASD)

The Financial and Accounting Services Division (FASD) is responsible for conducting LACERA's organizational and investment financial transactions, financial reporting, and coordinating actuarial consulting and reporting in compliance with regulatory and statutory mandates. FASD's guardianship of LACERA's assets and timely, accurate financial reporting supports LACERA's mission, vision, and values.



Summary of Significant Changes

<u>Description</u>	Position Changes	Amount
Upgrade one Accountant I position to Accountant II		\$4,695
Agency Temp		\$44,000
Educational Materials		\$4,000

STATUS OF FY 2024-25 PROJECTS AND INITIATIVES

FASD provides accounting and financial services to LACERA through our General ("organizational") Accounting and Investment Accounting sections. Our significant objectives are to complete financial transactions, prepare annual financial statements, and deliver financial and actuarial reports in accordance with statutory deadlines. We also conduct and participate with other divisions in completing strategic initiatives and special projects. The following is a status of non-routine projects that have been completed or are in-progress and expected to be completed during FY 2024-25:

- External Financial Statement Audit Services RFP: Internal Audit partnered with FASD on a Request for Proposal (RFP) for LACERA's external financial statement auditor relationship. Due to an expiring contract, staff will issue the request and conduct a proposal review and selection process, which is scheduled to be completed by end of the fiscal year.
- Financial Statement Audit Readiness Assessment: In conjunction with renewing our existing relationship or obtaining a new external financial statement auditor, LACERA will undergo a "pre-audit" assessment in the months prior to the fiscal year-end financial audit. This review ensures that LACERA's internal controls for financial reporting are current and documented, and that the evaluation supplements the traditional financial statement audit process.
- Corporate Credit Card (CCC) Policy: Based on an audit recommendation issued by Internal Audit, FASD updated the CCC Policy and obtained approval from LACERA's internal policy committee. In addition, FASD reviewed CCC Policyrelated forms and procedures and provided training to internal staff.
- **Staff Travel Policy:** Based on an audit recommendation issued by an external consultant, FASD updated the Staff Travel Policy and obtained approval from LACERA's internal policy committee. In addition, FASD updated Policy-related travel authorization forms, procedures, and provided training to internal staff.
- Automated Travel and Expense Software Implementation: FASD partnered
 with the Systems division to implement the Certify Travel and Expense automated
 software tool to request travel approvals and submit reimbursement claims online.
 FASD updated processes to provide a paperless workflow, electronic approvals,
 and direct deposit payments for staff and trustee expenses.
- Actuarial Funding Policy and Interest Crediting Policy: Based on Strategic Plan Objective 5.2, which states that LACERA will implement and support the Investments Office in achieving the BOI's Strategic Plan goals, LACERA staff created a cross-functional team, including external consultants, to develop a revised Actuarial Funding Policy and a separate Interest Crediting Policy. The Board of Investments adopted the two new policies at their October 2024 meeting. FASD will implement the Interest Crediting Policy for the December 2024 and June 2025 interest crediting cycles.

State Street Bank Cash Manager to eCash Flow Module Migration: State
Street Bank, FASD, and the Investment Office have made significant progress on
converting all approval matrices and wire transfer templates to a new State Street
online platform. This project is expected to be completed during the second half of
2025.

The following is a status of routine annual projects that have been completed or are inprogress and anticipated to be completed during FY 2024-25:

Routine Annual Projects (required by law or accounting standards)	Completed/ Anticipated
2024 Annual Audit and Financial Statements	October 2024
2024 Financial Reports Annual Comprehensive Financial Report (ACFR) Popular Annual Financial Report (PAFR	December 2024
2024 Pension Valuation Report	February 2025
2024 GASB 68 Pension, Employer Financial Statement Reporting	March 2025
2024 OPEB Trust, Employer Statement of Fiduciary Net Position	March 2025
2024 GASB 75 OPEB, Employer Financial Statement Reporting	March 2025
2024 OPEB Valuation Report	April 2025
2025 Employer and Employee Contribution Rate Implementation	May 2025
2025 Pension Risk Assessment Report	June 2025
2024 Regulatory Reports, federal and state	Quarterly and Calendar Year-End

FY 2025-26 STRATEGIC GOALS AND OBJECTIVES

Project Goals and Objectives

In addition to FASD's required annual projects referenced above, the non-routine projects listed below align with LACERA's Strategic Priority 5: Fiscal Durability, to exercise care and prudence in managing our resources and fund assets.

Objective 5.1 states that LACERA will develop organizational tools to support enterprise-wide fiscal responsibility. FASD, as part of a cross-functional team, has begun working on designing and developing financial training for staff, supervisors and managers.

A summary of non-routine projects is outlined below:

Non-Routine Projects	Anticipated
Member Prepaid Debit Card Program	Fall 2025
Enterprise Resource Planning (ERP) Tool, Preliminary Assessment	TBD

Training Goals and Objectives

Budgeted funds allocated to staff training and development align with LACERA's Strategic Priority 3: Investing in People, to recruit, motivate, hire, and retain a highly engaged and skilled workforce. LACERA is committed to providing staff with training to meet the requirements for those with certifications and to enhance the skills and knowledge of staff.

FASD managers and supervisors continuously evaluate and define staff training needs. Currently, 27 percent of FASD staff members hold a Certified Public Accountant (CPA) license. CPAs must attend qualifying training courses to meet the California State Board of Accountancy continuing professional education (CPE) reporting requirements of 20 to 40 hours every year.

All other staff are encouraged to obtain accounting-related training annually to keep current with changes in the accounting profession. Staff may attend relevant courses that cover topics such as: pension funding financial reporting, Governmental Accounting Standards Board (GASB) pronouncements, government accounting, other financial accounting courses, or ethics and fraud topics. In addition, FASD recommends new and recently promoted staff members to attend important classes such as supervisory training.

LACERA offers a variety of training and collaboration resources, including webinars and online workshops; one or multi-day in-person local conferences; memberships to local and national professional associations; and some educational and networking conferences that require travel outside of the Los Angeles area.

FASD leverages training and registration funding provided for represented staff via the negotiated Memorandum of Understanding (MOU). We are maintaining a budget of \$7,000 for training and registration, which includes funding for a CPA review course (including course materials) for any staff member who is studying for the CPA exam.

In addition, FASD is requesting \$29,000 for travel-related expenses (airfare, hotel, per diem, and ground transportation) so staff can attend offsite conferences and networking events throughout the country, the same amount as FY 2024-25.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2025, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2025-26.

Position Adjustment

We are requesting to upgrade one existing position from Accountant I to Accountant II within our Disbursements Unit.

The FASD classification study created an intermediary "Lead" Accountant II position, which is an intermediary position between the Accountant I (staff level) and Senior Accountant (supervisory) positions. This upgraded position will allow FASD to reorganize the Disbursements Unit and establish a new structure with two Lead Accountants assisting the Senior Accountant in reviewing and managing the workflow currently submitted by five Accountant I staff members. The Lead Accountants will be charged with owning business processes to help reduce the workload volume and risk of errors and will allow for higher quality supervision and workflow guidance. An additional Accountant II position also provides another step in a career path for staff.

Expertise

Traditionally, the Disbursements Unit has experienced a high workload volume, wide scope of work, and routinely conducts processes that are legally required and significant to the organization (e.g., payroll tax withholding submissions, quarterly and annual tax return filings, contribution collection and recording, member payroll monitoring, and organizational payment processing). The Disbursements Unit is responsible for managing thirteen unique work processes, leveraging multiple information technology systems to complete its work, twelve of which require subject-matter expertise. In some instances, cross-training within the Unit needs to be enhanced for back-up purposes and to reduce the risk of relying on individual specialists.

Volume and Scope

For a monthly sample of non-member payments, the Disbursements Unit's six staff and one supervisor processed 481 payables, which is 79 percent of the organization's total volume and approximately 5,700 transactions for the year. The Senior Accountant spends approximately 51 hours per month or 30 percent of their time on accounts payable-related transactions, including vendor setup, automated clearing house (ACH) account creation, payment batch releases, and reviewing/posting staff and trustee reimbursement transactions. This workload represented an increase from the prior incumbent performing

similar functions when it represented about 24 hours per month or 12.5 percent of their time.

The Disbursements Unit plays a large part in journalizing entries and reconciling general ledger (GL) accounts during each month-end close, accounting for approximately 1,300 (67 percent) of non-accounts-payable line items per month. Other GL functions include recognizing accrued expenses during the fiscal year-end close, journalizing and reconciling LACERA's five Trust Funds held at the County, accounting for LACERA's employee payroll expenses, and performing cash projections.

The Disbursements Unit's responsibilities include billing, collecting, and journalizing accounts receivable-related transactions for payments made by members, Los Angeles County, Superior Court, and four outside districts. Several key policies the Disbursements Unit is responsible for include Accounts Payable, Corporate Credit Card, and Staff Travel, including drafting and updating policy language, creating forms and procedures, training, and conducting policy compliance efforts. The Disbursements Unit also prepares several quarterly reports for other divisions' use and detailed monthly and quarterly travel reports for the Boards' agendas.

Looking Ahead

Two Lead Accountants within the Disbursements Unit will create a split structure that allows for future expansion to accommodate additional staffing, provides better workflow distribution and supervision of the team, and helps FASD serve our membership and internal divisions.

Temporary Staffing

FASD currently has six vacant staff positions including five Accountants and one Senior Administrative Assistant. We rely on temporary staffing to complete our objectives. For FY 2025-26, five temporary positions are included, which represents a reduction of one position from the prior year. Even though the number of positions budgeted is less than the prior year, the amount increased by \$44,000 due to increases in temporary salary costs. Below is a list of temporary positions requested:

- Two at the Accountant I level in the General Accounting Section
- Two at the Accountant I level in the Investment Accounting Section
- One Senior Administrative Assistant

Human Resources is in the process of implementing civil service exams for the Investment Accounting and Administrative positions. Timeframes may be extended due to unforeseen circumstances. Once positions are permanently filled, we expect to reduce the use of temporary staff further, while maintaining some flexibility to account for unanticipated staff attrition.

Overtime Needs

Budgeted overtime hours were reduced by 13 percent compared to the prior year due to improved staffing levels and operational efficiencies. The overtime budget request for this year of \$62,300 reflects a decrease of only \$500 due to higher salary and employee benefit costs.

Overtime is used every year to manage the additional workload related to the annual financial statement preparation and external audit process, which is the basis for preparing LACERA's Annual Comprehensive Financial Report (ACFR) and Popular Annual Financial Report (PAFR). In addition, staff incur overtime when preparing memos and materials to meet Board deadlines for presenting statutorily required actuarial and financial reports. The overtime budget also allows for additional workload due to unforeseen special projects.

Interns

FASD does not anticipate any use of interns in FY 2025-26.

Rehired Retirees

FASD does not anticipate any use of rehired retirees in FY 2025-26.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

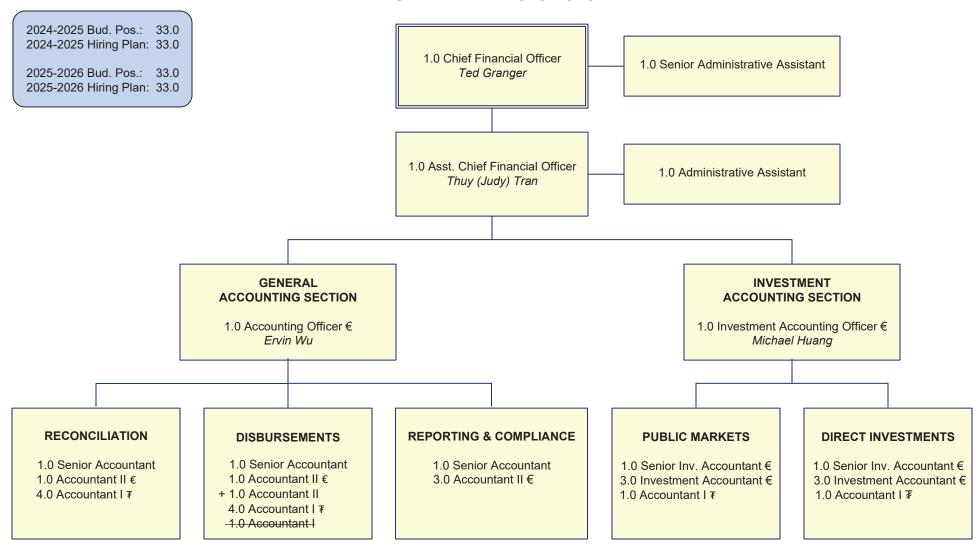
FASD does not have any removal of one-time expenditures for FY 2025-26.

Services and Supplies Adjustments

For FY 2025-26, we increased expenditures for Educational Materials. Annual continuing professional education subscriptions are purchased for staff to attend unlimited training events during the year. In prior years, we charged these expenses to Registration Fees and now are including them in Educational Materials.

FINANCIAL AND ACCOUNTING SERVICES DIVISION

FISCAL YEAR 2025-2026



- + Added position
- Deleted position
- * Classification study for all Accounting positions finalized and approved by LACERA Board of Retirement on December 7, 2022, Board of Investments on December 14, 2022, and Board of Supervisors' on April 9, 2024.
- € Position reclassified per result of classification study
- ₹ Title changed

FISCAL YEAR 2025-2026

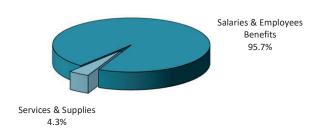
BUDGET SUMMARY

FINANCIAL AND ACCOUNTING SERVICES

	С	URRENT YEAR		COMPARI CURRENT YE		COMPARISON OF PROPOSED BUDGET TO		
		2024-2025		TO PROJ	ECTION	2024-2025	BUDGET	
PROPOSED BUDGET		YTD		OVER/(L	JNDER)			
2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE	
\$5,724,192	\$5,405,426	\$2,595,006	\$4,934,900	(\$470,526)	-8.7%	\$318,766	5.9%	
257,000	253,000	125,798	242,600	(10,400)	-4.1%	4,000	1.6%	
\$5 981 192	\$5,658,426	\$2 720 804	\$5 177 500	(\$480,926)	-8 5%	\$322 766	5.7%	

Salaries & Employees Benefits Services & Supplies OPERATING BUDGET

2025 -2026 PROPOSED BUDGET



^{*}All amounts rounded to the nearest dollar.

FISCAL YEAR 2025-2026

SALARIES AND EMPLOYEE BENEFITS SUMMARY

FINANCIAL AND ACCOUNTING SERVICES

COMPARISON OF

COMPARISON OF

		CURRENT YEAR			COMPARISON OF CURRENT YEAR BUDGET		PROPOSED I	I
		2024-2025			TO PROJECTION		2024-2025 BUDGET	
	PROPOSED BUDGET		YTD		OVER/(UNDER)			
	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
Total LACERA Salaries	\$3,166,408	\$3,017,068	\$1,364,960	\$2,690,100	(\$326,968)	-10.8%	\$149,340	4.9%
Total Agency Temp Salaries	526,500	482,500	307,977	482,500	0	0.0%	44,000	9.1%
Employee Benefits (Variable)	1,621,678	1,527,291	735,537	1,395,700	(131,591)	-8.6%	94,387	6.2%
Employee Benefits (Other)	187,177	179,562	82,807	176,000	(3,562)	-2.0%	7,615	4.2%
OPEB Contribution	140,628	116,704	61,529	123,100	6,396	5.5%	23,924	20.5%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	62,300	62,800	34,748	60,000	(2,800)	-4.5%	(500)	-0.8%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	12,000	12,000	7,447	7,500	(4,500)	-37.5%	0	0.0%
Rideshare Allowance	7,500	7,500	0	0	(7,500)	-100.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$5,724,192	\$5,405,426	\$2,595,006	\$4,934,900	(\$470,526)	-8.7%	\$318,766	5.9%
Salary Differential	-					-	_	
TOTAL S&EB	\$5,724,192	\$5,405,426	\$2,595,006	\$4,934,900	(\$470,526)	-8.7%	\$318,766	5.9%

^{*}All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/25, with the exception of Agency Temp Salaries, which are as of 01/31/25.

FISCAL YEAR 2025-2026

BUDGETED POSITIONS

FINANCIAL AND ACCOUNTING SERVICES

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0800	CHIEF FINANCIAL OFFICER, LACERA	1	LS12
0799	ASSISTANT CHIEF FINANCIAL OFFICER, LACERA	1	LS10
0474	INVESTMENT ACCOUNTING OFFICER, LACERA	1	117C
0470	ACCOUNTING OFFICER, LACERA	1	114B
0477	SENIOR INVESTMENT ACCOUNTANT, LACERA	2	108K
0416	SENIOR ACCOUNTANT, LACERA	3	101L
0476	INVESTMENT ACCOUNTANT, LACERA	6	101K
0415	ACCOUNTANT I, LACERA	11	097J
0438	ADMINISTRATIVE ASSISTANT, LACERA	1	088L
	Total Filled Positions =	27	
	VACANT POSITIONS		
Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0439	SENIOR ADMINISTRATIVE ASSISTANT, LACERA	1	095C
0473	ACCOUNTANT II, LACERA	1	099D
0415	ACCOUNTANT I, LACERA	4	097J
	Total Vacant Positions =	6	
	TOTAL POSITIONS =	33]

Non-Represented positions shown in black. Represented positions shown in blue. Salary schedule as of 01/01/2025.

FISCAL YEAR 2025-2026

SERVICES & SUPPLIES ACCOUNT SUMMARY

FINANCIAL AND ACCOUNTING SERVICES

CURRENT YEAR

COMPARISON OF

COMPARISON OF

					CURRENT YE	AR BUDGET	PROPOSED BUDGET TO	
		2024-2025			TO PROJ	IECTION	2024-2025 BUDGET	
	PROPOSED BUDGET		YTD		OVER/(l	JNDER)		
ACCOUNT CLASSIFICATION	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	\$29,000	\$29,000	\$5,879	\$23,000	(\$6,000)	-20.7%	\$0	0.0%
OFFICE SUPPLIES & EQUIPMENT	6,000	6,000	418	2,000	(4,000)	-66.7%	0	0.0%
BANK SERVICES	200,000	200,000	109,450	200,000	0	0.0%	0	0.0%
EDUCATIONAL EXPENSES	20,000	16,000	9,424	15,800	(200)	-1.3%	4,000	25.0%
MISCELLANEOUS	2,000	2,000	626	1,800	(200)	-10.0%	0	0.0%
TOTAL	\$257,000	\$253,000	\$125,798	\$242,600	(\$10,400)	-4.1%	\$4,000	1.6%

^{*}All amounts rounded to the nearest dollar.

FINANCIAL AND ACCOUNTING SERVICES

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

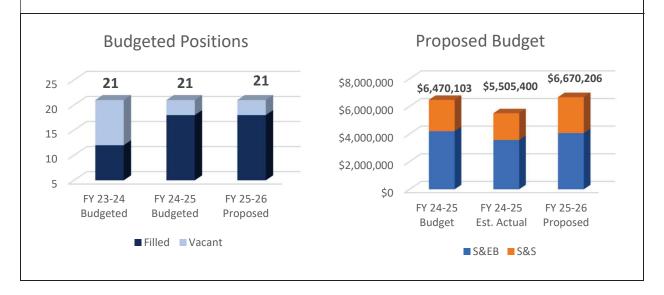
	FYE 20)24	FYE 2	025	Proposed
	Budget	Actual	Budget	Projection	Budget
OALABIES & EMBLOYEE BENEFITS					
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$2,752,536	\$2,464,762	\$3,017,068	\$2,690,100	\$3,166,408
Total Agency Temp Salaries	776,700	544,167	482,500	482,500	526,500
Employee Benefits (Variable)	1,547,804	1,289,612	1,527,291	1,395,700	1,621,678
Employee Benefits (Other)	176,424	156,873	179,562	176,000	187,177
OPEB Contribution	97,774	101,994	116,704	123,100	140,628
OPEB Contribution (Budget Surplus)	0	97,774	0	0	0
Stipends	0	0	0	0	0
Overtime	64,700	52,129	62,800	60,000	62,300
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	12,000	7,455	12,000	7,500	12,000
Rideshare Allowance	7,500	0	7,500	0	7,500
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Transportation & Travel	29,300	12,877	29,000	23,000	29,000
Office Supplies & Equipment	6,000	598	6,000	2,000	6,000
Bank Services	200,000	194,435	200,000	200,000	200,000
Educational Expenses	16,000	15,259	16,000	15,800	20,000
Miscellaneous	2,000	1,676	2,000	1,800	2,000
TOTAL OPERATING BUDGET	\$5,688,738	\$4,939,611	\$5,658,426	\$5,177,500	\$5,981,192

^{*}All amounts rounded to the nearest dollar.



HUMAN RESOURCES

The Human Resources (HR) Division is responsible for providing impactful human resource programs and services to all LACERA employees, supervisors, and managers consistent with LACERA's values of accountability, collaboration, inclusivity, innovation, integrity, and transparency. Our work includes recruitment, selection, performance and workforce management, classification, compensation, employee and organizational development, employee payroll and benefits, employee relations, labor negotiations, workplace investigations, workers' compensation, career planning and development, leave management, and disability compliance management.



Summary of Significant Changes

<u>Description</u>	Position Changes	<u>Amount</u>
Agency Temporary		(\$22,500)
LACERA Intern Program		\$24,000
Gateway Plaza (Parking)		\$45,000
Human Resources Consulting		\$250,000
Registration Fees		\$13,000
LACERA Summit/Forum		\$16,500
Miscellaneous		\$2,400
		·

STATUS OF FY 2024-25 PROJECTS AND INITIATIVES

Since January 2024, seven (7) new HR staff members have joined LACERA on the Impact Team, the Employee and Organizational Development team, and the Talent Acquisition and Management team. These hires support HR's work to attract, motivate, hire, and retain a highly engaged and skilled workforce. The new HR staff members have already contributed to completing various policies, administering training, implementing technology, and executing LACERA's hiring plan.

As part of Strategic Priority Goal 3 Investing in People, HR continues to work toward decreasing the vacancy rate. The immediate goal is to reduce the vacancy rate to 15 percent and, by executing the strategic plan, achieve a vacancy rate of 5 to 8 percent. The current vacancy rate is 19 percent, and attrition rate has remained relatively stable at 3 percent per year. In support of this strategic goal from July 1, 2024, to February 28, 2025, HR promulgated 19 eligible lists/registers and processed 36 hiring actions—14 promotions and 22 new hires. It is anticipated that HR will process approximately 60 hiring actions this year. By executing the hiring plan, HR directly supports all divisions in decreasing their individual vacancy rates. Additionally, the hiring and promotion of staff members encourage growth and retention.

HR furthered the use of NeoGov by expanding the performance evaluation module, implementing a new module for recruiting, and implementing a training module. These modules impact the recruiting and hiring processes by providing an improved applicant experience, serving as an organization-wide learning management system, and expanding the digitization and automation of performance evaluations for represented staff members. The expanded use of NeoGov supports various objective milestones in the Strategic Objective 3.3 workplan.

This year, HR continued to collaborate with the County of Los Angeles Human Resources team to process the creation of new classifications, update classifications, and make changes to the LACERA Ordinance. This work impacted fifteen classifications.

FY 2025-26 STRATEGIC GOALS AND OBJECTIVES

There will continue to be a sustained effort to decrease the organization's vacancy rate. HR work that started in FYE 2025 and will continue through FY 2025-26 includes the completion and implementation of the Investments and Retiree Healthcare job classification studies. Organizational and classification studies for the Systems Division and Quality Assurance Division are planned in FYE 2026. HR will seek a consultant to revise the Retirement Benefits Specialist I examination to hire the 2026 Core Benefits Training Class.

In addition to continued work related to Objective 3.3, during FY 2025-26, HR will begin to execute the workplan associated with Objective 3.2, related to training and development programs. Work has begun on new programs and initiatives to encourage

employee growth and development. As LACERA grows into a \$100 billion fund, staff members must also grow. Employee growth is supported by mentoring; the Leadership Pipeline; Inclusion, Diversity, Equity, and Accessibility (IDEA); management coaching; supervisory and management educational tracks; and an improved performance evaluation mechanism. To measure and monitor engagement, HR plans to research and prepare to launch a full employee engagement survey and smaller engagement touchpoints throughout the year.

HR led the negotiation of a one-year contract with Service Employees International Union (SEIU) in 2024. From July through December 2025, LACERA will be engaged in the collective bargaining process with SEIU to negotiate successor agreements for bargaining units 850 and 851. This is a major undertaking that directly impacts approximately half of LACERA's staff members. As always, the goal is to agree on a clear and fair contract.

Administrative Services Division will transition the Rideshare program to HR in July 2025. The Rideshare program provides transportation benefits to staff members and reports on commuting patterns. In September 2025, LACERA will host its Employee Summit (formerly Forum), an all-staff event, for the first time in five years. The planning began in January and the committee is excited to engage with staff members.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2025, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2025-26.

Adjustments to Permanent Staffing

There is no adjustment to permanent staffing.

Temporary Staffing

Human Resources typically maintains an emergency staffing fund for one Sr. HR Assistant for six months. Given the increased staffing, HR is in a better position to cover staff work in case of an emergency. Therefore, HR is reducing funding for temporary staff for one Sr. HR Assistant to three months. The cost of temporary funding will decrease from \$50,500 to \$28,000.

Overtime Needs

HR requests overtime funds for overtime-earning staff members. These funds are in anticipation of completing time-sensitive functions related to payroll, assignment processing, onboarding, and tight deadlines for high-priority recruitments.

Interns

Human Resources Division is requesting one Intern to work in the Employee and Organizational Development Unit. The Intern will work on completing remaining work on organization-wide career paths and support Objective 3.2 programs.

The HR budget includes the overall Intern budget. The Intern program provides students with paid, hands-on experience that increases their professional preparedness. It is part of LACERA's IDEA, TIDE, and succession planning programs—all parts of the "Investing in People" strategic priority. LACERA is requesting 15 Interns for use throughout the organization to work in Administrative Services, Human Resources, Information Security Office, Investment Office, Legal Services, Member Services, Quality Assurance, Systems Division, and Retiree Healthcare.

Rehired Retirees

HR does not anticipate any use of retired rehires in FY 2025-26.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

HR does not have any removal of one-time expenditures for FY 2025-26.

Services and Supplies Adjustments

Gateway Plaza Parking

The monthly cost of parking has increased to approximately \$46,500 per month. Therefore, the budget is anticipated to increase from \$515,000 to \$560,000 per year, which is a \$45,000 increase.

Human Resources Consulting

During FY 2026, LACERA will conduct an organizational study for Quality Assurance and for Systems. Additionally, HR will contract with a consultant to create a new RBS I exam. The budget retains the costs for negotiations included in the prior year's budget for the upcoming fiscal year's budget. In total, the Human Resources Consulting budget is anticipated to increase from \$250,000 to \$500,000. This is a \$250,000 increase.

Registration Fees

The budget reflects a proposed increase for HR staff members to attend professional development. New staff members will continue to attend public-sector focused training, and existing staff members will focus on skill expansion. The proposed increase is anticipated as training and conference prices rise. The budget is anticipated to increase from \$37,000 to \$50,000 during this transition period. This is a \$13,000 increase.

Rideshare

Administrative Services Division will transfer the Rideshare Program to Human Resources in July 2025. The \$2,000 program cost will be added to the HR budget.

Employee Summit (Forum)

Planning has begun to resume the annual Employee Summit. In addition to the budgeted costs for the event speaker, budgeted funds are required to secure a venue and associated costs. This is a \$16,500 increase.

Miscellaneous

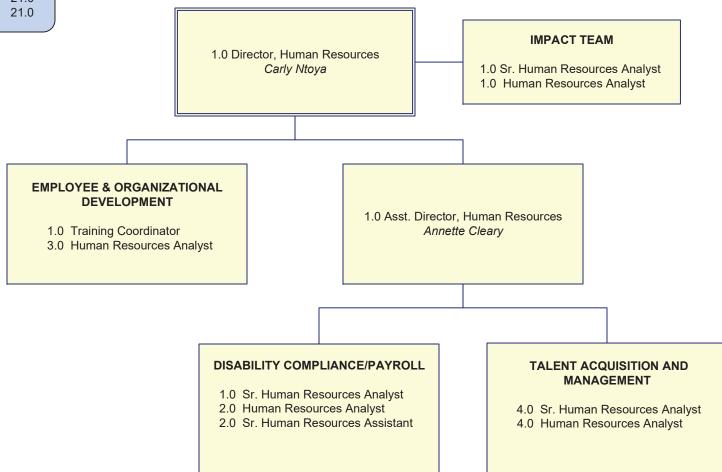
As LACERA transitions from a one-day orientation to a 12-month onboarding program, \$2,400 has been added to the budget to provide food and beverages for new hires on their first day. This changes the Miscellaneous budget request from \$1,500 to \$3,900.

HUMAN RESOURCES

FISCAL YEAR 2025-2026

2024-2025 Bud. Pos.: 21.0 2024-2025 Hiring Plan: 21.0

2025-2026 Bud. Pos.: 21.0 2025-2026 Hiring Plan: 21.0



FISCAL YEAR 2025-2026

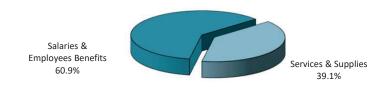
BUDGET SUMMARY

HUMAN RESOURCES

	С	URRENT YEAR		COMPARI CURRENT YE		COMPARISON OF PROPOSED BUDGET TO		
		2024-2025		TO PROJ	ECTION	2024-2025	BUDGET	
PROPOSED BUDGET		YTD		OVER/(L	JNDER)			
2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE	
\$4,064,506	\$4,206,103	\$1,768,603	\$3,563,400	(\$642,703)	-15.3%	(\$141,597)	-3.4%	
2,605,700	2,264,000	971,323	1,942,000	(322,000)	-14.2%	341,700	15.1%	
\$6 670 206	\$6,470,103	\$2 739 926	\$5,505,400	(\$964.703)	-14 9%	\$200 103	3 1%	

Salaries & Employees Benefits Services & Supplies OPERATING BUDGET

2025 - 2026 PROPOSED BUDGET



^{*}All amounts rounded to the nearest dollar.

FISCAL YEAR 2025-2026

SALARIES AND EMPLOYEE BENEFITS SUMMARY

HUMAN RESOURCES

		(CURRENT YEAR		COMPARISON OF CURRENT YEAR BUDGET		COMPARISON OF PROPOSED BUDGET TO	
			2024-2025			ECTION	2024-2025 BUDGET	
	PROPOSED BUDGET		YTD		OVER/(U	JNDER)		
	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
Total LACERA Salaries	\$2,190,582	\$2,267,708	\$902,909	\$1,841,600	(\$426,108)	-18.8%	(\$77,126)	-3.4%
Total Agency Temp Salaries	28,000	50,500	5,241	5,300	(45,200)	-89.5%	(22,500)	-44.6%
LACERA Intern Program	360,000	336,000	175,388	312,000	(24,000)	-7.1%	24,000	7.1%
Employee Benefits (Variable)	1,250,742	1,315,694	572,166	1,169,200	(146,494)	-11.1%	(64,952)	-4.9%
Employee Benefits (Other)	129,493	138,187	63,495	135,500	(2,687)	-1.9%	(8,694)	-6.3%
OPEB Contribution	97,290	89,813	47,351	94,800	4,987	5.6%	7,477	8.3%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	6,700	6,500	2,052	5,000	(1,500)	-23.1%	200	3.1%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	0	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	1,700	1,700	0	0	(1,700)	-100.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$4,064,506	\$4,206,103	\$1,768,603	\$3,563,400	(\$642,703)	-15.3%	(\$141,597)	-3.4%
Salary Differential	-		_			_	_	_
TOTAL S&EB	\$4,064,506	\$4,206,103	\$1,768,603	\$3,563,400	(\$642,703)	-15.3%	(\$141,597)	-3.4%

^{*}All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/25, with the exception of Agency Temp Salaries, which are as of 01/31/25.

FISCAL YEAR 2025-2026

BUDGETED POSITIONS

HUMAN RESOURCES

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0425	DIRECTOR, HUMAN RESOURCES, LACERA	1	LS12
0437	ASSISTANT DIRECTOR, HUMAN RESOURCES, LACERA	1	LS10
0436	SENIOR HUMAN RESOURCES ANALYST, LACERA	5	107G
1886	TRAINING COORDINATOR, LACERA	1	107F
0434	HUMAN RESOURCES ANALYST, LACERA	8	103G
0435	SENIOR HUMAN RESOURCES ASSISTANT, LACERA	2	096J
	Total Filled Positions =	18	
	VACANT POSITIONS		

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0436	SENIOR HUMAN RESOURCES ANALYST, LACERA	1	107G
0434	HUMAN RESOURCES ANALYST, LACERA	2	103G
	Total Vacant Positions =	3	
	TOTAL POSITIONS =	21]

Non-Represented positions shown in black. Represented positions shown in blue. Salary schedule as of 01/01/2025.

FISCAL YEAR 2025-2026

SERVICES & SUPPLIES ACCOUNT SUMMARY

HUMAN RESOURCES

		CURRENT YEAR			COMPARISON OF CURRENT YEAR BUDGET		COMPARISON OF PROPOSED BUDGET TO	
			2024-2025		TO PROJ	IECTION	2024-2025 BUDGET	
	PROPOSED BUDGET		YTD		OVER/(UNDER)			
ACCOUNT CLASSIFICATION	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	\$18,200	\$16,200	\$12,899	\$16,200	\$0	0.0%	\$2,000	12.3%
OFFICE SUPPLIES & EQUIPMENT	3,000	3,000	1,707	3,000	0	0.0%	0	0.0%
PARKING FEES	561,000	517,000	318,470	522,000	5,000	1.0%	44,000	8.5%
PROFESSIONAL & SPEC. SRVCS.	837,100	577,300	267,501	452,800	(124,500)	-21.6%	259,800	45.0%
COMPUTER SERVICES & SUPPORT	150,000	150,000	30,209	150,000	0	0.0%	0	0.0%
EDUCATIONAL EXPENSES	750,500	719,000	105,912	523,500	(195,500)	-27.2%	31,500	4.4%
MISCELLANEOUS	285,900	281,500	234,626	274,500	(7,000)	-2.5%	4,400	1.6%
TOTAL	\$2,605,700	\$2,264,000	\$971,323	\$1,942,000	(\$322,000)	-14.2%	\$341,700	15.1%

^{*}All amounts rounded to the nearest dollar.

HUMAN RESOURCES

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 20)24	FYE 2	025	Proposed
<u>_</u>	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$2,200,574	\$1,503,581	\$2,267,708	\$1,841,600	\$2,190,582
Total Agency Temp Salaries	139,000	156,870	50,500	5,300	28,000
LACERA Intern Program	288,000	6,016	336,000	312,000	360,000
Employee Benefits (Variable)	1,550,802	914,450	1,315,694	1,169,200	1,250,742
Employee Benefits (Other)	141,046	124,040	138,187	135,500	129,493
OPEB Contribution	78,167	81,542	89,813	94,800	97,290
OPEB Contribution (Budget Surplus)	0	78,167	0	0	0
Stipends	0	0	0	0	0
Overtime	4,700	13,998	6,500	5,000	6,700
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	0	0	0	0	0
Rideshare Allowance	1,700	0	1,700	0	1,700
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Transportation & Travel	10,800	2,894	16,200	16,200	18,200
Office Supplies & Equipment	3,000	4,356	3,000	3,000	3,000
Parking Fees	482,000	534,307	517,000	522,000	561,000
Professional & Specialized Services	788,300	433,007	577,300	452,800	837,100
Computer Services & Support	50,000	106,644	150,000	150,000	150,000
Educational Expenses	509,000	237,225	719,000	523,500	750,500
Miscellaneous	496,500	761,346	281,500	274,500	285,900
TOTAL OPERATING BUDGET	\$6,743,589	\$4,958,443	\$6,470,103	\$5,505,400	\$6,670,206

^{*}All amounts rounded to the nearest dollar.



INFORMATION SECURITY OFFICE

The Information Security Office (ISO) is responsible for enterprise-wide cyber security, ensuring reasonable controls are in place to allow for both efficient and secure business operations in fulfillment of LACERA's mission. The ISO coordinates with the Systems Division but operates independently and is structurally part of the Executive Office to ensure appropriate checks and balances.



Summary of Significant Changes

<u>Description</u>	Position Changes	<u>Amount</u>
 Agency Temp Software Subscriptions (e.g., penetration testing, internet monitoring services, email filtering services, SASE, and IT GRC) 		(\$89,000) \$225,500

The budgeted resources for the ISO were embedded in the Executive Office in FY 2023-24. As part of our commitment to transparency, and to highlight the critical importance of LACERA's cybersecurity program, resources dedicated to the ISO are now independently identified since FY 2024-25.

STATUS OF FY 2024-25 PROJECTS AND INITIATIVES

For this period, the ISO has worked on the following projects and initiatives:

- Establishing the framework of the Information Security Governance Program, with focus on the Written Information Security Program (WISP), formation of the Information Security Committee (ISC), and the Governance, Risk, and Compliance (GRC) solution to support the program. This has been completed.
- Evaluating existing technologies to cover the following:
 - Need for various technologies that were not fully implemented. We have completed our evaluation and are working to full implementation.
 - Elimination of technologies that are deemed not current and redundant. We have completed elimination of all redundant products.
 - Recommendations for replacement technologies. We have completed this process and are working towards replacements.
- Recommending and implementing an E-Discovery Solution to facilitate an easier discovery process that is reliable and provides users access to their archive email.
 A vendor was chosen, and a board presentation was given. We are in the process of implementation and a presentation to the Board on some initial cost over runs.
- Implementing an identity monitoring system. IT and departmental assessments are being planned.
- Upgrading our Security Operations Center (SOC) to ensure actions are taken to protect LACERA and our members. Information Technology Coordinating Council (ITCC) approved this project, the product was selected, and a board presentation was given. The chosen vendor product has been fully implemented.
- Hiring permanent staff to replace the temporary staff in ISO. This is an ongoing effort. All recommendations for permanent hiring have been made, and we are now waiting for the HR process to be completed.

