## IN PERSON & VIRTUAL BOARD MEETING

\*This meeting will be held following the Committee 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, please visit the above link and complete the request form.

Attention: If you have any questions, you may email PublicComment@lacera.com.

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

#### AGENDA

#### A REGULAR MEETING OF THE BOARD OF RETIREMENT

#### LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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

#### 9:00 A.M., WEDNESDAY, MAY 7, 2025

This meeting will be conducted by the Board of Retirement 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 <u>https://LACERA.com/leadership/board-meetings.</u>

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

- 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 THE MINUTES

- A. Approval of the Minutes of the Regular Meeting of April 2, 2025
- V. PUBLIC COMMENT

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

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 Board. Oral comment requests will be accepted up to the close of the Public Comment item on the agenda.

V. PUBLIC COMMENT (Continued)

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 <u>PublicComment@lacera.com</u>.)

- VI. EXECUTIVE UPDATE
  - A. LACERA All Stars
  - B. Member Spotlight
  - C. Chief Executive Officer's Report
- VII. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR
- VIII. CONSENT ITEMS
  - A. Ratification of Service Retirement and Survivor Benefit Application Approvals Recommendation that the Board approve the service retirements and survivor benefit applications received as of April 29, 2025, along with any retirement rescissions and/or changes approved at last month's

Board meeting. (Memo dated April 29, 2025)

B. Assembly Bill 853 – Public Employee's Retirement

Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits, and Legislative Committee: That the Board adopt a "Support" position on Assembly Bill 853, which would provide clarification and technical updates to the County Employees Retirement Law of 1937. (Memo dated April 21, 2025)

C. 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:

#### VIII. CONSENT ITEMS (Continued)

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

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:** 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)

- D. **Dismiss with Prejudice the Appeal of Jacqueline Stewart-Boute** Recommendation as submitted by Tamara Caldwell, Division Manager, Disability Retirement Services: That the Board dismiss with prejudice Jacqueline Stewart-Boute's appeal for a service-connected disability retirement. (Memo dated April 7, 2025)
- E. Service Provider Invoice Approval Request Noam Drazin, M.D. Recommendation as submitted by Tamara Caldwell, Division Manager, Disability Retirement Services: That the Board approve the service provider invoice for Noam Drazin, M.D. (Memo dated April 17, 2025 – Attachment is Non-Public and Exempt from Disclosure as Private Information and Exempt from Disclosure under California Government Code Sections 7927.700, 54957.56(a))

#### IX. EXCLUDED FROM CONSENT ITEMS

#### X. NON-CONSENT 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)

#### C. Assembly Bill 1383 – Public Employee's Retirement Benefits

Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits, and Legislative Committee: That the Board adopt a "Watch" position on Assembly Bill 1383, which would adjust the pensionable compensation limit to be consistent with the defined benefit limitation under federal law. (Memo dated April 23, 2025) (Supplemental memo dated April 24, 2025)

#### D. SACRS Officer Elections

Recommendation as submitted by Luis A. Lugo, Deputy Chief Executive Officer: That the Board provide the SACRS voting delegate direction on voting for the SACRS slate of officers. (Memo dated April 23, 2025)

- XI. REPORTS
  - 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)
  - B. Report of Revised Pay Item
     Jean J. Kim, Senior Staff Counsel
     Zack Meth, Staff Counsel
     (For Information Only) (Memo dated April 15, 2025)
  - C. **Contracting Activity Report March 2025** Ricki Contreras, Administrative Services Division Manager Elsy Gutierrez, Supervising Administrative Assistant II (For Information Only) (Memo dated April 28, 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. 2025 Quarterly Reports of Paid Invoices 3<sup>rd</sup> Quarter Tamara Caldwell, Division Manager, Disability Retirement Services (For Information Only) (Memo dated April 15, 2025 – Attachment is Non-Public and Exempt from Disclosure as Private Information and Exempt from Disclosure under California Government Code Sections 7927.700, 54957.56(a))
- XI. REPORTS (Continued)
  - G. 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))

XII. 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.)

#### XIII. 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.)

- XIV. GOOD OF THE ORDER (For Information Purposes Only)
- XV. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION
  - A. Applications for Disability
  - B. Disability Retirement Appeals
- XVI. 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 Retirement that are distributed to members of the Board of Retirement 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 Retirement Trustees at LACERA's offices at 300 N. Lake Avenue, Suite 820, Pasadena, CA 91101, during normal business hours of 9:00 a.m. to 5:00 p.m. Monday through Friday and will also be posted on lacera.com at the same time, <u>Board Meetings | LACERA</u>.

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, Ext. 4401/4402 from 8:30 Monday through a.m. to 5:00 p.m. Fridav 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 RETIREMENT

#### LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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

#### 9:00 A.M., WEDNESDAY, APRIL 2, 2025

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

#### TRUSTEES PRESENT:

Les Robbins, Chair

Ronald Okum, Vice Chair

Shawn R. Kehoe, Secretary (Alternate Seventh Member)

Nancy Durazo

**Bobbie Fesler** 

**Elizabeth Ginsberg** 

Jason E. Green

JP Harris (Alternate Retired)

**Aleen Langton** 

Wayne Moore

David Ryu

#### STAFF ADVISORS AND PARTICIPANTS

Luis A. Lugo, Deputy Chief Executive Officer

JJ Popowich, Assistant Executive Officer

Laura Guglielmo, Assistant Executive Officer

Jude Perez, Deputy Chief Investment Officer

#### STAFF ADVISORS AND PARTICIPANTS (Continued)

Steven P. Rice, Chief Counsel Dr. Glenn Ehresmann, Medical Advisor Francis J. Boyd, Senior Staff Counsel Allison Barrett, Senior Staff Counsel Jean Kim, Senior Staff Counsel Zack Meth, Staff Counsel Jessica Rivas, Staff Counsel Vincent Lim, Disability Litigation Manager Ted Granger, Chief Financial Officer Barry W. Lew, Legislative Affairs Officer Carly Ntoya, Human Resources Director Tamara Caldwell, Disability Retirement Manager James Beasley, Supervising Administrative Assistant Elsy Gutierrez, Supervising Administrative Assistant Robert Schmidt, Principal and Consulting Actuary – Milliman Ryan Cook, Consulting Actuary – Milliman

#### I. CALL TO ORDER

The meeting was called to order by Chair Robbins at 9:08 a.m. in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

Trustee Harris 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 Locations

There were no requests.

- IV. APPROVAL OF THE MINUTES
  - A. Approval of the Minutes of the Regular Meeting of March 5, 2025

Trustee Kehoe made a motion, Trustee Harris seconded, to approve the minutes of the Regular Meeting of March 5, 2025. The motion passed by the following roll call vote:

- Yes: Durazo, Fesler, Ginsberg, Green, Langton, Moore, Okum, Robbins, Ryu
- V. PUBLIC COMMENT

There were no requests from the public to speak.

- VI. EXECUTIVE UPDATE
  - A. LACERA All Stars

Mr. Popowich announced the winners for the month: Luis Alvarez, Julia Ray, Melissa Mooc, Selassie Burke. The Web Watcher was Bonnie Nolley.

B. Member Spotlight

Mr. Popowich recognized LACERA member, Arlene Garcia.

#### VI. EXECUTIVE UPDATE (Continued)

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. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR

Safety Law Enforcement

Service-Connected Disability Applications

On a motion by Trustee Kehoe, seconded by Trustee Okum, the Board of Retirement approved a service-connected disability retirement for the following named employees who met the burden of establishing permanent incapacity from the performance of their usual duties and a real and measurable connection between their incapacity and employment.

APPLICATION NO.	NAME
593E*	ATILANO-VALADEZ, ARTURO
	(DEC'D)
594E	JURADO, GILBERT J.
595E	SMITH, GENNIFER D.
596E	SONG, THOMAS
597E	CAPLINGER, VERONICA
598E	LOVITT, KIMBERLY A.
599E	AUSTIN, MICHAEL D.
600E	RUIZ, DAVID A.
601E	DERRY, CHRISTOPHER J.
602E	SALDIVAR, NICHOLAS R.
603E	TORRES, ADAN
604E	ZEIGLER, LARRY D.
605E	PALOMO, YOLANDA M.
606E**	LOVELL-GONZALEZ, SHERYLYN
607E	LONGAN, STEPHEN R.
608E	STARKEY, KELLY R.
609E	MAESE, THOMAS
610E	CAMACHO, MICHAEL D.
611E	JAMES, ROBERT M.
*Granted SCD – Survivor Benefit	
**Granted SCD – Retroactive	

#### VII. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR

<u>Safety Law Enforcement (Continued)</u> Service-Connected Disability Applications

APPLICATION NO.	NAME
612E	ROYBAL, STEPHEN M.
613E	BRIGGS, CHRISTOPHER M.
614E	CASTANEDA, RAYMUNDO, JR.
615E	REDD, IRENE R.
616E	RAMSEY, MELISSA L.
617E*	DODSON, STEVEN W.
618E*	GRAHAM, SCOTT A.
619E*	MRAKICH, MARC R.
620E*	O'HARA, JOHN J.
621E	VELAZQUEZ, SUSAN R.

The motion passed by the following roll call vote:

Yes: Durazo, Fesler, Ginsberg, Kehoe, Langton, Moore, Okum, Robbins, Ryu

<u>Safety Fire, Lifeguards</u> Service-Connected Disability Applications

On a motion by Trustee Okum, seconded by Trustee Green, the Board of Retirement approved a service-connected disability retirement for the following named employees who met the burden of establishing permanent incapacity from the performance of their usual duties and a real and measurable connection between their incapacity and employment.

APPLICATION NO.	NAME
1929B**	FLORES, HENRY H. (DEC'D)
1930B	CHOI, MARC R.
1931B	RATHKE, DAVID L.
1932B	CASH, MICHAEL C.
1933B	ANDERSON, KYLE G.
1934B	WARD, DAVID
1935B*	SETH, TOM A.
1936B	STRINE, JAY D.
1937B	ENRIQUEZ, CHRISTOPHER T.
*Granted SCD – Retroactive	

\*\*Granted SCD – Survivor Benefit

#### DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR VII.

Safety Fire, Lifeguards (Continued) Service-Connected Disability Applications

APPLICATION NO.	NAME
1938B	AMPARAN, VINCENT A.
1939B	CASAS, VICENTE
1940B*	LAFFERTY, QUINTON D.

The motion passed by the following roll call vote:

Yes: Durazo, Fesler, Ginsberg, Kehoe, Langton, Moore, Okum, Robbins, Ryu

General Members Service-Connected Disability Applications

On a motion by Trustee Green, seconded by Trustee Robbins, the Board of Retirement made a motion to approve a service-connected disability retirement for the following named employees who met the burden of establishing permanent incapacity from the performance of their usual duties and a real and measurable connection between their incapacity and employment.

APPLICATION NO.	NAME
2905C**	STUTENROTH, MELISSA D.
2906C***	TATE, KENDRA S.
2907C***	FUGATE, DIONNE
2908C***	GODOY, BEKANY G.
2909C	ELLIS, TODD
2910C	WALTON, TIMOTHY E.
2911C	VALDEZ, RENE
2912C	POLANCO, VANESSA R.
2913C****	STONE, TANYA L.
2914C*	DARGAN, SOINA K.
2915C*****	GAVIA, GUSTAVO
*Granted SCD – Retroactive	
**Granted SCD – Retroactive Employe	er Cannot Accommodate
***Granted SCD – Salary Supplement	
****Granted SCD – Employer Cannot Ac	commodate
*****Granted SCD – Salary Supplement	Employer Cannot Accommodate

#### VII. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR

<u>General Members</u> <u>Service-Connected Disability Applications</u>

APPLICATION NO.	NAME
2916C	VIX, JORDAN D.
2917C*	DALLAS, CHERYL Y.

The motion passed by the following roll call vote:

Yes: Durazo, Fesler, Ginsberg, Kehoe, Langton, Moore, Okum, Robbins, Ryu

VIII. CONSENT ITEMS

Trustee Okum made a motion, Trustee Langton seconded, to approve consent items A-D.

The motion passed by the following roll call vote:

Yes: Durazo, Fesler, Ginsberg, Kehoe, Langton, Moore, Okum, Robbins, Ryu

A. Ratification of Service Retirement and Survivor Benefit Application Approvals

Recommendation that the Board approve the service retirements and survivor benefit applications received as of March 25, 2025, along with any retirement rescissions and/or changes approved at last month's Board meeting. (Memo dated March 25, 2025)

B. Appeal for the Board of Retirement's Meeting

Recommendation as submitted by Tamara Caldwell, Division Manager, Disability Retirement Services: That the Board grant the appeal and request for administrative hearing received from Nancy Marcial and direct the Disability Retirement Services Manager to refer this case to a referee. (Memo dated March 20, 2025)

#### VIII. CONSENT ITEMS (Continued)

C. Service Provider Invoice Approval Request – Jeffrey A. Hirsch, M.D.

Recommendation as submitted by Tamara Caldwell, Division Manager, Disability Retirement Services: That the Board approve the service provider invoices for Jeffrey A. Hirsch, M.D. (Memo dated March 11, 2025 – Attachment is Non-Public and

Exempt from Disclosure as Private Information and Exempt from Disclosure under California Government Code Sections 7927.700, 54957.56(a))

D. Service Provider Invoice Approval Request – Referee Irene P. Ayala

Recommendation as submitted by Tamara Caldwell, Division Manager, Disability Retirement Services: That the Board approve the service provider invoice for Referee Irene P. Ayala.

(Memo dated March 3, 2025 – Attachment is Non-Public and Exempt from Disclosure as Private Information and Exempt from Disclosure under California Government Code Sections 7927.700,

54957.56(a))

IX. EXCLUDED FROM CONSENT ITEMS

There were no items pulled for discussion.