FY 2025-26 STRATEGIC GOALS AND OBJECTIVES

The ISO's projects have been aligned with LACERA's strategic goals and objectives. The following is a list of objectives and the projects and goals to be achieved:

Governance of the Information Security Program

- Implement elements defined in the WISP
- Implement the replacement of current remote-access and monitoring technology to a modern Zero Trust framework
- Conduct a SOC 2 review and identify and remediate any deficiencies
- Implement a more robust supply-chain security mechanism to minimize impacts arising from emerging threats

Superior Member Experience

Objective 1.4: Enhance the Retiree Healthcare Experience. We are in the process of searching for and implementing a tool that provides a secure method for members to log in and, in addition, facilitate authentication for off-grid members.

Innovation Through Technology

Objective 2.1: Implement Enterprise Business-Intelligence. We will complete the implementation of the SOC to ensure security is maintained 24/7 and will begin implementing automated ways to respond to events and incidents. We will also be investigating replacements of any deprecated technologies.

Investing in People

Objective 3.3: Improve and Simplify Hiring (Fill Vacancies). We will be working on hiring permanent employees and providing everyone on the team with the appropriate training and career path within ISO.

Compliance and Enterprise Risk

Objective 4.1: Develop Enterprise Compliance & Ethics Program. We will be working to mature the Information Security Program and to implement the IT GRC solution as part of the GRC program.

Fiscal Durability

Objective 5.1: Develop Organizational Tools and Controls to Support Fiscal Responsibility. We will be helping to mature the Vendor Risk Management Program. In coordination with the Vendor Management Team, we conduct periodic information security reviews on vendors and fourth-party entities that house LACERA's data or are part of our business processes.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2025, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2025-26.

Adjustments to Permanent Staffing

Full-year funding is provided for four positions within the Information Security Office that were partially funded in FY 2024-25, with a corresponding reduction in Agency Temporary salaries. This trend will continue into FY 2025-26.

Temporary Staffing

Full-year Agency Temporary funding is provided for one Information Technology Specialist I position within the Information Security Office.

Overtime Needs

The Information Security Office does not anticipate any overtime for FY 2025-26.

Interns

Funding is included in the Human Resources budget for one intern position to work throughout the year in the Information Security Office. The intern will be working on the knowledge management and implementation of the information security program (IT GRC) projects.

Rehired Retirees

The Information Security Office does anticipate any use of rehired retirees in FY 2025-26.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

The Information Security Office does not have any removal one-time expenditures for FY 2025-26.

Services and Supplies Adjustments

Security Assessment

Funding totaling \$240,000 was provided for the Information Security Office to ensure LACERA's cybersecurity for FY 2024-25; however, because we eliminated redundant technologies in the FY 2024-25 Mid-Year requests, we reduced this amount to \$108,000. We will be maintaining the same amount of \$108,000 for FY 2025-26.

Software Subscriptions

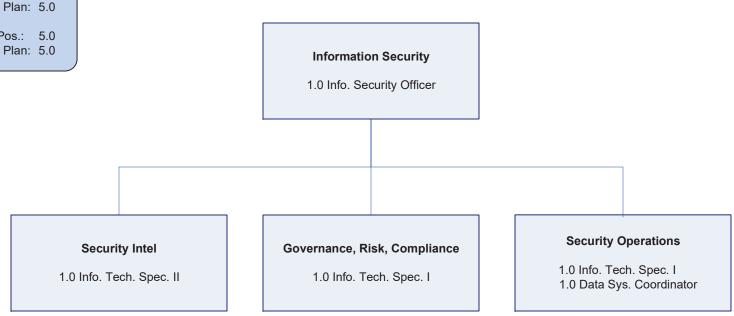
Funding totaling \$415,000 is provided for the Information Security Office to better protect LACERA. This amount includes an increase of \$225,500 for penetration testing, internet monitoring services for the trustees, an email filtering solution to better protect our email communications from bad actors, SASE, and IT GRC platform to get us ready for SOC 2. These expenditures are in support of LACERA's Strategic Priority 4, Compliance and Enterprise Risk: Develop and Implement Enterprise Risk Management Framework.

INFORMATION SECURITY OFFICE

FISCAL YEAR 2025-2026

2024-2025 Bud. Pos.: 5.0 2024-2025 Hiring Plan: 5.0

2025-2026 Bud. Pos.: 5.0 2025-2026 Hiring Plan: 5.0



FISCAL YEAR 2025-2026

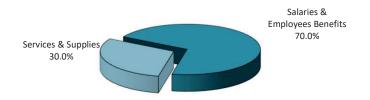
BUDGET SUMMARY

INFORMATION SECURITY OFFICE

COMPARISON OF COMPARISON OF CURRENT YEAR CURRENT YEAR BUDGET PROPOSED BUDGET TO 2024-2025 TO PROJECTION 2024-2025 BUDGET PROPOSED YTD OVER/(UNDER) BUDGET 2025-2026 **BUDGET** (01-31-25)**PROJECTION** BUDGET % CHANGE \$ CHANGE % CHANGE \$1,339,442 \$1,250,129 \$678,252 \$1,227,700 (\$22,429) -1.8% \$89,313 7.1% 574,200 340,700 125,738 269,000 (71,700)-21.0% 233,500 68.5% \$1,913,642 \$1,590,829 \$322,813 \$803,991 \$1,496,700 (\$94,129)-5.9% 20.3%

Salaries & Employees Benefits Services & Supplies OPERATING BUDGET

2025 - 2026 PROPOSED BUDGET



^{*}All amounts rounded to the nearest dollar.

FISCAL YEAR 2025-2026

SALARIES AND EMPLOYEE BENEFITS SUMMARY

INFORMATION SECURITY OFFICE

		CURRENT YEAR 2024-2025			COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET	
	PROPOSED BUDGET		YTD		OVER/(L	JNDER)		
	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
Total LACERA Salaries	\$789,039	\$660,598	\$186,243	\$353,400	(\$307,198)	-46.5%	\$128,441	19.4%
Total Agency Temp Salaries	213,000	302,000	355,348	609,200	307,200	101.7%	(89,000)	-29.5%
Employee Benefits (Variable)	255,716	221,113	104,370	198,000	(23,113)	-10.5%	34,604	15.6%
Employee Benefits (Other)	46,643	40,255	18,497	39,500	(755)	-1.9%	6,388	15.9%
OPEB Contribution	35,044	26,163	13,794	27,600	1,437	5.5%	8,881	33.9%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	0	0	0	0	0	0.0%	0	0.0%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	0	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	0	0	0	0	0	0.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$1,339,442	\$1,250,129	\$678,252	\$1,227,700	(\$22,429)	-1.8%	\$89,313	7.1%
Less Salary Savings & Differential	0	0	-					-
TOTAL S&EB	\$1,339,442	\$1,250,129	\$678,252	\$1,227,700	(\$22,429)	-1.8%	\$89,313	7.1%

^{*}All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/25, with the exception of Agency Temp Salaries, which are as of 01/31/25.

FISCAL YEAR 2025-2026

BUDGETED POSITIONS

INFORMATION SECURITY OFFICE

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0806 0802 0801 0469	INFORMATION SECURITY OFFICER, LACERA INFORMATION TECHNOLOGY SPECIALIST II, LACERA INFORMATION TECHNOLOGY SPECIALIST I, LACERA DATA SYSTEMS COORDINATOR, LACERA Total Filled Positions = VACANT POSITIONS	1 1 2 1	LS12 128D 123B 115L
Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
	Total Vacant Positions =	0	
	TOTAL POSITIONS =	5]

Non-Represented positions shown in black. Represented positions shown in blue. Salary schedule as of 01/01/2025.

FISCAL YEAR 2025-2026

SERVICES & SUPPLIES ACCOUNT SUMMARY

INFORMATION SECURITY OFFICE

CURRENT YEAR

COMPARISON OF

COMPARISON OF

		2024-2025		TO PROJECTION		PROPOSED BUDGET T 2024-2025 BUDGET		
	PROPOSED		2024-2025		TO PROJ	IECTION	2024-2025	BUDGET
	BUDGET		YTD		OVER/(l	JNDER)		
ACCOUNT CLASSIFICATION	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	\$16,200	\$16,200	\$0	\$6,000	(\$10,200)	-63.0%	\$0	0.0%
OFFICE SUPPLIES & EQUIPMENT	0	0	0	0	0	0.0%	0	0.0%
PROFESSIONAL & SPEC. SRVCS.	523,000	297,500	122,109	250,000	(47,500)	-16.0%	225,500	75.8%
EDUCATIONAL EXPENSES	35,000	27,000	3,629	13,000	(14,000)	-51.9%	8,000	29.6%
MISCELLANEOUS	0	0	0	0	0	0.0%	0	0.0%
TOTAL	\$574,200	\$340,700	\$125,738	\$269,000	(\$71,700)	-21.0%	\$233,500	68.5%

^{*}All amounts rounded to the nearest dollar.

INFORMATION SECURITY OFFICE

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2024		FYE 2	Proposed		
	Budget	Actual	Budget	Projection	Budget	
SALARIES & EMPLOYEE BENEFITS						
Total LACERA Salaries	\$0	\$0	\$660,598	\$353,400	\$789,039	
Total Agency Temp Salaries	0	0	302,000	609,200	213,000	
Employee Benefits (Variable)	0	0	221,113	198,000	255,716	
Employee Benefits (Other)	0	0	40,255	39,500	46,643	
OPEB Contribution	0	0	26,163	27,600	35,044	
OPEB Contribution (Budget Surplus)	0	0	0	0	О	
Stipends	0	0	0	0	o	
Overtime	0	0	0	0	0	
Bilingual Bonus	0	0	0	0	o	
Sick Leave Buyback	0	0	0	0	О	
Rideshare Allowance	0	0	0	0	0	
Transportation Allowance	0	0	0	0	o	
SERVICES & SUPPLIES						
Transportation & Travel	0	0	16,200	6,000	16,200	
Office Supplies & Equipment	0	0	0	0	o	
Professional & Specialized Services	0	0	297,500	250,000	523,000	
Educational Expenses	0	0	27,000	13,000	35,000	
Miscellaneous	0	0	0	0	0	
TOTAL OPERATING BUDGET	\$0	\$0	\$1,590,829	\$1,496,700	\$1,913,642	

^{*}All amounts rounded to the nearest dollar.

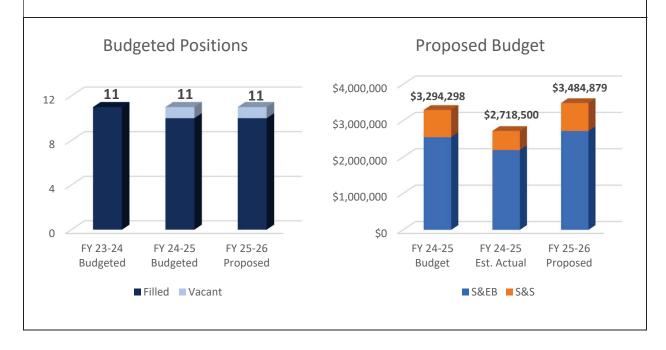


INTERNAL AUDIT

The purpose of Internal Audit is to strengthen LACERA's ability to produce, protect, and provide the promised benefits to LACERA's members by providing the Audit, Compliance, Risk, and Ethics (ACRE) Committee and management with independent, risk-based, and objective assurance and advisory services, designed to add value and improve LACERA's operations.

Internal Audit enhances LACERA's:

- Successful achievement of its objectives
- Governance, risk management, and control processes
- · Decision-making and oversight
- Reputation and credibility with its stakeholders
- Ability to serve members



Summary of Significant Changes

<u>Description</u>	Position Changes	<u>Amount</u>
Registration Fees		\$15,000

STATUS OF FY 2024-25 PROJECTS AND INITIATIVES

The FY 2024-25 Audit Plan is in progress and covers risk areas across the organization, including the following significant engagements:

- Technical Audit of Granicus/One Meeting Application
- LA County Payroll LACERA Controls
- Recruitment and Hiring Process Advisory Review
- Vendor Security Assessment
- IT Risk Assessment
- Investment Strategic Asset Allocation Audit
- Retiree Healthcare Provider Payment Calculation Audit
- Moss Adams SOC 1 Type II of OPEB Program
- Investment Accounting Middle/Back Office Audit

FY 2025-26 STRATEGIC GOALS AND OBJECTIVES

- 1. Follow Internal Audit's Road Map to:
 - a. Further align and enhance audit activities and processes with the Strategic Plan.
 - b. Further develop Enterprise Risk Management (ERM) framework and practices.
- 2. Complete the FY 2025-26 Audit Plan, which will align with LACERA's overall strategic plan.
- 3. Complete Training and Development requirements, aligned with the Investing in People strategic priority, which is budgeted against our Educational Expenses. Internal Audit requires each staff member to obtain 40 continuing education hours per fiscal year. Internal Audit will use the Institute of Internal Auditor's (IIA's) Competency Framework to assess each staff member's competencies and divisional competencies, which will determine specific training during the year.
- **4. Complete Internal Assessment**, which will align Internal Audit operations with new IIA standards and best practices.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2025, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases

to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2025-26.

Adjustments to Permanent Staffing

There are currently eleven budgeted full-time positions in Internal Audit. No additional staff positions are requested currently.

Temporary Staffing

Internal Audit plans to fill all open budget positions prior to the end of FY 2024-25, so we do not anticipate the need to budget for temporary staffing for FY 2025-26.

Overtime Needs

Internal Audit requests 40 hours each of overtime for the Senior Administrative Assistant and Internal Auditor positions. The overtime is necessary for the timely completion of Audit Committee meeting materials.

Interns

Internal Audit does not anticipate any use of interns in FY 2025-26, as we will be focused on onboarding new staff.

Rehired Retirees

Internal Audit does not anticipate any use of rehired retirees in FY 2025-26.

If unanticipated vacancies occur, Internal Audit will consider this option.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

Internal Audit does not have any removal of one-time expenditures for FY 2025-26.

Services and Supplies Adjustments

Registration Fees

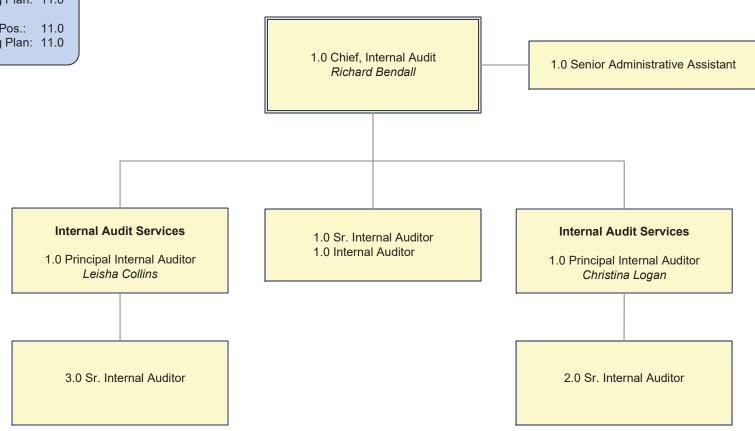
We are requesting an increase of \$15,000 to Registration Fees from \$20,000 to \$35,000 due to the anticipated hiring of three new staff members in FY 2024-25 and current expenditure trends.

INTERNAL AUDIT

FISCAL YEAR 2025-2026

2024-2025 Bud. Pos.: 11.0 2024-2025 Hiring Plan: 11.0

2025-2026 Bud. Pos.: 11.0 2025-2026 Hiring Plan: 11.0



FISCAL YEAR 2025-2026

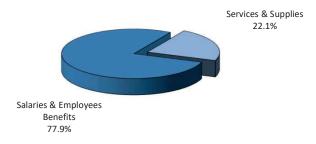
BUDGET SUMMARY

INTERNAL AUDIT

	CURRENT YEAR 2024-2025			COMPARI CURRENT YE TO PROJ	AR BUDGET	COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET		
PROPOSED BUDGET 2025-		YTD		OVER/(L	JNDER)			
2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE	
\$2,715,679	\$2,545,098	\$1,069,036	\$2,191,000	(\$354,098)	-13.9%	\$170,581	6.7%	
769,200	749,200	203,626	527,500	(\$221,700)	-29.6%	20,000	2.7%	
\$3.484.879	\$3,294,298	\$1,272,662	\$2.718.500	(\$575.798)	-17.5%	\$190.581	5.8%	

Salaries & Employees Benefits Services & Supplies OPERATING BUDGET

2025 - 2026 PROPOSED BUDGET



^{*}All amounts rounded to the nearest dollar.

FISCAL YEAR 2025-2026

SALARIES AND EMPLOYEE BENEFITS SUMMARY

INTERNAL AUDIT

		CURRENT YEAR 2024-2025			COMPARI CURRENT YE TO PROJ	AR BUDGET	COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET	
	PROPOSED BUDGET 2025-		YTD		OVER/(L	JNDER)		
	2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
Total LACERA Salaries	\$1,685,619	\$1,557,081	\$635,407	\$1,348,600	(\$208,481)	-13.4%	\$128,538	8.3%
Total Agency Temp Salaries	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	848,354	824,465	357,324	682,400	(142,065)	-17.2%	23,889	2.9%
Employee Benefits (Other)	99,644	94,884	43,598	93,000	(1,884)	-2.0%	4,760	5.0%
OPEB Contribution	74,863	61,669	32,513	65,000	3,331	5.4%	13,194	21.4%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	5,700	5,500	194	2,000	(3,500)	-63.6%	200	3.6%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	0	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	1,500	1,500	0	0	(1,500)	-100.0%	0	0.0%
Transportation Allowance	0	0	0_	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$2,715,679	\$2,545,098	\$1,069,036	\$2,191,000	(\$354,098)	-13.9%	\$170,581	6.7%
Salary Differential	-	<u> </u>					-	
TOTAL S&EB	\$2,715,679	\$2,545,098	\$1,069,036	\$2,191,000	(\$354,098)	-13.9%	\$170,581	6.7%

^{*}All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/25, with the exception of Agency Temp Salaries, which are as of 01/31/25.

FISCAL YEAR 2025-2026

BUDGETED POSITIONS

INTERNAL AUDIT

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0774	CHIEF, INTERNAL AUDIT, LACERA	1	LS12
0762	PRINCIPAL INTERNAL AUDITOR, LACERA	2	119K
0763	SENIOR INTERNAL AUDITOR, LACERA	6	113G
0439	SENIOR ADMINISTRATIVE ASSISTANT, LACERA	1	095C
	Total Filled Positions =	10	
	VACANT POSITIONS		
Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0764	INTERNAL AUDITOR, LACERA	1	107D
	Total Vacant Positions =	1	
	TOTAL POSITIONS =	11]

Non-Represented positions shown in black. Represented positions shown in blue. Salary schedule as of 01/01/2025.

FISCAL YEAR 2024-2025

SERVICES & SUPPLIES ACCOUNT SUMMARY

INTERNAL AUDIT

	CURRENT YEAR 2024-2025			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET		
	PROPOSED BUDGET 2024-		YTD		OVER/(U	JNDER)		
ACCOUNT CLASSIFICATION	2025	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	\$17,000	\$17,000	\$7,962	\$17,000	\$0	0.0%	\$0	0.0%
OFFICE SUPPLIES & EQUIPMENT	1,200	1,200	82	500	(700)	-58.3%	0	0.0%
PROFESSIONAL & SPEC. SRVCS.	700,000	700,000	177,611	478,000	(222,000)	-31.7%	0	0.0%
EDUCATIONAL EXPENSES	50,500	30,500	17,725	31,500	1,000	3.3%	20,000	65.6%
MISCELLANEOUS	500	500	246	500	0	0.0%	0	0.0%
TOTAL	\$769,200	\$749,200	\$203,626	\$527,500	(\$221,700)	-29.6%	\$20,000	2.7%

^{*}All amounts rounded to the nearest dollar.

INTERNAL AUDIT

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

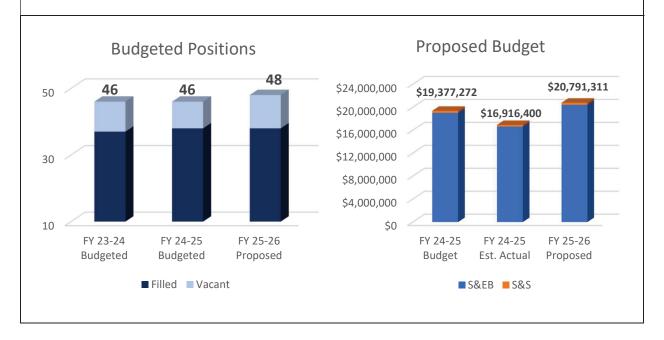
	FYE 2024		FYE 2	FYE 2025			
	Budget	Actual	Budget	Projection	Budget		
SALARIES & EMPLOYEE BENEFITS							
Total LACERA Salaries	\$1,652,147	\$1,356,731	\$1,557,081	\$1,348,600	\$1,685,619		
Total Agency Temp Salaries	0	0	0	0	0		
Employee Benefits (Variable)	1,065,420	727,363	824,465	682,400	848,354		
Employee Benefits (Other)	105,895	92,805	94,884	93,000	99,644		
OPEB Contribution	58,686	61,220	61,669	65,000	74,863		
OPEB Contribution (Budget Surplus)	0	58,686	0	0	0		
Stipends	0	0	0	0	0		
Overtime	5,300	258	5,500	2,000	5,700		
Bilingual Bonus	0	0	0	0	0		
Pay in Lieu of Salary Reduction	0	20	0	0	o		
Sick Leave Buyback	0	0	0	0	0		
Rideshare Allowance	1,500	0	1,500	0	1,500		
Transportation Allowance	0	0	0	0	0		
SERVICES & SUPPLIES							
Transportation & Travel	17,000	11,343	17,000	17,000	17,000		
Office Supplies & Equipment	1,200	216	1,200	500	1,200		
Professional & Spec. Srvcs.	675,000	249,753	700,000	478,000	700,000		
Educational Expenses	30,500	23,019	30,500	31,500	50,500		
Miscellaneous	500	0	500	500	500		
TOTAL OPERATING BUDGET	\$3,613,148	\$2,581,414	\$3,294,298	\$2,718,500	\$3,484,879		

^{*}All amounts rounded to the nearest dollar.



INVESTMENT OFFICE

The Investment Office is responsible for prudently investing the trust assets to achieve the highest risk-adjusted return in accordance with the policies and decisions of the Board of Investments. This work includes developing and recommending prudent investment policies and risk management strategies to assist LACERA in achieving the return objectives established by the Board of Investments and implementing and monitoring Board-approved programs and policies, while balancing liquidity needs to ensure timely payment of promised benefits to our members.



Summary of Significant Changes

<u>Description</u>	Position Changes	<u>Amount</u>
Two Finance Analyst I PositionsEducational MaterialsMiscellaneous	2	\$304,426 \$10,000 \$2,000

STATUS OF FY 2024-25 PROJECTS AND INITIATIVES

In the 2023-24 fiscal year, the division's major accomplishments included the successful ongoing implementation of LACERA's strategic asset allocation and the advancement of the Board's strategic initiatives. This involved optimizing asset returns through structure reviews, monitoring of investments, and enhanced due diligence on new and existing mandates, including operational due diligence. The division continued to integrate Environment, Social, and Governance (ESG) and Diversity, Equity, and Inclusion (DEI) considerations into its total portfolio approach while managing risks to achieve optimal returns. Key initiatives executed included the continuing implementation of the 2024 strategic asset allocation, enhancement of emerging manager programs, and optimization of the OPEB Master Trust. The division also focused on improving risk and performance reporting; deepening the LACERA Towards Inclusion, Diversity, and Equity (T.I.D.E.) initiative; and fostering cross-asset category collaboration to strengthen investment knowledge and adapt to the macroeconomic environment. The ongoing and future focus includes implementing the strategic asset allocation, enhancing operational capabilities, optimizing the investment model, influencing fees, and improving outcomes through ESG and DEI efforts.

As we approach the FYE 2025, it's important to highlight the consistent and stable approach adopted by the Investment Office. This period is characterized by a steadfast adherence to established financial strategies and operational methodologies, ensuring the continued success and sustainability of our investment objectives. Despite the dynamic nature of financial markets, our office remains committed to maintaining this steady course, ensuring that no significant changes are anticipated in our overall fiscal management and investment strategies for the upcoming year. During the current fiscal year, the Human Resources division, collaborating with the Investment Office and the Executive Office, embarked on a comprehensive compensation study. This initiative was undertaken with the support of a consultant, CBIZ Talent and Compensation Solutions, as directed by the Board of Investments. The primary objectives of the study were twofold: firstly, to benchmark the compensation of the Investment Staff against that of comparable peers to evaluate market alignment, and secondly, to explore the development of a performance-based compensation plan tailored to LACERA's needs.

The project was divided into two distinct phases. The first phase, now successfully completed, involved an in-depth comparison of the Investment Staff's compensation against that of peers in similar organizations. This phase's outcome will inform the forthcoming salary adjustments, ensuring that they align with the competitive standards identified through the compensation study. This adjustment aims to establish a compensation plan that remains competitive within the industry.

The second phase of the project is focused on the development of a performance-based compensation plan. This plan is intended to align with the practices of peers, considering the size, growth, and breadth of LACERA's Fund. Given the complexity and long-term nature of this task, this phase is still under development. The findings and

recommendations arising from this phase will be presented to the Board of Investments at a later date for their review.

This comprehensive approach underscores our commitment to ensuring that our compensation practices are both equitable and competitive, thereby attracting and retaining top talent within the investment industry.

FY 2025-26 STRATEGIC GOALS AND OBJECTIVES

Through the Board of Investment's approved strategic plan, "2025 Strategic Framework and Initiatives: Towards Best-In-Class Investor," the Investment Office focuses on five key strategic initiatives to execute strategic asset allocation:

- 1) Optimize the Investment Model
- 2) Maximize Stewardship and Ownership Rights
- 3) Strengthen Influence on Fees and Cost of Capital
- 4) Promote T.I.D.E. (Towards Inclusion, Diversity, and Equity)
- 5) Enhance Operational Effectiveness

These initiatives aim to improve investment outcomes through careful asset allocation, risk mitigation, and liquidity optimization. The approach emphasizes a principle-based investment strategy, strong governance, effective operations, and the promotion of diversity, equity, and inclusion through LACERA T.I.D.E. This comprehensive strategy aims to safeguard and grow the assets of LACERA members, adapting to an evolving investment landscape by maintaining a dynamic investment program.

The Investment Office places a strong emphasis on training and employee development. This commitment is underscored by allocating an adequate budget for these initiatives. The goal is to ensure that employees have access to the necessary resources and opportunities to enhance their skills and competencies. This includes training on applications, attendance at industry conferences, industry designations, and executive coaching. This investment in staff development is pivotal for adapting to the evolving investment landscape and maintaining a high level of expertise within the team.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2025, and approved by the Board of Retirement and Board of

Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2025-26.

Adjustments to Permanent Staffing

The Investment Office plans to onboard two Finance Analyst I positions for a new, two-year rotating analyst program. This initiative supports LACERA T.I.D.E. and the BOI's 2025 Strategic Framework and Initiatives by fostering new talent and diversifying our workforce. The program aims to attract entry-level individuals, offering exposure to the investment field. Integrating these analysts into our team will nurture their professional growth, introduce innovative perspectives, and enhance our strategic capabilities and long-term success.

For FY 2025-26, the Investment Office will continue to focus on filling current vacancies. After the vacancy rate is reduced, an effort will be made to align the organizational structure to better meet the objectives of the portfolio.

With the onboarding of two Finance Analyst I positions, the total number of budgeted positions will change from 46 to 48.

Temporary Staffing

Investment Office does not anticipate any use of agency temporary staffing in FY 2025-26.

Overtime Needs

For FY 2025-26, the Investment Office has decided to retain the existing overtime budget allocation. This decision, despite the lack of necessity for overtime in the previous year, is a strategic measure to ensure preparedness for any unforeseen demands or urgent requirements that may arise. The dynamic nature of investment operations often presents unexpected scenarios requiring immediate attention. By maintaining our overtime budget, we equip ourselves with the flexibility to respond swiftly and effectively to any such exigencies, thereby safeguarding our operational efficiency and investment goals.

Interns

Funding for interns is provided in the Human Resources' budget. In alignment with the objectives of LACERA T.I.D.E., the Investment Office is committed to continuing its internship program to further our goals in diversity, equity, and inclusion, as well as recruitment. For FY 2025-26, the Investment Office will offer four internship positions. This will allow us to provide more students with valuable experience in areas such as performance attribution, market research, and investment analysis. Importantly, this year, the budgetary impact is mitigated, as two of these internships are generously sponsored by external organizations committed to diversity and inclusion, reflecting a collaborative effort towards our shared objectives.

Rehired Retirees

The Investment Office does not anticipate any use of rehired retirees in FY 2025-26.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

The Investment Office does not have any removal of one-time expenditures for FY 2025-26.

Services and Supplies Adjustments

Educational Materials

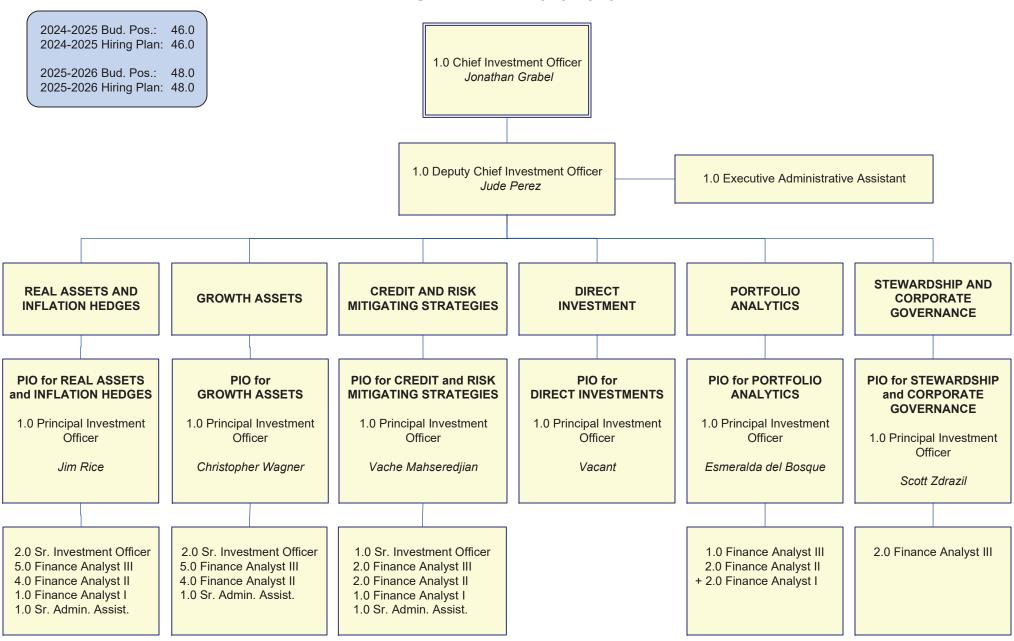
For FY 2025-26, we propose an increase of \$10,000 in the budget for educational materials. In order to enhance the professional development and educational advancement of our team, it is essential to allocate this additional funding to the Investment Office's budget for educational materials. This increase will support the procurement of advanced training programs, comprehensive research materials, and diverse educational resources. By investing in these areas, we aim to equip our employees with the necessary knowledge and skills to excel in their roles, stay abreast of industry developments, and contribute more effectively to our organizational goals. This commitment to continuous learning and development will not only foster a culture of excellence within our office but also ensure that we remain competitive and innovative in the ever-evolving investment landscape. Furthermore, this aligns with our strategic goal of creating a highly skilled workforce that can drive our investment strategies and sustain long-term growth.

Miscellaneous

For FY 2025-26, we propose an increase of \$2,000 in the budget for miscellaneous supplies in the Investment Office. This adjustment is primarily due to the transition back to regular office operations. During the remote working period, expenditure on miscellaneous supplies was significantly reduced. However, with the return to in-office work, there is a renewed need for these supplies, aligning more closely with pre-pandemic levels

INVESTMENT OFFICE

FISCAL YEAR 2025-2026



FISCAL YEAR 2025-2026

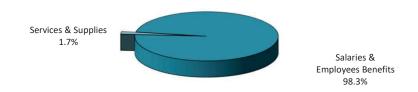
BUDGET SUMMARY

INVESTMENT OFFICE

	С	URRENT YEAR		COMPAR CURRENT YE		PROPOSED	RISON OF BUDGET TO
		2024-2025		TO PROJ	ECTION	2024-2025	BUDGET
PROPOSED BUDGET		YTD		OVER/(L	JNDER)		
2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
\$20,429,811	\$19,027,772	\$8,708,490	\$16,626,500	(\$2,401,272)	-12.6%	\$1,402,040	7.4%
361,500	349,500	148,217	289,900	(59,600)	-17.1%	12,000	3.4%
\$20 791 311	\$19,377,272	\$8 856 706	\$16 916 400	(\$2.460.872)	-12 7%	\$1 414 040	7.3%

Salaries & Employees Benefits Services & Supplies OPERATING BUDGET

2025 - 2026 PROPOSED BUDGET



^{*}All amounts rounded to the nearest dollar.

FISCAL YEAR 2025-2026

SALARIES AND EMPLOYEE BENEFITS SUMMARY

INVESTMENT OFFICE

COMPARISON OF

COMPARISON OF

			CURRENT YEAR		COMPARI CURRENT YE		COMPAR PROPOSED	I
			2024-2025		TO PROJ		2024-2025	
	PROPOSED BUDGET		YTD		OVER/(L	JNDER)		
	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
Total LACERA Salaries	\$12,628,744	\$11,643,125	\$5,600,275	\$10,627,000	(\$1,016,125)	-8.7%	\$985,619	8.5%
Total Agency Temp Salaries	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	6,473,464	6,193,834	2,531,306	4,803,400	(1,390,434)	-22.4%	279,630	4.5%
Employee Benefits (Other)	746,528	709,489	326,003	695,300	(14,189)	-2.0%	37,039	5.2%
OPEB Contribution	560,876	461,125	243,076	486,200	25,075	5.4%	99,751	21.6%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	800	800	30	200	(600)	-75.0%	0	0.0%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	0	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	5,000	5,000	0	0	(5,000)	-100.0%	0	0.0%
Transportation Allowance	14,400	14,400	7,800	14,400	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$20,429,811	\$19,027,772	\$8,708,490	\$16,626,500	(\$2,401,272)	-12.6%	\$1,402,040	7.4%
Salary Differential	-			-			-	
TOTAL S&EB	\$20,429,811	\$19,027,772	\$8,708,490	\$16,626,500	(\$2,401,272)	-12.6%	\$1,402,040	7.4%

^{*}All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/25, with the exception of Agency Temp Salaries, which are as of 01/31/25.

FISCAL YEAR 2025-2026

BUDGETED POSITIONS

INVESTMENT OFFICE

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	Budget Classification Title # of Budget Positions	
0493	CHIEF INVESTMENT OFFICER, LACERA (UC)	1	LR28
0494	DEPUTY, CHIEF INVESTMENT OFFICER, LACERA (UC)	1	LR24
0495	PRINCIPAL INVESTMENT OFFICER, LACERA	2	LR23
0496	PRINCIPAL INVESTMENT OFFICER, LACERA (UC)	3	LR23
0492	SENIOR INVESTMENT OFFICER, LACERA	4	LR20
0769	FINANCE ANALYST III, LACERA	11	LR16
0768	FINANCE ANALYST II, LACERA	11	LR12
0767	FINANCE ANALYST I, LACERA	2	110B
0439	SENIOR ADMINISTRATIVE ASSISTANT, LACERA	3	095C
	Total Filled Positions =	38	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0496	PRINCIPAL INVESTMENT OFFICER, LACERA (UC)	1	LR23
0492	SENIOR INVESTMENT OFFICER, LACERA	1	LR20
0769	FINANCE ANALYST III, LACERA	4	LR16
0768	FINANCE ANALYST II, LACERA	1	LR12
0767	FINANCE ANALYST I, LACERA	2	110B
0442	EXECUTIVE ADMINISTRATIVE ASSISTANT, LACERA	1	106D
	Total Vacant Positions =	10	
	TOTAL POSITIONS =	48]

Non-Represented positions shown in black. Represented positions shown in blue. Salary schedule as of 01/01/2025.

FISCAL YEAR 2025-2026

SERVICES & SUPPLIES ACCOUNT SUMMARY

INVESTMENT OFFICE

			CURRENT YEAR 2024-2025	!	COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPAR PROPOSED 2024-2025	BUDGET TO
	PROPOSED BUDGET		YTD		OVER/(l	JNDER)		
ACCOUNT CLASSIFICAT	TON 2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	219,000	219,000	73,152	165,000	(54,000)	-24.7%	0	0.0%
OFFICE SUPPLIES & EQUIPME	NT 3,500	3,500	17	1,000	(2,500)	-71.4%	0	0.0%
EDUCATIONAL EXPENSES	135,000	125,000	73,330	122,000	(3,000)	-2.4%	10,000	8.0%
MISCELLANEOUS	4,000	2,000	1,717	1,900	(100)	-5.0%	2,000	100.0%
TOTAL	\$361,500	\$349,500	\$148,217	\$289,900	(\$59,600)	-17.1%	\$12,000	3.4%

^{*}All amounts rounded to the nearest dollar.