- X. NON-CONSENT ITEMS
  - A. **2024 Actuarial Valuation of the Los Angeles County Other Post Employment Benefits (OPEB) Program** Recommendation as submitted Luis A. Lugo, Deputy Chief Executive Officer and Ted Granger, Chief Financial Officer: That the Board approve the July 1, 2024, Los Angeles County OPEB Program Actuarial Valuation Report prepared by LACERA's consulting actuary, Milliman. (Presentation) (Memo dated March 19, 2025)

Messrs. Schmidt, Granger, and Cook provided a presentation to the Board and answered questions.

Trustee Green made a motion, Trustee Robbins seconded, to approve the July 1, 2024, Los Angeles County OPEB Program Actuarial

#### X. NON-CONSENT ITEMS

Valuation Report prepared by LACERA's consulting actuary, Milliman. The motion passed by the following roll call vote:

Yes: Durazo, Fesler, Ginsberg, Green, Langton, Moore, Okum, Robbins, Ryu

#### XI. REPORTS

A. LACERA - Other Post Employment Benefits (OPEB) Pre-Funding Update

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

Messrs. Lugo, Granger, Schmidt and Cook provided a presentation and answered questions from the Board. This item was received and filed.

#### B. Contracting Activity Report – February 2025

Ricki Contreras, Administrative Services Division Manager Elsy Gutierrez, Supervising Administrative Assistant II (For Information Only) (Memo dated March 18, 2025)

This item was received and filed.

#### C. Report of Revised Pay Items

Jean J. Kim, Senior Staff Counsel Zack Meth, Staff Counsel (For Information Only) (Memo dated March 10, 2025)

This item was received and filed.

#### D. 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.

- XI. REPORTS (Continued)
  - E. **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.

 F. 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.

XII. ITEMS FOR STAFF REVIEW

There was nothing to report.

XIII. ITEMS FOR FUTURE AGENDAS

There was nothing to report.

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

> Mr. Lugo announced the retirement of Glen Musson from Systems, Deanna Hernandez from Administrative Services, and Regina Harris from Administrative Services.

#### XV. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

 A. Applications for Disability (Disability Applications were held out of order) (Trustee Okum left the meeting at 11:30 a.m. and Trustee Okum left at 11:59 a.m.)

APPLICATION NO. & NAME AND BOARD ACTION

5449B – HARRIS, PEGGY D.

#### XV. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

A. Applications for Disability

#### APPLICATION NO. & NAME AND BOARD ACTION

This application was pulled by staff for further development and will be agendized on a future agenda.

5450B – LATER, RANDAL L. (DEC'D)

Trustee Moore made a motion, Trustee Kehoe seconded, to grant a nonservice-connected disability retirement pursuant to Government Code Section 31720.

The motion passed by the following roll call vote:

Yes: Durazo, Fesler, Ginsberg, Green, Langton, Moore, Okum, Robbins, Ryu

5451B - MARAVEL, ANDREW L.\*

Trustee Robbins made a motion, Trustee Moore seconded, to deny a service-connected disability retirement without prejudice.

Trustee Green made a substitute motion, Trustee Kehoe seconded, to refer back to staff for further development.

The motion passed by the following roll call vote:

Yes: Durazo, Fesler, Ginsberg, Kehoe, Langton, Moore, Robbins, Ryu Absent: Okum, Ryu

2695C - THOMAS, SHELLEY D.

Trustee Kehoe made a motion, Trustee Robbins seconded, to grant a service-connected disability retirement pursuant to Government Code Section 31720.

\*Applicant Attorney Present

#### XV. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

A. Applications for Disability

#### APPLICATION NO. & NAME AND BOARD ACTION

The motion passed by the following roll call vote:

Yes: Durazo, Fesler, Ginsberg, Kehoe, Langton, Moore, Robbins, Ryu Absent: Okum

5411B – SCHELL, THERESA A.

Trustee Robbins made a motion, Trustee Moore seconded, to deny a service-connected disability retirement and find the applicant ineligible for a nonservice-connected disability retirement.

The motion passed by the following roll call vote:

Yes: Durazo, Fesler, Ginsberg, Green, Langton, Moore, Robbins, Ryu Absent: Okum

5441B – HAMMER, FRED P.

Trustee Kehoe made a motion, Trustee Robbins seconded, to grant a service-connected disability retirement pursuant to Government Code Section 31720.

The motion passed by the following roll call vote:

Yes: Durazo, Fesler, Ginsberg, Kehoe, Langton, Moore, Robbins, Ryu Absent: Okum

#### XVI. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned in memory of Carmen O. Perez at 12:05 p.m.

SHAWN R. KEHOE, SECRETARY

LES ROBBINS, CHAIR

# L///CERA

# 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



**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 *FF* Deputy Chief Executive Officer

#### SUBJECT: CHIEF EXECUTIVE OFFICER'S REPORT - MAY 2025

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.

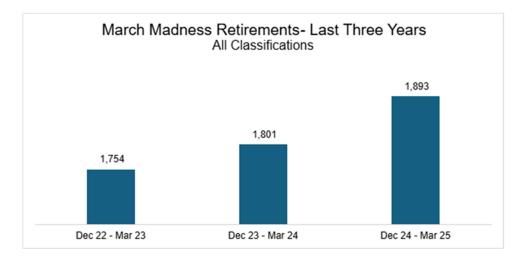
We'll highlight this topic in detail during our summer edition active member *Pathways* and retiree *Spotlight* newsletters.

#### **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	$\bigotimes$
04/15/2025	Board of Supervisors Approves Election Memo	$\bigotimes$
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)	

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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	

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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.

2025 Active Safety Trustee Election Update April 29, 2025 Page 3

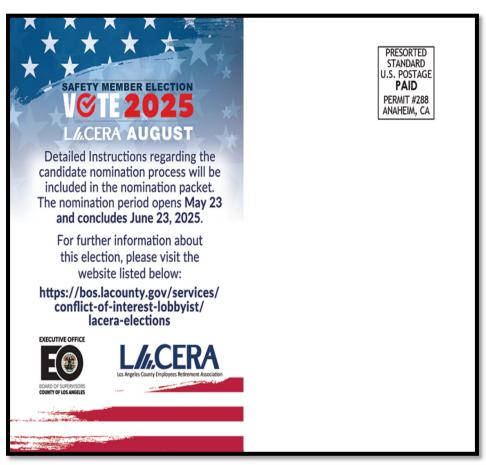
#### **Call for Nominations**

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

2025 Active Safety Trustee Election Update April 29, 2025 Page 4



**Back of postcard** 

NOTED AND REVIEWED:

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Luis Lugo, Deputy Chief Executive Officer

JJ: JJ

#### ATTACHMENT A

#### **EXECUTIVE OFFICE**



EDWARD YEN EXECUTIVE OFFICER

The Honorable Board of Supervisors

383 Kenneth Hahn Hall of Administration

April 15, 2025

COUNTY OF LOS ANGELES **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



BOARD OF SUPERVISORS COUNTY OF LOS ANGELES

8 April 15, 2025

Edward eyen

EDWARD YEN EXECUTIVE OFFICER

Dear Supervisors:

County of Los Angeles

500 West Temple Street

Los Angeles, California 90012

#### 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.

MEMBERS OF THE BOARD

HILDA L. SOLIS HOLLY J. MITCHELL LINDSEY P. HORVATH JANICE HAHN KATHRYN BARGER 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 <u>December 31, 2025</u>; 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 January 1, 2026, 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 <u>December 31, 2028</u>, 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 <u>April 30, 2025</u>, 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 <u>May 23, 2025</u>. 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 <u>May 23,2025</u>.
- 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 to 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 <u>May 23, 2025</u>. 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 <u>May 23, 2025</u>.
- 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.