INVESTMENT OFFICE

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2024		FYE 2	025	Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$10,865,804	\$10,090,167	\$11,643,125	\$10,627,000	\$12,628,744
Total Agency Temp Salaries	0	0	0	0	0
Employee Benefits (Variable)	5,907,050	4,693,683	6,193,834	4,803,400	6,473,464
Employee Benefits (Other)	696,446	610,359	709,489	695,300	746,528
OPEB Contribution	385,968	402,733	461,125	486,200	560,876
OPEB Contribution (Budget Surplus)	0	385,967	0	0	0
Stipends	0	0	0	0	0
Overtime	800	24	800	200	800
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	0	0	0	0	0
Rideshare Allowance	5,000	0	5,000	0	5,000
Transportation Allowance	14,400	14,400	14,400	14,400	14,400
SERVICES & SUPPLIES					
Auto Expense	0	0	0	0	0
Transportation & Travel	219,000	117,918	219,000	165,000	219,000
Office Supplies & Equipment	3,500	433	3,500	1,000	3,500
Educational Expenses	125,000	67,438	125,000	122,000	135,000
Miscellaneous	1,000	2,954	2,000	1,900	4,000
TOTAL OPERATING BUDGET	\$18,223,968	\$16,386,074	\$19,377,272	\$16,916,400	\$20,791,311

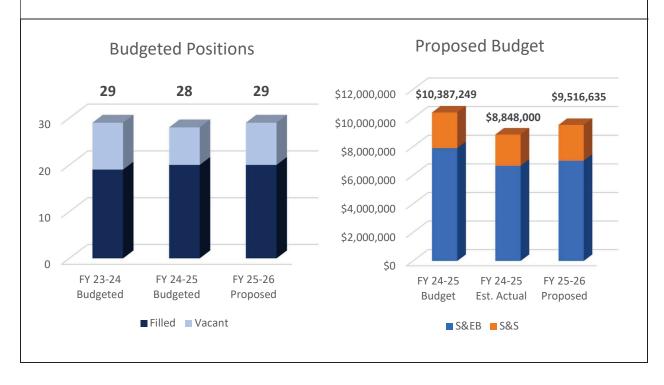
^{*}All amounts rounded to the nearest dollar.



LEGAL SERVICES

Legal Services provides comprehensive legal services to LACERA and its Boards and staff. These services are provided through the Chief Counsel and four sections within the office: Benefits, Disability, Investments and Commercial Contracts, and Litigation and Employment. The office also provides legal support in organizational governance and conflicts.

Legal Services will also provide administrative support to the new Ethics and Compliance Program that began operations in FY 2024-25 and is housed in the Legal Services Division. (See Ethics and Compliance Office narrative.)



Summary of Significant Changes:

Description	Position Changes	<u>Amount</u>
 One Senior Staff Counsel Two Agency Temporary Staff: One Legal Analyst and One Senior Legal Secretary Photocopies of Documents Attorney Fees Awards 	1	\$294,159 \$10,700 \$3,700 \$10,000

STATUS OF FY 2024-25 PROJECTS AND INITIATIVES

Legal Services plays a crucial role in supporting the administrative, pension and healthcare benefits, and investment activities of LACERA. The following outlines significant projects and initiatives that the Office has engaged in during FY 2024-25:

- The Ethics and Compliance Program is a goal in the Board of Retirement's 2023-28 Strategic Plan, and substantial progress has been made to document and implement the Program. Legal Services prepared the Ethics and Compliance Program Charter and took the lead in obtaining approval for the Charter from the ACRE Committee and the Boards; Legal Services also assisted in the change of the Audit Committee to the Audit, Compliance, Risk, and Ethics (ACRE) Committee and prepared the portions of the new Charter for the ACRE Committee relating to ethics and compliance roles and responsibilities. Legal Services assisted in providing training to the ACRE Committee, to the staff Ethics and Compliance Committee, and to other staff members. Legal Services developed and obtained ACRE Committee and Board approval for a foundational ethics and compliance work plan and has begun implementation of that plan. Legal Services worked with Human Resources to prepare the job descriptions and salary for the Chief Ethics and Compliance Officer and Deputy Chief Ethics and Compliance Officer positions. Education and training resources on ethics and compliance were purchased and are available to staff.
- Legal Services worked with outside counsel in supporting the LACERA v. County lawsuit regarding the Boards' authority to set LACERA classifications and salaries.
 The Court of Appeal decided in favor of LACERA. The case now is under review before the California Supreme Court.
- Legal Services researched the law relating to the calculation of Final Average Compensation for PEPRA members and prepared analysis that led the Board of Retirement to approve a change to a better interpretation of the law.
- Legal Services represented and assisted the Investment Office in negotiating and documenting fund investments.
- Legal Services assisted Administrative Services and the internal owners of commercial contracts throughout LACERA in legal aspects of the procurement

- process and in reviewing, negotiating, and providing legal approval of final agreements.
- Legal Services continued to support outside counsel in the FirstEnergy securities
 litigation as a lead plaintiff for the putative class of investors. Legal Services
 assisted in other securities and antitrust class actions to which LACERA may be
 party and oversaw LACERA's outside claim filing vendor for those class actions in
 which LACERA is not party but is eligible to file a claim to participate in settlement
 recoveries.
- Legal Services supported the efforts of the Executive Officer and the Retiree
 Healthcare Division to successfully obtain action by the Board of Supervisors to
 increase the Lifetime Maximum Benefits cap in certain RHC Program policies from
 \$1.0 million to \$1.5 million and lay the foundation for the potential further increase
 or elimination of the cap based on experience.
- Legal Services advised the Board of Retirement and staff on disability applications and provided training to the Board on disability law and process.
- Legal Services advised LACERA's Human Resources Division, Executive Office, and other staff with regard to labor and employment matters.
- Attorney vacancies were reduced in both the Benefits and Investment Sections of Legal Services with the hiring of Senior Staff Counsels and Staff Counsel in both areas. The addition of the new attorneys has and will continue to enhance Legal Services' ability to support Board initiatives as well as the Executive Office and other LACERA divisions. There remain important Legal Analyst, Senior Legal Secretary, and Legal Secretary vacancies which are the subject of ongoing focus.

FY 2025-26 STRATEGIC GOALS AND OBJECTIVES

The following outline provides planned activities of Legal Services in support of the Board of Retirement's and the Board of Investments' Strategic Plans:

- Successful implementation of a fully formed and effective Ethics and Compliance Program. Additional foundational steps will include: final approval of the Chief Ethics and Compliance Officer and Deputy Chief Ethics and Compliance Officer job descriptions and salaries; recruitment of candidates to fill both positions during the fiscal year; ongoing education and training to the ACRE Committee, Boards, and staff regarding ethics and compliance; baseline risk and ethical culture assessments; development of processes to define, support, and sustain LACERA's organizational culture; and other foundational efforts to position the Ethics and Compliance Office for success and integrate it into LACERA's business.
- Continued effort in pursuing recognition and implementation of the Boards' independent legal authority to determine needed classifications and salaries without interference by the County of Los Angeles by supporting outside counsel in proceedings in LACERA v. County, now before the California Supreme Court.

- Elimination of the Lifetime Maximum Benefit for affected retired members and assistance in implementation of the solution to the issue.
- Pursue implementation of LACERA's initiative with respect to organizational diversity, equity, inclusion, accessibility, and belonging in all aspects of LACERA's business.
- Fill the remaining Legal Services vacancies, including the Legal Analyst, Senior Legal Secretary, and Legal Secretary positions.
- Support the Investment Office and the Board of Investments with respect to the negotiation and documents of investments and other investment matters.
- Work with Administrative Services and internal contract owners in improving the commercial contract process, updating checklists to support the negotiation and drafting process, and revising LACERA's template agreements.
- Advise LACERA's divisions and the Board of Retirement on benefit issues.
- Advise LACERA in labor and employment matters.
- Represent LACERA and advise the Board of Retirement in disability applications and training.
- Continue to work with outside counsel on the *FirstEnergy* securities class action and monitor and review other securities litigation.
- Support the Executive Office in obtaining approval for a new organizational structure for Legal Services that takes into consideration appropriate spans of control, succession planning, opportunities for staff professional growth, and appropriate classification and compensation reflecting Legal Services' unique role in supporting LACERA as an investing organization as well as a provider of pension and healthcare benefits. This will include, but may not be limited to, assessing the management reporting structure to consider a new Deputy Chief Counsel in addition to the two Principal Staff Counsel positions currently pending approval from the Board of Supervisors. Currently, the Chief Counsel provides supervision and direction to seven Senior Staff Counsel positions and directly assists in handling high-level, complex legal and governance matters. The demand for the Chief Counsel's services has increased with the growing size of the organization and the complexity of the legal landscape and legal issues facing LACERA.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2025, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay

increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2025-26.

Adjustments to Permanent Staffing

One Senior Staff Counsel in the Disability Section of Legal Services has been transferred from the Disability Litigation Division to assist the one existing Senior Staff Counsel. The transfer assists in managing staff levels in the Disability Litigation Division, which no longer requires this position to support its workload. The transfer also assists with the large volume of disability legal work that is currently being performed by the one current attorney and with succession planning in the Disability Section of Legal Services.

Temporary Staffing

Temporary staffing is needed in FY 2025-26 to provide ongoing resources to account for vacancies in permanent legal analyst and secretarial staff positions and to address pressing deadlines for investment transactions, member services, and other important needs of the organization. The amount requested will increase by \$10,700 due to new cost-of-living adjustments effective January 1, 2025.

Overtime Needs

Overtime is needed to complete important investments as required, to assist in urgent needs in other sections of Legal Services, and to address needs created by the legal analyst and secretarial vacancies. There is a slight increase in the overtime requested due to new cost-of-living adjustments effective January 1, 2025.

Interns

Funding for interns is provided in the Human Resources Division's budget. As requested in FY 2024-25, the Legal Services Office intends to have two law student interns in FY 2025-26. This program is important for recruiting purposes and also to introduce students to the importance of public pensions.

Rehired Retirees

The Legal Services Office is requesting one rehired retiree assistance in FY 2025-26 for an investment legal analyst position pending completion of the recruitment of a permanent replacement for this position.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

The Legal Services Office does not have any removal of one-time expenditures for FY 2025-26.

Services and Supplies Adjustments

Services and supplies are the same as in FY 2024-25, with the exceptions detailed below.

Photocopies of Documents

An increase from \$300 to \$4,000 is requested due to anticipated increase in photocopies of documents.

Attorney Fees Awards

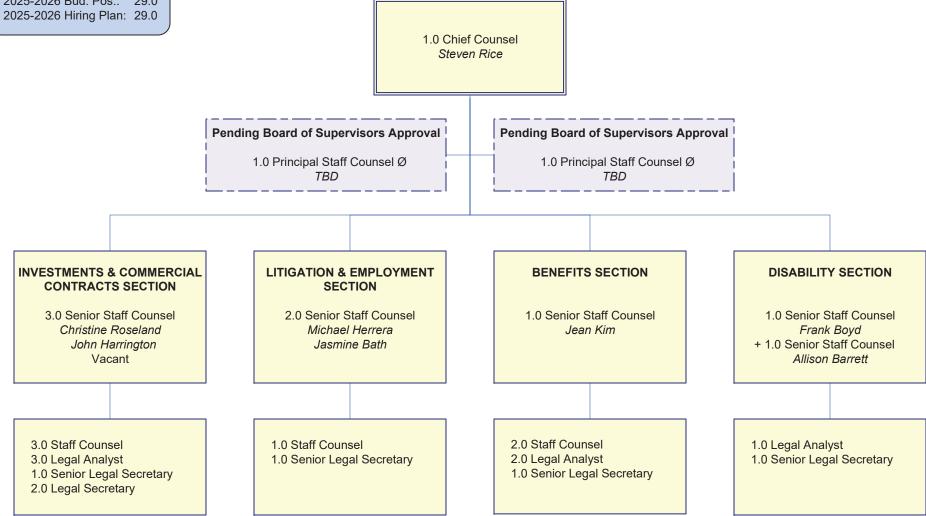
An increase from \$40,000 to \$50,000 is requested to address contingencies that may arise from current litigation.

LEGAL SERVICES

FISCAL YEAR 2025-2026

2024-2025 Bud. Pos.: 28.0 2024-2025 Hiring Plan: 28.0

2025-2026 Bud. Pos.: 29.0



⁺ Added position

Ø Not yet approved by Board of Supervisors (1.0 Principal Staff Counsel in Investments & Litigation Team and 1.0 Principal Staff Counsel in Benefits & Disability Team in Legal Services)

FISCAL YEAR 2025-2026

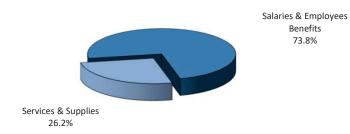
BUDGET SUMMARY

LEGAL SERVICES

	С	URRENT YEAR		COMPARI CURRENT YE		COMPAR PROPOSED I	
		2024-2025		TO PROJ	ECTION	2024-2025	BUDGET
PROPOSED BUDGET 2025-		YTD		OVER/(L	INDER)		
2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
\$7,019,735	\$7,904,049	\$3,502,418	\$6,665,100	(\$1,238,949)	-15.7%	(\$884,314)	-11.2%
2,496,900	2,483,200	927,454	2,182,900	(300,300)	-12.1%	13,700	0.6%
\$9.516.635	\$10.387.249	\$4.429.872	\$8.848.000	(\$1.539.249)	-14.8%	(\$870.614)	-8.4%

Salaries & Employees Benefits Services & Supplies OPERATING BUDGET

2025 - 2026 PROPOSED BUDGET



^{*}All amounts rounded to the nearest dollar.

FISCAL YEAR 2025-2026

SALARIES AND EMPLOYEE BENEFITS SUMMARY

LEGAL SERVICES

		(CURRENT YEAR		COMPARI CURRENT YE	AR BUDGET	PROPOSED I	BUDGET TO
	PROPOSED		2024-2025		TO PROJ	ECTION	2024-2025	BUDGET
	BUDGET 2025		YTD		OVER/(L	INDER)		
	2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
Total LACERA Salaries	\$4,096,800	\$4,767,153	\$2,074,974	\$3,937,400	(829,753)	-17.4%	(\$670,353)	-14.1%
Total Agency Temp Salaries	127,400	116,700	63,335	108,600	(8,100)	-6.9%	10,700	9.2%
Employee Benefits (Variable)	2,347,908	2,518,096	1,114,513	2,115,000	(403,096)	-16.0%	(170,188)	-6.8%
Employee Benefits (Other)	242,177	290,496	133,479	284,700	(5,796)	-2.0%	(48,319)	-16.6%
OPEB Contribution	181,950	188,805	99,541	199,100	10,295	5.5%	(6,855)	-3.6%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	21,000	20,300	16,575	20,300	0	0.0%	700	3.4%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	0	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	2,500	2,500	0	0	(2,500)	-100.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$7,019,735	\$7,904,049	\$3,502,418	\$6,665,100	(\$1,238,949)	-15.7%	(\$884,314)	-11.2%
Salary Differential	-							
TOTAL S&EB	\$7,019,735	\$7,904,049	\$3,502,418	\$6,665,100	(\$1,238,949)	-15.7%	(\$884,314)	-11.2%

^{*}All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/25, with the exception of Agency Temp Salaries, which are as of 01/31/25.

FISCAL YEAR 2025-2026

BUDGETED POSITIONS

LEGAL SERVICES

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
9216	CHIEF COUNSEL, LACERA	1	LS19
9213	SENIOR STAFF COUNSEL, LACERA	7	LS16
9212	STAFF COUNSEL, LACERA	5	LS12
9235	LEGAL ANALYST, LACERA	5	104H
0441	SENIOR LEGAL SECRETARY, LACERA	2	103K
0440	LEGAL SECRETARY, LACERA	1	_ 099E
	Total Filled Positions =	21	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
99999A	PRINCIPAL STAFF COUNSEL	2	LS17
9213	SENIOR STAFF COUNSEL, LACERA	1	LS16
9212	STAFF COUNSEL, LACERA	1	LS12
9235	LEGAL ANALYST, LACERA	1	104H
0441	SENIOR LEGAL SECRETARY, LACERA	2	103K
0440	LEGAL SECRETARY, LACERA	1	_ 099E
	Total Vacant Positions =	8	
	TOTAL POSITIONS =	29]

Non-Represented positions shown in black. Represented positions shown in blue. Salary schedule as of 01/01/2025.

FISCAL YEAR 2025-2026

SERVICES & SUPPLIES ACCOUNT SUMMARY

LEGAL SERVICES

		CURRENT YEAR			COMPARISON OF CURRENT YEAR BUDGET		COMPARISON OF PROPOSED BUDGET TO	
	PROPOSED BUDGET 2025-		2024-2025 YTD		OVER/(U	-	2024-2025	BUDGET
ACCOUNT CLASSIFICATION	2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
AUTO EXPENSE	\$5,400	\$5,400	\$846	\$2,400	(\$3,000)	-55.6%	\$0	0.0%
TRANSPORTATION & TRAVEL	41,000	41,000	7,203	24,500	(16,500)	-40.2%	0	0.0%
OFFICE SUPPLIES & EQUIPMENT	7,500	7,500	1,161	3,000	(4,500)	-60.0%	0	0.0%
PROFESSIONAL & SPEC. SRVCS.	4,000	300	25,791	26,000	25,700	8566.7%	3,700	1233.3%
LEGAL FEES & SERVICES	2,300,000	2,290,000	817,613	2,005,000	(285,000)	-12.4%	10,000	0.4%
EDUCATIONAL EXPENSES	135,000	135,000	74,838	120,000	(15,000)	-11.1%	0	0.0%
MISCELLANEOUS	4,000	4,000	0	2,000	(2,000)	-50.0%	0	0.0%
TOTAL	\$2,496,900	\$2,483,200	\$927,454	\$2,182,900	(\$300,300)	-12.1%	\$13,700	0.6%

^{*}All amounts rounded to the nearest dollar.

LEGAL SERVICES

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

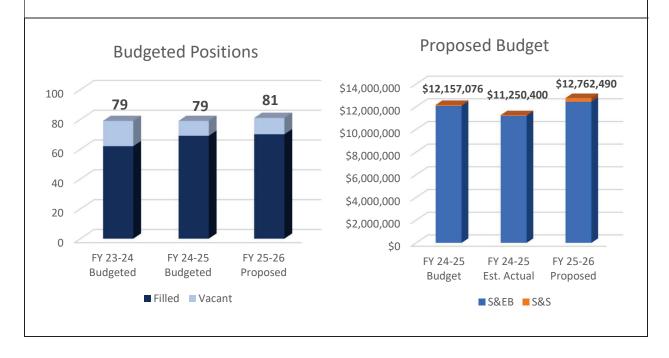
	FYE 2024 FYE 20		025	Proposed	
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$4,138,231	\$3,168,027	\$4,767,153	\$3,937,400	\$4,096,800
Total Agency Temp Salaries	179,400	180,763	116,700	108,600	127,400
Employee Benefits (Variable)	2,568,864	1,702,997	2,518,096	2,115,000	2,347,908
Employee Benefits (Other)	276,951	242,717	290,496	284,700	242,177
OPEB Contribution	153,485	160,111	188,805	199,100	181,950
OPEB Contribution (Budget Surplus)	0	153,485	0	0	0
Stipends	0	0	0	0	0
Overtime	19,900	27,524	20,300	20,300	21,000
Bilingual Bonus	2,400	0	0	0	0
Sick Leave Buyback	0	0	0	0	0
Rideshare Allowance	2,500	0	2,500	0	2,500
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Auto Expenses	3,900	2,458	5,400	2,400	5,400
Transportation & Travel	21,800	23,686	41,000	24,500	41,000
Office Supplies & Equipment	5,000	1,219	7,500	3,000	7,500
Professional & Specialized Services	280,300	325,170	300	26,000	4,000
Legal Fees & Services	2,050,000	2,068,710	2,290,000	2,005,000	2,300,000
Educational Expenses	110,000	106,008	135,000	120,000	135,000
Miscellaneous	2,300	1,280	4,000	2,000	4,000
TOTAL OPERATING BUDGET	\$9,815,031	\$8,164,155	\$10,387,249	\$8,848,000	\$9,516,635

^{*}All amounts rounded to the nearest dollar.



MEMBER SERVICES

Member Services is dedicated to providing Superior Member Experiences across all channels. We provide full-service support, including assisting members with My LACERA technical issues and general account maintenance; providing in-depth retirement counseling through phone, in-person, virtual, and online channels; and assisting survivors when a member passes away. We are committed to providing superior service while also educating members so they can understand and access the benefits available to them.



Summary of Significant Changes

<u>Description</u>	Position Changes	<u>Amount</u>
 One New Position (RBS III) One Administrative Assistant (Transferred from Benefits) Agency Temp Overtime Transportation and Travel Consulting and Contracting Services (New Account) Strategic Planning Consultant (New Account) 	1 1	\$118,088 \$80,772 (\$295,800) \$13,000 \$29,700 \$122,000 \$91,400

STATUS OF FY 2024-25 PROJECTS AND INITIATIVES

The Member Services Division focuses on improving and streamlining our capabilities for delivering high-quality service to members and beneficiaries, reducing call wait times, and expanding virtual and in-person appointments as well as various workshops and webinars. As part of our engagement with Strategic Planning Priority 1: Superior Member Experience, Member Services is leading the initiative with the Member Experience Council. We identified unique member journeys and continue to map the tasks and interactions needed to accomplish our goals in alignment with the Strategic Plan.

We began developing standardized omnichannel retirement counseling, which includes basic retiree healthcare information. The team has worked on a multi-part training for all Member Services staff. We are currently developing a script for staff to follow when conducting counseling to ensure consistency and accuracy.

Member Services and the Benefits Divisions are staffed primarily with Retirement Benefit Specialists at the II and III level. These Specialists are assigned to a broad range of tasks and duties that are consistent with the class specifications. In accordance with both the Superior Member Experience and Investing in Our People Strategic Priorities we have developed a hybrid Specialist model that we have been piloting.

The program creates schedules where staff performing duties at the same classification level are rotated between Member Services and Benefits within teams for both divisions on a regular basis. This increases the collaboration and coordination between teams and the two synergistic divisions as they are exposed to new supervisors and team members. The program allows employees to develop a broader understanding of member needs, how the work in Member Services and Benefits support each other in meeting those needs, and helps develops skillsets. We expect to see improvements in both efficiency and service as a broader global perspective of the service delivery universe is developed.

We have initiated two (2) hybrid model programs. One is an internal hybrid schedule between Member Services Center (MSC) and the Call Center. The other is between Member Services' Call Center and Benefits' Core Benefits Unit. Both pilot programs have proven successful because they bring versatility and adaptability. Both schedules were created to ensure the units can continue to provide services to our members and to ensure they are not lacking resources. We expect to continue and expand on this model.

FY 2025-26 STRATEGIC GOALS AND OBJECTIVES

Our focus continues to be building a strong and effective Superior Member Experience. We remain focused on creating an omnichannel experience that is highly responsive and efficient. We continue looking for opportunities to develop online tools for members' self-service needs and provide different options for our members to reach out to us.

Both Strategic Plan goals—1) ensuring a consistent omnichannel member experience at every stage of the member's journey; and 2) improving and enhancing the retiree healthcare experience—will continue to be worked simultaneously, as Member Services has already begun collaborating with Retiree Healthcare to integrate a consistent model for providing basic retiree healthcare plan explanation counseling in the standardized retirement planning counseling session training. This includes providing clear guidelines and triggers for connecting the member with retiree healthcare for more detailed and indepth counseling. We began working with a contractor who will guide and assist us with our survey needs (internally and externally) and provide best approaches on survey methodology and analyzing the results.

We selected Genesys as our new Member Experience Communication platform to replace our current Contact Center (call center) system. We are currently reviewing the statement of work and plan to invest in and develop the AI-assisted Secure Validation and improve the Member Experience Communication Platform, which will enhance member interaction capabilities in our Call Center and allow us to evaluate AI-assisted chat support on our website.

Another Member Services goal is to develop training curriculum targeting the unique and diverse needs of our units and staff. Planning for succession at all staff levels is guiding us to review and analyze our staff skills and personal goals so we can invest in and develop our team. This is in alignment with our other Strategic Plan priority of Investing in People and succession planning.

As we continue our Strategic Plan priorities, we will continue to focus on the Superior Member Experience; develop and enhance the omnichannel member experience, members' journeys, educational content; standardize counseling, procedures, and communications; and work on the development, implementation, and deployment of a digital strategy to better serve our members.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2025, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2025-26.

Adjustments to Permanent Staffing

Member Services is requesting additional staff this year in support of our Superior Member Experience Strategic Priority goals. We aim to improve the omnichannel experience and ensure our leadership team is dedicated to investing in training, coaching and development of their teams. We are looking to expand our operations in key areas:

1.0 Retirement Benefits Specialist (RBS) III

We are requesting one RBS III position for the Member Services Care Unit. This position will be housed in this unit, but the main purpose is to provide lead support to our Specialist Basic training class. Based on past years' experience and proven success of having a lead in the training class, this RBS III position will be essential to the success of future training classes. During the downtime in between classes, the position will assist with escalations, Operating Instructions (OI), and hardships requests.

1.0 Administrative Assistant (Transferred from Benefits Division)

As a result of changes in automation and the development of document templates, Benefits Division no longer requires the services of an Administrative Assistant to support the Core Section. However, we have found that Member Services would benefit from having an Administrative Assistant to greet members, assist with tracking expenses, ordering supplies for the unit, and coordinating documents to be routed to DPC for scanning at the Member Service Center. Additionally, the individual would handle member delivery of completed documents and appointment scheduling. They would also assist with non-technical questions from members.

The request is to transfer the currently filled Administrative Assistant position housed in Benefits over to Member Services.

Temporary Staffing

Member Services is not requesting any agency temporary staff in FY 2025-26.

Overtime Needs

Member Services is requesting approximately a 3 percent increase in overtime budget for FY 2025-26 to:

- Cover extension shifts for calls, in-person, and virtual appointments
- Assist with Benefits projects
- Prepare for the March Rush, including offering virtual appointments on Saturdays from January through March 2026
- Assist with the Specialist basic training needs, including live monitoring

Interns

Member Services is requesting an intern position, which comes out of the Human Resources budget. In the Member Services Center, they would assist with scheduling, workshop calendars, and office support. They would have a hands-on experience learning new systems the unit uses for appointments and webinars. The intern would also be exposed to various administrative projects that include filling, archiving, requesting, and monitoring facility items and various reports the unit generates. In the Member Services Care unit, they would assist with tracking process and SharePoint support. They will have the opportunity to see how day-to-day operations flow in a unit that tracks and monitors escalations and hardships received. The ideal candidate would be proficient at Microsoft Suite, have critical thinking skills, and be able to work on multiple projects simultaneously. The intern could engage a series of hands-on projects that do not required knowledge of CERL, PEPRA, or any other member benefits information.

Rehired Retirees

Member Services is not requesting any rehired retirees in FY 2025-26.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

Member Services Division does not have any removal of one-time expenditures for FY 2025-26.

Services and Supplies Adjustments

Travel

The Services and Supplies budget requests are in line with previous fiscal years and based on actual and historical expenditure trends. We will need to increase our budget for travel, conferences, and training, as our goal is to continue to invest in staff development. We plan to continue attending State Association of County Retirement Systems (SACRS), California Association of Public Retirement Systems (CALAPRS), and

International Customer Management Institute (ICMI) conferences, as well as International Foundation of Employee Benefit Plans (IFEBP) National Pension Education Association (NPEA), National Conference on Public Employee Retirement Systems (NCPERS), and other relevant conferences for our business needs.

Our budget request for travel increased from \$19,000 to \$36,200. This total amount includes cost for airfare, hotel, and per diem meal reimbursement. The cost for airfare and hotels has increased, and last year we did not consider other overhead costs such as transportation to/from hotels to airports, mileage reimbursement, and per diem food reimbursement. In line with our Investing in People strategic initiative, we want to provide opportunities for our staff to develop and grow.

Consulting and Contracting Services

We are requesting a new contractor service to perform workforce management duties for our Call Center. The funding for this service will be \$122,000. This position is crucial to ensure we are monitoring and developing employees' schedules that align with predicted demand. This position will be responsible for collecting and analyzing data related to employee performance, attendance, and workload. They will create reports and provide insights to improve workforce efficiency and ensure that schedules comply with labor laws and our internal policies. The position will monitor real-time call center activity and utilize tools to optimize scheduling, forecasting, and real-time management processes.

Strategic Planning

Member Service is seeking to acquire services from Gartner to assist with the Strategic Planning initiative: Superior Member Experience. The cost of this service is \$91,400. The knowledge and resources they offer are of great value, from assisting us on building and understanding our members' journey mapping to creating a seamless digital member experience. This includes the enhancement of the member's healthcare experience and improving our member education program.

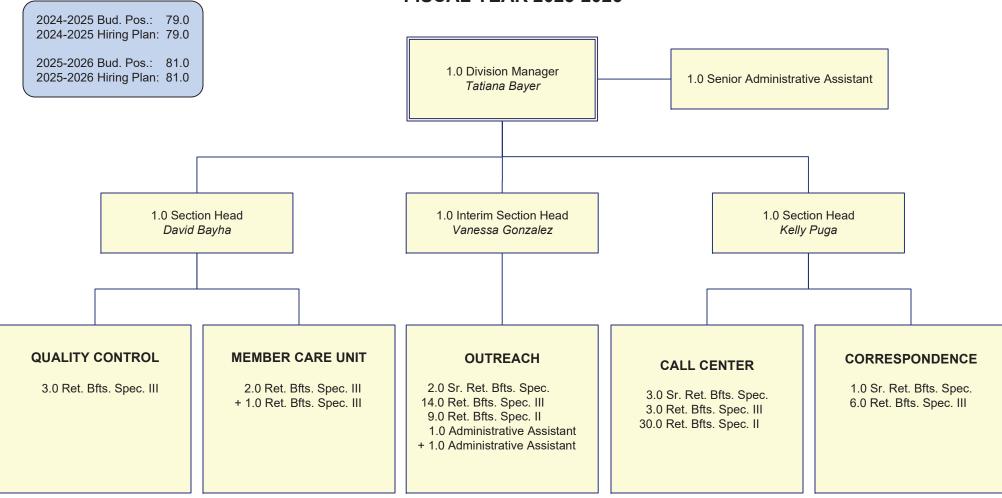
Registration Fees

We will also be seeking conferences and training related to workforce management. A training curriculum is being developed with HR to allow our staff to gain knowledge and improve morale. We are also looking into the supervisors' and managers' current training needs to ensure they have attended the Los Angeles County training academy courses and are able to attend refresher courses and other relevant training.

Our budget request for registration in FY 2025-26 is \$51,000, the same as the prior year. This amount includes registration for multiple conferences and various trainings that we want staff to attend and plan to offer based on training needs discussed with Employee and Organizational Development (EOD).

MEMBER SERVICES DIVISION

FISCAL YEAR 2025-2026



⁺ Added position

FISCAL YEAR 2025-2026

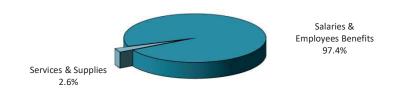
BUDGET SUMMARY

MEMBER SERVICES

COMPARISON OF COMPARISON OF CURRENT YEAR CURRENT YEAR BUDGET PROPOSED BUDGET TO 2024-2025 TO PROJECTION 2024-2025 BUDGET PROPOSED YTD OVER/(UNDER) BUDGET 2025-2026 **BUDGET** (01-31-25)**PROJECTION** BUDGET % CHANGE \$ CHANGE % CHANGE \$12,424,890 \$12,062,576 \$5,823,391 \$11,189,500 (\$873,076) -7.2% \$362,314 3.0% 337,600 94,500 30,857 60,900 (33,600)-35.6% 243,100 257.2% \$12,762,490 \$12,157,076 \$11,250,400 \$605,414 \$5,854,248 (\$906,676) -7.5% 5.0%

Salaries & Employees Benefits Services & Supplies OPERATING BUDGET

2025 - 2026 PROPOSED BUDGET



^{*}All amounts rounded to the nearest dollar.

FISCAL YEAR 2025-2026

SALARIES AND EMPLOYEE BENEFITS SUMMARY

MEMBER SERVICES

		(CURRENT YEAR 2024-2025		COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPAR PROPOSED 2024-2025	BUDGET TO
	PROPOSED BUDGET		YTD		OVER/(L	JNDER)		
	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
Total LACERA Salaries	\$7,343,857	\$6,674,163	\$3,465,758	\$6,576,600	(\$97,563)	-1.5%	\$669,694	10.0%
Total Agency Temp Salaries	0	295,800	63,990	64,000	(231,800)	-78.4%	(295,800)	-100.0%
Employee Benefits (Variable)	3,869,059	3,994,893	1,818,636	3,451,100	(543,793)	-13.6%	(125,833)	-3.1%
Employee Benefits (Other)	434,117	406,694	187,774	398,600	(8,094)	-2.0%	27,423	6.7%
OPEB Contribution	326,157	264,326	139,361	278,800	14,474	5.5%	61,831	23.4%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	397,900	384,900	119,116	380,000	(4,900)	-1.3%	13,000	3.4%
Bilingual Bonus	16,800	16,800	5,200	16,800	0	0.0%	0	0.0%
Sick Leave Buyback	27,000	15,000	23,556	23,600	8,600	57.3%	12,000	80.0%
Rideshare Allowance	10,000	10,000	0	0	(10,000)	-100.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$12,424,890	\$12,062,576	\$5,823,391	\$11,189,500	(\$873,076)	-7.2%	\$362,314	3.0%
Salary Differential **	-	-					-	
TOTAL S&EB	\$12,424,890	\$12,062,576	\$5,823,391	\$11,189,500	(\$873,076)	-7.2%	\$362,314	3.0%

^{*}All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/25, with the exception of Agency Temp Salaries, which are as of 01/31/25.

FISCAL YEAR 2025-2026

BUDGETED POSITIONS

MEMBER SERVICES

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedu
0773	DIVISION MANAGER, LACERA	1	LS12
0772	SECTION HEAD, LACERA	22	LS09
1312	SENIOR RETIREMENT BENEFITS SPECIALIST	4	106C
1311	RETIREMENT BENEFITS SPECIALIST III	27	100J
0439	SENIOR ADMINISTRATIVE ASSISTANT, LACERA	_	095C
1310	RETIREMENT BENEFITS SPECIALIST II	35	094C
0438	ADMINISTRATIVE ASSISTANT, LACERA	_	088L
	Total Filled Positions =	71	
	VACANT POSITIONS		
Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedu
0772	SECTION HEAD, LACERA	v -1	LS09
1311	RETIREMENT BENEFITS SPECIALIST II	ι ω 4	100J 094C
	Total Vacant Positions =	10	
		İ	ı
	TOTAL POSITIONS =	81	

Non-Represented positions shown in black. Represented positions shown in blue. Salary schedule as of 01/01/2025.

FISCAL YEAR 2025-2026

SERVICES & SUPPLIES ACCOUNT SUMMARY

MEMBER SERVICES

		CURRENT YEAR		COMPARISON OF CURRENT YEAR BUDGET		COMPARISON OF PROPOSED BUDGET		
			2024-2025		TO PRO	IECTION	2024-2025	BUDGET
	PROPOSED BUDGET		YTD		OVER/(l	JNDER)		
ACCOUNT CLASSIFICATION	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	\$53,000	\$23,300	\$17,646	\$23,300	\$0	0.0%	\$29,700	127.5%
OFFICE SUPPLIES & EQUIPMENT	10,000	10,000	2,227	6,000	(4,000)	-40.0%	0	0.0%
PROFESSIONAL & SPECIALIZED SERVICES	219,900	6,500	0	6,500	0	0.0%	213,400	3283.1%
EDUCATIONAL EXPENSES	52,200	52,200	9,234	20,600	(31,600)	-60.5%	0	0.0%
MISCELLANEOUS	2,500	2,500	1,750	4,500	2,000	80.0%	0	0.0%
TOTAL	\$337,600	\$94,500	\$30,857	\$60,900	(\$33,600)	-35.6%	\$243,100	257.2%

^{*}All amounts rounded to the nearest dollar.

MEMBER SERVICES

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 20)24	FYE 2	025	Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$6,158,776	\$5,960,835	\$6,674,163	\$6,576,600	\$7,343,857
Total Agency Temp Salaries	72,600	57,563	295,800	64,000	0
Employee Benefits (Variable)	3,925,974	3,085,142	3,994,893	3,451,100	3,869,059
Employee Benefits (Other)	399,401	356,236	406,694	398,600	434,117
OPEB Contribution	221,347	230,902	264,326	278,800	326,157
OPEB Contribution (Budget Surplus)	0	221,347	0	0	0
Stipends	0	0	0	0	0
Overtime	214,200	381,613	384,900	380,000	397,900
Bilingual Bonus	16,800	9,600	16,800	16,800	16,800
Sick Leave Buyback	15,000	20,749	15,000	23,600	27,000
Rideshare Allowance	10,000	0	10,000	0	10,000
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Transportation & Travel	11,500	16,543	23,300	23,300	53,000
Office Supplies & Equipment	4,000	5,059	10,000	6,000	10,000
Professional & Specialized Services	0	0	6,500	6,500	219,900
Educational Expenses	11,200	9,402	52,200	20,600	52,200
Miscellaneous	2,500	2,566	2,500	4,500	2,500
TOTAL OPERATING BUDGET	\$11,063,298	\$10,357,556	\$12,157,076	\$11,250,400	\$12,762,490

^{*}All amounts rounded to the nearest dollar.