- 10. 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 <u>May 23, 2025</u>, and ending <u>June 23,2025</u>. No statement of qualifications may be withdrawn and/or re-filed after 5:00 p.m. PST, <u>June 23, 2025</u>. 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 gualifications 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, and ending at 5:00 p.m. PST,</u> <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

- 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.
- 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 <u>May 16, 2025</u>, 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 <u>April 15, 2025</u>.

- 20. Eligible voters will be able to cast their votes either online, by telephone, or by paper ballot beginning <u>August 4, 2025</u>, through the closing of the election on <u>August 29, 2025</u>. 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 <u>August 1, 2025</u>.
- 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.
- 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, <u>September 16, 2025</u>. 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</u> <u>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 <u>October 21, 2025</u>, 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 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, implement 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, 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 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 <a href="http://www.fppc.ca.gov/">http://www.fppc.ca.gov/</a> 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.

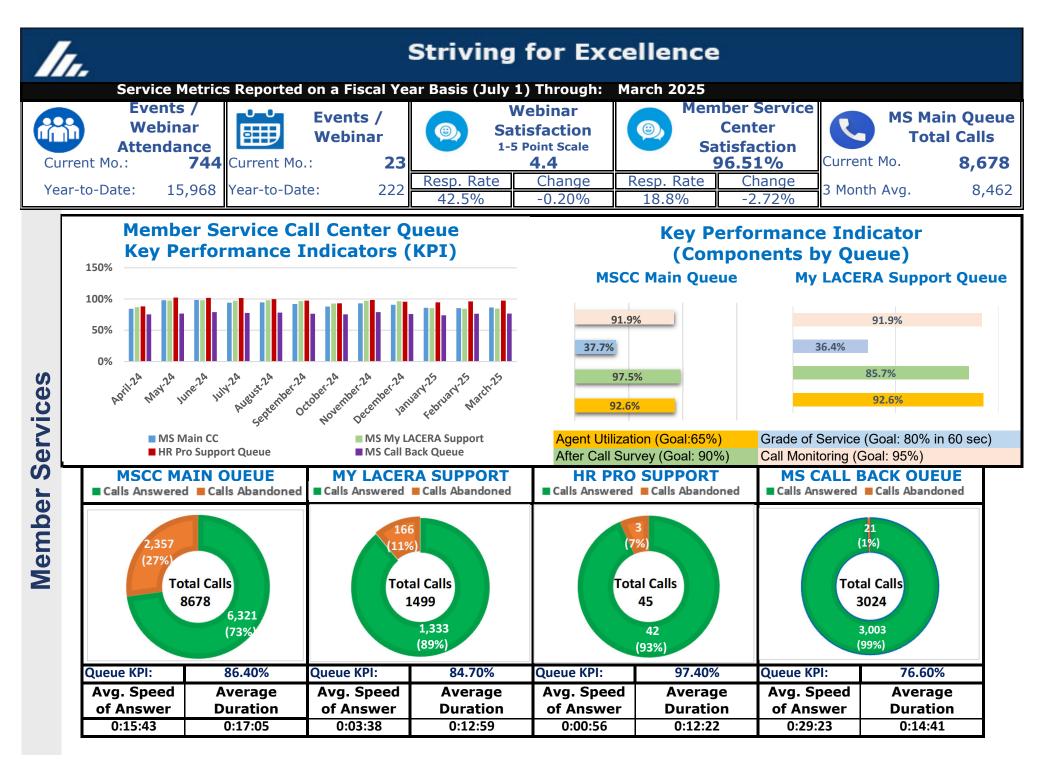
APPROVED BY THE BOARD OF RETIREMENT ON MARCH 5, 2025.

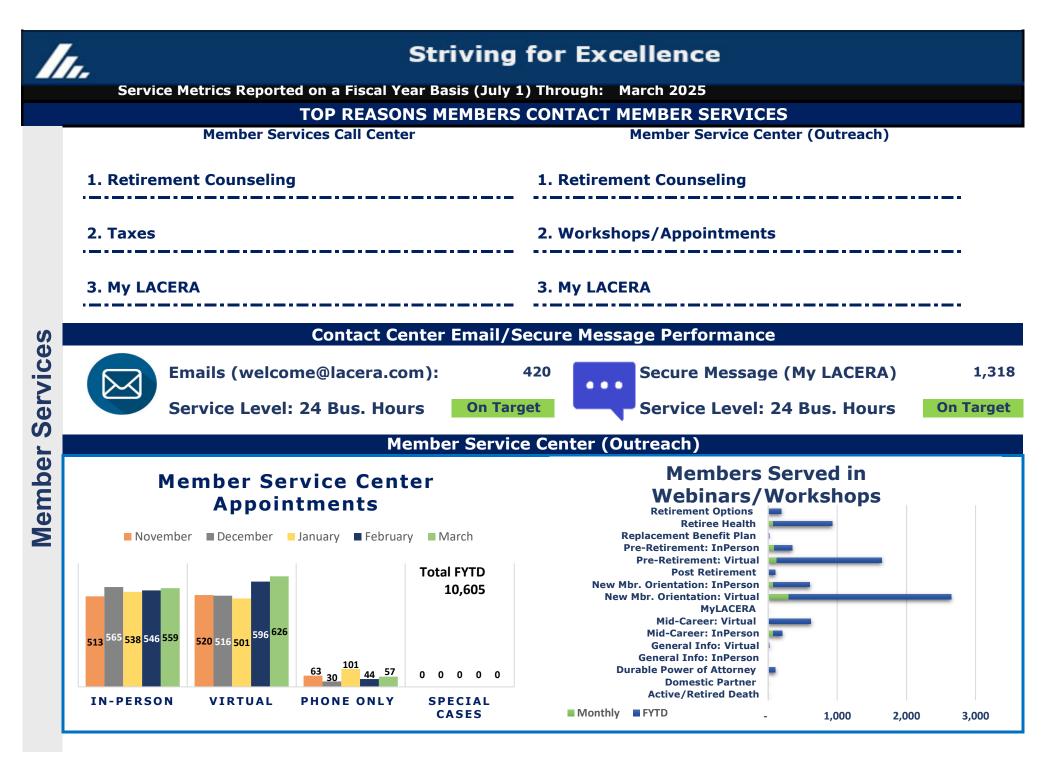


# CEO DASHBOARD



May 7, 2025



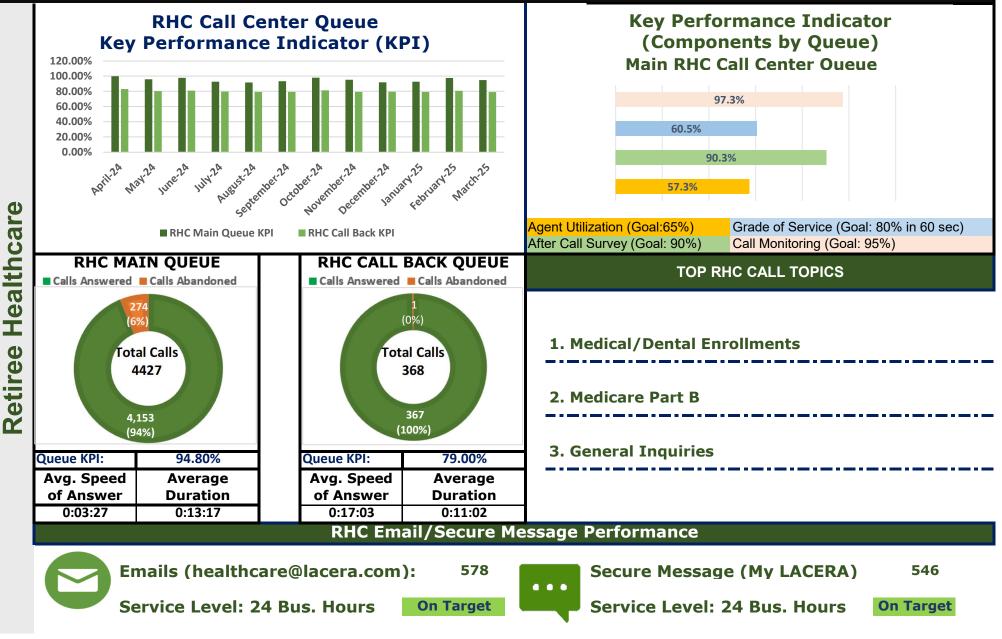


#### Page 3



# Striving for Excellence

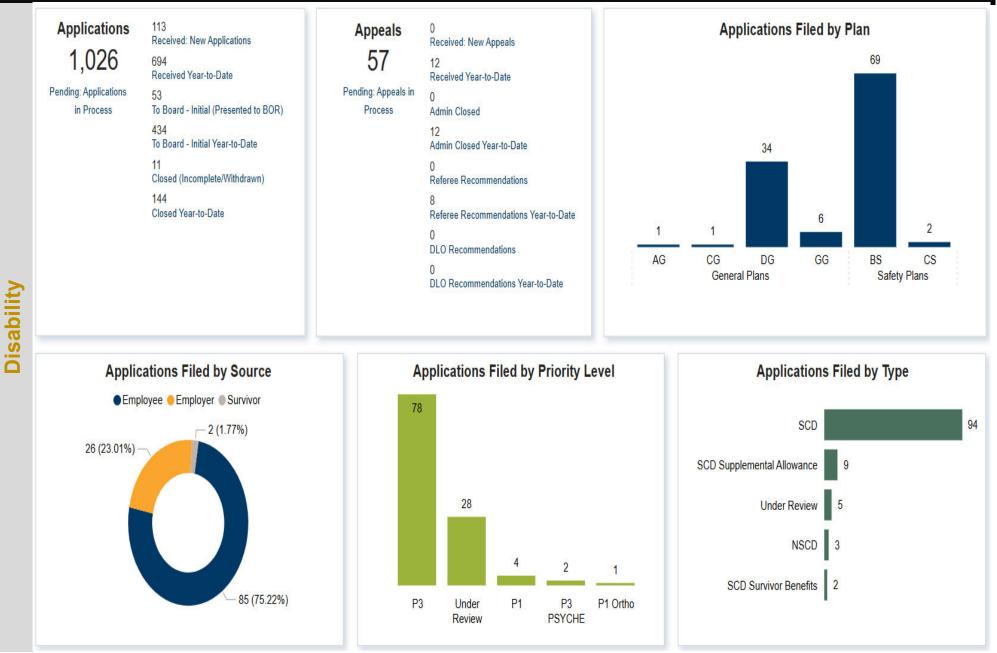
Service Metrics Reported on a Fiscal Year Basis (July 1) Through: March 2025





# Striving for Excellence

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





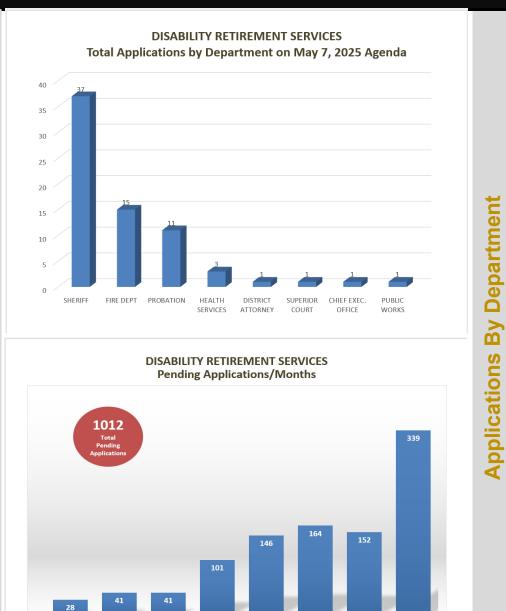
Disability

# DISABILITY RETIREMENT SERVICES Application Processing Time





# Striving for Excellence



10-12

7-9

4-6

0-3

16-19

13-15

25+

\*Cases on the May 7, 2025 agenda are not included

As of April 23, 2025

20-24

# Disability Retirement Services

Applications by Department

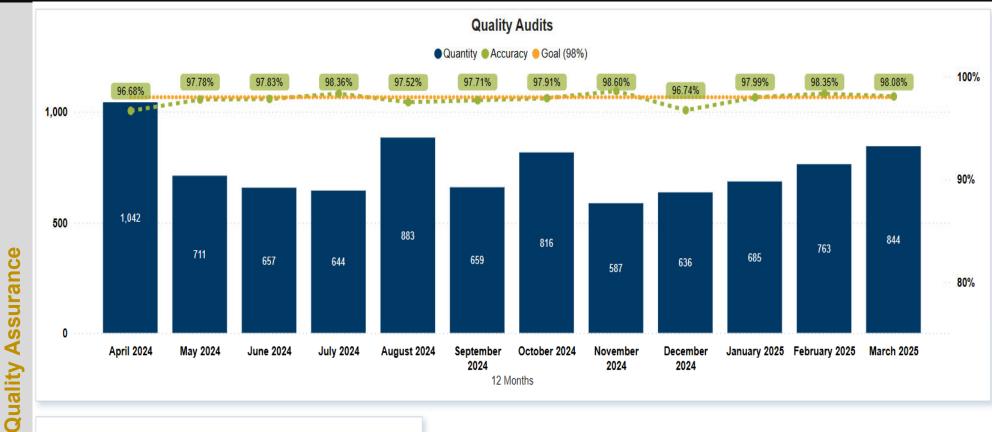
DEPARTMENT	No. of Applications	% of Inventory
SHERIFF	448	44.27%
L A COUNTY FIRE DEPT	181	17.89%
PROBATION DEPARTMENT	161	15.91%
DEPT OF PUBLIC SOCIAL SERVICES	25	2.47%
CHILDREN & FAMILY SERVICES	23	2.27%
NORTHEAST CLUSTER (LAC+USC)	19	1.88%
PUBLIC HEALTH PROGRAM	19	1.88%
PUBLIC WORKS	14	1.38%
MENTAL 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%

Disability



# **Striving for Excellence in Quality**

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



	Monthly Recap		
		Samples	Accuracy
larah 0005	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.