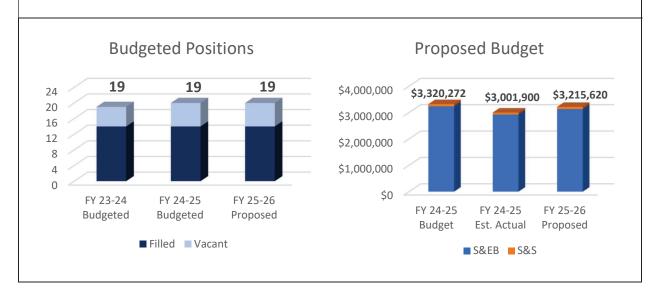


QUALITY ASSURANCE & METRICS

The Quality Assurance Division (QA) performs three main functions on behalf of LACERA's Member Operations Group (MOG), which are those divisions that provide retirement benefit services to LACERA's members. QA's services consist of:

- Independent transactional audits of work processed by MOG staff for our members
- Technical benefits training for MOG staff, from new hires to veterans
- Special projects as assigned by the Executive Office and consistent with QA's independent quality assurance function

The Quality Assurance Division reports to the Assistant Executive Officer (AEO) who oversees the MOG.



Summary of Significant Changes

<u>Description</u>	Position Changes	<u>Amount</u>
No significant changes		

STATUS OF FY 2024-25 PROJECTS AND INITIATIVES

The Quality Assurance Division worked on the following initiatives during the 2024-25 fiscal year:

- Continually redesigned the Core Benefits Training Program for new Retirement Benefits Specialists to prepare the new hires to perform both Core Benefits Division processes and Call Center processes. The new program has been renamed the Specialist Basic Training Program and will graduate its second batch of hybrid trainees in May 2025.
- The Quality Assurance Division continues to participate in MOG special projects, of which the following are most noteworthy from the 2024-25 fiscal year:
 - Alameda Court Decision
 - PEPRA FAC reporting
 - Temporary Time reporting
 - o Account Settlements Process Redesign

FY 2025-26 STRATEGIC GOALS AND OBJECTIVES

QA will continue to expand its audits coverage of Member Services processes through Call Monitoring and Member Surveys. QA also hopes to expand its audit scope to include more processes, especially advanced processes normally handled by Retirement Benefits Specialist IIIs and Senior Retirement Benefits Specialists.

QA will continue to enhance the training provided to MOG staff through the greater use of advanced technology like online learning, multimedia tools, and artificial intelligence. QA hopes to expand the training content to include more processes, especially advanced processes normally handled by Retirement Benefits Specialist IIIs and Senior Retirement Benefits Specialists.

The QA Division looks forward to implementing a formal standardized training program for QA Staff based on the dual pillars of:

- Benefits-specific legal and institutional knowledge
- IIA training for Audit professionals

QA will collaborate with the MOG Divisions on ongoing and new special projects, such as:

- The implementation of LACERA's updated Collections Policy;
- Changes to legal interpretations and related business rules, such as the Public Employees' Pension Reform Act (PEPRA) Final Average Compensation (FAC) calculation;
- The implementation of the Case Management System throughout the MOG; and
- Collaborative process improvement projects between LACERA and L.A. County.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2025, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2025-26.

Adjustments to Permanent Staffing

Historically, the most qualified candidates for Quality Auditor positions are highly experienced Retirement Benefits Specialists from the Benefits and Member Services divisions. To avoid exacerbating an existing staffing shortage in the Benefits and Member Services divisions, LACERA has elected to fill the three vacant Senior Quality Auditor Positions and two vacant Quality Auditor II positions after sufficient numbers of vacancies in the Benefits and Member Services divisions are filled with adequately trained staff, which normally takes a year from the date of hire. Accordingly, we anticipate that the QA Division staff vacancies will not be filled before the second half of FY 2025-26. All salary and employee benefit costs, as well as services and supply costs related to these vacancies, will also be postponed until these positions are filled. If these positions are filled sooner than expected, we may request a mid-year adjustment to impacted budget items

Temporary Staffing

The Quality Assurance Division does not intend to request agency temporary staff for FY 2025-26.

Overtime Needs

A total of \$12,300 in Overtime is requested for a Staff Assistant II and a Senior Administrative Assistant to support the following:

- 1) Assist with peak season work (e.g., audits and surge in training needs)
- 2) Anticipated special projects (e.g., database cleanup, implementation of major business rules changes, etc.)
- 3) CEM survey

Interns

Funding for interns is provided in the Human Resources Division's Budget. The Quality Assurance Division provides coordination and data consolidation services in association

with the compilation of the annual Cost Effective Management (CEM) Benchmarking report. This process currently uses Microsoft Excel worksheets and a manual workflow that requires participants from across LACERA's divisions to spend at least 120 hours across several months, under strict deadlines, to extract, compute and transmit to QA, and ultimately CEM, a wide range of statistical data. QA wishes to assign a qualified intern to help administer this process and, if qualified, develop an application to improve its efficiency while increasing the value of the resulting data through improved analytics and data visualization tools. Depending on the qualifications of the selected intern, this project may require six to nine months. The cost for the LACERA intern program resides in the HR Division budget, and the intern's work will most likely be overseen by the Systems Division.

Rehired Retirees

The Quality Assurance Division does not anticipate any use of rehired retirees in FY 2025-26.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

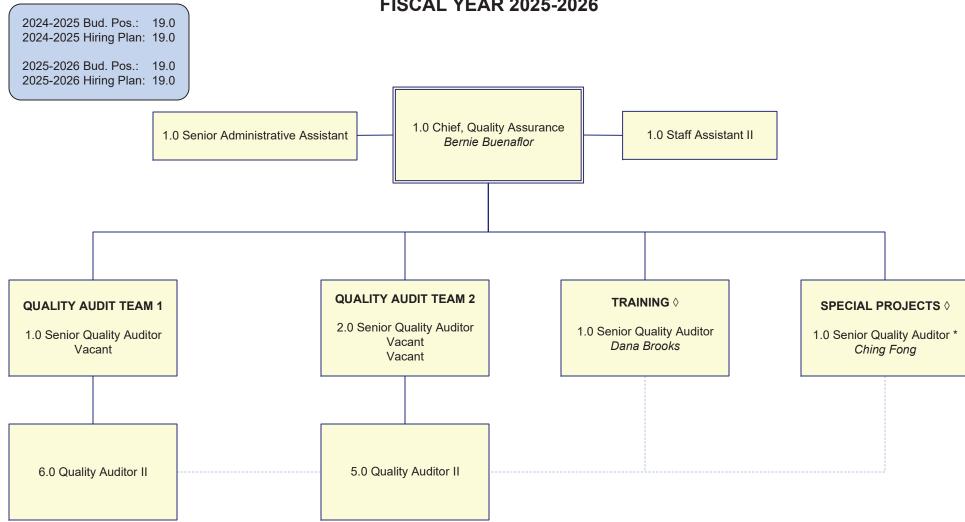
The Quality Assurance Division does not have any removal of one-time expenditures for FY 2025-26.

Services and Supplies Adjustments

There are no significant changes requested in the Services and Supplies budget. If vacant positions are filled sooner than anticipated, QA may request a mid-year adjustment to increase related services and supplies cost.

QUALITY ASSURANCE DIVISION

FISCAL YEAR 2025-2026



^{*} Classification study for the position requested.

[♦] In addition to the quality audit, QA Auditors conduct training and work on special projects, which are coordinated by the QA Sr. Auditor for Training and the QA Sr. Auditor for Special Projects, respectively.

FISCAL YEAR 2025-2026

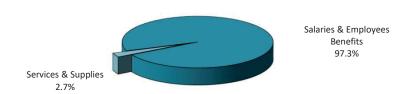
BUDGET SUMMARY

QUALITY ASSURANCE

	CURRENT YEAR			COMPARI CURRENT YE		COMPAR PROPOSED I	
		2024-2025		TO PROJ	ECTION	2024-2025	BUDGET
PROPOSED BUDGET		YTD		OVER/(L	JNDER)		
2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
\$3,129,520	\$3,234,172	\$1,532,122	\$2,926,500	(\$307,672)	-9.5%	(\$104,652)	-3.2%
86,100	86,100	2,603	75,400	(10,700)	-12.4%	0	0.0%
\$3,215,620	\$3.320.272	\$1.534.725	\$3.001.900	(\$318.372)	-9.6%	(\$104.652)	-3.2%

Salaries & Employees Benefits Services & Supplies OPERATING BUDGET

2025 - 2026 PROPOSED BUDGET



^{*}All amounts rounded to the nearest dollar.

FISCAL YEAR 2025-2026

SALARIES AND EMPLOYEE BENEFITS SUMMARY

QUALITY ASSURANCE

		CURRENT YEAR 2024-2025			COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET	
	PROPOSED BUDGET		YTD		OVER/(l	JNDER)		
	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
Total LACERA Salaries	\$1,885,458	\$1,965,306	\$924,573	\$1,754,500	(\$210,806)	-10.7%	(\$79,848)	-4.1%
Total Agency Temp Salaries	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	1,033,366	1,056,170	511,484	970,500	(85,670)	-8.1%	(22,804)	-2.2%
Employee Benefits (Other)	111,457	119,760	55,028	117,400	(2,360)	-2.0%	(8,303)	-6.9%
OPEB Contribution	83,739	77,837	41,036	82,100	4,263	5.5%	5,902	7.6%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	12,300	11,900	0	2,000	(9,900)	-83.2%	400	3.4%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	1,000	1,000	0	0	(1,000)	-100.0%	0	0.0%
Rideshare Allowance	2,200	2,200	0	0	(2,200)	-100.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$3,129,520	\$3,234,172	\$1,532,122	\$2,926,500	(\$307,672)	-9.5%	(\$104,652)	-3.2%
Salary Differential	-		-				-	
TOTAL S&EB	\$3,129,520	\$3,234,172	\$1,532,122	\$2,926,500	(\$307,672)	-9.5%	(\$104,652)	-3.2%

^{*}All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/25, with the exception of Agency Temp Salaries, which are as of 01/31/25.

FISCAL YEAR 2025-2026

BUDGETED POSITIONS

QUALITY ASSURANCE

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0780 0798 0797 0439 0427	CHIEF, QUALITY ASSURANCE SENIOR QUALITY AUDITOR QUALITY AUDITOR II SENIOR ADMINISTRATIVE ASSISTANT STAFF ASSISTANT II Total Filled Positions =	1 2 8 1 1	LS12 110J 105G 095C 097B
	VACANT POSITIONS		
Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0798 0797	SENIOR QUALITY AUDITOR QUALITY AUDITOR II	3 3	110J 105G
	Total Vacant Positions =	6	
	TOTAL POSITIONS =	19	1

Non-Represented positions shown in black. Represented positions shown in blue. Salary schedule as of 01/01/2025.

FISCAL YEAR 2025-2026

SERVICES & SUPPLIES ACCOUNT SUMMARY

QUALITY ASSURANCE

		CURRENT YEAR			COMPAR CURRENT YE		COMPAR PROPOSED	
			2024-2025		TO PROJ	ECTION	2024-2025	BUDGET
	PROPOSED BUDGET		YTD		OVER/(U	JNDER)	OVER/(JNDER)
ACCOUNT CLASSIFICATION	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	\$9,600	\$9,600	\$1,627	\$5,600	(\$4,000)	-41.7%	\$0	0.0%
OFFICE SUPPLIES & EQUIPMENT	1,000	1,000	181	500	(500)	-50.0%	0	0.0%
PROFESSIONAL & SPECIALIZED SERVICES	59,000	59,000	0	59,000	0	0.0%	0	0.0%
EDUCATIONAL EXPENSES	16,300	16,300	795	10,200	(6,100)	-37.4%	0	0.0%
MISCELLANEOUS	200	200	0	100	(100)	-50.0%	0	0.0%
TOTAL	\$86,100	\$86,100	\$2,603	\$75,400	(\$10,700)	-12.4%	\$0	0.0%

^{*}All amounts rounded to the nearest dollar.

QUALITY ASSURANCE

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

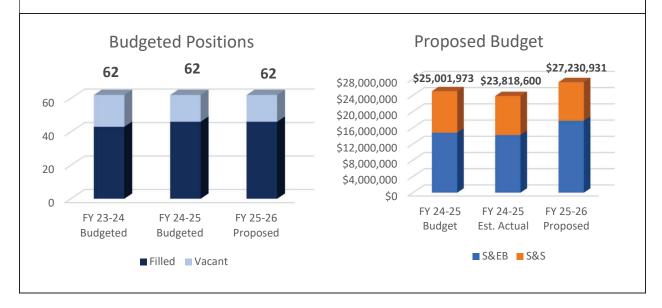
	FYE 2024		FYE 2	025	Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$1,885,279	\$1,660,777	\$1,965,306	\$1,754,500	\$1,885,458
Total Agency Temp Salaries	0	0	0	0	0
Employee Benefits (Variable)	1,213,449	935,487	1,056,170	970,500	1,033,366
Employee Benefits (Other)	120,837	105,901	119,760	117,400	111,457
OPEB Contribution	66,968	69,858	77,837	82,100	83,739
OPEB Contribution (Budget Surplus)	0	66,968	0	0	0
Stipends	0	0	0	0	0
Overtime	11,500	2,031	11,900	2,000	12,300
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	1,000	0	1,000	0	1,000
Rideshare Allowance	2,200	0	2,200	0	2,200
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Transportation & Travel	9,600	7,547	9,600	5,600	9,600
Office Supplies & Equipment	1,000	606	1,000	500	1,000
Professional & Specialized Services	55,000	55,000	59,000	59,000	59,000
Educational Expenses	16,300	17,512	16,300	10,200	16,300
Miscellaneous	200	0	200	100	200
TOTAL OPERATING BUDGET	\$3,383,333	\$2,921,687	\$3,320,272	\$3,001,900	\$3,215,620

^{*}All amounts rounded to the nearest dollar.



SYSTEMS DIVISION

The Systems Division (Systems) oversees all aspects of information technology for LACERA. Systems provides technology support services and creates innovative application solutions to assist the organization in meeting its mission. The Division is made up of three primary sections: the Business Solutions Unit, which develops and implements software solutions to support the organization's business needs; the Infrastructure Unit, which implements and supports the organization's and staff's hardware and telecommunications needs; and the Project Management Office (PMO), which innovates new technology with subject-matter experts to address new business needs and, after initial implementation, passes projects off to the other units for ongoing maintenance and support.



Summary of Significant Changes

<u>Description</u>	<u>Position</u> <u>Changes</u>	Amount
 Add 1 EDP Prin. Prog. Analyst and 1 EDP Sen. Prog. Analyst (Application Development) 	2	\$367,131
 Delete 2 Retirement Systems Specialists (Application Development) 	(2)	(\$409,254)

•	Add 2 Info. Tech. Manager I (one in Engineering and one in	2	\$409,797
•	Application Development) Delete 2 Data Systems Supervisor II (one in Service Desk and one in Telco/AV/Data Center Management)	(2)	(\$415,374)
•	Agency Temporary Staffing to support three critical projects: Enterprise Business Intelligence, Mainframe Migration, and Business Solutions Initiatives		\$1,759,900
•	Remote Workforce Equipment Replacing aging laptops deployed in 2020 and 2021		\$50,000
•	Audiovisual Enhancements Completion of conference room conversions to MS Teams rooms		(\$125,000)
•	Production Copiers: Leases Transfer of budget item from Administrative Services		\$220,000
•	LAN Software & LIC—Existing Azure Hosting Services, Microsoft M365 Licenses, Mainframe Software and Licensing		\$355,000
•	 Divisional Software—New Completion of SASE Solution (NetSkope Replacement) Deferral of Facilities Management Solution (in-house SharePoint/Power Automate solution implemented instead) Cancellation of PBI Upgrade (in-house enhancement to PAS implemented instead) Completion of Human Resources Recruitment Module (NeoGov) Identity Verification Software (deferred to FYE 2027) 		(\$556,000)
•	Divisional Software—Existing SASE Solution: Transfer of budget item to Information Security Office		(\$57,000)
•	 Enterprise Software Knowledge Management Solution: Initial milestones completed Enterprise Resource Planning Solution: Deferred to FYE 2028 Member Experience Communication Platform (MECP): Initial milestones completed 		(\$665,000)
•	Memberships Gartner CIO Subscription		\$83,500

STATUS OF FY 2024-25 PROJECTS AND INITIATIVES

The Systems Division has continued to modernize LACERA's technology infrastructure and implement automated business solutions for greater efficiency. Our three information technology sections—Business Solutions, Project Management Office, and Infrastructure—are engaged, working effectively, and making an impact on the organization. The following are the projects we have completed so far this year.

Automated Processing of Death Notifications: LACERA has automated the processing of death notifications received from PBI Research. This automation ensures that all notifications are handled quickly and consistently. As a result, staff time spent on incoming PBI notifications has been reduced by 14 hours per week, and the Systems Division can now retire a legacy client application.

Benefit Estimate Redesign: LACERA has redesigned the benefit estimates that are distributed to our members. The new design features a clean, easy-to-read layout that makes it simpler for members to understand their benefits. For Plan E and PEPRA members, the enhancements include tailored information that addresses the unique aspects of each plan. With the implementation of this new design and streamlined process, we are retiring a legacy batch application that previously produced benefit estimates, improving the member experience, and reducing staff time spent preparing benefit estimates.

Board Archive Solution: LACERA has developed a comprehensive archive of all historical board meeting materials within a SharePoint library, enhanced with Microsoft's Artificial Intelligence (AI) search engine. This new library simplifies board meeting research and replaces the previous legacy system.

Board Operations Solution (OnBoard): LACERA has created a Power Automate solution to support the assembly of board meeting materials. This solution streamlines the preparation, review, and approval of board materials, effectively replacing the previous OneMeeting system.

Business Solutions Transition from Waterfall to Agile/Scrum Development: This year, our internal development team in the Business Solutions unit successfully transitioned from a traditional waterfall development lifecycle, previously supported by SeaPine TestTrack, to an Agile/Scrum development approach using Jira. This shift has enabled us to enhance our project management processes, improve team collaboration, and increase flexibility in responding to changes. The adoption of Jira has streamlined our workflow, providing better visibility into project progress and facilitating more efficient sprint planning and execution.

Digital Signage: LACERA has installed digital signage to display pictures of the Board of Retirement and Board of Investments trustees. These displays are in the Member Services Center on the first floor and outside the board room on the eighth floor.

LACERA Event Response Team (LERT) Management Solution: LACERA has successfully completed Phase 1 of the LERT Management Solution. Built using ServiceNow and accessible through LACERA Connect, this solution enables any employee to enter a privacy or security event. The solution supports the following steps: classification, prioritization, investigation, diagnosis, resolution, and closure. It provides real-time monitoring and alerts as well as reporting and analytics.

Mesa Co-Location Site Retirement: Following the completion of LACERA's Cloud migration last year, we officially shut down our co-location center in Mesa, Arizona. This center was originally intended to replicate the servers on-site in Pasadena. However, as the number of on-site servers in Pasadena has decreased, our need for this center has also diminished.

Microsoft CoPilot: The infrastructure team has successfully launched Microsoft's Artificial Intelligence tool, CoPilot. To support this rollout, we have scheduled training classes in CoPilot for Office and have established a CoPilot Champions program.

Microsoft (MS) Teams Rooms Conversions: The Telco team completed the conversion of eight more traditional conference rooms to MS Teams rooms. These rooms now seamlessly support hybrid meetings on MS Teams, enhancing collaboration and staff participation. With these additional conversions, LACERA now has 16 MS Teams rooms and has completed the conversion of traditional conference rooms to MS Teams-enabled rooms.

NeoGov Expansion in HR Division: LACERA's HR Division has successfully broadened its use of NeoGov by incorporating the Attract and Perform modules. The Attract module enhances our recruitment process by streamlining job postings, candidate tracking, and application management. Meanwhile, the Perform module supports employee performance management, enabling more effective goal setting, performance reviews, and feedback. This expansion aims to improve overall HR efficiency, enhance the candidate experience, and foster a culture of continuous improvement within the organization.

Playwright Implementation: LACERA's Business Solutions team has successfully adopted Microsoft Playwright, an advanced automated testing tool. This implementation aims to expedite regression testing for our Pension Administration System, ensuring faster and more reliable updates. By leveraging Playwright, we can enhance our testing efficiency, reduce manual effort, and improve the overall quality of our system.

PMO Playbook Development: LACERA has created a comprehensive PMO Playbook that details the project management process within the organization. This playbook, along

with a library of project management templates and two SharePoint lists for tracking project progress, has been published on a SharePoint site.

Policy Library (Compass): LACERA has developed a policy library using SharePoint and enhanced it with Microsoft's AI search engine. This solution can be used to access LACERA's policies, procedures, charters, and forms. This solution also hosts a Policy Development Portal that can be used to initiate the creation or revision of a policy. The solution is accessible to all LACERA employees on LACERA Connect.

Sol Case Management Phase 1: The Sol Case Management Solution for the First Payment Process was successfully launched in December 2024. The First Payment Process starts when a member elects to retire via My LACERA or submits a paper or electronic retirement election form to LACERA and concludes when the member receives his or her first benefit payment. Previously, this mission-critical and time-sensitive process included many manual steps. The new case management process is streamlined and automated, featuring effective management dashboards to ensure that our members are paid accurately and on time.

Sol Case Management Display on My LACERA: The new Sol First Payment Process has been integrated with My LACERA so that members can easily check the progress of their retirement election at any time of day from anywhere in the world.

Sol Case Management Display on Workspace: The new Sol First Payment Process has been integrated with Workspace so that Member Services staff can easily check the progress of a member's retirement election when they are meeting or talking with the member.

Workplace Violence Reporting Solution: LACERA has successfully implemented a Workspace Violence Reporting Solution. Built using ServiceNow and accessible through LACERA Connect, this solution provides anonymous reporting, incident documentation, automated workflows, and compliance tracking. This solution helps create a safer work environment by facilitating the reporting and management of workplace violence incidents.

We also have the following projects in progress and expect to complete them during FY 2024-25:

Certify Expense: LACERA previously implemented Certify Automated Accounts Payable. We are currently in the process of implementing a related module: Certify Expense. With this new module, users can create, submit, and approve expenses easily from their phone or desktop. Certify Expense supports direct deposit for reimbursement payments and integrates with LACERA's general ledger system, Dynamics Great Plains. **We expect the initial implementation of Certify Expense to be completed by June 2025.**

eDiscovery: The Information Technology Coordination Council (ITCC) approved a project to securely capture and archive organizational communications such as email, instant messages, voice messages, and mobile text messages using a new eDiscovery solution. This new solution will give the Legal Services Division autonomy for eDiscovery and public records requests, ensure proper chain of command for eDiscovery, and increase the integrity of LACERA archives. The eDiscovery team's recommended vendor, GlobalRelay, was approved by the Board of Retirement. **We expect the initial implementation of GlobalRelay to be completed by June 2025**.

Enterprise Contract Lifecycle Management (ECLM): LACERA has procured an ECLM solution from Cobblestone. This solution will automate the development, approval, and management of contracts and RFPs at LACERA. This solution replaces a legacy system that was developed in-house and supports the centralization of vendor management at LACERA. **We expect the solution to go live in March 2025.**

Microsoft Fabric/Purview Proof of Concept: LACERA is currently conducting a Proof of Concept (POC) for the use of Microsoft Fabric and Microsoft Purview for Business Intelligence and Data Governance. If successful, these products will be used going forward to support LACERA's Enterprise Business Intelligence strategic initiative. **We expect the POC to be completed by June 2025.**

NeoGov Continued Expansion: LACERA's HR Division is currently implementing a third NeoGov module, Learn. This module is designed to enhance our employee training and development programs by providing a comprehensive platform for managing and delivering educational content. With Learn, we aim to streamline the creation, distribution, and tracking of training materials, ensuring that our staff has access to the resources they need for continuous professional growth. **We anticipate the implementation of NeoGov Learn to be completed by March 2025.**

FY 2025-26 STRATEGIC GOALS AND OBJECTIVES

The Systems Division will support LACERA's Strategic Initiatives in FY 2025-26 as outlined below:

1. Superior Member Experience

Enhance the Retiree Healthcare Experience: The Business Solutions team will support the Superior Member Experience initiative by developing a self-serve, online retiree healthcare enrollment process. This process will be simple, user-friendly, and efficient. Clear instructions, an intuitive interface design, real-time feedback, and the ability to easily navigate through the steps will streamline the process and enhance the overall user experience.

Member Experience Communication Platform: The Project Management Office will continue to implement a new Call Center solution that will streamline the authentication process and improve the experience of calling LACERA for members and payees.

Sol Case Management: The Project Management Office will continue with Phase 2 of the case management project by implementing the following processes in Sol: Death Benefit Claim and Seamless Survivor Processing.

2. Innovation through Technology

Knowledge Management: The Project Management Office will continue to support the Knowledge Management initiative during FY 2025-26 as LACERA seeks to digitally capture, document, organize, and access critical business knowledge and information.

Business Intelligence: The Systems Division will continue to lead the advancement of LACERA's business intelligence. Our implementation of MS Fabric and Purview will serve as the foundation for this effort as we implement Power Business Intelligence (BI) dashboards, optical character recognition, and artificial intelligence solutions.

3. Investing in People

Staff Training and Development: The Systems Division has prioritized developing technical mastery and building professional relationships for FY 2025-26. Staff will be offered training to develop their skills, knowledge, and abilities and conferences to exchange information with their peers at other associations. With the implementation of modern technology, we will also train staff to administer and support the new solutions as needed. While we have leaned heavily on online, virtual training during the pandemic and understand the efficiencies of this training model, we plan to take advantage of in-person opportunities going forward to make sure LACERA staff members are in touch with peers and not advancing our technology in isolation.

4. Compliance and Enterprise Risk Management

Governance Automation: The Project Management Office will work with the Legal Services and Internal Audit divisions to select and implement Governance, Risk, and Compliance (GRC) Management solutions.

5. Fiscal Durability

Enterprise Automation: The Systems Division will continue to support the new implementations of Questica (budget automation), Cobblestone (ECLM), and Certify AP (automated accounts payable) as well as work with FASD to plan for replacing our legacy general ledger system with a modern solution that leverages cloud technology, automation, and advanced analytics.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2025, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2025-26.

Adjustments to Permanent Staffing

The Systems Division is continuing to evaluate and make the appropriate staffing adjustments necessary to ensure we have the proper resources to meet our commitments, support LACERA's mission, and create the most efficient, productive, and secure enterprise.

For FY 2025-26, the Systems Division does not wish to change the number of budgeted positions; however, we would like to remove four vacant positions from the budget that the leadership team does not intend to fill and replace them with four ordinanced positions that they do intend to fill (or underfill):

Vacant positions to remove from the budget:

- 2 Data Systems Supervisor II
- 2 Retirement Systems Specialist

Ordinanced positions to add to the budget:

- 2 Information Technology Manager I
- 1 EDP Principal Programmer Analyst
- 1 EDP Senior Programmer Analyst

Positions Requested FY 2025-26	4
Positions Removed FY 2025-26	(4)
Net Change	0

Temporary Staffing

The Systems Division utilizes temporary staffing for two primary reasons: (1) to secure essential technical resources on a short-term basis while awaiting the availability of competitive exams, or (2) to temporarily address gaps in skillsets or augment existing teams.

Our 14 current temporary staff members fall into the first category, performing work that will eventually be handled by permanent staff members once our 19 vacant positions are filled. These temporary staff members possess the technical skills necessary to support our IT operations. They have demonstrated their competence and are strong candidates for our job vacancies. We encourage them to apply for these positions when they become available.

In addition to retaining our current temporary staff, there is an urgent need to add temporary staff to support three critical projects. These additional temporary staff members will address skillset gaps or augment existing teams for a limited duration. The projects they will support are vital to achieving LACERA's strategic goals, modernizing IT infrastructure, increasing operational efficiency, and enhancing the member experience.

The three projects requiring additional temporary staffing are Enterprise Business Intelligence, Mainframe Migration, and Business Solutions Initiatives.

Enterprise Business Intelligence

The Enterprise Business Intelligence Strategic Initiative at LACERA is designed to promote an enterprise-wide approach to information gathering, integration, analysis, and sharing. We aim to enhance decision-making capabilities across the organization by extending the use of our business intelligence platform across the association to significantly boost the accuracy, accessibility, and timeliness of our data, leading to more informed and effective decisions.

To realize these strategic benefits, we request additional temporary resources to establish a dedicated data management and business intelligence implementation team. This team will be instrumental in developing robust data architecture, implementing comprehensive data governance, and creating a detailed data catalog/classification system. They will enhance and optimize LACERA's existing data lake by incorporating additional real-time and near real-time data capture to improve reporting and analytics. Without the allocation of additional dedicated resources, the Business Intelligence Strategic Initiative will come to a halt.

We request four additional temporary resources: a Data Architect, a Business Intelligence Analyst, and two Business Intelligence Developers, with an estimated cost of \$840,000. These roles are critical for advancing LACERA's strategic initiative for Enterprise Business Intelligence and delivering sustainable dashboards. Their contributions will

ensure the successful implementation of this initiative, ultimately supporting our long-term strategic goals.

Mainframe Migration

From 2014 to 2018, LACERA successfully migrated all real-time business functions from its mainframe to Workspace, an in-house developed comprehensive Pension Administration System (PAS). While this project was very successful, it only addressed online transactions, leaving batch programs still running on the mainframe.

This new initiative aims to migrate the existing mainframe batch processes to LACERA's PAS application. By doing so, we will eliminate reliance on the mainframe, streamline operations, and enhance system efficiency. Many business rules programmed on the mainframe are already implemented in Workspace, facilitating a smoother transition. Migrating all batch processes to Workspace and retiring the mainframe will also result in annual cost savings of \$800,000.

The urgency of this migration cannot be overstated. The workforce capable of supporting mainframe technology is rapidly dwindling, posing a significant risk to our operations. To mitigate this risk and ensure a seamless transition, we urgently request additional temporary resources to establish a dedicated team focused solely on migrating these batch functions to Workspace, free from conflicting priorities. This will enable the Mainframe Migration Project to develop a comprehensive multi-year project plan, track progress, and execute effectively. Once these functions are integrated into Workspace, they will transition to the existing Workspace team for ongoing operational support.

We seek four additional temporary resources: two business analysts and two Java developers, with an estimated cost of \$920,000. These roles are crucial for ensuring a smooth and efficient migration process, leading to improved operational efficiency and a more cohesive system. Without these additional dedicated resources, the Mainframe Migration project will not move forward, and we risk the inability to maintain this mission-critical subsystem.

Investing in the temporary staffing budget is essential to maintain LACERA's operational efficiency and achieve strategic project goals. To continue our current temporary staff and add new temporary staff for critical projects, we request an increase in our temporary staffing budget for next year to \$3,900,000.

Overtime Needs

We are requesting the same budget for overtime in FY 2025-26 that we requested in FY 2024-25. This overtime budget is primarily allocated for:

- After-hour system maintenance and upgrades
- Emergency system support
- Support for Saturday Member Services and Benefits operations
- Support for extended office hours during peak months

Development and implementation support for Phase 2 of Sol

Interns

The Systems Division is seeking five interns: two for the Business Solutions unit, two for the Infrastructure Unit, and one for the Project Management Office. The Business Solutions interns will work on optical character recognition (OCR) and Business Intelligence (BI) initiatives. The infrastructure interns will join the engineering team to support and learn about LACERA's onsite data center. The Project Management Office intern will participate in ongoing projects as a junior project manager. Our objectives for hiring interns are to provide meaningful work experiences for Information Technology students, gain energetic resources with fresh perspectives for short-term projects, and identify qualified candidates for potential permanent positions within our division.

Funding for interns is provided in the Human Resources Division's budget.

Rehired Retirees

The Systems Division is not requesting any rehired retirees for FY 2025-26.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

The Systems Division has removed the following one-time expenditures totaling \$1,466,000 for FY 2025-26 due to completion of these projects:

Project	Cost
 Initiation of Member Enterprise Communication Platform (MECP) 	(\$300,000)
Completion of SASE Implementation	(\$235,000)
Deferral of Facilities Management Solution (SharePoint/Power Automate solution implemented instead)	(\$150,000)
Initiation of Knowledge Management Solution	(\$115,000)
Completion of MS Teams Rooms Conversions	(\$125,000)
Cancellation of PBI Upgrade (Enhancement to Pension Administration System implemented instead)	(\$100,000)
Completion of New NeoGov Modules	(\$71,000)
Enterprise Resource Planning Solution	(\$250,000)
Morado Intelligence, LLC (InfoSec)	(\$120,000)

Services and Supplies Adjustments

Divisional Software: New

Project	Total Cost	Description
Digital Mailroom Solution	\$150,000	LACERA seeks a virtual mailroom to ensure business continuity by providing efficient and secure management of incoming mail. The virtual mailroom would use an outsourced solution to provide uninterrupted document processing and remote accessibility. The same amount for this project was requested during the FY 2024-25 budget; however, this project was deferred due to resource constraints and to focus on higher priority initiatives.
Microsoft Fabric Implementation	\$120,000	To support LACERA's strategic objective of Innovation through Technology, the Systems Division seeks to implement Microsoft Fabric, a comprehensive, cloud-based data analytics platform designed to unify data, Artificial Intelligence (AI), and analytics tools for various workloads and industries. Fabric will provide a unified data platform, real-time data processing, and seamless integration with other Microsoft 365 apps while adhering to LACERA's security and governance requirements.
Portfolio Project Management (PPM) Solution	\$50,000	The PMO seeks to implement a Portfolio Project Management (PPM) solution to help LACERA manage and prioritize multiple projects within our portfolio. A PPM solution will help define project portfolios and prioritize them based on ROI, resource availability, and strategic objectives. Once the projects are initiated, the PPM solution will enhance our ability to track costs, identify risks, manage timelines, and report on status.

Enterprise Software: New

Project	Total Cost	Description
Member Case Management System – Continuation of Phase 2	\$500,000	Case management continues to be a top priority for LACERA in the upcoming fiscal year. LACERA completed Phase 1 of the project, which includes the Disability Retirement, Disability Appeals, and First Payment processes. The estimate in this current fiscal year is for the completion of Phase 2. Phase 2 includes the death benefit claim and seamless survivor processes. The future phases may involve additional RFPs for professional services, or LACERA may choose to implement the additional phases using internal resources.
Member Experience Communication Platform (MECP)	\$300,000	LACERA seeks to modernize our existing telecommunications infrastructure for servicing our members. This funding is requested to continue to support LACERA's telecommunications strategy to acquire a world-class Member Service Contact Center solution that integrates with our existing Microsoft suite of products, case management application, and pension administration system. Initial funding for this project was requested during the FY 2024-25 budget. However, due to delays, the project was not initiated until towards the end of FY 2024-25. Portions of the initial budget proposal are being carried forward to FY 2025-26.

Enterprise Software: New (cont'd)

Project	Total Cost	Description
Knowledge Management Solution	\$135,000	To support LACERA's strategic objective of Innovation Through Technology, the organization seeks to implement an enterprise knowledge management solution that stores and organizes the knowledge and information of the organization into a single robust solution. We currently maintain this critical enterprise content in multiple formats and on disparate systems. This project will improve the efficiency of processes and operations by reducing the time and effort required to access and use relevant knowledge and information, preserve intellectual assets by capturing and storing knowledge of subject matter experts or retirees, and support learning and development of staff by providing a resource to acquire and update their knowledge and skills. Initial funding for this project was requested during the FY 2024-25 budget. However, due to delays, the project was not initiated until towards the end of FY 2024-25. Portions of the initial budget proposal are being carried forward to FY 2025-26.
Governance, Risk and Compliance (GRC), and Audit Solution	\$70,000	LACERA seeks to implement a comprehensive IT Governance, Risk, and Compliance Solution. The same amount for this project was requested during the FY 2024-25 budget; however, this project was deferred due to resource constraints and to focus on higher priority initiatives. During FY 2024-25, the organization also internally developed a separate Policy Management solution, so that module is no longer needed.

SYSTEMS DIVISION

FISCAL YEAR 2025-2026

2024-2025 Bud. Pos.: 62.0 2024-2025 Hiring Plan: 57.0 2025-2026 Bud. Pos.: 62.0 2025-2026 Hiring Plan: 48.0 1.0 Chief, Information Technology 1.0 Sr. Administrative Assistant Kathy Delino **BUSINESS SOLUTIONS** PROJECT MANAGEMENT OFFICE **INFRASTRUCTURE** 1.0 Staff Assistant I 1.0 Information Tech. Manager II 1.0 Information Tech. Manager II 1.0 Information Tech. Manager II Ganesh Gopanapalli Kathy Delino (Interim) Summy Voong **OPERATIONS** APPLICATION DEVELOPMENT SERVICE DESK **ENGINEERING** 1.0 Info. Tech. Manager I 1.0 Info. Tech. Manager I 1.0 Data Systems Supervisor II 1.0 Info. Tech. Specialist I + 1.0 Info. Tech. Manager I 1.0 Info. Tech. Manager I 2.0 Info. Tech. Specialist II 1.0 Data Systems Coordinator 1.0 Info. Tech. Specialist I 4.0 Data Systems Coordinator + 1.0 Info. Tech. Manager I 1.0 EDP Principal Programmer Analyst 1.0 Ret. Systems Specialist 3.0 Data Systems Analyst II 1.0 Info. Tech. Specialist I 2.0 Data Systems Analyst II 2.0 Ret. Systems Specialists 1.0 Data Systems Analyst I 3.0 Data Systems Coordinator 2.0 Data Systems Analyst I + 1.0 EDP Principal Programmer Analyst 1.0 Data Systems Analyst I + 1.0 EDP Senior Programmer Analyst 1.0 Data Systems Supervisor II 5.0 Data Systems Coordinator 4.0 Data Systems Analyst II 2.0 Data Systems Analyst I PROJECT MANAGEMENT TELCO / AV / DATA CENTER MGMT SYSTEM ADMINISTRATION / **ARCHITECTURE** 2.0 Info Tech. Specialist I 1.0 Info. Tech. Specialist II 1.0 Data Systems Supervisor II 1.0 Data Systems Supervisor II 1.0 Info. Tech. Manager II 1.0 Data Systems Coordinator 1.0 Data Systems Coordinator 3.0 Info. Tech. Specialist II 2.0 Data Systems Analyst II 1.0 Info. Tech. Specialist I

⁺ Added position

⁻ Deleted position

FISCAL YEAR 2025-2026

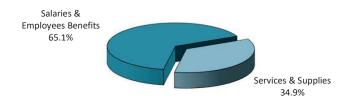
BUDGET SUMMARY

SYSTEMS DIVISION

	CURRENT YEAR			COMPAR CURRENT YE		COMPARISON OF PROPOSED BUDGET TO		
	2024-2025			TO PROJ	ECTION	2024-2025 BUDGET		
PROPOSED BUDGET	YTD			OVER/(L	JNDER)			
2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE	
\$17,728,931	\$14,784,573	\$7,594,487	\$14,215,800	(\$568,773)	-3.8%	\$2,944,358	19.9%	
9,502,000	10,217,400	5,162,026	9,602,800	(614,600)	-6.0%	(715,400)	-7.0%	
\$27 230 931	\$25,001,973	\$12 756 512	\$23,818,600	(\$1.183.373)	-4 7%	\$2 228 958	8 9%	

Salaries & Employees Benefits Services & Supplies OPERATING BUDGET

2025 - 2026 PROPOSED BUDGET



^{*}All amounts rounded to the nearest dollar.