Through LACERA.com and MyLACERA

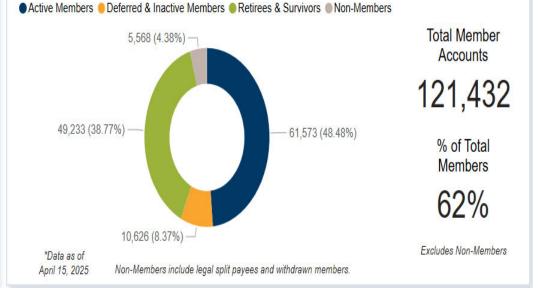
Serving Members

# Service Online For All

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

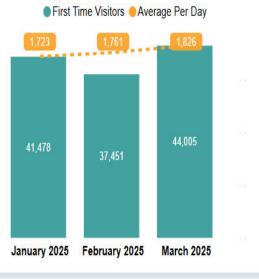


# Total Accounts by Member Type\*



Data labels may not appear for all values







# 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%

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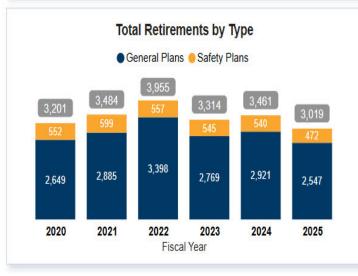


# Member Snapshot

#### Metrics reported based on April 16, 2025

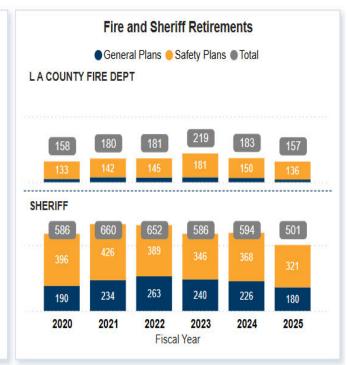
Membership Count									
	Acti	ve	Inactive		Retired				Total
	Active Vested	Active Non- Vested	Inactive Vested	Inactive Non- Vested	Service Retirement	SCD- Disability Retirement	NSCD- Disability Retirement	Survivors	
General Plans	65,304	21,612	7,904	12,337	49,696	3,112	590	8,371	168,926
AG	34		9	30	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	6,46
Total	75,322	23,741	8,452	13,333	54,971	10,567	668	10,580	197,634

Membership Count vesting status excludes reciprocal service credit.



# Monthly Benefit Allowance Distribution Members and Survivors Gross Benefit Range General Plans Safety Plans Total \$0 to \$3,999 35,648 1,436 37,084 \$4 000 to \$7,999 17,276 4 456 21 732

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



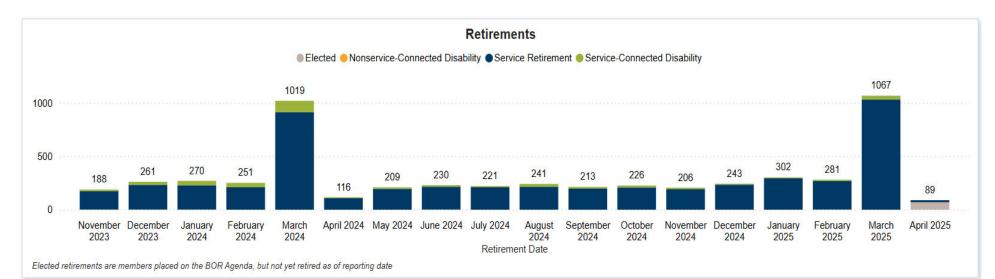
# Member Average Monthly BenefitPlan TypeGross Average BenefitGeneral Plans\$4,470.21Safety Plans\$9,865.95All Plans\$5,514.03

# Survivor Average Monthly Benefit \$3,815.70

#### Data labels may not appear for all values

Only includes retirements as of reporting date. Excludes active deaths. Excludes Replacement Benefit Plan benefits.





#### Retirements Metrics reported based on April 16, 2025

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

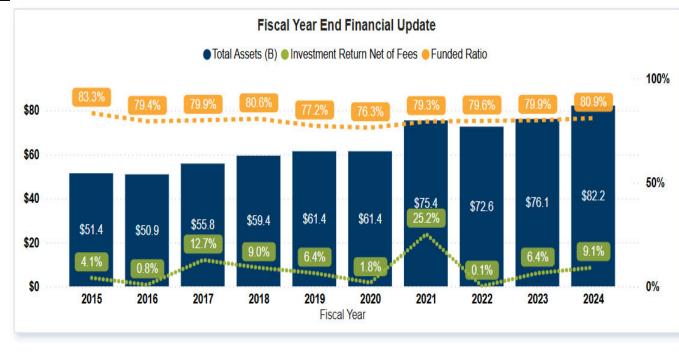
****
Ĩ
\$401.24m
\$3.6b
390
97.95%
3,072
97.30%
2.00%
98.00%

7 H	Healthcare Program				Enrollments *
٩)	(Mo. Ending: 3/31/2025)			(Mo. Ending	: 3/31/2025)
	<u>Employer</u>	<u>Member</u>		Medical	56,742
Medical	\$527.0	\$36.5		Dental	58,933
Dental	\$39.1	\$3.6		Part B	39,448
Part B	\$77.0	\$0.0		LTC	434
Total	\$643.1	\$40.1		Total	155,557



# **Key Financial Data**

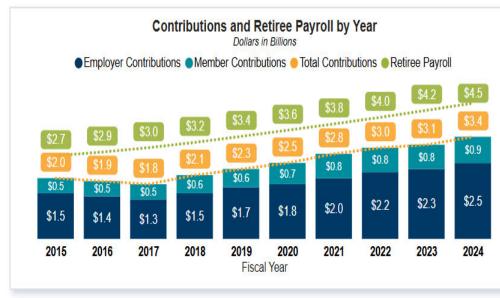
#### (As of June 30, 2024)



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

> 7.4% 10-Year Return

net of fees

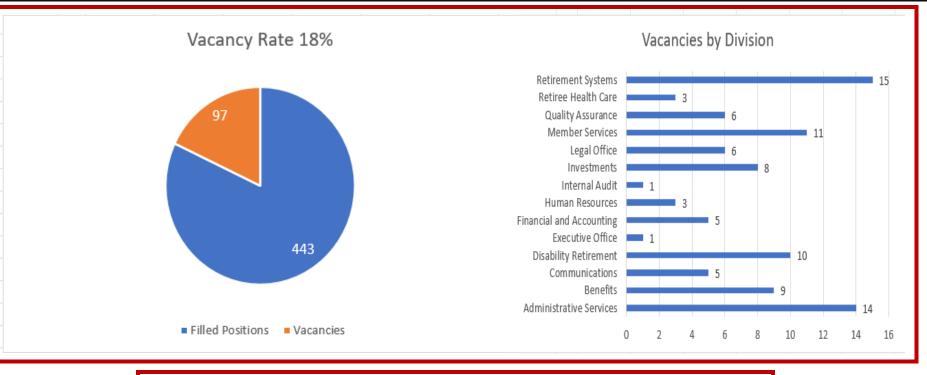


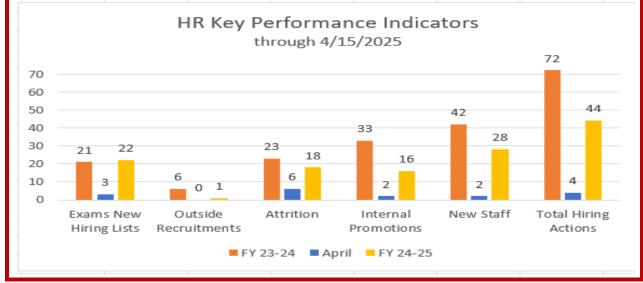




# **Human Resources**

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			
Intern	Various	Receiving Applications			
Legal 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			
Internal 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

Issuing Division Systems	Public Release Date	Solicitation Stage*	Bid Respondents*
Systems		<b>U</b>	
	11/6/2023	Contract Development	Genesys/TTEC
Legal	12/1/2023	Contract	• GlobalRelay
/ InfoSec		Development	
Internal Audit	2/13/2025		<ul> <li>Crowe</li> <li>HORNE</li> <li>Grant Thornton</li> <li>Canaudit</li> <li>Tapp International</li> <li>Armanino</li> <li>Simpson &amp; Simpson</li> <li>Eide Bailly</li> <li>MGO</li> <li>GoldSRD</li> </ul>
InfoSec	2/6/2025	Bid review	<ul><li>Palo Alto</li><li>Versa</li><li>Cato</li></ul>
_	/ InfoSec Internal Audit	/ InfoSec Internal 2/13/2025 Audit	/ InfoSec Development Internal 2/13/2025 Bid Review Audit



# INVESTMENTS

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

\*Subject to change

Date	Conference
<b>May, 2025</b> 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
<b>June, 2025</b> 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
<b>July, 2025</b> 17-18	ICGN 30 <sup>th</sup> Anniversary Conference-Americas New York, NY

Date	Conference
<b>July, 2025</b> 23-25	Pacific Pension Institute (PPI) Summer Roundtable Salt Lake City, UT
<b>August, 2025</b> 17-19	NCPERS (National Conference on Public Employee Retirement Systems) Public Pension Funding Forum Chicago, IL
<b>September, 2025</b> 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
<b>October, 2025</b> 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
<b>November, 2025</b> 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
<b>December, 2025</b> 11	CALAPRS (California Association of Public Retirement Systems) Round Table – Benefits Virtual

**I**1.,

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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April 29, 2025

TO:	Trustees, Board of Retirement
FOR:	Board of Retirement Meeting on May 7, 2025
SUBJECT:	Ratification of Service Retirement and Survivor Benefit Application Approvals

The attached report reflects service retirements and survivor benefit applications received as of the date of this memo, along with any retirement rescissions and/or changes approved at last month's Board meeting. Any retirement rescissions or changes received after the date of this memo up to the date of the Board's approval, will be reflected in next month's report.

#### **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
RICHARD D. AMANN	SHERIFF Dept.#SH	05-31-2025	25 YRS 00 MOS
WAYNE M. BROWN	SHERIFF Dept.#SH	03-31-2025	20 YRS 03½ MOS
MICHAEL D. BROWN II	L A COUNTY FIRE DEPT Dept.#FR	03-31-2025	34 YRS 05½ MOS
WILLIAM A. CURTIS	L A COUNTY FIRE DEPT Dept.#FR	03-31-2025	30 YRS 03½ MOS
ERIK B. DELGADILLO	SHERIFF Dept.#SH	03-29-2025	18 YRS 08 MOS
VINCENT J. DORN	L A COUNTY FIRE DEPT Dept.#FR	03-31-2025	32 YRS 10½ MOS
ANDREW W. EMCH	SHERIFF Dept.#SH	05-31-2025	25 YRS 1/2 MOS
STEVIN R. FIEDLER	SHERIFF Dept.#SH	04-01-2025	30 YRS 03½ MOS
VIVIAN S. GARCIA	SHERIFF Dept.#SH	05-31-2025	29 YRS 00 MOS

## **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
LORENA T. GOMEZ	SHERIFF Dept.#SH	03-29-2025	34 YRS 03 MOS
MARK R. HARTWELL	L A COUNTY FIRE DEPT Dept.#FR	04-08-2025	27 YRS 05½ MOS
MICHAEL A. JARRATT	L A COUNTY FIRE DEPT Dept.#FR	03-29-2025	26 YRS 00 MOS
JORGE J. JUAREZ	SHERIFF Dept.#SH	03-29-2025	28 YRS 06 MOS
JAIME M. LECLERCQ	L A COUNTY FIRE DEPT Dept.#FR	06-30-2025	33 YRS 01 MOS
CARLO A. LOFFREDO	L A COUNTY FIRE DEPT Dept.#FR	06-19-2025	32 YRS 11 MOS
BEATRIZ MACIAS	SHERIFF Dept.#SH	03-29-2025	18 YRS 04 MOS
GLENN C. MASKA	SHERIFF Dept.#SH	03-31-2025	28 YRS 061/2 MOS
LUZ E. MCDONALD	SHERIFF Dept.#SH	03-31-2025	26 YRS 03½ MOS

## **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
MARK W. MILLER	L A COUNTY FIRE DEPT Dept.#FR	03-31-2025	30 YRS 10½ MOS
RICHARD J. O'KEEFE	L A COUNTY FIRE DEPT Dept.#FR	03-29-2025	20 YRS 03 MOS
RICHARD A. PARKER	SHERIFF Dept.#SH	03-30-2025	35 YRS 10 MOS
LORRAINE M. PHILLIPPI	SHERIFF Dept.#SH	04-26-2025	25 YRS 00 MOS
MARCUS T. PHILLIPS	SHERIFF Dept.#SH	05-19-2025	28 YRS 03 MOS
GLEN A. PITTS	L A COUNTY FIRE DEPT Dept.#FR	05-31-2025	30 YRS 04½ MOS
JAMES S. PORTER	L A COUNTY FIRE DEPT Dept.#FR	05-09-2025	21 YRS 01½ MOS
JEFFREY P. ROWELL	SHERIFF Dept.#SH	03-30-2025	22 YRS 06½ MOS
TAMMY L. SCHLUNEGGER	SHERIFF Dept.#SH	06-28-2025	20 YRS 00 MOS