FISCAL YEAR 2025-2026

SERVICES & SUPPLIES ACCOUNT SUMMARY

SYSTEMS DIVISION

		CURRENT YEAR		COMPARISON OF CURRENT YEAR BUDGET		COMPARISON OF PROPOSED BUDGET 1		
		2024-2025		TO PROJECTION		2024-2025		
	PROPOSED BUDGET		YTD		OVER/(L	JNDER)		
ACCOUNT CLASSIFICATION	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
COMMUNICATIONS	\$355,000	\$390,000	\$139,093	\$349,000	(\$41,000)	-10.5%	(\$35,000)	-9.0%
TRANSPORTATION & TRAVEL	53,000	53,000	23,213	52,000	(1,000)	-1.9%	0	0.0%
POSTAGE	450,000	450,000	240,634	450,000	0	0.0%	0	0.0%
OFFICE SUPPLIES & EQUIPMENT	560,000	405,000	285,203	397,000	(8,000)	-2.0%	155,000	38.3%
EQUIPMENT MAINTENANCE	195,000	425,000	250,490	418,000	(7,000)	-1.6%	(230,000)	-54.1%
EQUIPMENT RENT & LEASES	220,000	0	0	0	0	0.0%	220,000	0.0%
PROFESSIONAL & SPECIALIZED SERVICES	1,092,000	1,075,800	383,347	1,015,000	(60,800)	-5.7%	16,200	1.5%
COMPUTER SERVICES & SUPPORT	6,425,000	7,350,100	3,803,596	6,851,800	(498,300)	-6.8%	(925,100)	-12.6%
EDUCATIONAL EXPENSES	150,000	66,500	35,331	68,000	1,500	2.3%	83,500	125.6%
MISCELLANEOUS	2,000	2,000 1,118 2,000		0	0.0%	0	0.0%	
TOTAL	\$9,502,000	\$10,217,400	\$5,162,026	\$9,602,800	(\$614,600)	-6.0%	(\$715,400)	-7.0%

^{*}All amounts rounded to the nearest dollar.

FISCAL YEAR 2025-2026

BUDGETED POSITIONS

SYSTEMS DIVISION

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0805	CHIEF, INFORMATION TECHNOLOGY, LACERA (UC)	1	LR14
0804	INFORMATION TECHNOLOGY MANAGER II, LACERA	3	LS12
0803	INFORMATION TECHNOLOGY MANAGER I, LACERA	3	LS11
0802	INFORMATION TECHNOLOGY SPECIALIST II, LACERA	6	128D
0801	INFORMATION TECHNOLOGY SPECIALIST I, LACERA	6	123B
2644	RETIREMENT SYSTEMS SPECIALIST, LACERA	1	121A
0453	EDP PRINCIPAL PROGRAMMER ANALYST, LACERA	1	120K
0469	DATA SYSTEMS COORDINATOR, LACERA	10	115L
0458	DATA SYSTEMS ANALYST II, LACERA	8	110D
0457	DATA SYSTEMS ANALYST I, LACERA	5	107H
0439	SENIOR ADMINISTRATIVE ASSISTANT, LACERA	1	095C
0426	STAFF ASSISTANT I, LACERA	1	090B
	Total Filled Positions =	46	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0804	INFORMATION TECHNOLOGY MANAGER II, LACERA	1	LS12
0803	INFORMATION TECHNOLOGY MANAGER I, LACERA	2	LS11
0460	DATA SYSTEMS SUPERVISOR II, LACERA	2	121G
0453	EDP PRINCIPAL PROGRAMMER ANALYST, LACERA	1	120K
0452	EDP SENIOR PROGRAMMER ANALYST, LACERA	1	112J
0469	DATA SYSTEMS COORDINATOR, LACERA	5	115L
0458	DATA SYSTEM ANALYST II, LACERA	3	110D
0457	DATA SYSTEMS ANALYST I, LACERA	1	107H
	Total Vacant Positions =	16	
	TOTAL POSITIONS =	62	1

Non-Represented positions shown in black. Represented positions shown in blue. Salary schedule as of 01/01/2025.

FISCAL YEAR 2025-2026

SALARIES AND EMPLOYEE BENEFITS SUMMARY

SYSTEMS DIVISION

		CURRENT YEAR 2024-2025			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET	
	PROPOSED BUDGET		YTD		OVER/(UNDER)			
	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
Total LACERA Salaries	\$8,625,651	\$7,720,737	\$3,613,431	\$6,856,800	(\$863,937)	-11.2%	\$904,914	11.7%
Total Agency Temp Salaries	3,900,000	2,140,100	1,612,686	2,764,600	624,500	29.2%	1,759,900	82.2%
Employee Benefits (Variable)	4,030,094	3,890,171	1,886,217	3,579,300	(310,871)	-8.0%	139,923	3.6%
Employee Benefits (Other)	509,896	470,481	216,279	461,100	(9,381)	-2.0%	39,415	8.4%
OPEB Contribution	383,091	305,784	161,214	322,500	16,716	5.5%	77,307	25.3%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	236,100	229,200	76,476	200,000	(29,200)	-12.7%	6,900	3.0%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	28,000	12,000	24,284	24,300	12,300	102.5%	16,000	133.3%
Rideshare Allowance	8,900	8,900	0	0	(8,900)	-100.0%	0	0.0%
Transportation Allowance	7,200	7,200	3,900	7,200	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$17,728,931	\$14,784,573	\$7,594,487	\$14,215,800	(\$568,773)	-3.8%	\$2,944,358	19.9%
Salary Differential	-		-				-	
TOTAL S&EB	\$17,728,931	\$14,784,573	\$7,594,487	\$14,215,800	(\$568,773)	-3.8%	\$2,944,358	19.9%

^{*}All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/25, with the exception of Agency Temp Salaries, which are as of 01/31/25.

SYSTEMS DIVISION

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2	024	FYE 202		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$6,950,188	\$5,585,449	\$7,720,737	\$6,856,800	\$8,625,651
Total Agency Temp Salaries	2,881,700	3,285,956	2,140,100	2,764,600	3,900,000
Employee Benefits (Variable)	3,907,382	2,962,179	3,890,171	3,579,300	4,030,094
Employee Benefits (Other)	445,474	391,537	470,481	461,100	509,896
OPEB Contribution	246,880	257,537	305,784	322,500	383,091
OPEB Contribution (Budget Surplus)	0	246,880	0	0	0
Stipends	0	0	0	0	0
Overtime	229,200	226,414	229,200	200,000	236,100
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	12,000	20,320	12,000	24,300	28,000
Rideshare Allowance	8,900	80	8,900	0	8,900
Transportation Allowance	0	7,200	7,200	7,200	7,200
SERVICES & SUPPLIES					
Communications	570,000	354,166	390,000	349,000	355,000
Transportation & Travel	41,600	33,147	53,000	52,000	53,000
Postage	450,000	525,211	450,000	450,000	450,000
Office Supplies & Equipment	763,000	724,536	405,000	397,000	560,000
Equipment Maintenance	730,000	476,720	425,000	418,000	195,000
Equipment Rents & Leases	0	0	0	0	220,000
Professional & Specialized Services	1,340,000	1,031,897	1,075,800	1,015,000	1,092,000
Computer Services & Support	5,229,600	4,738,628	7,350,100	6,851,800	6,425,000
Educational Expenses	63,100	35,639	66,500	68,000	150,000
Miscellaneous	500	977	2,000	2,000	2,000
TOTAL OPERATING BUDGET	\$23,869,524	\$20,904,472	\$25,001,973	\$23,818,600	\$27,230,931

^{*}All amounts rounded to the nearest dollar.

PROJECTED NON-ADMINISTRATIVE EXPENSES

For the Fiscal Year Ended June 30, 2026

	Prior Year
,	ACTUAL
	FOR FY
	2023-2024
, o o	A 7.400.045
239 \$	
570	22,366,322
501	14,583,958
549	352,119
869	21,943
370	6,871,608
'81	2,491,225
)68	20,544,143
649	1,511,895
743	
<u> </u>	2,082,367
96	78,016,195
841	512,271
333	2,548,655
73	526,050
80	959,625
254	4,546,601
90	3,584,034
000	5,000
90	3,589,034
' 48	94,952,093
550	1,582,344
000	1,680,624
100	1,000,024
343	106,350,696
39 \$	\$ 184,366,891
000	326,486
39 \$	\$ 184,693,377
<u>Ψ</u>	ψ 10 4 ,033,377
99 \$	\$ 112,992
'60	6,953
000	30,000
	,
58 \$	\$ 149,945
'89 \$	
	209,763
602	509,688
'33	1,013,794
000	1,593,279.86
77	88,863
310	139,330
	100,000
11 \$	\$ 3,585,658
11	<u> </u>





Board of Retirement (BOR) Strategic Plan Quarterly Update(2024-2028)

Operations Oversight Committee Meeting April 2025

238

1 Progress Dashboard

Strategic Planning Dashboard – April 2025



Total BOR Strategic Priorities 5

Total Strategic Objectives

Objectives: In-Progress

Objectives: Completed

Total Tasks

96

% of Tasks Completed As of April 2025

44.79%



Strategic Priority Goals

Superior Member Experience Innovate and continuously improve

the member experience



2 Innovation through Technology Leverage technological solutions to advance capabilities, increase productivity, and elevate operational



3 Investing in People

maturity

Attract, motivate, hire, and retain a highly engaged and skilled workforce



Compliance and Enterprise Risk Management Adopt and implement

compliance and enterprise risk frameworks aimed at facilitating strengthened governance around risk management and compliance



5 Fiscal Durability Exercise care and prudence in managing our resources and fund

Objectives

- 1.1 Ensure a consistent omnichannel member experience at every stage of the member's journey
- 1.2 Enhance member educational content at every stage in their journey and launch LACERA Communication Plan
- 1.3 Develop, implement, and deploy a digital strategy to better serve our members
- 1.4 Improve and enhance the retiree healthcare experience
- 2.1 Promote an enterprise approach to information gathering, integration, analysis, and sharing that fosters decisionmaking through the adoption of a business intelligence
- 2.2 Implement an enterprise-wide knowledge management system to digitally capture, document, organize, and access critical business knowledge and information
- 3.1 Develop and implement a DEI framework aimed at promoting and embracing diversity, equity, and inclusion
- 3.2 Develop enterprise-wide Training and Development Programs designed to support and encourage employee growth and development
- 3.3 Improve and simplify the hiring process, aimed at building a solid foundation for succession planning
- 4.1 Develop an enterprise compliance plan and program to ensure adherence to established processes, procedures, policies, and governing rules and regulations
- 4.2 Implement a comprehensive enterprise risk management framework and structure to facilitate stronger organizational risk management
- 5.1 Develop organizational tools to support enterprise-wide
- 5.2 Support the LACERA Investment Office in implementing and achieving the BOI's Strategic Plan goals.

L//.CERA

OBJECTIVE SPOTLIGHT

WORKPLAN - Strategic Objective 2.1



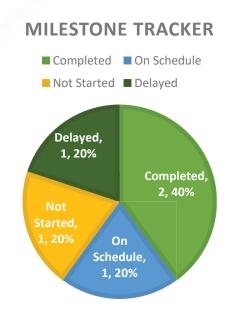
Strategic Goal: Innovation Through Technology

Strategic Objective: 2.1 – Implement Enterprise Business Intelligence Solution

Executive Sponsor: Luis Lugo; Kathy Delino (Lead)

#	Objective Milestones	Status	Start	Expected Completion
1	Develop objective scope and goals	*	10/2023	01/01/2024
2	Communication Plan, Communicate objective goals to various stakeholders	*	01/2024	06/30/2024
3	Centralize Data Governance- Establish Data Management Team	<u> </u>	7/1/2024	12/31/2024*
4	Publish Dashboards for Enterprise/Member Data (Explore Enterprise Solution)	•	7/1/2024	12/31/2026
5	Replace reporting requests with on-demand dashboards	•	TBD	12/31/2025**





Enterprise Business Intelligence Goals





Communicate Scope and Goals



Centralize Data Governance



Publish Dashboard for Member Data



Publish Dashboards for Enterprise Data



Replace Reporting Requests with On-Demand Dashboards

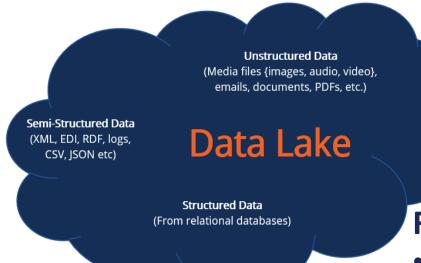
Key Milestones Achieved



- Established a Data Management and Business Intelligence team
- Implemented LACERA's data lake, a centralized source of data
- Completed pilot dashboards for Member Demographic Data and the CEO Report
- Initiated a Proof of Concept (POC) for Microsoft Fabric

Understanding Data Lakes





Large Storage Area

Designed to capture and store massive amounts of data from disparate sources and of disparate types and store it all in a common format.

Features

- Connections to external data sources
- Programmable workflows for ingesting data controls authorizations, scheduling, scope, & landing areas
- Tools to organize, classify, transform, & curate data 245

Benefits of a Data Lake



Centralized Data Storage

Enables easier access, management, and analysis of diverse data sources

No Complex Schema Definitions or Fixed Data Models

Allows quick and inexpensive scaling

Data Democratization and Collaboration

Provides greater autonomy (less dependency on IT) and promoting a data-driven culture

Single Source of Reference

Ensures consistency between reports and across reporting periods

Platform for Advanced Analytics and Machine Learning (Fabric)

Execute complex queries and build machine learning models to extract meaningful insights and drive predictive and prescriptive analytics

Introduction to Microsoft (MS) Fabric





Microsoft Fabric

Features

- Provides all the features of a Data Lake
- Provides all the features of a Data Warehouse:
 - Highly-curated datasets accessible by standard Structured Query Language (SQL) processes
- Provides Data Analytics and Data Reporting capabilities.
 - Including Copilot
- Delivers superior data governance
 - Accurate, secure, available

Benefits of Microsoft (MS) Fabric

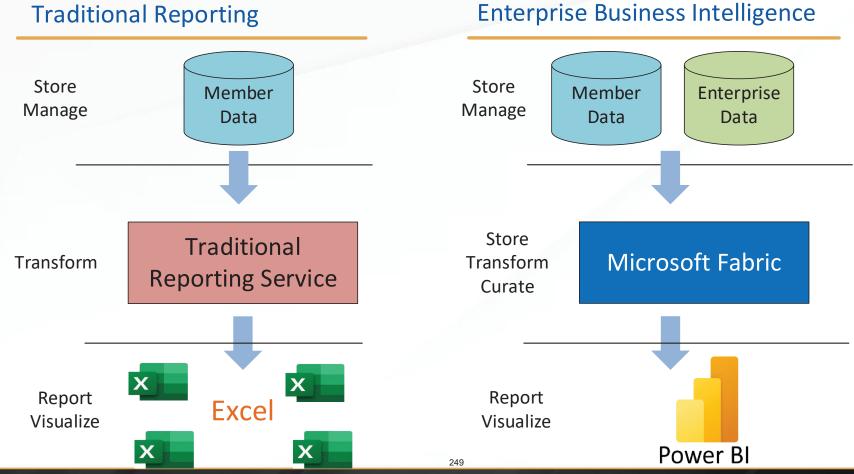


MS Fabric vs. Traditional Data Lakes

- Software as a Service (SaaS) model provides simpler maintenance and scalability
- Unified data storage and integration with Power BI provides greater autonomy for analysts and report developers
- Direct Lake query capability combines speed and currency. Get up-tothe-minute data and get it quickly
- Al-driven real-time insights via Copilot

Comparing Traditional Reports and Modern Business Intelligence





Next Steps and Timeline





Workplan Dashboards

(Objectives In-Progress)

WORKPLAN - Strategic Objective 1.1

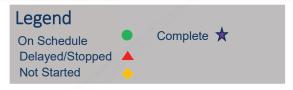


Strategic Goal: Superior Member Experience

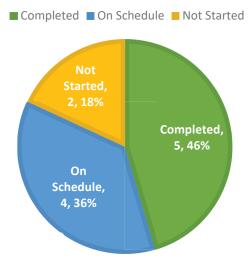
Strategic Objective: 1.1 – Ensure an omni-channel experience at every stage of a member journey

Executive Sponsor and Leads: JJ Popowich; Tatiana Bayer (Lead)

#	Objective Milestones	Status	Start	Expected Completion
1	Create team to define objective goals and initiatives	*	10/2023	01/01/2024
2	Determine the member's journey methodology	*	10/2023	01/12/2024
3	Member Experience Council Charter	*	10/2023	06/30/2024
4	Internal Communication Plan (BOR, OOC, Executive Team, and Staff)	*	10/2023	06/01/2024
5	Identify and define Member Journeys	*	1/1/2024	07/01/2024
6	Create tools to review and track progress on objective/initiatives	•	12/1/2024	06/30/2026
7	Identify the channels of service required for each member journey	•	TBD	06/30/2026
8	Establish goals and KPI's for each member journey	*	TBD	10/31/2026
9	Assess the consistency and service quality across each channel	•	TBD	12/31/2026
10	Identify member interaction pain points and opportunities for improvement	•	TBD	12/31/2026
11	Identify Budget Needs	•	TBD	12/31/2026



MILESTONE TRACKER



WORKPLAN - Strategic Objective 1.4



Strategic Goal: Superior Member Experience

Strategic Objective: 1.4 - Improving the Retiree Healthcare (RHC) experience.

Executive Sponsor and Lead: JJ Popowich; Tionna Fredericks (Lead)

Objective Milestones	Status	Start	Expected Completion
Build core team and schedule meeting cadence	*	10/2023	01/04/2024
Set-up team's collaboration timeline	*	10/2023	01/12/2024
Discuss ideas and opportunities for improving the Retiree RHC experience	*	10/2023	06/30/2024
Approval of Strategic Outline objective	*	10/2023	06/01/2024
Identify, Define, and Document Retiree Healthcare Roadmap		01/2024	12/31/2024*
Establish County – LACERA working group	*	07/2024	07/18/2024
Coordinate communication plan with internal and stakeholders	*	10/2023	12/31/2024
Automation Opportunity: RHC Online Enrollment	•	11/2024	12/31/2025
Automation Opportunity: SSA Data Exchange	A	02/2023	12/31/2024
Automation Opportunity: RHC/County Comparison Roadmap	*	TBD	06/30/2025
Collaborate with Union sponsored healthcare plans	•	3/2025	12/31/2025
	Build core team and schedule meeting cadence Set-up team's collaboration timeline Discuss ideas and opportunities for improving the Retiree RHC experience Approval of Strategic Outline objective Identify, Define, and Document Retiree Healthcare Roadmap Establish County – LACERA working group Coordinate communication plan with internal and stakeholders Automation Opportunity: RHC Online Enrollment Automation Opportunity: SSA Data Exchange Automation Opportunity: RHC/County Comparison Roadmap	Build core team and schedule meeting cadence Set-up team's collaboration timeline Discuss ideas and opportunities for improving the Retiree RHC experience Approval of Strategic Outline objective Identify, Define, and Document Retiree Healthcare Roadmap Establish County – LACERA working group Coordinate communication plan with internal and stakeholders Automation Opportunity: RHC Online Enrollment Automation Opportunity: SSA Data Exchange Automation Opportunity: RHC/County Comparison Roadmap	Build core team and schedule meeting cadence ★ 10/2023 Set-up team's collaboration timeline Discuss ideas and opportunities for improving the Retiree RHC experience ↑ 10/2023 Approval of Strategic Outline objective ↑ 10/2023 Identify, Define, and Document Retiree Healthcare Roadmap ○ 01/2024 Establish County – LACERA working group ↑ 07/2024 Coordinate communication plan with internal and stakeholders ↑ 10/2023 Automation Opportunity: RHC Online Enrollment ↑ 11/2024 Automation Opportunity: SSA Data Exchange ↑ TBD



MILESTONE TRACKER



^{*} Expected completion date: 7/31/2025

WORKPLAN - Strategic Objective 1.4



Strategic Goal: Superior Member Experience

Strategic Objective: 1.4 – Improving the Retiree Healthcare (RHC) experience.

Executive Sponsor and Lead: JJ Popowich; Tionna Fredericks (Lead)

#	Objective Milestones	Status	Start	Expected Completion
12	Develop actionable KPI's to measure retiree and member satisfaction	\(\)	TBD	06/30/2025



^{*} Expected completion date: 7/31/2025

WORKPLAN - Strategic Objective 2.2



Strategic Goal: Innovation Through Technology

Strategic Objective: 2.2 – Implement Enterprise Knowledge Management System

Executive Sponsor: JJ Popowich; Eugenia Der (Lead)

#	Objective Milestones	Status	Start	Expected Completion
1	Create team to define objective goals and initiatives	*	10/2023	01/01/2024
2	Project Approval by the IT Coordination Council	*	10/2023	03/31/2024
3	Communication Plan- Educate and Engage stakeholders on Knowledge Mgmt.	*	10/2023	07/01/2024
4	RFP for taxonomy consultant	*	03/2024	12/31/2024
5	Selection of consultant	*	11/2024	03/31/2025
6	Complete assessment of organizational needs and specifications, consultant discovery work	•	03/2025	04/30/2025
7	Update and reconcile data and knowledge	•	TBD	06/30/2025
8	Complete taxonomy and content tagging	•	TBD	09/30/2025
9	Select vendor and product	•	TBD	06/30/2026
10	Project Launch	•	TBD	07/31/2026
11	Create and adopt knowledge playbook/policy/guidelines	•	TBD	12/31/2028



MILESTONE TRACKER



WORKPLAN - Strategic Objective 2.2



Strategic Goal: Innovation Through Technology

Strategic Objective: 2.2 - Implement Enterprise Knowledge Management System

Executive Sponsor: JJ Popowich; Eugenia Der (Lead)

#	Objective Milestones	Status	Start	Expected Completion
12	Project Completion	•	TBD	12/31/2028



WORKPLAN - Strategic Objective 3.1



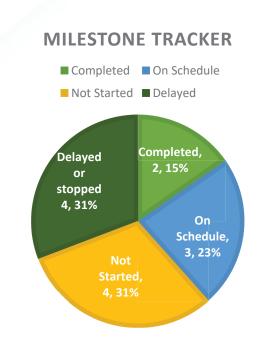
Strategic Goal: Investing in People

Strategic Objective: 3.1 - Develop and implement framework aimed at promoting D.E.I.

Executive Sponsor: Laura Guglielmo

#	Objective Milestones	Status	Start	Expected Completion
1	Create team to define objective goals and initiatives	*	10/2023	01/01/2024
2	Communication Plan – IDEA (Inclusion, Diversity, Equity, and Accessibility)	•	10/2023	6/30/2025
3	Assemble a staff driven IDEA Council	*	3/2024	07/26/2024
4	Prepare Charter for IDEA Council	A		
5	Develop a Statement of Commitment	•	02/2025	06/30/2025
6	Identify scope of work for Diversity, Equity, Inclusion, Belonging, and Accessibility (DEIBA) Advisor	A		
7	Issue RFP and select advisor	•		
8	Collect data from staff, members, vendors, and business partners re: DEIBA	•	06/2024	6/30/2025 and ongoing
9	Develop topical library for internal and external users	•	TBD	6/30/2025
10	Post IDEA initiative and educational content within LACERA Connect	•	TBD	06/30/2025
11	Identify external business partners/vendors	257	TBD	2027





WORKPLAN - Strategic Objective 3.1



Strategic Goal: Investing in People

Strategic Objective: 3.1 - Develop and implement framework aimed at promoting D.E.I.

Executive Sponsor: Laura Guglielmo

#	Objective Milestones	Status	Start	Expected Completion
12	Develop an Organizational Training Plan for DEIBA	•	TBD	12/31/2025
13	Communication Plan – IDEA (Inclusion, Diversity, Equity, and Accessibility)	\rightarrow	06/2025	12/31/2025



WORKPLAN - Strategic Objective 3.3

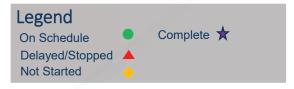


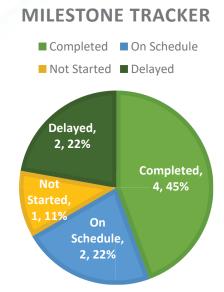
Strategic Goal: Investing in People

Strategic Objective: 3.3 – Improve and simplify hiring process

Executive Sponsor: Laura Guglielmo; Carly Ntoya (Lead)

#	Objective Milestones	Status	Start	Expected Completion
1	Create team to define objective goals and initiatives	*	10/2023	01/01/2024
2	Labor Agreement for performance management changes	*	5/2024	10/31/2024
3	Explore opportunities to simplify LACERA Hiring Playbook		ongoing	6/30/2025
4	Revise and publish employee handbook and orientation	A	10/2023	12/31/2024
5	Revise rater training	*	10/2024	12/31/2024
6	Expand use of NEOGOV for performance management	•	2/2024	06/30/2025
7	Achieve an organizational vacancy rate of 15% (determine internal KPI)	•	7/2024	12/31/2024
8	Enhance recruitment and applicant communication in NeoGov	*	1/2024	12/31/2024
9	Implement use of a job analysis tool to use and create competency-based assessment	♦	TBD	3/31/2026





WORKPLAN - Strategic Objective 4.1

1 of 2

Strategic Goal: Compliance and Enterprise Risk
Strategic Objective: 4.1 – Develop and implement an Enterprise Ethics and Compliance Program

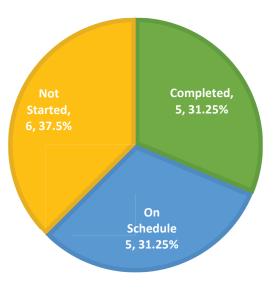
Executive Sponsor: Luis Lugo; Steven Rice and Allison Barrett (Leads)

#	Objective Milestones	Status	Start	Expected Completion
1	Ethics Compliance Program (ECP) Communication campaign	•	10/2023	Ongoing
2	Approval of Ethics and Compliance program Charter	*	10/2023	10/09/2024
3	Update and obtain approval of ACRE Charter	*	10/2023	10/09/2024
4	Chief Ethics and Compliance Officer (CECO) job description and class spec.	*	10/2023	12/01/2024
5	Ethics and Compliance Program Foundational Work Plan	*	7/2023	10/09/2024
6	Complete inventory of all Policies, Procedures, and Charters	•	2/2022	6/01/2025
7	Ethics and Compliance Orientation (ACRE, MAC, SAC, and Staff)	•	11/1/24	6/01/2025
8	Update LACERA Code of Ethical Conduct	•	7/2023	6/01/2025
9	Ethics and Compliance Training Program Plan	•	TBD	12/01/2025
10	Determine critical ethics and compliance risk areas and Scope of Program Oversight	*	TBD	6/01/2025
11	PPC Management Software Solution/Compliance GRC solution (GRC 360) - Compass	*	3/2023	12/01/2024
12	County Approval of CECO Position	260	TBD	6/01/2025









os Angeles County Employees Retirement Association

WORKPLAN - Strategic Objective 4.1

2 of 2

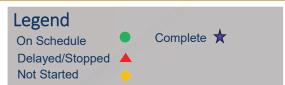


Strategic Goal: Compliance and Enterprise Risk

Strategic Objective: 4.1 - Develop and implement an Enterprise Ethics and Compliance Program.

Executive Sponsor: Luis Lugo; Steven Rice and Allison Barrett (Leads)

#	Objective Milestones	Status	Start	Expected Completion
13	Initial/Baseline Divisional EC Risk Assessments and Ethical Culture Measurement		TBD	6/1/2025
14	Development of recruitment process for ECO staff	*	TBD	TBD
15	Recruit/Hire CECO staff	\rightarrow	TBD	TBD
16	Recruit/Hire ECO staff	\rightarrow	TBD	TBD



WORKPLAN - Strategic Objective 5.1



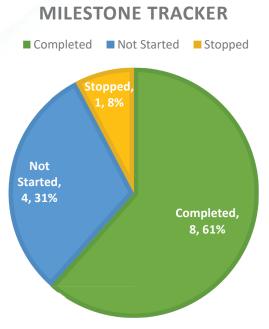
Strategic Goal: Fiscal Durability

Strategic Objective: 5.1 - Develop organizational tools and mindset to support fiscal responsibility

Executive Sponsor: Laura Guglielmo; Ricki Contreras (Lead)

#	Objective Milestones	Status	Start	Expected Completion
1	Create team to define objective goals and initiatives	*	10/2023	01/01/2024
2	Finalize Certify AP Implementation	*	10/2023	02/28/2024
3	Finalize Budget software (Questica) Implementation/Complete full budget cycle	*	10/2023	06/30/2024
4	Finalize Contract/Vendor solution (Cobblestone) implementation/Train Users	*	10/2023	12/31/2024
5	Design and Implement Centralized Vendor Mgmt. Program	*	10/2023	09/30/2024
6	Update Procurement Policy	*	10/2023	09/30/2024
7	Create Non-Administrative Budget in Questica	*	07/2024	12/31/2024
8	Design and Assess Scope of ERP & Timing of Acquisition – Consultant Only	•	TBD	06/30/2027
9	Design and Deliver a Comprehensive Financial Training for Managers	•	TBD	06/30/2025
10	Design and Deliver Basic Financial Training for Staff	\(\)	TBD	06/30/2025
11	Implement Travel Expense Module for Certify AP or equivalent	*	10/2024	06/30/2025
12	Automate the budget book publishing	A	10/2024	Canceled
13	Design and Deliver a Comprehensive Financial Training for Supervisors (1-30/2026)	♦	TBD	1/30/2026





Appendix



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LACERA Strategic Priorities and Objectives



BOR approved the Strategic Plan on July 6, 2023



Strategic Priority Goals

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Superior Member Experience Innovate and continuously improve the member experience



2 Innovation through Technology Leverage technological solutions to advance capabilities, increase productivity, and elevate operational maturity



3 Investing in People Attract, motivate, hire, and retain a highly engaged and skilled workforce



Compliance and Enterprise Risk Management Adopt and implement compliance and enterprise risk frameworks aimed at facilitating strengthened governance around risk management and compliance



L//CERA

5 Fiscal Durability
Exercise care and
prudence in managing
our resources and fund
assets

Objectives

- 1.1 Ensure a consistent omnichannel member experience at every stage of the member's journey
- 1.2 Enhance member educational content at every stage in their journey and launch LACERA Communication Plan
- 1.3 Develop, implement, and deploy a digital strategy to better serve our members
- 1.4 Improve and enhance the retiree healthcare experience
- 2.1 Promote an enterprise approach to information gathering, integration, analysis, and sharing that fosters decision-making through the adoption of a business intelligence alleftens.
- 2.2 Implement an enterprise-wide knowledge management system to digitally capture, document, organize, and access critical business knowledge and information
- Develop and implement a DEI framework aimed at promoting and embracing diversity, equity, and inclusion
- 3.2 Develop enterprise-wide Training and Development Programs designed to support and encourage employee growth and development
- 3.3 Improve and simplify the hiring process, aimed at building a solid foundation for succession planning
- 4.1 Develop an enterprise compliance plan and program to ensure adherence to established processes, procedures, policies, and governing rules and regulations
- 4.2 Implement a comprehensive enterprise risk management framework and structure to facilitate stronger organizational risk management
- Develop organizational tools to support enterprise-wide fiscal responsibility
- 5.2 Support the LACERA Investment Office in implementing and achieving the BOI's Strategic Plan goals.

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COMPLETE - Strategic Objective 5.2



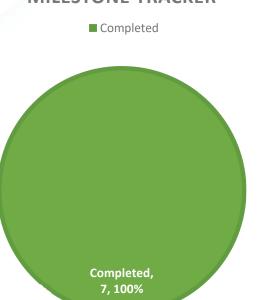
Strategic Goal: Fiscal Durability

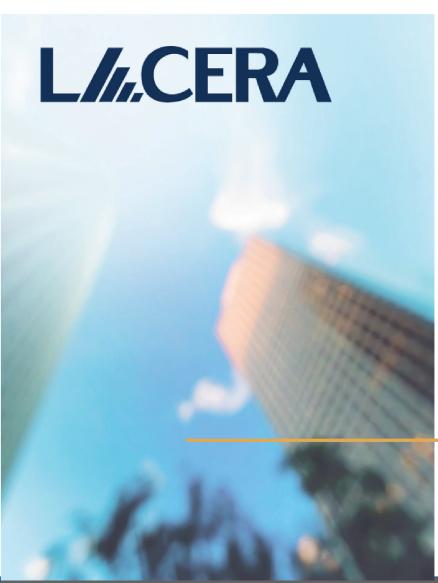
Strategic Objective: 5.2 – Update and revise LACERA Actuarial Funding Policy

Executive Sponsor: Luis Lugo; Vache Mahseredjian (Lead)

#	Objective Milestones	Status	Start	Expected Completion
1	Create team to define objective goals and initiatives. Investment team in collaboration with FASD and Legal led jumpstart during 2023 BOI offsite	*	09/2023	01/01/2024
2	Review of existing policy and discussion of desirable elements	*	10/2023	12/01/2023
3	Schedule meetings among workgroup to develop drafts of new policies	*	10/2023	07/2024
4	FASD and LACERA Actuary (Milliman) to draft separate interest crediting policy	*	01/2024	08/2024
5	Seek approval of funding policy and interest crediting policy by LACERA ECC	*	08/2024	08/2024
6	Seek trustee input on proposed update of Actuarial Funding Policy and new Interest Crediting Policy.	*	08/2024	09/2024
7	Both policies adopted at BOI Meeting in October	*	09/2024	10/2024
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2025 Strategic Framework and Initiatives:

Towards Best-In-Class Investor

Board of Investments Meeting January 8, 2025

2025 Strategic Framework and Initiatives Recommendation and Overview



Recommendation

Approve the 2025 Strategic Framework and Initiatives

Overview

The 2025 Strategic Framework and Initiatives aim to:

- 1. Fulfill LACERA's mission to members via guiding implementation of the strategic asset allocation
- 2. Provide visibility into initiatives to facilitate oversight and governance
- 3. Establish a framework to be process-driven and dynamic
- 4. Build upon strong foundation to facilitate future success

Aspirations

Objectives

Progress

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Strategic Framework and Initiatives Towards Best-In-Class Investor





Execute Strategic Asset Allocation

Return **Dynamic Investment Program Strategic Initiatives Enhancement Optimize Maximize Stewardship Investment Model** and Ownership Rights Risk Liquidity **Mitigation Optimization** Strengthen Influence on TIDE (Towards Inclusion, Fees and Cost of Capital Diversity, and Equity) Learning **Organization**



Execute Strategic Asset Allocation

Updated in 2024



Execute Strategic Asset Allocation Towards Best-In-Class Investor





Execute Strategic Asset Allocation



2025 in Context

- The Board approved a new Strategic Asset Allocation in 2024
- New allocation targets take full effect in 2025
- LACERA is rebalancing and building its portfolio in response to new targets

Execute Strategic Asset Allocation Objectives of the Investment Program



LACERA's Investment Policy Statement emphasizes Produce, Protect, and Provide objectives, mirrored in its Strategic Asset Allocation strategy focusing on Return Enhancement, Risk Mitigation, and Liquidity Optimization



Objectives of the Investment Program

LACERA follows a carefully planned and executed strategic investment program in order to:

- I. Produce the promised benefits for LACERA members and beneficiaries by achieving the Fund's assumed rate of return on a total return basis over the long-term, consistent with LACERA's mission;
- II. Protect the promised benefits on behalf of LACERA members and beneficiaries by mitigating investment risks through Fund diversification and other means, consistent with LACERA's mission; and
- III. Provide the promised benefits for LACERA members and beneficiaries, in part by ensuring adequate liquidity, consistent with LACERA's mission

Added 2019-2021





Optimize Investment Model

Objective:

Utilize our knowledge, skills, and experience to develop forward thinking and enduring investment models and structures with a focus on technology, cost effectiveness, and human capital to maximize risk-adjusted returns

Progress:

- · Improving LACERA's investment acumen to fulfill the mission
- Implementing Board adopted triennial Strategic Asset Allocation studies
- Deploying co-investment and secondary capital across several asset categories
- Executing secondary sales to focus private equity portfolio on strategic relationships
- Transitioning real estate portfolio from separate accounts to commingled funds to broaden diversification
- Active monitoring and quarterly portfolio-wide discussion of performance and risk management



Aspirations:

- · Continue to seek better compensation for risks across the portfolio
- Promote and enhance dynamic investment program
- Fine tune rebalancing practices
- Organize and deliver effective educational sessions and orientations



Maximize Stewardship and Ownership Rights

Objective:

Steward our investments – including legal rights associated with them – to promote and safeguard our economic interests and durable financial value, including through proxy voting, engagement, and policy advocacy

Progress:

- Increased proxy voting authority to 96% of defined benefit portfolio and assumed voting rights in OPEB Trust
- · All mandates undergo systemic due diligence for material ESG risks
- Updated stress testing of 2024 Strategic Asset Allocation for energy transition scenarios and climate risks
- Deepened ESG considerations in real assets with restated Responsible Contractor Policy (RCP) and Global Real Estate Sustainability Benchmark (GRESB) affiliation
- Expanded engagement initiatives (e.g., investor voting rights, energy transition, public policy, board diversity)



Aspirations:

- Execute on strategic engagement initiatives with credible outcomes
- · Amplify progress and leadership in governance and ESG initiatives
- Continue to expand proxy voting authority
- Increase ESG and climate data coverage in private asset classes
- Elevate annual stewardship report



Strengthen Influence on Fees and Cost of Capital

Objective:

Leverage our influence on fees and cost of capital across all investment strategies and structures in a manner that aligns interests and promotes resilient investment returns

Progress:

- Utilizing co-investments across the Fund to drive portfolio intentionality, better risk-adjusted returns, and fee savings
- Investing with early-stage emerging managers while achieving future capacity rights and revenue sharing agreements where possible
- Making use of scale and strategic relationships to invest in high-quality assets at a discount
- Integrating fee structures that pay for outperformance, not just market returns



Aspirations: • Set industry standard as "term-makers" as opposed to "term-takers" on fee, legal, and other terms

- Foster higher alignment of interest with business partners
- Incorporate intentionality when designing terms and account structures to both limit risks and enhance expected return outcomes
- Deliver on optimization of implementation costs through improved expense and fee analytics and reporting



LACERA TIDE (Towards Inclusion, Diversity, and Equity)

Objective:

Enhance outcomes through comprehensive, total Fund efforts that encourage constructive, inclusive, and equitable talent management at investment partners, service providers, industry, and internally

Progress:

- Focusing on career development for existing team and onboarding new hires
- · Continued increase in manager reporting responsiveness, granularity, and candor
- · Expanding allocation opportunities for emerging managers
- Supporting expansion of due diligence and standardized templates at industry associations to facilitate DEI reporting availability and reliability in financial services industry



Aspirations:

- Continue to focus on better human capital management practices across the asset management industry
- Be an employer of choice at all levels from internships through management
- Inspire external asset managers to adopt DEI practices to increase risk-adjusted returns
- · Utilize wider data sets to inform and influence effective industry-wide practices
- Refine annual TIDE report



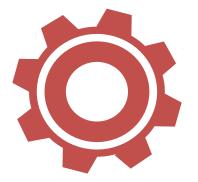
Enhance Operational Effectiveness

Objective:

Expand the efficiency of our resources (internal and external, human and technological) and mitigate varied investment and enterprise risks, which can improve future outcomes

Progress:

- Evolving LACERA's policies, governance, and investment selection decision process
- Broadening utilization of software platform to distribute, collect, evaluate, and warehouse questionnaires and other diligence materials
- Onboarding service provider for a consolidated public and private markets investment analytics platform
- Transitioning real estate portfolio from separate accounts to commingled funds to reduce operational risk
- · Aligning benchmarks to better reflect opportunity set and desired portfolio risk and return profile



Aspirations:

- Optimize presentation and quality of information available to the Board
- Align resources with Board and organizational priorities
- Maximize value from adoption of technological innovation and opportunities
- Improve internal investment committees and due diligence practices
- Launch a development program for early-career investment analysts

Dynamic Investment Program

Added 2023

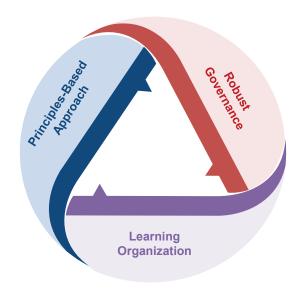


Dynamic Investment Program



LACERA's dynamic investment program sharpens decision-making and fosters perpetual growth

Increases adaptability to an everchanging environment



Enables prudent decision making while elevating Board oversight

Pursuit of continuous improvement, refinement, and evolution

Dynamic Investment Program



LACERA's dynamic investment program provides a methodical, deliberate, and meticulous process to evaluate strategic efforts

Robust Governance

Enables prudent decision making while elevating Board oversight

Governing Policies

Actuarial Analyses

Strategic Asset Allocation

Structure Reviews and Investment Guidelines

Learning Organization

Pursuit of continuous improvement, refinement, and evolution

Continuous Education

Increased Transparency

Greater Inclusivity

Enhanced Due Diligence

Principles-Based Investing

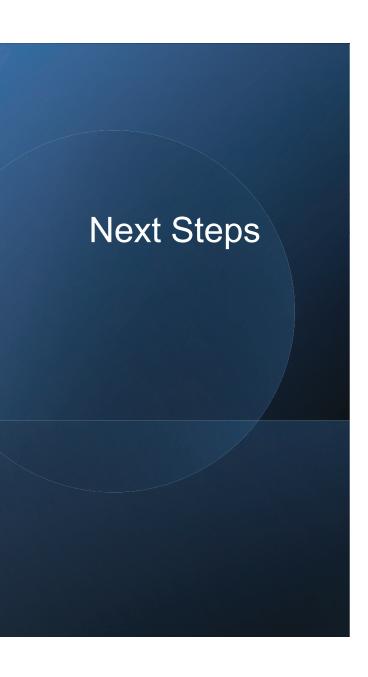
Increases adaptability to an everchanging environment

Investment Beliefs

Functional Asset Categories

Corporate Governance and Stewardship

Portfolio Analytics and Monitoring



- 1. Board of Investments Governance
- 2. Recommendation

Board of Investments Governance





"In order to exercise its fiduciary duties, the Board has the responsibility to stay informed and affirmatively conduct oversight of LACERA's investment program, including receiving, reviewing, and engaging on investment performance and compliance information and reports."



To provide oversight of LACERA's dynamic investment program and consistent with the IPS identified roles and responsibilities, the Board and its Committees meet throughout the year to approve **policy and strategy**, conduct **oversight**, and review **periodic updates**:

Policy and Strategy

- IPS Investment Policy Statement
- SAA Strategic Asset Allocation
- Portfolio structure reviews
- Strategic Framework and Initiatives
- Actuarial study and funding policy
- Consultants, actuaries, and fiduciary counsel

Oversight

- Portfolio implementation
- CIO Monthly Report
- Performance, risk, and compliance
- Proxy voting and stewardship
- Project updates such as for LACERA's TIDE initiative
- Portfolio information such as manager scorecards and fees
- Review of CIO performance

Periodic Updates

- New investment and redemption notices
- RFP updates and memorandums
- Material portfolio or market events
- Significant investment updates
- Educational speakers

The above lists are not exhaustive. The IPS provides a more comprehensive description of roles and responsibilities.

Recommendation



Approve the 2025 Strategic Framework and Initiatives



LACERA Mission: To produce, protect and provide the promised benefits to our members

The Board of Investments 2025 Strategic Framework and Initiatives is a component of LACERA's strategic plan.

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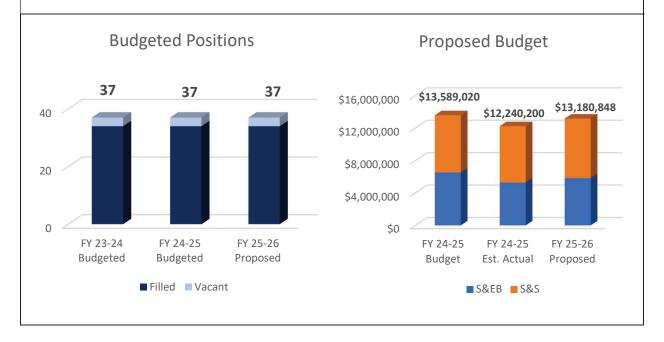
Retiree Healthcare Benefits Program

	Program Plan	PAGE
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	RHCBP Organizational Chart	7-R
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	Budget Summary	8-R
•	Salaries and Employee Benefits	
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•	Services and Supplies	
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RETIREE HEALTHCARE

The Retiree Healthcare Division (RHC) is responsible for administering the Retiree Healthcare Benefits Program for eligible LACERA retired members, survivors, and their eligible dependents. This activity includes providing a healthcare program of the highest quality at an affordable cost and educating members about their promised healthcare benefits, including how they intersect with federal and state healthcare reform programs such as the Patient Protection and Affordable Care Act (ACA), Medicare, and Social Security.



Summary of Significant Changes

<u>Description</u>	Position Changes	Amount
Special Retiree Mailings Departmental Overhead OPEB Valuation Cost Outside Legal Counsel		\$25,000 \$317,419 (\$50,000) (\$42,500)

STATUS OF FY 2024-25 PROJECTS AND INITIATIVES

- Retiree healthcare enrollment video (supports Superior Member Experience strategic priority): We continue to partner with Communications in creating the healthcare enrollment video to be published on the lacera.com website. We anticipate this project will be completed by June 30, 2025.
- Electronic file submission to carriers (supports Innovation Through Technology priority): We continue to collaborate with Systems to implement a process for submitting member eligibility files electronically to our health plan carriers, beginning with the Kaiser plan. We anticipate the Kaiser plan submission to be completed by June 2026.

FY 2025-26 STRATEGIC GOALS AND OBJECTIVES

- Social Security data exchange (supports Fiscal Durability priority): This goal will allow LACERA access to Social Security information to help streamline members' and their eligible dependents' enrollment in Medicare Part A and B upon turning age 65 and help decrease staff workload. We anticipate this project will be completed by June 2026.
- Self-service healthcare enrollment in member portal (supports Fiscal Durability and Superior Member Experience priorities): In partnership with Systems, the selfservice member healthcare enrollment using the member portal will help streamline and automate the enrollment process, helping decrease our workload while enhancing the member experience. This goal will be conducted in phases over the next two (2) years (2026-2027).
- Automation of Medicare Part B Verification Review (supports Innovation Through Technology and Superior Member Experience priorities): We are partnering with Systems in automating and streamlining the review of incoming Part B verifications received from members by using Optical Character Recognition (OCR) and auto-updating the standard Part B amounts. This will help decrease our workload tremendously and improve member experience. We anticipate this project will be completed by June 2026.
- RHC CORE Benefits Training Enhancement (supports the Investing in People priority): This goal is to enhance the current RHC RBS I/County Temp training by including a refresher course for current staff regarding the RHC Benefits Program as well as enrollments processing to help improve their skills and knowledge. We anticipate a completion date of June 2026.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2025, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2025-26.

Adjustments to Permanent Staffing

We are not proposing any adjustments to our permanent staffing in FY 2025-26.

Temporary Staffing

We are requesting one temporary agency staff at the level of Senior Clerk to assist with the annual Medicare Part B verifications project.

Overtime Needs

We are requesting overtime to manage the workload due to the anticipated high volume of enrollment forms for the March Rush, processing of Medicare Part B premium verifications, and for any unanticipated special projects and special mailings.

Interns

We are requesting one intern who will assist in our collaboration with the Member Operations Group Audit Platform (MOGAP) in standardizing and automating the quality metrics and enrollment forms' verification in the Quality Control Section. In addition, the intern will assist in reviewing the RHC operating instructions handbook, collaborate with RHC trainers in reviewing the training manual, and work with the superior member group. The LACERA Intern Program resides in the Human Resources budget; therefore, funding for the intern is included in the Human Resources budget.

Rehired Retirees

Retiree Healthcare does not anticipate any use of rehired retirees in FY 2025-26.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

Retiree Healthcare does not have any removal of one-time expenditures for FY 2025-26.

Services and Supplies Adjustments

Travel

Funding totaling \$30,000, an increase of \$5,300, is requested for travel. Travel is required for training and development and staying abreast of changes and trends occurring in the healthcare industry.

Special Retiree Mailings

Funding totaling \$350,000, an increase of \$25,000, is requested in our Special Retiree Mailing Account to cover potential increases in postage, printing, mailing, and other unanticipated member special mailings costs.

Rent

Funding totaling \$217,600, an increase of \$6,400, is requested for rent.

Audits & OPEB Valuation

• Funding totaling \$129,135 for Custodial Fund Audit, SOC, and GASB 75 fees is requested for Audits.

Plante Moran	Custodial Fund Audit	\$18,135
Moss Adams	SOC	\$95,000
	Total	\$113,135

	Total	\$16,000
CavMac	GASB 75	\$16,000

 Funding totaling \$354,000 (excluding Project 4 as noted below) is requested for OPEB Program Actuarial Consulting Fees.

OPEB Pro	OPEB Program Consulting					
Project 1	Actuarial Valuation and Consulting	\$	232,000			
Project 2	Triennial Experience and Assumptions Study		-			
Project 3	GASB 75 Financial Statement Disclosure Reporting for the Los Angeles County, LACERA, and Superior Court	\$	50,000			
Project 4	GASB 75 Financial Statement Disclosure for SCAQMD	\$	11,000			
Project 5	Actuarial Consulting	\$	72,000			
Project 6	Special Projects (Actuarial Auditing Under Time and Material Billing)		NA			
	Total Annual (OPEB Program)	\$	354,000			

Healthcare Consulting

We are not proposing any adjustments for healthcare consulting services.

Member Verification

New funding totaling \$90,000 is requested to cover the cost of Social Security Administration (SSA) member verification services.

Outside Legal Counsel Fees

Funding totaling \$162,500 is requested for outside legal counsel fees on the RHC Program and OPEB Trust.

Outside Legal Counsel Fees					
RHC Program	\$	7,500			
OPEB Trust	\$	155,000			
Total Outside Legal Counsel Fees	\$	162,500			

RHC Program

Funding totaling \$7,500 is requested on the RHC Program, assuming that no additional work is required on Tier 3. If Tier 3 becomes active, an additional \$20,000 fees is estimated. The work is to assist in the potential creation of a Tier 3 under consideration by the County and subject to collective bargaining.

FUNDING AND OPERATING EXPENSES

The program must fund the RHCBP's operating expenses, and its operations cannot be subsidized by the funds used to operate the retirement benefit trust. The administrative fee covers administrative expenses, including consulting services, vendor fees, and the cost of administering the RHCBP. As such, an RHCBP administrative fee is included as part of the retiree healthcare medical and dental/vision plan premiums, per member, per plan, per month.

Please note that administrative fees are held in a separate account where they are collected and used to fund the Retiree Healthcare Division's operating expenses (i.e., the RHC budget). Over time, administrative fees collected have exceeded actual administrative expenses, resulting in an accumulated surplus balance. This accumulated surplus funds shortfalls between the actual fees collected and administrative expenditures.

Please see the chart below showing RHC Administrative Fees and Administrative Revenue and Expenses for the last ten fiscal years.

RHC ADMINISTRATIVE REVENUE AND EXPENSES FOR THE LAST 10 FISCAL YEARS

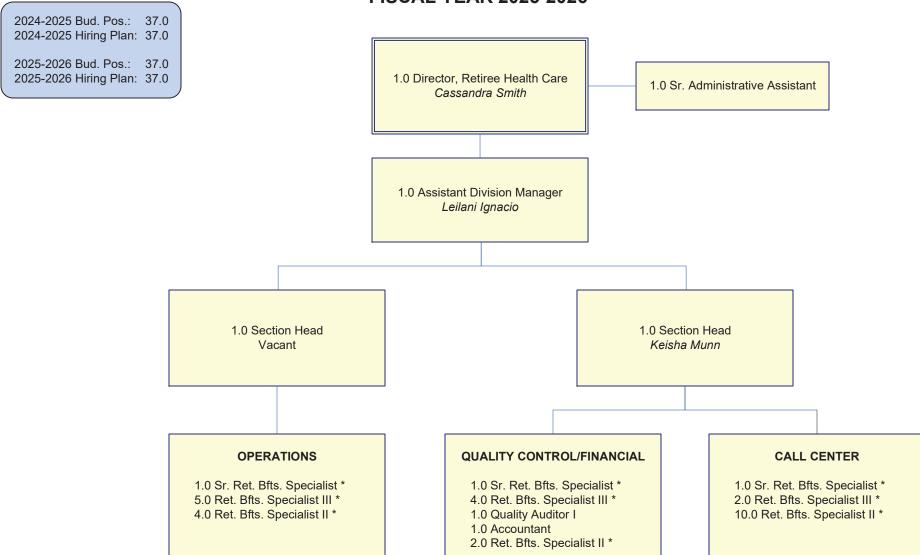
Fiscal Year Ending	Admin Fee	Admin Revenue		Admin Expenses	(Over) / Under	
FYE 2025	\$8.00	\$6,484,739		(\$6,715,311)	(\$230,572)	3
FYE 2024	\$8.00	\$10,937,937		(\$11,910,426)	(\$972,489)	2
FYE 2023	\$8.00	\$10,766,371	1	(\$10,893,224)	(\$126,853)	2
FYE 2022	\$8.00	\$10,710,527		(\$9,236,963)	\$1,473,564	
FYE 2021	\$8.00	\$10,245,895		(\$8,099,102)	\$2,146,793	
FYE 2020	\$8.00	\$10,076,876		(\$6,828,067)	\$3,248,809	
FYE 2019	\$8.00	\$9,823,062		(\$6,118,267)	\$3,704,794	
FYE 2018	\$8.00	\$9,559,745		(\$5,681,953)	\$3,877,792	
FYE 2017	\$8.00	\$9,631,327		(\$5,326,190)	\$4,305,137	
FYE 2016	\$5.00	\$5,984,986		(\$5,279,617)	\$705,369	
FYE 2015	\$5.00	\$5,578,149		(\$5,424,333)	\$153,816	

¹LACERA billed the RHC Administrative Fee of \$10 and collected \$8 from the County.

² The administrative fee account's accumulated surplus was used to absorb the over expenditure.

³ From July 2024 to January 2025.





^{*} Classification study for the position requested.

FISCAL YEAR 2025-2026

BUDGET SUMMARY

CURRENT YEAR

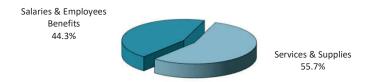
CURRENT YEAR BUDGET PROPOSED BUDGET TO 2024-2025 TO PROJECTION 2024-2025 BUDGET PROPOSED YTD OVER/(UNDER) BUDGET 2025-2026 **BUDGET** (01-31-25) **PROJECTION** BUDGET % CHANGE \$ CHANGE % CHANGE \$5,843,495 \$6,519,686 \$2,782,413 \$5,288,100 (\$1,231,586) -18.9% (\$676,191) -10.4% 7,337,353 7,069,334 3,932,898 6,952,100 (117,234)-1.7% 268,019 3.8% \$13,180,848 \$13,589,020 -9.9% (\$408,172)\$6,715,311 \$12,240,200 -3.0% (\$1,348,820)

COMPARISON OF

COMPARISON OF

Salaries & Employees Benefits Services & Supplies OPERATING BUDGET

2025 - 2026 PROPOSED BUDGET



^{*}All amounts rounded to the nearest dollar.

FISCAL YEAR 2025-2026

SALARIES AND EMPLOYEE BENEFITS SUMMARY

		CURRENT YEAR 2024-2025			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET	
	PROPOSED BUDGET		YTD			OVER/(UNDER)		
	2025-2026	BUDGET	BUDGET (01-31-25) PROJECTION		BUDGET	% CHANGE	\$ CHANGE	% CHANGE
Total LAOFDA Octobr	A0 554 700	#0.000.0 7 7	#4 707 074	#0.007.000	(004.477)	0.70/	#000 740	7.00/
Total LACERA Salaries	\$3,554,789	\$3,322,077	\$1,737,974	\$3,297,900	(\$24,177)	-0.7%	\$232,712	7.0%
Total Agency Temp Salaries	73,300	71,100	42,749	71,100	0	0.0%	2,200	3.1%
Employee Benefits (Variable)	1,894,130	2,838,839	904,114	1,715,600	(1,123,239)	-39.6%	(944,709)	-33.3%
OPEB Contribution	157,877	131,570	69,406	138,900	7,330	5.6%	26,307	20.0%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	143,200	138,900	15,298	50,000	(88,900)	-64.0%	4,300	3.1%
Bilingual Bonus	3,600	3,600	1,950	3,600	0	0.0%	0	0.0%
Sick Leave Buyback	13,000	10,000	10,924	11,000	1,000	10.0%	3,000	30.0%
Rideshare Allowance	3,600	3,600	0	0	(3,600)	-100.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$5,843,495	\$6,519,686	\$2,782,413	\$5,288,100	(\$1,231,586)	-18.9%	(\$676,191)	-10.4%
Salary Differential	-	_					-	
TOTAL S&EB	\$5,843,495	\$6,519,686	\$2,782,413	\$5,288,100	(\$1,231,586)	-18.9%	(\$676,191)	-10.4%

^{*}All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/25, with the exception of Agency Temp Salaries, which are as of 01/31/25.

LACERA

FISCAL YEAR 2025-2026

BUDGETED POSITIONS

RETIREE HEALTHCARE BENEFITS PROGRAM

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule	
0793	DIRECTOR, RETIREE HEALTH CARE, LACERA	1	LS14	
0771	ASSISTANT DIVISION MANAGER, LACERA	1	LS10	
0772	SECTION HEAD, LACERA	1	LS09	
1312	SENIOR RETIREMENT BENEFITS SPECIALIST	3	106C	
1311	RETIREMENT BENEFITS SPECIALIST III	10	100J	
0415	ACCOUNTANT, LACERA	1	097J	
0439	SENIOR ADMINISTRATIVE ASSISTANT, LACERA	1	095C	
1310	RETIREMENT BENEFITS SPECIALIST II	16	094C	
	Total Filled Positions =	34		

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0772	SECTION HEAD, LACERA	1	LS09
1311	RETIREMENT BENEFITS SPECIALIST III	1	100J
0796	QUALITY AUDITOR I, LACERA	1	100E
	Total Vacant Positions =	3	-
	TOTAL POSITIONS =	37]

Non-Represented positions shown in black.

Represented positions shown in blue.

Salary schedule as of 01/01/2025.

BUDGET REQUEST INFORMATION

AGENCY TEMPORARY STAFFING HISTORY OF EXPENDITURES

	FYE 20	FYE 2023		FYE 2024		FYE 2025		
DIVISION	Budget	Actual	Budget	Actual	Budget	Projection	Budget	
Retiree Healthcare	\$149,800	\$155,507	\$165,200	\$120,457	\$71,100	\$71,100	\$73,300	
GRAND TOTAL	\$149,800	\$155,507	\$165,200	\$120,457	\$71,100	\$71,100	\$73,300	

^{*}All amounts rounded to the nearest dollar.

BUDGET REQUEST INFORMATION

OVERTIME HISTORY OF EXPENDITURES

	FYE 2023		FYE 2024		FYE 2	FYE 2026	
DIVISION	Budget	Actual	Budget	Actual	Budget	Projection	Budget
Retiree Healthcare	\$121,800	\$140,072	\$134,900	\$64,679	\$138,900	\$50,000	\$143,200
GRAND TOTAL	\$12,834	\$140,072	\$134,900	\$64,679	\$138,900	\$50,000	\$143,200

^{*}All amounts rounded to the nearest dollar.

BUDGET REQUEST INFORMATION

VACANT POSITIONS SUMMARY

Division	Budgeted Positions FY 2024-2025	Vacancy (as of 03/31/25)	%	Budgeted Positions FY 2025-2026	Vacancy	%
Retiree Healthcare	37	3	8%	37	3	8%
TOTAL	37	3	8%	37	3	8%

FISCAL YEAR 2025-2026

SERVICES & SUPPLIES ACCOUNT SUMMARY

		CURRENT YEAR 2024-2025		COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET		
	PROPOSED BUDGET	YTD			OVER/(UNDER)			
ACCOUNT CLASSIFICATION	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	\$31,500	\$26,200	\$8,715	\$21,500	(\$4,700)	-17.9%	\$5,300	20.2%
POSTAGE	350,000	325,000	38,147	200,000	(125,000)	-38.5%	25,000	7.7%
OFFICE SUPPLIES & EQUIPMENT	5,000	5,000	588	3,500	(1,500)	-30.0%	0	0.0%
OPERATIONAL COSTS	5,567,553	5,243,534	3,075,714	5,242,600	(934)	0.0%	324,019	6.2%
PROFESSIONAL AND SPECIALIZED SERVICES	1,335,200	1,379,000	788,614	1,421,000	42,000	3.0%	(43,800)	-3.2%
BANK SERVICES	21,500	21,500	11,209	21,500	0	0.0%	0	0.0%
LEGAL FEES AND SERVICES	7,500	50,000	0	25,000	(25,000)	-50.0%	(42,500)	-85.0%
EDUCATIONAL EXPENSES	18,800	18,800	9,890	16,700	(2,100)	-11.2%	0	0.0%
MISCELLANEOUS	300	300	20	300	0	0.0%	0	0.0%
TOTAL	\$7,337,353	\$7,069,334	\$3,932,898	\$6,952,100	(\$117,234)	-1.7%	\$268,019	3.8%

^{*}All amounts rounded to the nearest dollar.

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2024		FYE 2	Proposed	
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$3,216,641	\$3,164,281	\$3,322,077	\$3,297,900	\$3,554,789
Total Agency Temp Salaries	165,200	120,457	71,100	71,100	73,300
Employee Benefits (Variable)	2,097,973	1,584,363	2,838,839	1,715,600	1,894,130
Employee Benefits (Other)	0	0	0	0	0
OPEB Contribution	118,991	124,024	131,570	138,900	157,877
OPEB Contribution (Budget Surplus)	0	118,991	0	0	0
Stipends	0	0	0	0	0
Overtime	134,900	64,679	138,900	50,000	143,200
Bilingual Bonus	4,800	3,600	3,600	3,600	3,600
Sick Leave Buyback	10,000	10,219	10,000	11,000	13,000
Rideshare Allowance	3,600	0	3,600	0	3,600
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Transportation & Travel	24,700	45,547	26,200	21,500	31,500
Postage	300,000	325,450	325,000	200,000	350,000
Office Supplies & Equipment	5,000	1,256	5,000	3,500	5,000
Operational Cost	5,006,533	4,723,459	5,243,534	5,242,600	5,567,553
Professional & Specialized Services	1,556,500	1,577,160	1,379,000	1,421,000	1,335,200
Bank Services	21,500	18,248	21,500	21,500	21,500
Legal Fees and Services	0	12,632	50,000	25,000	7,500
Educational Expenses	18,800	15,836	18,800	16,700	18,800
Miscellaneous	300	224	300	300	300
TOTAL OPERATING BUDGET	\$12,685,438	\$11,910,426	\$13,589,020	\$12,240,200	\$13,180,848

^{*}All amounts rounded to the nearest dollar.

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Other Post-Employment Benefits (OPEB) Trust

	Program Description	PAGE
	Program Description	1-0
•	Cost Summary	
	Cost Summary	4-0



OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST

The County of Los Angeles ("County") established the OPEB Trust for the purpose of pre-funding the Retiree Healthcare Benefits Program ("OPEB Program"). The OPEB Trust serves as a funding tool for the participating employers to hold and invest assets used to pay OPEB Program benefits, such as medical, dental, and vision. LACERA's Board of Investments is responsible for exercising oversight of the investment management for both the Retirement Fund and the OPEB Trust.

Cost Allocation: The Need for Separate Accounting of the OPEB Trust

LACERA administers a Retiree Healthcare Benefits Program for members that is funded through the employer plan sponsors. Historically, these plan sponsors have paid the monthly premium costs for current eligible retirees on a pay-as-you-go basis. In FY 2012-13, the County of Los Angeles (County) and LACERA established a trust to begin to prefund the program and address its long-term liability. LACERA's Board of Investments is the trustee and investment manager for the trust.

In FY 2016-17, the Superior Court joined the program. Beginning in FY 2017-18, the costs of administering the program were required to be reported separately on financial statements, based on the size of the participating agencies.

The trust agreements between the County, Superior Court, and LACERA stipulate that "...the Trustee (LACERA) shall be entitled to payment or reimbursement of all its reasonable and appropriate expenses incurred in administering or investing the Trust...." In other words, LACERA will not expend its principal or operating allocation to administer the trusts. Instead, the trust agreements allow LACERA to seek payment directly from the County and Superior Court, or to obtain payment from the OPEB Trust.

To avoid OPEB Trust assets being commingled with the retirement fund assets, it is important for LACERA to maintain a separate accounting of the costs associated with administering the OPEB Trust.

A Method for Tracking OPEB Trust Expenses

Only the LACERA divisions that participate in the administration of the OPEB Trust are included in the calculation of costs. These divisions are: Administrative Services, Communications, Executive Office, FASD, Human Resources, Internal Audit, Investments, Legal Services, Systems, and Retiree Healthcare.

Each division utilizes staff and resources to administer the OPEB Trust. In estimating the costs to administer the trust, LACERA considers the amount of time expended by employees as a share of the total cost of salaries and benefits. In estimating the additional costs used to administer the trust, LACERA also considers the share of the total costs of services and supplies.

Cost Methodology

There are four categories of expenses applicable to our cost methodology, as follows:

Direct Costs of Salaries and Employee Benefits

Division managers provided a list of staff members and the number of hours those staff members worked on OPEB activities. Those "hours spent" are converted into a percentage of annual hours. The salaries and benefits totals of each staff member are then multiplied by the percentage of annual hours devoted to OPEB.

Indirect Services and Supplies

These costs were estimated by taking the overall cost of services and supplies for LACERA and dividing it by the total number of employees. This provides LACERA with a "per employee cost," which is then multiplied by the overall percentage of hours worked on OPEB.

Indirect Salaries and Employee Benefits

Systems, Human Resources, and Administrative Services divisions provide staffing support to all LACERA divisions. The Salary and Employee Benefits costs for these divisions are added up, then divided by the number of LACERA employees to determine a per employee cost. This total is then multiplied by the overall percentage of hours worked on OPEB.

Direct Services and Supplies

Direct Services and Supplies costs are based on actual payment requests that are applicable to OPEB.

Allocation of Costs

The total overhead cost is divided among the County, LACERA, and Superior Court. The shared cost is allocated in a hybrid method that considers fund size, effort, and resources to approximate a fair and equitable allocation. These allocations are scheduled to be reviewed every two years. The current allocation is:

• County: 75 percent

• LACERA: 5 percent

• Superior Court: 20 percent

Reconciliation of Actual Costs

At the close of each fiscal year, the actual costs are reconciled with the budget costs. Variances are either credited or debited to each allocated entity to ensure that each OPEB Trust is appropriately capturing the true operating costs.

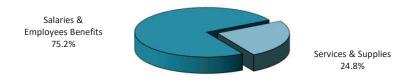
OPEB TRUST COST ALLOCATION

FISCAL YEAR 2025-2026

	CURRENT YEAR			COMPARISON OF CURRENT YEAR BUDGET		COMPARISON OF PROPOSED BUDGET TO	
	2	2024-2025		TO PROJ	ECTION	2024-2025	BUDGET
PROPOSED BUDGET		YTD		OVER/(U	JNDER)		
2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
\$976,786	\$825,111	\$481,315	\$775,604	(\$49,507)	-6.0%	\$151,675	18.4%
\$322,645	314,357	183,375	295,496	(18,861)	-6.0%	8,288	2.6%
\$1 299 431	\$1 139 468	664 690	1 071 100	(68.368)	-6.0%	\$159 963	14.0%

Salaries & Employees Benefits Services & Supplies OPERATING BUDGET

2025 - 2026 PROPOSED BUDGET





BUDGET POLICY

Authorizing Manager: Laura Guglielmo, Assistant Executive Officer

Original Effective Date: 05/20/2009 Last Updated: 05/30/2024

Mandatory Review: June 2025 (Annually)

Approval Level: Board of Retirement and Board of Investments

I. Purpose

This document sets forth the fiscal policy to ensure LACERA's budgeting practices are in accordance with prudent fiscal management for the allocation and utilization of resources to meet the organization's Mission and Vision and to support the goals of the Board of Retirement and Board of Investments' Strategic Plans. The policy also serves to increase the transparency of the budgeting process, which ensures stakeholders and members have insight into how LACERA manages its funds and meets its fiduciary obligations.

LACERA's budget encompasses three components: The Administrative Budget, the Retiree Healthcare (RHC) Budget, and the Other Post-Employment Benefits (OPEB) Trust.

The objective of this policy is to set out LACERA's budgeting principles, the timeline for the preparation of the budget, and the process and responsibilities for review, approval, and implementation of all three budget components.

II. Scope

This Policy applies to the development, preparation, and implementation of all three components of LACERA's budget in accordance with the County Employees Retirement Law (CERL).

Any exceptions to this Policy must be requested in writing (clearly stating the basis for the exception) and approved by the Board of Retirement and Board of Investments.

III. Legal Authority

Government Code Section 31580.2 of the County Employees Retirement Law (CERL) requires a budget covering the entire expense for the administration of the retirement system, shall be adopted by the Boards annually, and shall be charged against the earnings of the retirement fund. The expense incurred in any year may not exceed twenty-one hundredths of one percent (0.21%) of the accrued actuarial liability of the retirement system.

Government Code Section 31596.1 provides that the expenses of investing its moneys, securing custodial bank services, securing actuarial services for the annual valuation and triennial experience study, and securing attorney services to assist with investment matters under Government Code Sections 31607 shall not be considered a cost of administering the system.

III. Legal Authority (Continued)

As such, these costs are not included in the Administrative Budget and are identified as "non-administrative expenses." Section 31596.1 also provides that the cost of internal legal representation secured by the Board of Retirement and Board of Investments under Government Code Section 31529.1 for services previously performed by County Counsel are not administrative costs and under Government Code Section 31607 for services to assist the Board of Investments in carrying out its investment powers and duties. Under Section 31529.1, legal representation within the scope of that statute is limited to one-hundredth of 1 percent of system assets in any budget year; investment legal expenses under Section 31607 are not similarly limited.

Government Code Section 31580.2(b) provides that expenditures for computer software, hardware, and technology consulting services in support of these computer products shall not be considered a cost of administration of the retirement system for purposes of this section.

Government Code Sections 31691 and 31694 provide that the expenses of administering the RHCBP program and OPEB Trust may not be made from assets of the retirement fund. Therefore, such costs should not be part of the pension system's administrative budget.

IV. Definitions

Administrative Budget: LACERA's annual Administrative Budget consists of two components: Salaries and Employee Benefits, and Services and Supplies.

Appropriation: Funds set aside for specific purposes outlined in the Adopted Budget.

Budget: The annual financial plan that outlines the resources and revenue needed to achieve LACERA's work plan to meet its Mission and Vision and LACERA's Board of Retirement Strategic Plan and Board of Investments Strategic Plan.

Fiscal Year: LACERA's fiscal year begins on July 1st and concludes on June 30th. LACERA shall follow a naming convention referencing the fiscal year ending date, for example, FY23 for the fiscal year ending June 30, 2023.

Information Technology Coordination Council (ITCC): Oversight body responsible for significant technology and system recommendations for incorporation into the Proposed Budget. Established to ensure the efficient and effective use of technology, collaboration across the organization, and that the strategic plan goals are achieved.

Non-Administrative Expenses: Expenses excluded from the Administrative Budget as specified in Government Code Section 31596.1.

Other Post-Employment Benefits (OPEB) Trust: Trust funds established by Los Angeles County, LACERA, and the Superior Court to pre-fund their Retiree Healthcare Benefit Program.

IV. Definitions (Continued)

Retiree Healthcare Benefits Program (RHCBP) Budget: The RHCBP Budget reflects the resources and revenue required to administer retiree healthcare benefits to eligible members. These costs are funded through a monthly administrative fee via healthcare premiums, charged to program participants, or the plan sponsor if the member's benefit is fully subsidized.

Statutory Appropriation Limit: The limit of the Boards' authority to appropriate funds to administer the retirement system, established by Government Code Section 31580.2-currently twenty-one hundredths (.21) of one percent of the actuarial accrued liability of the retirement fund.

Unallocated Statutory Appropriation Balance: The difference between the funds appropriated to meet the organization's operational needs and the statutory appropriation limit established by Government Code Section 31580.2.

V. Policy Statement

This policy seeks to document LACERA's budgetary practices, consistent with its fiduciary duty of prudence.

V.A. Budgetary Components

LACERA's budget encompasses three components: The Administrative Budget, the Retiree Healthcare Benefits Program (RHCBP) Budget and the Other Post-Employment Benefits (OPEB) Trust.

V.A.1. Administrative Budget

The Administrative Budget reflects the resources needed to achieve the organization's work plan, each Board's Strategic Plan and goals, and operational activities in support of pension administration and investment of plan assets required to deliver retirement benefits for LACERA members and beneficiaries. It consists of two primary components: Salaries and Employee Benefits (S&EB) and Services and Supplies (S&S).

S&EB costs consist of ongoing personnel costs for the organization, including salaries for permanent and temporary staff, overtime, and variable benefits. Variable benefits include retirement costs (pension, 457, and 401K plan costs), health insurance, OPEB contributions and other employee benefits.

S&S costs reflect the daily operational needs of the organization. Some examples include, but are not limited to, building expenses (rent, maintenance, insurance), information technology needs, professional and specialized services, legal fees, office supplies and equipment, education, travel, and insurance.

V.A.2 Retiree Healthcare (RHC) Benefits Program Budget

The Retiree Healthcare Benefits Program provides healthcare benefits to LACERA membership on behalf of the fund's Plan Sponsors. The insurance premiums are born solely by the participants of the plan, or the Plan Sponsor if the employee is eligible for such benefit. LACERA trust funds are not used for premium payments or for the administration of the Program. The direct costs and variable overhead costs associated with the administration of the RHC Benefits Program are charged to the plan sponsors and participating members via an administrative fee. These administrative fees are added to the monthly premium costs and are not included in the Administrative Budget.

There are four categories of expenses for the RHC Benefits Program:

- Direct Costs of Salaries and Employee Benefits
- Direct Services and Supplies
- Indirect Salaries and Employee Benefits
- Indirect Services and Supplies.

Indirect Salaries and Employee Benefits and Indirect Services and Supplies reflect the program's pro-rata share of internal LACERA support functions such as Administrative Services, Information Technology, and Human Resources.

V.A.3. Other Post-Employment Benefits (OPEB) Trust Budget

The County of Los Angeles (County), LACERA, and the Superior Court (Court) utilize an OPEB Trust to pre-fund the Retiree Healthcare Program benefits. In FY 2012-2013, the County and LACERA established a trust to fund their program and the Court established its trust in FY 2016-17. Each agency's trust funds are reported separately in their financial statements. The Board of Investments of LACERA serves as the trustee and investment manager for the trusts.

The Trust Agreements stipulate that "... the Trustee (LACERA) shall be entitled to payment or reimbursement of all of its reasonable and appropriate expenses incurred in administering or investing the Trust..." As such, LACERA seeks payment directly from the County and the Court to fund the OPEB Trust. To avoid the OPEB Trust assets being co-mingled with retirement fund assets, LACERA maintains separate accounting of the costs associated with administering the OPEB Trust. The costs of the OPEB Trusts are not part of LACERA's Administrative Budget.

There are four categories of expenses of the OPEB Trust: Direct Costs of Salaries and Employee Benefits; Direct Services and Supplies; Indirect Salaries and Employee Benefits; and Indirect Services and Supplies. These expenses are allocated between the County, LACERA, and the Court based on an agreed methodology. At the close of each fiscal year, actual costs are reconciled, and variances are credited or debited to each entity.

V.B. Process

The budget process consists of activities that encompass the development, implementation, and evaluation of the annual financial plan for the allocation of resources to support and accomplish organizational goals and strategic initiatives.

V.B.1. Budget Monitoring and Control

It is the responsibility of LACERA management to develop and prepare an annual budget in accordance with responsible fiscal management for the allocation and utilization of resources to meet the organization's Mission, Vision, and Values and each Board's Strategic Plan.

V.B.2. Criteria

LACERA Management develops the annual proposed budget reflecting the enterprise priorities established through each Board's Strategic Plan. Criteria used by the organization to prioritize resources for the budget include, but are not limited to:

- Alignment with each Board's Strategic Plan
- Mitigating risk
- Compliance with legally mandated requirements
- Technological advancements to support staff and improve service to LACERA's members
- Identifying opportunities for cost efficiencies
- Identifying opportunities to improve service to members
- Staff development and succession planning
- Direction of the LACERA Board of Retirement and/or Board of Investments

V.B.3 Alignment with Each Board's Strategic Plan

The first step in developing a budget is to consider what the organization expects to achieve in the upcoming fiscal year. Each Board's Strategic Plan lays out its strategic goals, objectives, and action plans to achieve LACERA's Mission, Vision, and Values. Those goals and objectives identify responsibilities, timelines, and the metrics that will be used to determine if the goals or objectives have been met. As part of the budget development process, it is the responsibility of LACERA Trustees and Management to ensure that the organization's budget, or financial plan allocate the appropriate resources to achieve its strategic goals and objectives within the specified time frame.

V.B.4 Annual Budget Development and Approval Calendar

Date	Activity
By November 30	 Executive Office and Management review each Board's Strategic Plan initiatives for alignment with the upcoming Fiscal Year budget development cycle.
	 Administrative Services Division provides each Division Manager a budget package with instructions for completing their proposed budget for the upcoming fiscal year, a budget preparation timetable with specific deadlines, a schedule of meeting dates with the Budget Unit, and a schedule of meeting dates with the Executive Office.
December	The Budget Unit, representatives from Human Resources and Systems meet with Division Managers and their designees to provide guidance in the development of their budget requests.
By January 15	Division Managers submit their proposed budget to the Budget Unit.
By February 15	The Executive Office meets with each Division Manager and their designees to discuss the Division's needs and provide direction to the Division Managers and Budget Unit.
March	Audit Committee review of Internal Audit Proposed Budget.
April	The Budget Unit prepares and distributes the preliminary Administrative, RHC, and OPEB Trust Budgets to all Trustees and Division Managers.
April	Present preliminary budget to JOGC for review and input
By June 30	Board of Retirement and Board of Investment review and approve final budget

V.B.5. Budget Adoption

The Board of Retirement and Board of Investments ("Boards") have the joint responsibility to approve the enterprise-wide budget and resource allocations for all funds by June 30th. The Boards have created the Joint Organizational Governance Committee (JOGC), to provide oversight of the budget preparation and planning. The Preliminary Budget is presented to the JOGC in April for its review and direction. Staff incorporates direction from the JOGC, and the JOGC's

recommendations are presented to both Boards. The Boards independently take action to approve and adopt a Final Adopted Budget by June 30th.

V.B.6. Budget Appropriation

The Final Adopted Budget reflects the funds appropriated, or set aside, for specific purposes. For LACERA, funds are appropriated for two primary purposes, Salaries and Employee Benefits, and Services and Supplies.

Government Code Section 31580.2 states the annual budget for administrative expenses of a retirement system established under CERL may not exceed twenty-one hundredths (.21) of one percent of the Actuarial Accrued Liability (AAL) of the retirement system. Each year, LACERA's statutory appropriation limit is identified in the Adopted Budget.

To the extent funding appropriated as part of the budget is less than the statutory appropriations limit, the Boards may take specific action at any point during the fiscal year to appropriate additional funds not to exceed the maximum amount established by statute. LACERA's budgeting process includes a Mid-Year Budget Adjustment proposal to facilitate changes in priorities, goals, or economic conditions. The difference between the funds appropriated to meet the organization's operational needs and the statutory appropriation limit shall be referred to as the "Unallocated Statutory Appropriation Balance."

Budgetary adjustments that do not fall within the authority of the Chief Executive Officer, as outlined in Section V.B.10 below, require the review and recommendation by the JOGC for approval by both Boards as outlined in Section V.B. 12.

V.B.7. Budget Monitoring and Reporting

Budget Unit staff monitors and analyzes Division and enterprise-wide expenditures throughout the year, consults with Division Managers to identify planned expenditures and project full year under/over expenditures by Division, and compares those estimates against the Adopted Budget. Significant budgetary variances are discussed and explained.

Budget Control Reports are prepared and provided to all Trustees and Management Staff on an outlined schedule within the fiscal year. These reports include year to date expenditures and projected expenditures compared to the budget. Budget adjustments impacting staffing levels or exceeding the CEO's authority referenced in Section V.B.10 shall be considered by the JOGC and approved by the Boards.

This budget monitoring and control activity occurs concurrently while the Proposed Budget for the upcoming fiscal year is being developed.

V.B.8. Mid-Year Budget Review

By December 1, LACERA Executive Management will assess and evaluate the adequacy of the personnel and other resources included in the Final Adopted Budget and make recommendations to the JOGC for adjustments, if necessary, as described in Section V.B.6. JOGC recommendations shall be considered for approval by the Boards. As part of the mid-year budget, Executive Management may also address the progress and status of achieving the Boards' respective Strategic Plans.

V.B.9. Mid-Year and Year-End Adjustments Within the Administrative Budget

As part of LACERA's budget monitoring and reporting activities, it may become necessary to amend the Final Adopted Budget. Amendments may take the form of transferring appropriations between line items within a major account, transferring appropriations between major accounts, or increasing total appropriations within the statutory limits established by the Government Code as discussed in Sections V.B.6 and V.B.10.

V.B.10. Transferring Appropriations

LACERA's Administrative Budget has two major accounts, Salaries and Employee Benefits (S&EB), and Services and Supplies (S&S).

Within each major account are several line items with individual appropriations. The CEO has the authority to transfer appropriations not to exceed \$1 million across major accounts and has full discretion and authority to transfer appropriations between line items within each major account. The CEO shall notify all Trustees of such actions at the next Board meeting and as part of the routine Budget Control Reporting.

V.B.11. Pre-funding OPEB

LACERA participates in the OPEB Trust as a "contributing employer" and funds its employees' program benefits on a pay-as-you-go basis, funding actual monthly premium costs. It also makes a quarterly contribution to paydown the future OPEB liability at a rate equal to that of Los Angeles County. It is LACERA's objective to fund these program benefits within the working lifetime of the program beneficiaries so as to maintain intergenerational equity. To achieve intergenerational equity more quickly, since 2022, LACERA's CEO has authorized additional OPEB contributions utilizing budgetary savings identified at year end. In order to ensure a consistent paydown of the OPEB liability, LACERA's actuary shall now calculate the additional annual pre-funding necessary to fully fund LACERA's OPEB liability over the next 30 years. The annual amount necessary shall be included as a separate line item in LACERA's budget.

V.B.12. Increasing Total Appropriations

Should unanticipated expenditures be required during the fiscal year beyond the total Adopted Budget amount, the Unappropriated Statutory Appropriation Balance is available. This balance represents the difference between the total statutory appropriation limit established under CERL and the Final Adopted Budget. To utilize these unappropriated funds, both Boards must approve a budget amendment, increasing the total annual appropriation. Such requests will first be considered by the JOGC for a recommendation to both Boards to take the required action.

V.C. Audit Committee Oversight of Internal Audit

LACERA's Internal Audit Division provides independent and objective assurance and consulting services to assist the organization in achieving its Mission, Vision, and Values and each Board's Strategic Plan. To protect its independence, the Internal Audit Division reports functionally to the Audit Committee of the Boards and administratively to the Chief Executive Officer. The Audit Committee reviews and approves Internal Audit's Proposed Budget by Mid-March, which is then incorporated into LACERA's Administrative Proposed Budget reviewed by the JOGC in April or May.

VI. References

The following information complements and supplements this document.

Related Policies:

- Retirement Benefit Funding Policy
- OPEB Investment Policy Statement OPEB Master Trust

Related Internal Procedures: Budget instructions provided annually; Questica Budget Guide (Internal Document)

Related Forms/Templates: Not Applicable; Data captured in Questica Budget System

Other Related Information:

- Joint Organizational Governance Charter
- Audit Committee Charter

VII. Version History

VII.A. Approvals

Policy Issue Date: May 20, 2009

Policy Effective Date: June 12, 2024

VII. Version History (Continued)

Policy Update/Review Summary:

- Updated and approved by the Board of Retirement and the Board of Investments on June 5, 2024, and June 12, 2024, respectively. Prior versions supersede and have no effect as of the stated approval date.
- This policy was previously approved by the Board of Retirement on June 7, 2023, and the Board of Investments on June 14, 2023
- This policy was previously approved by the Board of Retirement on June 1, 2022, and Board of Investments on June 9, 2022

VIII. Review/Approval

The Joint Organizational Governance Committee shall review and recommend that the Board of Retirement and the Board of Investments approve this policy annually when they adopt the Budget for the upcoming fiscal year.





April 22, 2025

TO: Each Trustee,

Board of Retirement Board of Investment

FROM: James Beasley – Administrative Services

Supervising Administrative Assistant II

Lindsay Knight – Administrative Services

Administrative Services Analyst III

FOR: May 7, 2025 Board of Retirement Meeting

May 14, 2025 Board of Investments Meeting

SUBJECT: LACERA Boardroom Proposal: Relocation and Expansion

RECOMMENDATION

It is recommended that the Board of Retirement review and approve the proposal to relocate and expand the LACERA Boardroom to the ground floor of Gateway Plaza.

SUMMARY

This item was agendized for the April 23, 2025, Joint Organizational Governance Committee meeting, but no action was taken since a quorum was not present.

LACERA's Boardroom provides the public meeting space for the Board of Retirement, the Board of Investments, and the committees of both boards to conduct their required business. For many years, Trustees and staff have commented that the current Boardroom located on the 8th floor of the Gateway Plaza has been cramped, especially during joint meetings where there is insufficient room at the dais. Space is also constrained in the audience area, limiting the number of staff members, presenters, or the public who can participate in the meetings in person. Staff have been unable to address these issues due to space limitations and disruption to Board operations.

Recently, the tenants that occupied a large space on the ground floor of the building decided not to renew their lease, providing an opportunity for LACERA to address the Boardroom space limitations, as well as modernize, enhance security, and provide improved accessibility for persons with disabilities. Staff has developed a proposal to

LACERA Boardroom Proposal: Relocation and Expansion April 22, 2025 Page 2 of 2

relocate and expand the existing Boardroom without interruption, as outlined in the attached presentation.

NEXT STEPS

Upon approval of both the Board of Retirement and the Board of Investments, staff will engage the Office of the Building to lease the ground floor space and begin construction of the tenant improvement, and will request additional appropriation for office space rental, furniture, and technology as part of the 2026/2027 budget process.

IT IS THEREFORE RECOMMENDED THAT the Board of Retirement and the Board of Investments review and approve the proposal to relocate and expand the LACERA Boardroom to the ground floor of Gateway Plaza.

/JB

Noted and Approved:

Laura Guglielmo

Assistant Executive Officer

PROPOSED LACERA BOARDROOM RELOCATION

Proposal for relocation and expansion to the ground floor as well as modernize, enhance security, and provide for improved accessibility for persons with disabilities.







AGENDA

- Current Boardroom Limitations
- The Strategic Opportunity
- Proposed New Location & Layout
- Functional & Other Improvements
- Cost, Timeline & Other Considerations
- Conclusion & Staff Direction



CURRENT BOARDROOM LIMITATIONS

- Inadequate space for Trustees in joint meetings
- Inadequate space for audience (public & staff)
- Security and data privacy concerns with public access to LACERA's floors
- Evacuation challenges in case of emergency
- Becoming dated upgrades to finishes and technology would be disruptive to the Boards



CURRENT LIMITATIONS

Dias seating: 16

Audience seating: 35

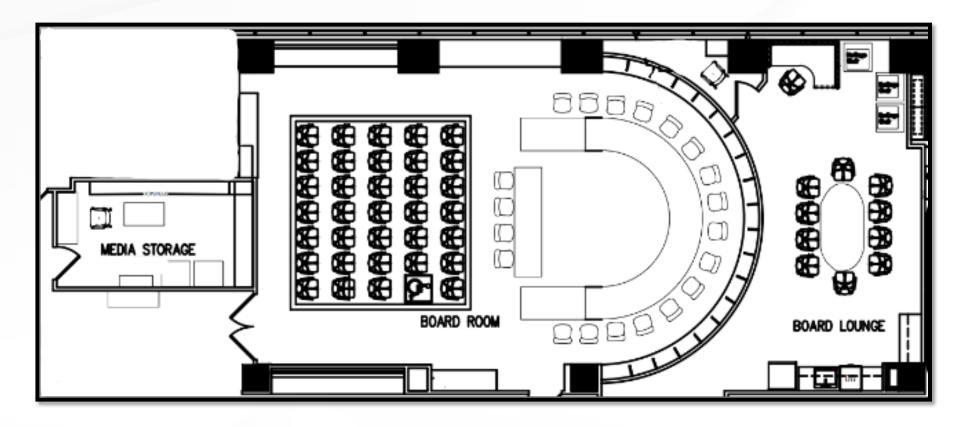
Presentation table seating: 4

Board Lounge seating: 10

Square footage: 2,270

Ceiling height: approx. 10 ft.

Last renovated: 2008





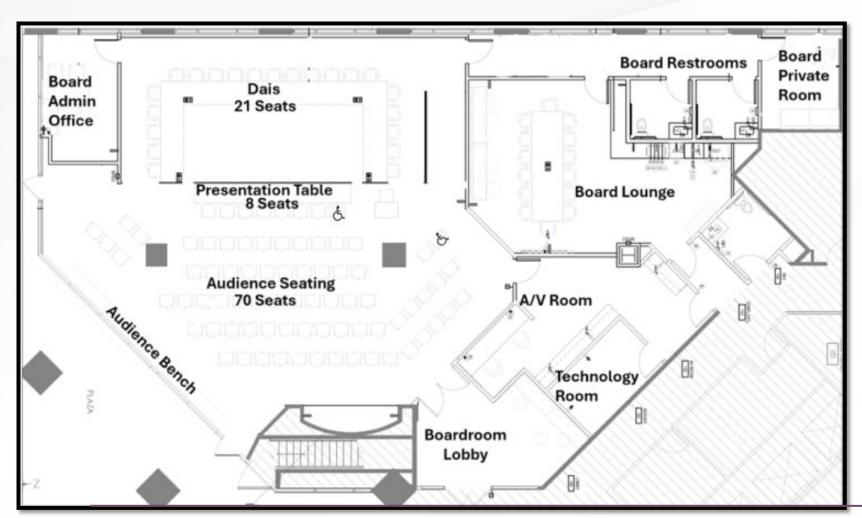


A STRATEGIC OPPORTUNITY

The non-renewal of the bank's lease on the ground floor presents a unique and timely opportunity to address these limitations and create a state-of-the-art Boardroom.



PROPOSED NEW BOARDROOM LAYOUT



- Larger, raised dais to accommodate all Trustees
- Double audience seating
- Higher ceilings (12 ft vs. 10 ft)
- Larger Board lounge area
- Dedicated Trustee restrooms
- Improved accessibility for persons with disabilities
- Private Trustee room
- Board Admin Office
- Large public waiting area
- Dedicated AV control room
- Double usable square footage –Total = 4,563 sq. ft



- Public access restricted to first floor
- Ability to quickly & safely evacuate in case of emergency
- Dedicated Trustee entrance
- Weapon detection system
- Soundproof windows







OTHER IMPROVEMENTS

- Modern design & finishes
- State of the art audio-visual (AV) upgrades
- Dedicated, soundproofed AV control room (oneway window)
- Reconfigurable furniture to allow for meeting use flexibility, including member events
- Larger, more comfortable Trustee lounge & private meeting space
- More storage space for Board materials & supplies



ESTIMATED COST

Construction Cost Estimate:

\$1,500,000 – Funded through Tenant Improvements

Technology Cost Estimate:

\$400,000 – Funded through LACERA's Administrative Budget

Furniture Cost Estimate:

\$300,000 – Funded through LACERA's Administrative Budget

Ongoing Lease Costs: \$250,000/year*

Total One-Time Cost Estimate: \$1.2 Million

Impact to LACERA's Budget: \$700,000

*Subject to lease negotiation and represents the full cost of the space without adjustment for the vacated space on the 8th floor post-renovation.



Technology Integration

Incorporating advanced technology enhances communication and collaboration in board meetings.



Furniture Selection

Choosing ergonomic furniture promotes comfort and productivity during long meetings.



Construction Expenses

Budgeting for technology and furniture is crucial for effective boardroom design.



CONSIDERATIONS



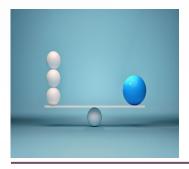
Timeline

12-18 Month construction timeline
Prefer to begin soon as space is currently vacant
Renovations can be completed with no interruption to Board operations



Expense

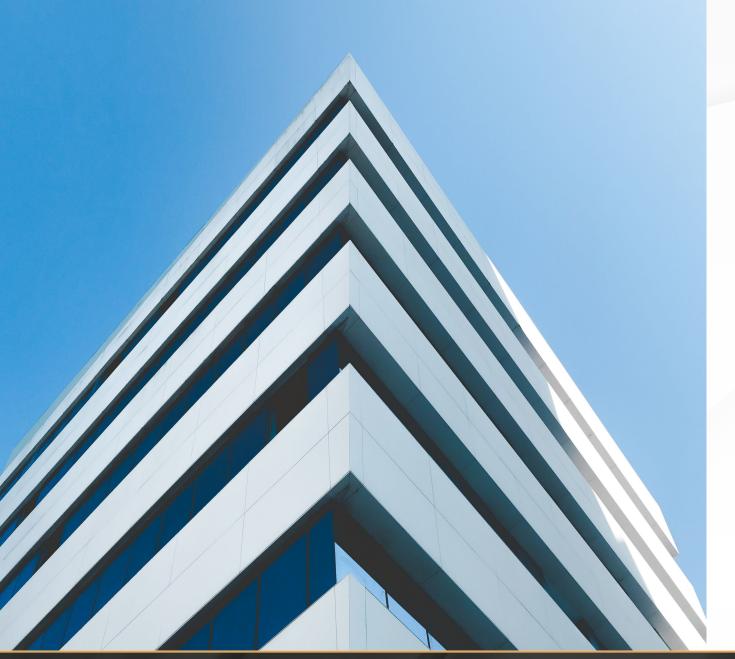
One time and ongoing cost to LACERA's Administrative Budget No funding was included in LACERA's 2025-26 Proposed Budget Funds would not be available for investment



Trade-Offs

Ground level view
Traffic noise & pedestrian distraction
May be more vulnerable to vandalism or other security threats
Retail office space that will not be leased by another tenant





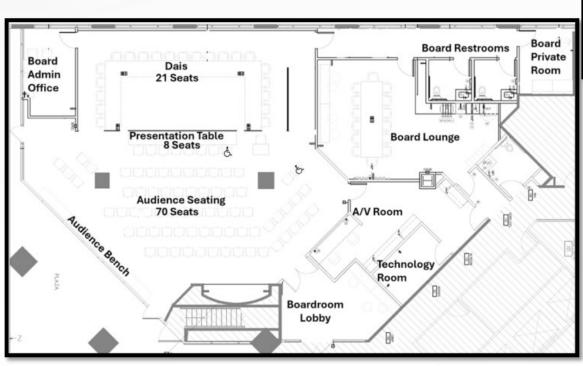
CONCLUSION

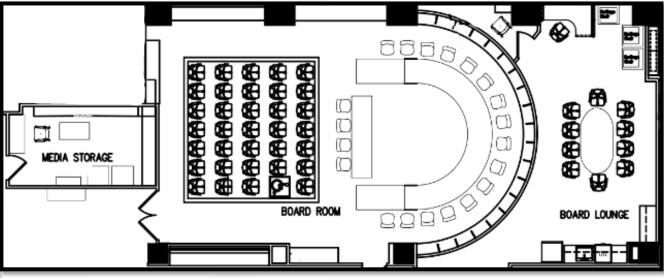
This will likely be the only opportunity to upgrade and expand LACERA's Board Room without disrupting Board operations for the foreseeable future.

Staff direction is required for further action or next steps



SIDE BY SIDE







April 30, 2025

TO: Trustees – Board of Investments

FROM: Jude Perez Dale Johnson Dale Johnson

Deputy Chief Investment Officer Senior Investment Officer

Michael Romero Jason Choi

Investment Officer Senior Investment Analyst

FOR: May 14, 2025 Board of Investments Meeting

SUBJECT: Manager Lifecycle Report

Attached is a presentation on manager turnover at LACERA. LACERA's Strategic Asset Allocation ("SAA") establishes the risk/return profile of the Fund and underlying asset categories. LACERA implements the SAA by executing Structure Reviews in each asset class to identify appropriate strategies and allocations. Structure Reviews are the primary driver of investment manager turnover within the Fund. Other sources of turnover of investment managers include lagging investment performance and organizational changes at the investment manager.

The **ATTACHMENT** provides a snapshot of manager turnover by asset class for the 10 years ending December 31, 2024.

Attachment

Noted and Reviewed:

Jonathan Grabel

Chief Investment Officer



Manager Lifecycle

Board of Investments Meeting May 14, 2025

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Manager Lifecycle – Introduction



Background

LACERA's Investment Beliefs center on the importance of LACERA's Strategic Asset Allocation ("SAA") to determine the long-term risk/return profile of the Fund, functional categories, and underlying asset classes

Asset class Structure Reviews establish investment guidelines for the implementation of the SAA and identify desirable exposures by factors such as geography and market segment which can prompt shifts in allocations among existing and new strategies and investment managers

LACERA retains third-party investment managers ("managers") to execute specified strategies as addressed in the Structure Reviews, which may also recommend exiting strategies that are no longer in congruence with the SAA

LACERA actively monitors managers and tracks relationship quality via a Manager Scorecard

This presentation provides a snapshot of manager turnover by asset class for the 10-year period ending December 31, 2024



"Approve the selection and termination of external asset managers, with the concurrence of relevant Boardapproved investment consultants for the asset class, to implement Board approved strategic asset allocation and asset category Structure Review investment guidelines."

"LACERA has adopted formal procedures to guide the selection, appointment, and monitoring of external managers and service providers. LACERA expects any external party that manages Fund assets on behalf of LACERA to serve as a fiduciary."

Strategic Asset Allocation and Structure Reviews



Strategic Asset Allocation

LACERA fundamentally believes long-term SAA will be the primary determinant of risk/return outcomes, and therefore establishes a SAA to meet its mission and investment objectives

- The functional categories represent the aggregated risk/return characteristics of each underlying asset class
- The SAA determines what proportion of the Fund is allocated to each functional category and underlying asset class, including target weights and allowable ranges as a percentage of the total Fund

Structure Reviews

- LACERA conducts a Structure Review to establish a framework for implementation of each asset class
- Structure Reviews address the role and expected risk profile of each asset class within a total Fund context
- The Structure Review presents the objectives, portfolio composition, related strategic initiatives, and potential portfolio evolution

Manager Monitoring



LACERA actively assesses and monitors multi-dimensional aspects of LACERA's investment manager relationships and reports via a Manager Scorecard in LACERA's Total Fund Quarterly Board Book



Performance

The assessment of the investment manager's Sharpe and Information Ratios, which provide insight into a manager's riskadjusted performance and performance relative to its benchmark

1 to 5 (with 5 the best)

Organization & Operations

Evaluates the organization, professional staff, diversity & inclusion, investment philosophy & process, risk management, legal & compliance framework

S+,S, S- (with S+ the best)

ESG

Assesses the extent to which material ESG factors are identified, assessed, and incorporated into risk/return analysis and portfolio construction

to 5 (with 5 the best)

Partnership

Reflects the value-add services (education, research, and analytics), client service, and LACERA's investment relative to the firm's assets under management

A, B, or C (with A the best)

Fees & Terms

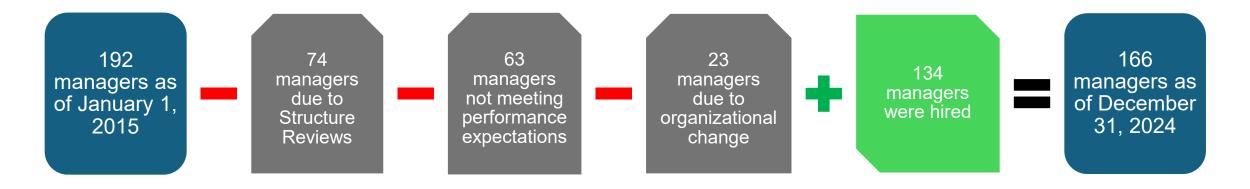
Compared to a benchmark of median fees by asset category and/or investment structure

1 to 5 (with 5 the best)

- Incorporates nuances and enhances LACERA's manager monitoring process
- Provides comparison to peers within and across asset classes

Manager Turnover





- Manager turnover at LACERA is primarily driven by SAA updates and subsequent periodic Structure Reviews to reflect an evolution of the portfolio
- Investment managers with significant organizational changes, such as the departure of key investment personnel, or persistent, significant underperformance relative to a benchmark or peers is the other determinant of turnover

The following slides review manager* turnover within each asset class over the past 10 calendar years which incorporates the transition to the functional asset class structure, 4 SAA reviews, implementation of subsequent Structure Reviews, and actions resulting from ongoing manager monitoring

^{*}Manager counts may include multiple diverse strategies managed by same manager and fund-of-funds managers but not similar strategy, follow-on funds, or sub-managers within fund-of-funds strategies

Global Equity – Manager Turnover Summary



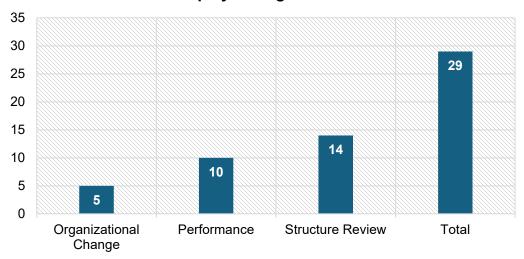


- As of December 31, 2024, the LACERA Global Equity portfolio had 12 managers compared to 27 managers 10 years prior
- During the 10-year period, 14 managers were hired, and 29 managers were terminated
- Investment strategies hired included passive, active, emerging managers, and separate account managers within the Emerging Manager Program ("EMP")
- The manager turnover reflects strategic initiatives to streamline the manager structure with use of a single passive index and to align portfolio exposures closer to the policy benchmark

Global Equity Manager Hires



Global Equity Manager Terminations

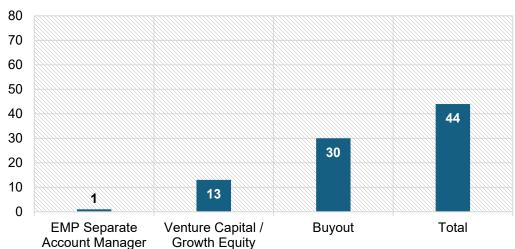


Private Equity – Manager Turnover Summary



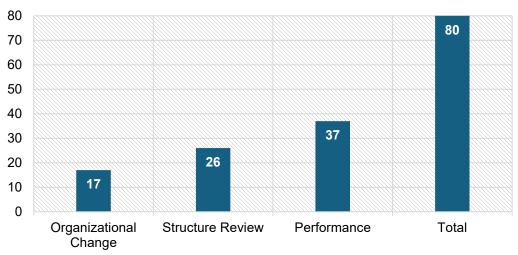


Private Equity Manager Hires



- As of December 31, 2024, the LACERA Private Equity portfolio had 68 managers compared to 104 managers 10 years prior
- During the 10-year period, 44 managers were hired, and 80 managers were terminated
- LACERA decreased the manager count, primarily through secondary sales in 2018 and 2024, to focus on building deeper, more strategic partnerships with fewer managers, enhancing our role as a significant and influential partner
- Nearly half of the terminations were due to manager performance concerns, about a third were driven by the need to align with LACERA's evolving strategic objectives, and the remainder resulted from organizational changes involving the general partners

Private Equity Manager Terminations



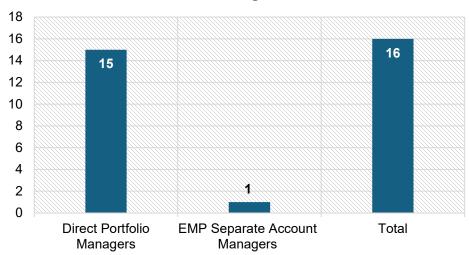
Credit – Manager Turnover Summary



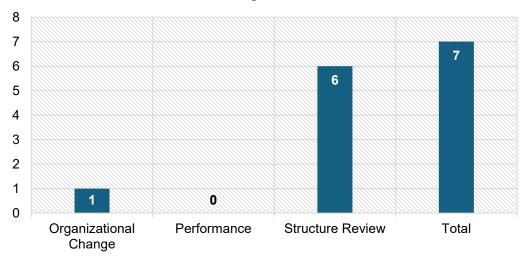


- As of December 31, 2024, the LACERA Credit portfolio had 16 managers compared to 7 managers 10 years prior
- During the 10-year period, the LACERA Credit portfolio hired 16 managers and terminated 7 managers
- LACERA's Credit portfolio was formalized in 2019, which evolved from the legacy Fixed Income portfolio and had previously incorporated Bank Loan and High Yield mandates
- Manager turnover was primarily driven by structural portfolio changes to reflect SAA's, such as the addition of Private Credit

Credit Manager Hires



Credit Manager Terminations

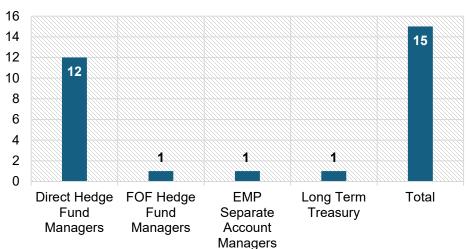


Risk Reduction and Mitigation – Manager Turnover



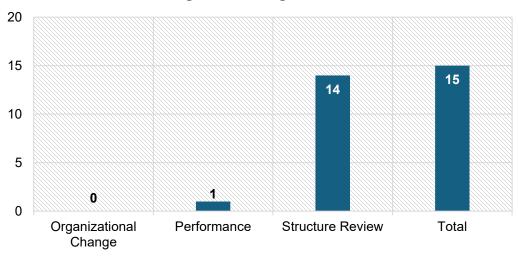


Risk Mitigation Manager Hires



- As of December 31, 2024, the LACERA Risk Reduction and Mitigation portfolio had 15 managers compared to 15 managers 10 years prior
- During the 10-year period, 15 managers were hired, and 15 managers were terminated
- LACERA's Risk Reduction and Mitigation portfolio was formalized in 2019, and evolved from the legacy Fixed Income portfolio, which had previously included Investment Grade Bond mandates
- The relevant timeframe includes the transition from a Fund-of-Funds ("FoF") approach for hedge funds to a direct portfolio approach

Risk Mitigation Manager Terminations



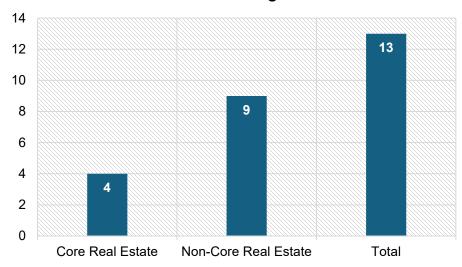
Real Estate – Manager Turnover Summary





- As of December 31, 2024, the LACERA Real Estate portfolio had 24 managers compared to 33 managers 10 years prior
- During the 10-year period, 13 managers were hired, and 22 managers were terminated
- Terminations were driven by manager performance concerns and the need to align with LACERA's strategic objectives
- Reflects transition from operationally intensive separate account mandates to commingled funds to improve diversification among strategies and geography

Real Estate Manager Hires



Real Estate Manager Terminations



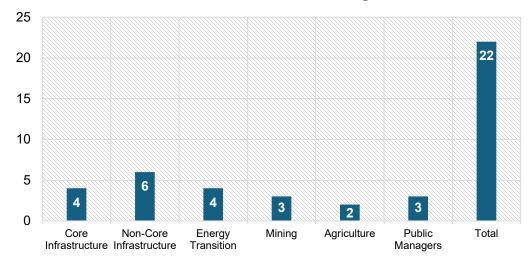
Real Assets ex RE – Manager Turnover Summary





- As of December 31, 2024, the LACERA Real Assets ex Real Estate portfolio had 22 managers compared to 4 managers 10 years prior
- During the 10-year period, 22 managers were hired, and 4 managers were terminated
- LACERA's Real Assets ex Real Estate portfolio was formalized in 2019, which incorporated 4 existing commodities strategies from private equity and the legacy fixed income portfolio
- Manager turnover reflects strategic initiatives to transition from legacy commodities portfolio to private market investments for infrastructure and natural resources

Real Assets ex Real Estate Manager Hires



Real Assets ex Real Estate Manager Terminations



OPEB Master Trust – Manager Turnover Summary



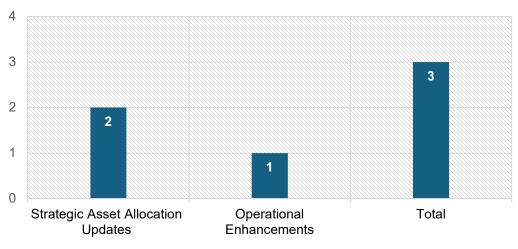


- As of December 31, 2024, the OPEB Master Trust had 9 managers compared to 2 managers 10 years prior
- During the 10-year period, 10 managers were hired, and 3 managers were terminated
- As the OPEB Master Trust has matured, the strategic asset allocation ("SAA") evolved to include a broader range of mandates. Notably, the private markets were added alongside the public market allocation following the 2021 SAA study
- Terminations were driven by strategic asset allocation updates and operational needs

OPEB Master Trust Manager Hires



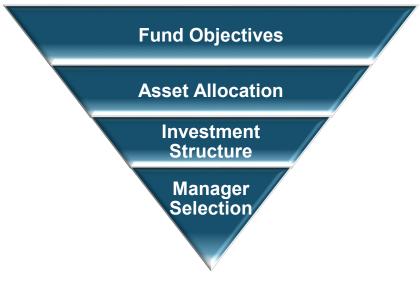
OPEB Master Trust Manager Terminations



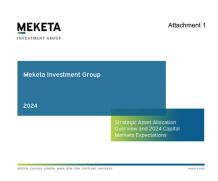
Manager Lifecycle Summary



Key Takeaways



 SAA and Structure Reviews drive the majority of manager turnover through evolution of the portfolio to reflect relevant capital market assumptions and the appropriate opportunity set





LACERA Mission: To produce, protect and provide the promised benefits to our members

- Aim to keep LACERA's investment strategy dynamic, enabling the portfolio to adapt to changing market structures and incorporate new opportunities as prudent
- Focus on strategic relationships that promote alignment of interests
- Rationalize portfolio by only reinvesting with managers that continue to meet LACERA's investment objectives and performance expectations





Term	Acronym	Definition	
Emerging Manager Program Separate Account Manager	EMP	An investment manager that invests in a diversified portfolio of emerging managers and/or strategies	
Fund-of-Funds FoF		An investment fund that invests in a diversified portfolio of managers and/or strategies rather than directly in individual investments	
Separately Managed Account	SMA	An investment portfolio that is managed separately from other investment vehicles and hold investments for only client	





FOR INFORMATION ONLY

April 11, 2025

TO: Trustees – Board of Investments

FROM: Jonathan Grabel

Chief Investment Officer

FOR: May 14, 2025 Board of Investments Meeting

SUBJECT: Board of Investments 2025 Offsite Tentative Agenda

SUMMARY

On September 9th and 10th, LACERA's Board of Investments is scheduled to have its annual offsite meeting. We are planning to gather at the Hyatt Regency in Long Beach. Additional information regarding logistics will be provided in the future. Offsite topics will be presented and discussed on both days, and a Board meeting is scheduled to occur on the afternoon of the 10th. We expect to collaborate with numerous business partners and advisors to arrange for an insightful and productive event. The following is a tentative high-level agenda¹ that reflects Trustee rankings from an online survey:

Tuesday, September 9, 2025

Morning

- The Macro Environment and LACERA's Strategic Asset Allocation
- Energy Transition: Opportunities and Sustainability

Afternoon

- Blockchain/Tokenization
- Implications of Artificial Intelligence

Wednesday, September 10, 2025

Morning

Orrining

- Credit: Innovative Implementation
- Actuarial Experience Study

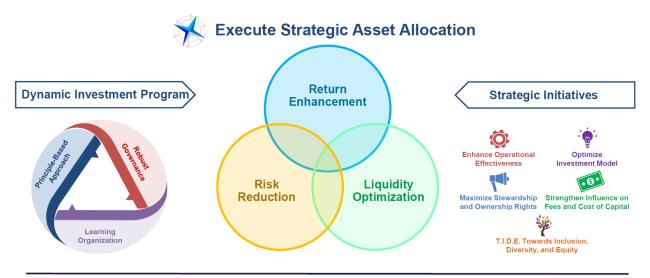
Afternoon

Board of Investments Meeting

¹ The tentative high-level agenda shown above is subject to change or refinement.

BACKGROUND

In an effort to develop a responsive and engaging agenda, a list of potential topics was compiled while considering interactions with Trustees, current events, and LACERA's 2025 Work Plan and Strategic Initiatives, as referenced below.



Mission: To produce, protect and provide the promised benefits to our members

An online survey was created, and Trustees were asked to rank their relative interest across seventeen potential topics with an option to suggest a new topic. The tentative agenda topics shown above received the highest degree of interest from the online survey responses.

Over the next several months, staff will work internally and with key partners to develop content for these topics and invite select outside speakers.



FOR INFORMATION ONLY

May 6, 2025

TO: Trustees,

Board of Investments

FROM: Christine Roseland

Senior Staff Counsel

FOR: May 2025 Board of Investments Meeting

SUBJECT: Legal Projects

Attached is the monthly report on the status of investment related projects that are either Board directed or reported out pursuant to the Investment Policy Statement and handled by the Legal Division as of May 6, 2025.

Attachment

c: Santos H. Kreimann

Luis A. Lugo

Jonathan Grabel

Esmeralda Del Bosque

Vache Mahseredjian

Jude Perez

Jim Rice

Christopher Wagner

Scott Zdrazil

Steven Rice

John Harrington

Avi Herescu

Susan Wang

Lisa Garcia



LACERA Legal Division Board of Investments Projects Monthly Status Report - Pending as of May 6, 2025*



	Project/ Investment	Description	Amount	Board Approval Or Report Out Date	Completion Status	% Complete	Notes
PORTFOLIO ANALYTICS	State Street Bank and Trust Co.	Global Custody and Commercial Banking Services Agreement for LACERA's Pension Plan and OPEB Master Trust	\$72,000,000,000	August 10, 2022	In Progress	99%	Legal negotiations in process.
PRIVATE EQUITY	Pollen Street Fund V	Subscription	\$150,000,000	April 9, 2025	Completed	100%	Completed.

^{*=} This list does not include Real Estate separate account transactions, consents and amendments and other investment related legal work that arise during the life of an investment unless it is a BOI approved item or is otherwise reported out.



FOR INFORMATION ONLY

April 28, 2025

TO: Each Trustee

Board of Retirement Board of Investments

FROM: Barry W. Lew

Legislative Affairs Officer

FOR: May 7, 2025 Board of Retirement Meeting

May 14, 2025 Board of Investments Meeting

SUBJECT: Monthly Status Report on Legislation

Attached is the monthly report on the status of legislation that staff is monitoring. Bills on which LACERA has adopted a position are highlighted in yellow.

Reviewed and Approved:

Luis Lugo, Deputy Chief Executive Officer

Attachments

LACERA Legislative Report Index LACERA Legislative Report

cc: Santos H. Kreimann

Luis Lugo
JJ Popowich
Laura Guglielmo
Steven P. Rice
Jon Grabel
Scott Zdrazil

Anthony Roda, Williams & Jensen

Naomi Padron, MKP Government Relations

				BOR	
CATEGORY	BILL	AUTHOR	TITLE	POSITION	PAGE
BROWN_ACT		. Blanca E. Rubio (D)	, ,		2
BROWN_ACT			. Open Meetings: Teleconferences: Community College		6
BROWN_ACT		. Mike Fong (D)			7
BROWN_ACT		. Jesse Arreguin (D)			19
BROWN_ACT	SB 707	. Maria Elena Durazo (D)	. Open Meetings: Meeting and Teleconference Requirements		23
PUBLIC EMPLOYMENT	AB 288	. Tina McKinnor (D)	Employment: Labor Organization		3
PUBLIC_EMPLOYMENT	AB 339	. Liz Ortega (D)	. Local Public Employee Organizations: Notice Requirement		4
PUBLIC_EMPLOYMENT	AB 340	. Patrick Ahrens (D)	. Employer-Employee Relations: Confidential Communication		5
PUBLIC_EMPLOYMENT	AB 889	. Heather Hadwick (R)	. Prevailing Wage: Per Diem Wages		10
PUBLIC_INVESTMENT	AB 1439	. Robert Garcia (D)	. Public Retirement Systems: Development Projects: Labor		15
PUBLIC_RECORDS_ACT	AB 810	. Jacqui Irwin (D)	Local Government: Internet Websites and Email Addresses		9
PUBLIC_RETIREMENT	AB 1054	. Mike A. Gipson (D)	Public Employees Retirement: Deferred Retirement Option		11
PUBLIC_RETIREMENT	AB 1067	. Sharon Quirk-Silva (D)	Public Employees Retirement: Felony Convictions		12
PUBLIC_RETIREMENT	AB 1323	. Phillip Chen (R)	. County Employees Retirement: Administration		13
PUBLIC_RETIREMENT	AB 1383	. Tina McKinnor (D)	Public Employees Retirement Benefits		14
PUBLIC_RETIREMENT	AB 1451	. Al Muratsuchi (D)	. State Teachers' Retirement System		16
PUBLIC_RETIREMENT		. Carl DeMaio (R)			1
PUBLIC_RETIREMENT	AB 569	. Catherine Stefani (D)	. California Public Employees' Pension Reform Act of 2013		8
PUBLIC_RETIREMENT	ACA 2	. Corey Jackson (D)	. Legislature: Retirement		17
PUBLIC_RETIREMENT	SB 301	. Timothy S. Grayson (D)	. County Employees Retirement Law of 1937		20
PUBLIC_RETIREMENT	SB 443	. Susan Rubio (D)	. Retirement: Joint Powers Authorities		21
PUBLIC_RETIREMENT	SB 538	. Megan Dahle (R)	Public Employees' Retirement System: Teaching		22
PUBLIC_RETIREMENT	SB 853	Labor, Public Employment and Retirement	Public Employees' Retirement		24
WORKERS_COMPENSATION	SB 8	. Angelique Ashby (D)	. Peace Officers: Injury or Illness: Leaves of Absence		18



Term:

No term applied.

Tracking

Include tracked measures only

1.

California Assembly Bill 26 (2025-2026)

CA A 26 | Carl DeMaio (R-075) | Pending | Fiscal Committee (No) | Urgency Clause (No) | ASSEMBLY

Eliminate the Politicians Perks Act of 2025

States the intent of the Legislature to enact legislation that holds elected officials accountable by prohibiting Members of the Legislature from accepting gifts or trading in individual stock, imposing a lifetime lobbying ban, eliminating exemptions for the Legislature from labor, workplace, and public record laws, and eliminating government pensions for local elected officials.

Code:

An act relating to the Political Reform Act of 1974.

Status:

Dec 2, 2024: INTRODUCED.

PUBLIC_RETIREMENT

California Assembly Bill 259 (2025-2026)

CA A 259 | Blanca E. Rubio (D-048) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Assembly Third Reading File

Open Meetings: Local Agencies: Teleconferences

Provides that existing law, until the specified date, authorizes the legislative body of a local agency to use alternative teleconferencing under certain conditions. Extends the alternative teleconferencing procedures until the specified date.

Code:

An act to amend and repeal Sections 54953 and 54954.2 of the Government Code, relating to local government.

Status:

Apr 22, 2025: In ASSEMBLY. Read second time. To third reading. + Show full status history

Hearing Dates:

04/28/2025 Assembly Third Reading File - # 61

BROWN ACT

California Assembly Bill 288 (2025-2026)

CA A 288 | Tina McKinnor (D-061) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Appropriations Committee

Employment: Labor Organization

Expands the Public Employment Relations Board's jurisdiction by authorizing a worker to petition PERB to vindicate specified prescribed rights. Specifies who is an authorized worker, including an individual who petitions the National Labor Relations Board to vindicate their rights to full freedom of association, self-organization, or designation of representatives of their own choosing but has not received a determination or remedy within specified statutory timeframes.

Code:

An act to add Section 923.1 to the Labor Code, relating to employment.

Status:

Apr 23, 2025: From ASSEMBLY Committee on LABOR AND EMPLOYMENT: Do pass to Committee on APPROPRIATIONS.

+ Show full status history



California Assembly Bill 339 (2025-2026)

CA A 339 | Liz Ortega (D-020) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Appropriations Committee

Local Public Employee Organizations: Notice Requirement

Requires the governing body of a public agency, and boards and commissions designated by law or by the governing body of a public agency, to give the recognized employee organization no less than 120 days' written notice before issuing a request for proposals, request for quotes, or renewing or extending an existing contract to perform services that are within the scope of work of the job classifications represented by the recognized employee organization.

Code:

An act to add Section 3504.1 to the Government Code, relating to public employment.

Status:

Apr 9, 2025: In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File. + Show full status history

PUBLIC_EMPLOYMENT

California Assembly Bill 340 (2025-2026)

CA A 340 | Patrick Ahrens (D-026) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Appropriations Committee

Employer-Employee Relations: Confidential Communication

Prohibits a public employer from compelling a public employee, a representative of a recognized employee organization, or an exclusive representative to disclose confidential communications to a third party. Provides that this would not apply to a criminal investigation or when a public safety officer is under investigation and certain circumstances exist.

Code:

An act to amend Sections 3506.5, 3519, 3543.5, and 3571 of the Government Code, and to amend Section 28858 of the Public Utilities add Section 3558.9 to the Government Code, relating to employer-employee relations.

Status:

Apr 23, 2025: In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.

+ Show full status history

PUBLIC_EMPLOYMENT

California Assembly Bill 409 (2025-2026)

CA A 409 | Joaquin Arambula (D-031) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Assembly Third Reading File

Open Meetings: Teleconferences: Community College

Provides that existing law authorizes a State community college student body association and other specified student run community college organizations to use alternate teleconferencing provisions related to notice, agenda, and public participation. Extends the authorization for State community college student body associations and student run community college organizations to use the alternate teleconferencing provisions.

Code:

An act to amend Section 54953.9 of the Government Code, relating to open meetings.

Status:

Apr 24, 2025: In ASSEMBLY. Read second time. To third reading. + Show full status history

Hearing Dates:

04/28/2025 Assembly Third Reading File - # 72

☐ BROWN_ACT

California Assembly Bill 467 (2025-2026)

CA A 467 | Mike Fong (D-049) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Assembly Third Reading File

Open Meetings: Teleconferences: Neighborhood Councils

Provides that existing law authorizes specified neighborhood city councils to use alternate teleconferencing provisions related to notice, agenda, and public participation if, among other requirements, the city council has adopted an authorizing resolution and 2/3 of the neighborhood city council votes to use alternate teleconference provisions. Extends the authorization for specified neighborhood city councils to use the alternate teleconferencing provisions until the specified date.

Code:

An act to amend Section 54953.8 of the Government Code, relating to local government.

Status:

Apr 22, 2025: In ASSEMBLY. Read second time. To third reading. + Show full status history

Hearing Dates:

04/28/2025 Assembly Third Reading File - # 62

☐ BROWN_ACT

California Assembly Bill 569 (2025-2026)

CA A 569 | Catherine Stefani (D-019) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Assembly Third Reading File

California Public Employees' Pension Reform Act of 2013

Relates to the California Public Employees' Pension Reform Act of 2013. Authorizes a public employer to bargain over contributions for supplemental retirement benefits administered by, or on behalf of, an exclusive bargaining representative of one or more of the public employer's bargaining units, subject to certain limitations.

Code:

An act to amend Section 7522.18 of the Government Code, relating to retirement benefits.

Status:

Apr 28, 2025: In ASSEMBLY. Read second time. To third reading. + Show full status history

Hearing Dates:

04/28/2025 Assembly Second Reading File - # 3

PUBLIC_RETIREMENT

California Assembly Bill 810 (2025-2026)

CA A 810 | Jacqui Irwin (D-042) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Appropriations Committee

Local Government: Internet Websites and Email Addresses

Provides that existing law requires that a local agency that maintains public email addresses to ensure that each email address provided to its employees uses a .gov domain name or a .ca.gov domain name. Requires a city, county, or city and county to comply with specified domain requirements. Requires a special district, joint powers authority, or other political subdivision to comply with similar domain requirements no later than the specified date.

Code:

An act to amend Section 50034 of the Government Code, relating to local government.

Status:

Apr 22, 2025: From ASSEMBLY Committee on PRIVACY AND CONSUMER PROTECTION: Do pass to Assembly Committee on APPROPRIATIONS.

+ Show full status history



California Assembly Bill 889 (2025-2026)

CA A 889 | Heather Hadwick (R-001) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Appropriations Committee

Prevailing Wage: Per Diem Wages

Authorizes an employer to take full credit for the hourly amounts contributed to defined contribution pension plans that provide for both immediate participation and immediate vesting even if the employer contributes at a lower rate or does not make contributions to private construction. Requires the employer to prove that the credit for employer payments was calculated properly.

Code:

An act to amend Section 1773.1 of the Labor Code, relating to prevailing wage.

Status:

Apr 2, 2025: From ASSEMBLY Committee on LABOR AND EMPLOYMENT: Do pass to Committee on APPROPRIATIONS.

+ Show full status history

Hearing Dates:

04/30/2025 Appropriations

PUBLIC_EMPLOYMENT

California Assembly Bill 1054 (2025-2026)

CA A 1054 | Mike A. Gipson (D-065) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Public Employment and Retirement...

Public Employees Retirement: Deferred Retirement Option

Establishes the Deferred Retirement Option Program as a voluntary program within the Public Employees Retirement System for employees of State Bargaining Units 5 (Highway Patrol) and 8 (Firefighters). Requires these State bargaining units to bargain with the Department of Human Resources to implement the program. Requires the program to result in a cost savings or be cost neutral. Requires the department to work with the Board of PERS to develop the program.

Code:

An act to amend Section 20000 of add Chapter 20 (commencing with Section 21717) to Part 3 of Division 5 of Title 2 of the Government Code, relating to retirement.

Status:

Mar 24, 2025: In ASSEMBLY. Read second time and amended. Re-referred to Committee on PUBLIC

EMPLOYMENT AND RETIREMENT.

Mar 24. 2025: From ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT With

author's amendments.

Mar 24. 2025: To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

+ Show full status history

PUBLIC_RETIREMENT

California Assembly Bill 1067 (2025-2026)

CA A 1067 | Sharon Quirk-Silva (D-067) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Appropriations Committee

Public Employees Retirement: Felony Convictions

Requires a public employer that is investigating a public employee for misconduct arising out of, or in the performance of, the public employee's official duties in pursuit of the office or appointment, or in connection with obtaining salary, disability retirement, service retirement, or other benefits, to continue the investigation even if the public employee retires while under investigation.

Code:

An act to add Section 7522.76 to the Government Code, relating to public employees' retirement.

Status:

Apr 24, 2025: In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

+ Show full status history



California Assembly Bill 1323 (2025-2026)

CA A 1323 | Phillip Chen (R-059) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Assembly Public Employment and Retirement...

County Employees Retirement: Administration

Provides that the County Employees Retirement Law authorizes counties to establish retirement systems pursuant to its provisions in order to provide pension benefits to county, city, and district employees and their beneficiaries. Provides that existing law sets forth the membership composition for boards of retirement and boards of investment. Authorizes the compensation rate to be increased by the board of retirement, for members in Orange County only, to not more than a specified amount per meeting.

Code:

An act to amend Section 31521 of the Government Code, relating to public employees' retirement.

Status:

Mar 24, 2025: In ASSEMBLY. Read second time and amended. Re-referred to Committee on PUBLIC

EMPLOYMENT AND RETIREMENT.

Mar 24, 2025: From ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT With

author's amendments.

Mar 24, 2025: To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

+ Show full status history

PUBLIC_RETIREMENT

California Assembly Bill 1383 (2025-2026)

CA A 1383 | Tina McKinnor (D-061) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Appropriations Committee

Public Employees Retirement Benefits

Provides that the State Public Employees' Pension Reform Act requires each retirement system that offers a defined benefit plan for safety members of the Public Employees' Retirement System to use certain formulas for safety members. Establishes new retirement formulas. Authorizes a public employer and a recognized employee organization to negotiate a prospective increase to the retirement benefit formulas for members and new members, consistent with the formulas permitted under the act. Appropriates funds.

Code:

An act to amend <u>Section 7522.10 of Sections 7522.10, 7522.25, and 7522.30 of, and to add Sections 7522.19 and 7522.26 to,</u> the Government Code, relating to public employees' retirement, and making an appropriation therefor.

Status:

Apr 23, 2025: In ASSEMBLY. Coauthors revised.

Apr 23, 2025: From ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to

Committee on APPROPRIATIONS.

+ Show full status history

PUBLIC_RETIREMENT Tags: Staff_Recommendation: Neutral IBLC Recommendation: Watch

California Assembly Bill 1439 (2025-2026)

CA A 1439 | Robert Garcia (D-050) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Public Employment and Retirement...

Public Retirement Systems: Development Projects: Labor

Prohibits the board of a public pension or retirement system from making any additional or new investments of public employee pension or retirement funds in development projects in the State or providing financing for those projects with public employee pension or retirement funds unless those projects include labor standards protections.

Code:

An act to amend Section 70397 of the Government Code, relating to courts. add Section 7513.77

to the Government Code, relating to public retirement systems.

Status:

Mar 24. 2025: In ASSEMBLY. Read second time and amended. Re-referred to Committee on PUBLIC

EMPLOYMENT AND RETIREMENT.

Mar 24, 2025: From ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT With

author's amendments.

Mar 24. 2025: To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

+ Show full status history

PUBLIC_INVESTMENT

Commentary:

Comment:

Apr 25, 2025 - 2:03 P.M. (PDT)

The bill has been pulled from further consideration for 2025 and will be revisited in 2026.

California Assembly Bill 1451 (2025-2026)

CA A 1451 | Al Muratsuchi (D-066) | Pending | Fiscal Committee (No) | Urgency Clause (No) | ASSEMBLY

State Teachers' Retirement System

Makes a nonsubstantive change to the provision naming the Teachers' Retirement Law.

Code:

An act to amend Section 22000 of the Education Code, relating to teachers' retirement.

Status:

Feb 21, 2025: INTRODUCED.

PUBLIC_RETIREMENT

California Assembly Constitutional Amendment 2 (2025-2026)

CA ACA 2 | Corey Jackson (D-060) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | ASSEMBLY

Legislature: Retirement

Creates the Legislative Diversification Act, to repeal a prohibition of members of the Legislature accruing any pension or retirement benefit as specified and instead require the Legislature to establish a retirement system for members elected to or serving in the Legislature on specified date.

Code:

A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by repealing and adding Section 4.5 of Article IV thereof, relating to the Legislature.

Status:

Dec 2, 2024: INTRODUCED.

PUBLIC_RETIREMENT

California Senate Bill 8 (2025-2026)

CAS8 | Angelique Ashby (D-008) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Senate Third Reading File

Peace Officers: Injury or Illness: Leaves of Absence

Provides that existing law entitles local law enforcement, probation officers and firefighters to a leave of absence while disabled by injury or illness arising out of their duties. Provides that existing law provides that such leave is in lieu of temporary disability payments or maintenance allowance payments otherwise payable under the workers compensation system. Entitles specified peace officers who are employed on a regular, full time basis by a county of the eighth class to this leave.

Code:

An act to amend Section 4850 of the Labor Code, relating to public employment.

Status:

Mar 27, 2025: In SENATE. Read second time and amended. To third reading. + Show full status history

Hearing Dates:

04/28/2025 Senate Third Reading File - # 30

☐ WORKERS_COMPENSATION

California Senate Bill 239 (2025-2026)

CAS 239 | Jesse Arreguin (D-007) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Senate Judiciary Committee

Open Meetings: Teleconferencing: Subsidiary Body

Provides that the Ralph M. Brown Act requires that all meetings of a legislative body be open and public and that all persons be permitted to attend and participate. Authorizes a subsidiary body to use alternative teleconferencing provisions and imposes requirements for notice, agenda, and public participation. Requires the subsidiary body to post the agenda at each physical meeting location designated by the subsidiary body.

Code:

An act to add and repeal Section 54953.05 of the Government Code, relating to local government.

Status:

Apr 7, 2025: In SENATE. Read second time and amended. Re-referred to Committee on JUDICIARY. + Show full status history

Hearing Dates:

05/06/2025 Judiciary

BROWN ACT

California Senate Bill 301 (2025-2026)

CAS 301 | Timothy S. Grayson (D-009) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Senate Labor, Public Employment and Retirement...

County Employees Retirement Law of 1937

Makes nonsubstantive changes to provisions of the County Employees Retirement Law of 1937.

Code:

An act to amend Section 31560 of the Government Code, relating to retirement.

An act to add Section 31566 to the Government Code, relating to retirement.

Status:

Apr 2, 2025: Re-referred to SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT.

+ Show full status history

Hearing Dates:

04/30/2025 Labor, Public Employment and Retirement

DUBLIC_RETIREMENT

California Senate Bill 443 (2025-2026)

CAS 443 | Susan Rubio (D-022) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Senate Third Reading File

Retirement: Joint Powers Authorities

Relates to the California Public Employees Pension Reform Act of 2013. Authorizes a joint powers authority to offer specified defined benefit plans or formulas to a member agency that is a non founding member of the joint powers authority for employees who are not new members under PEPRA and are employed by the joint powers authority within a specified number of days of the agency becoming a member agency.

Code:

An act to amend Section 7522.02 7522.05 of the Government Code, relating to retirement.

Status:

Apr 8, 2025: In SENATE. Read second time. To third reading. + Show full status history

Hearing Dates:

04/28/2025 Senate Third Reading File - # 35

PUBLIC_RETIREMENT

California Senate Bill 538 (2025-2026)

CAS 538 | Megan Dahle (R-001) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Senate Labor, Public Employment and Retirement...

Public Employees' Retirement System: Teaching

Authorizes member providing services as a substitute teacher, as defined, under certain circumstances to elect to retain coverage under the Public Employees' Retirement System.

Code:

An act to amend Section 20309 of the Government Code, relating to public employee's retirement.

Status:

Mar 5, 2025: To SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT.

+ Show full status history

PUBLIC_RETIREMENT

California Senate Bill 707 (2025-2026)

CAS 707 | Maria Elena Durazo (D-026) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Senate Appropriations Committee

Open Meetings: Meeting and Teleconference Requirements

Provides that the Ralph M. Brown Act requires that all meetings of a legislative body of a local agency be open and public. Provides that existing law authorizes a court to order a legislative body, upon a judgment of a violation of specified closed session provisions, to audio record closed sessions and preserve the recordings for a certain period and under certain terms. Expands the violations for specified closed sessions to include a violation of any provision under the act authorizing a closed session.

Code:

An act to amend Sections 54952, 54952.7, 54953, 54953.5, 54953.7, 54954.2, and 54954.3 54954.3, 54956, 54956.5, 54957.1, 54957.6, 54960, and 54960.2 of, to amend and repeal Section 54952.2 of, to add Sections 54953.8, 54953.8.1, and 54953.8.2 to, and to add and repeal Sections 54953.8.3, 54953.8.4, 54953.8.5, 54953.8.6, 54953.8.7, and 54953.9 of, the Government Code, relating to local government.

Status:

Apr 22, 2025: From SENATE Committee on JUDICIARY: Do pass to Committee on APPROPRIATIONS.

+ Show full status history

Hearing Dates:

05/05/2025 Appropriations

BROWN_ACT

California Senate Bill 853 (2025-2026)

CAS 853 | Labor, Public Employment and Retirement | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Senate Second Reading File

Public Employees' Retirement

Provides that under the Public Employees' Retirement Law, the compensation earnable during any period of service as a member of the Judges' Retirement System, the Judges' Retirement System II, the Legislators' Retirement System, or the Defined Benefit Program of the State Teachers' Retirement Plan is considered compensation earnable as a member of the Public Employees' Retirement System for purposes of computing final compensation for the member, if that member retires concurrently under both systems.

Code:

An act to amend Sections 22104.8, 22131, 22146.5, 22713, 22954, 22955, 22955.1, 24616.2, and 26122 of the Education Code, and to amend Sections 7522.02, 20034, 20069, 20638, 20639, 31462.05, 31470.14, and 31680.9 of the Government Code, relating to public retirement systems.

Status:

Apr 28, 2025: From SENATE Committee on APPROPRIATIONS: To second reading without further hearing pursuant to Senate Rule 28.8.

+ Show full status history

E	DUBLIC_RETIREMENT
	Tags:
	Staff_Recommendation: Support
	IBLC_Recommendation: Support



FOR INFORMATION ONLY

April 24, 2025

TO: Each Trustee

Board of Retirement Board of Investments

FROM: Ted Granger

Chief Financial Officer

FOR: May 7, 2025 Board of Retirement Meeting

May 14, 2025 Board of Investments Meeting

SUBJECT: MONTHLY TRUSTEE TRAVEL & EDUCATION REPORT - MARCH 2025

Attached for your review is the monthly Trustee Travel & Education Report. This report includes all events (i.e., attended and canceled) from the beginning of the fiscal year through March 2025.

Trustees attend monthly Board and Committee meetings at LACERA's office which are considered administrative meetings per the Trustee Travel Policy. In order to streamline report volume and information, these regular meetings are excluded from the monthly travel reports but are included in the quarterly travel expenditure reports.

Staff travel and education expenditure reports are provided to the Chief Executive Officer monthly and to the Boards quarterly.

REVIEWED AND APPROVED:

Luis A. Lugo

Deputy Chief Executive Officer

TG/JT/EW/SC/SE/gj

Attachments

c: J. Popowich

L. Guglielmo

J. Grabel

S. Rice

R. Contreras





TRUSTEE TRAVEL AND EDUCATION REPORT FOR FISCAL YEAR 2024 - 2025 MARCH 2025

Atte	ndee	Purpose of Travel - Location	Event Dates	Travel Status			
Nar	Nancy Durazo						
A	1	Edu - 2024 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	10/14/2024 - 10/18/2024	Attended			
V	-	Edu - Southern New Hampshire University: Principles of Finance & Public Fiscal Management (Weekly Course) - VIRTUAL	07/01/2024 - 08/25/2024	Attended			
	-	Edu - Southern New Hampshire University: Policy Analysis and the Role of the Public (Weekly Course) - VIRTUAL	09/02/2024 - 10/27/2024	Attended			
	-	Edu - Southern New Hampshire University: Program Accountability and Driving Business Opportunities (Weekly Course) - VIRTUAL	10/28/2024 - 12/22/2024	Attended			
	-	Edu - National University: Public Personnel Policy (Weekly Course) - VIRTUAL	02/03/2025 - 02/24/2025	Attended			
Tre	vor	Fay (term ended 12/31/2024)					
A	1	Edu - Infrastructure Investor: North America Forum - New York City NY	12/04/2024 - 12/05/2024	Attended			
В	-	Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended			
	-	Edu - Toigo Foundation 35th Anniversary Gala - Los Angeles CA	11/20/2024 - 11/20/2024	Attended			
Mik	e Ga	atto					
A	1	Edu - 2024 SACRS UC Berkeley Public Pension Investment Management Program - Berkeley CA	07/14/2024 - 07/17/2024	Attended			
В	-	Edu - 2024 The Investment Diversity Exchange (TIDE) Spark - Laguna Niguel CA	07/10/2024 - 07/11/2024	Attended			
	-	Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended			
	-	Edu - IFEBP Annual Employee Benefits Conference - San Diego CA	11/10/2024 - 11/13/2024	Attended			
Eliz	abe	th Ginsberg					
A	1	Edu - 2024 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	10/14/2024 - 10/18/2024	Attended			
В	-	Edu - Pathways for Women Conference 2024 - Anaheim CA	08/26/2024 - 08/27/2024	Attended			
	-	Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended			
	-	Edu - IFEBP New Trustees Institute - Level I: Core Concepts - San Diego CA	11/09/2024 - 11/11/2024	Attended			
Viv	ian (Gray (term ended 12/31/2024)					
A	1	Edu - 2024 Koried Global Summit: What Matters Now in 2024: Trends and Insights for Tomorrow - Coral Gables FL	07/17/2024 - 07/19/2024	Attended			
	2	Edu - CII 2024 Fall Conference - Brooklyn NY	09/09/2024 - 09/11/2024	Attended			
	3	Edu - New America Alliance International Symposium - Mexico City Mexico	09/25/2024 - 09/26/2024	Attended			
	4	Edu - PRI in Person 2024 - Toronto, Canada	10/08/2024 - 10/10/2024	Attended			
В	-	Admin - SACRS Board of Directors - Sacramento CA	09/16/2024 - 09/16/2024	Attended			
	-	Edu - CALAPRS Intermediate Course in Retirement Plan Administration - San Jose CA	11/06/2024 - 11/08/2024	Attended			
	-	Edu - SACRS Fall Conference 2024 - Monterey CA	11/12/2024 - 11/15/2024	Attended			
	-	Admin - 28th Annual NASP Symposium - Queens NY	11/20/2024 - 11/21/2024	Attended			

Printed: 4/17/2025 1 of 4





TRUSTEE TRAVEL AND EDUCATION REPORT FOR FISCAL YEAR 2024 - 2025 MARCH 2025

Atte	ndee	Purpose of Travel - Location	Event Dates	Travel Status			
Jas	Jason Green						
Α	1	Edu - NCPERS Legislative Conference & Policy Day - Washington, DC	01/27/2025 - 01/29/2025	Attended			
В	-	Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended			
V	-	Edu - NCPERS 2024 Webinar - State and Federal Legislative Outlook for Public Pensions - VIRTUAL	12/05/2024 - 12/05/2024	Attended			
Pat	rick	Jones					
Α	1	Edu - NACD Directors Summit 2024 - Washington, DC	10/06/2024 - 10/09/2024	Attended			
	2	Edu - Goldman Sachs the Garland Summit: Enduring Legacy - New York City NY	10/09/2024 - 10/10/2024	Attended			
	3	Edu - Infrastructure Investor: North America Forum - New York City NY	12/04/2024 - 12/05/2024	Attended			
	4	Edu - PPI 2025 Winter Roundtable - Seattle WA	03/05/2025 - 03/07/2025	Attended			
В	-	Edu - 2024 The Investment Diversity Exchange (TIDE) Spark - Laguna Niguel CA	07/10/2024 - 07/11/2024	Attended			
	-	Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended			
	-	Edu - NACD PSW Corporate Directors Symposium - Los Angeles CA	11/15/2024 - 11/15/2024	Attended			
	-	Edu - ALTSLA 2025 - Los Angeles CA	03/17/2025 - 03/19/2025	Attended			
	-	Edu - 2025 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/19/2025 - 03/20/2025	Attended			
V	-	Edu - NACD Workforce Challenges and Future Strategy - Why Directors Should Be Engaged - VIRTUAL	11/04/2024 - 11/04/2024	Attended			
X	-	Edu - IDAC 2024 Annual Summit - Broomfield CO	09/24/2024 - 09/26/2024	Canceled			
Sha	awn	Kehoe					
В	-	Admin - Professional Peace Officers Association (PPOA) Board Offsite - Carlsbad CA	01/25/2025 - 01/25/2025	Attended			
Ale	en L	angton					
A	1	Edu - NCPERS 2025 Pension Communication Summit - Washington, DC	01/26/2025 - 01/27/2025	Attended			
В	-	Edu - NCPERS Accredited Fiduciary Program Modules 1 & 2: Governance & Finance - Palm Springs CA	10/26/2024 - 10/27/2024	Attended			
	-	Edu - 2025 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/19/2025 - 03/20/2025	Attended			
С	-	Edu - NCPERS Legislative Conference & Policy Day - Washington, DC	01/27/2025 - 01/29/2025	Attended			
V	-	Edu - TLF Virtual Discussion for Pension Trustees - VIRTUAL	12/05/2024 - 12/05/2024	Attended			
	-	Edu - NCPERS 2024 Webinar - State and Federal Legislative Outlook for Public Pensions - VIRTUAL	12/05/2024 - 12/05/2024	Attended			
	-	Edu - Understanding Buffett's \$80B Apple Windfall: Inside the Greatest Value Investment of Our Time - VIRTUAL	12/16/2024 - 12/16/2024	Attended			
Deb	bie	Martin					
A	1	Edu - Harvard Business School Executive Education Program: Audit Committees in a New Era of Governance - Boston MA	07/17/2024 - 07/19/2024	Attended			
В	-	Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended			

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TRUSTEE TRAVEL AND EDUCATION REPORT FOR FISCAL YEAR 2024 - 2025 MARCH 2025

Attende	Purpose of Travel - Location	Event Dates	Travel Status
Nicole	Mi		
A 1	Edu - Harvard Business School Executive Education Program: Audit Committees in a New Era of Governance - Boston MA	07/17/2024 - 07/19/2024	Attended
2	Edu - New America Alliance International Symposium - Mexico City Mexico	09/25/2024 - 09/26/2024	Attended
3	Edu - 2024 PPI Executive Seminar and Asia Roundtable - Hong Kong	10/20/2024 - 10/25/2024	Attended
4	Edu - CII NYU Corporate Governance Bootcamp - New York City NY	11/14/2024 - 11/15/2024	Attended
5	Edu - PPI 2025 Winter Roundtable - Seattle WA	03/05/2025 - 03/07/2025	Attended
В -	Edu - 2024 The Investment Diversity Exchange (TIDE) Spark - Laguna Niguel CA	07/10/2024 - 07/11/2024	Attended
-	Edu - Pathways for Women Conference 2024 - Anaheim CA	08/26/2024 - 08/27/2024	Attended
-	Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended
-	Edu - Saxena White Women's Alliance Luncheon - Los Angeles CA	09/30/2024 - 09/30/2024	Attended
-	Edu - WIIIN 10th Anniversary Event - Los Angeles CA	10/02/2024 - 10/02/2024	Attended
-	Edu - AAAIM Elevate 2024 - Los Angeles CA	10/08/2024 - 10/08/2024	Attended
-	Edu - 2025 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/19/2025 - 03/20/2025	Attended
-	Edu - AAAIM Network of Women - Los Angeles CA	03/27/2025 - 03/27/2025	Attended
V -	Edu - NACD Post Election Federal Policy Outlook for Directors - VIRTUAL	02/05/2025 - 02/05/2025	Attended
-	Edu - NACD - Bridging the Gap: Lessons Public and Private Boards Can Share - VIRTUAL	03/19/2025 - 03/19/2025	Attended
Wayne	Moore		
A 1	Edu - CII 2024 Fall Conference - Brooklyn NY	09/09/2024 - 09/11/2024	Attended
2	Edu - Harvard Business School - Audit Committees in a New Era of Governance - Boston MA	11/20/2024 - 11/22/2024	Attended
3	Edu - NCPERS 2025 Pension Communication Summit - Washington, DC	01/26/2025 - 01/27/2025	Attended
В -	Edu - SACRS Fall Conference 2024 - Monterey CA	11/12/2024 - 11/15/2024	Attended
-	Edu - 2025 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/19/2025 - 03/20/2025	Attended
C -	Edu - NCPERS Legislative Conference & Policy Day - Washington, DC	01/27/2025 - 01/29/2025	Attended
V -	Edu - NCPERS 2024 Webinar - State and Federal Legislative Outlook for Public Pensions - VIRTUAL	12/05/2024 - 12/05/2024	Attended
David I	Ryu		
A 1	Edu - 2024 PPI Executive Seminar and Asia Roundtable - Hong Kong	10/20/2024 - 10/25/2024	Attended
В -	Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended
-	Edu - AAAIM Elevate 2024 - Los Angeles CA	10/08/2024 - 10/08/2024	Attended

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Category Legend:

- A Pre-Approved/Board Approved Educational Conferences
- B 1) Board Approved Administrative Meetings and 2) Pre-Approved Educational Conferences in CA where total cost is no more than \$3,000 provided that a Trustee may not incur over \$15,000 for all expenses of attending all such Educational Conferences and Administrative Meetings in a fiscal year per Trustee Travel Policy: Section III.A
- year per Trustee Travel Policy; Section III.A
 C Second of two conferences and/or meetings counted as one conference per Trustee Education Policy Section IV.C.2 and Trustee Travel Policy Section IV.
- V Virtual Event
- X Canceled events for which expenses have been incurred.

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Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

For further information, contact:

LACERA

Attention: Public Records Act Requests
300 N. Lake Ave., Suite 620

Pasadena, CA 91101

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