## **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
VERONICA SUAREZ	SHERIFF Dept.#SH	03-29-2025	15 YRS 01 MOS
MARK R. SUKAL	SHERIFF Dept.#SH	05-01-2025	29 YRS 061/2 MOS
C.L. THAMES JR	SHERIFF Dept.#SH	06-28-2025	20 YRS 00 MOS
MARK W. TYLER	L A COUNTY FIRE DEPT Dept.#FR	03-31-2025	30 YRS 03½ MOS
RAMON H. VERDUZCO	SHERIFF Dept.#SH	03-07-2025	31 YRS 03½ MOS
RAY L. WEBB	SHERIFF Dept.#SH	05-31-2025	42 YRS 00 MOS
THOMAS A. WEST JR	SHERIFF Dept.#SH	04-30-2025	28 YRS 00 MOS
GABRIEL C. ZAVALA	L A COUNTY FIRE DEPT Dept.#FR	03-31-2025	25 YRS 04 MOS

#### **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
DELIA GERONI ABELLERA	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	03-29-2025	25 YRS 04½ MOS
IRENE ABEYTA	PUBLIC HEALTH PROGRAM Dept.#PH	03-29-2025	38 YRS 07 MOS
VIRMA ACOSTA	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	04-26-2025	17 YRS 09 MOS
GEORGINA ALANIZ	RANCHO LOS AMIGOS HOSPITAL Dept.#HR	04-23-2025	42 YRS 07 MOS
JOSE D. ALONZO	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	06-08-2025	45 YRS 01½ MOS
MARIA ALTAMIRANO	MENTAL HEALTH Dept.#MH	03-31-2025	22 YRS 02 MOS
MIRNA ALVAREZ	CHILDREN & FAMILY SERVICES Dept.#CH	05-31-2025	24 YRS 08 MOS
GWENDOLYN ANDERSON	PROBATION DEPARTMENT Dept.#PB	03-29-2025	36 YRS 01 MOS
CHRISTEL L. ANDERSON	ASSESSOR Dept.#AS	03-28-2025	34 YRS 04 MOS

## **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	<u>SERVICE</u>
SYLVIA R. ANDERSON	CHILD SUPPORT SERVICES Dept.#CD	05-30-2025	16 YRS 01 MOS
CHARLES O. ANYADIKE	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	05-31-2025	27 YRS 05½ MOS
DONNA N. ARAKAWA	ASSESSOR Dept.#AS	03-21-2025	44 YRS 01 MOS
CHERYL D. ARCENEAUX	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	03-29-2025	37 YRS 08 MOS
RICHARD ARCHE	MENTAL HEALTH Dept.#MH	06-30-2025	26 YRS 00 MOS
LINDBURGH ATKINS	SHERIFF Dept.#SH	06-10-2025	55 YRS ½ MOS
OFELIA AVILA	SHERIFF Dept.#SH	03-29-2025	41 YRS 06 MOS
MARIA LOURDE M. AZCARRAGA	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	04-30-2025	05 YRS 07 MOS
EVELYN BABER	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	02-20-2025	19 YRS 03 MOS

## **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
BRIAN A. BAILEY	INTERNAL SERVICES Dept.#IS	05-31-2025	25 YRS 04 MOS
CHRISTINE BALDERAS-VAS	CHILDREN & FAMILY SERVICES Dept.#CH	06-12-2025	40 YRS 02½ MOS
SALVADOR M. BARBA	PARKS AND RECREATION Dept.#PK	03-29-2025	30 YRS 09 MOS
MONETTE BARNES	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	03-24-2025	45 YRS 01½ MOS
JOSELITO C. BATACLAN	CORRECTIONAL HEALTH Dept.#HC	04-26-2025	10 YRS 09 MOS
ALICIA BECERRA	SHERIFF Dept.#SH	03-29-2025	32 YRS 09 MOS
JOANNA M. BENAVIDEZ	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	03-31-2025	46 YRS 02½ MOS
DEBRAA. BENEVIDES	PUBLIC WORKS Dept.#PW	03-28-2025	35 YRS 03 MOS
DONNA L. BETANCOURT	DISTRICT ATTORNEY Dept.#DA	03-29-2025	36 YRS 00 MOS

## **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
DEIDRA R. BETTY	AMBULATORY CARE NETWORK Dept.#HN	04-13-2025	16 YRS 01½ MOS
ROBERT E. BIGLOW JR	PROBATION DEPARTMENT Dept.#PB	06-28-2025	35 YRS 11 MOS
JAMES W. BLAND II	PROBATION DEPARTMENT Dept.#PB	03-27-2025	24 YRS 09½ MOS
DONALD H. BLEVINS	PROBATION DEPARTMENT Dept.#PB	03-20-2025	01 YRS 061/2 MOS
RUBY V. BONGCARAS	AMBULATORY CARE NETWORK Dept.#HN	06-28-2025	21 YRS 02 MOS
ANTHONY BORCHERS	REG-RECORDER/COUNTY CLERK Dept.#RR	03-29-2025	23 YRS 05 MOS
RENITA R. BOWLIN	JUSTICE, CARE & OPPORTUNITIES Dept.#JC	03-29-2025	36 YRS 05 MOS
HEATHER BOYD	PUBLIC HEALTH PROGRAM Dept.#PH	04-30-2025	32 YRS 07 MOS
CYRIL BOZONIER JR	PROBATION DEPARTMENT Dept.#PB	05-30-2025	35 YRS 06 MOS

## **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
DEBRA A. BRADFORD	SHERIFF Dept.#SH	06-28-2025	25 YRS 07 MOS
ROBERT C. BRADT	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	03-29-2025	19 YRS 05 MOS
LESLIE L. BROOKS	SHERIFF Dept.#SH	03-29-2025	35 YRS 11 MOS
DARIA J. BROWN	PUBLIC LIBRARY Dept.#PL	06-01-2025	12 YRS 10½ MOS
REYNE BROWN	MENTAL HEALTH Dept.#MH	03-28-2025	13 YRS 01 MOS
BRIAN E. BRUKER	CHILDREN & FAMILY SERVICES Dept.#CH	06-21-2025	35 YRS 10 MOS
CHRISTINA BURROLA	PUBLIC HEALTH PROGRAM Dept.#PH	05-31-2025	40 YRS 05½ MOS
SHERYL BUSH	CHILD SUPPORT SERVICES Dept.#CD	05-31-2025	37 YRS 02 MOS
GLORIA G. CARINO	CORRECTIONAL HEALTH Dept.#HC	03-31-2025	18 YRS 06½ MOS

#### **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
MYRON K. CARR-SMITH	PROBATION DEPARTMENT Dept.#PB	03-31-2025	25 YRS 04 MOS
JANE M. CARSON	SHERIFF Dept.#SH	06-21-2025	40 YRS 08 MOS
STEPHEN W. CASEY	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	03-29-2025	13 YRS 03 MOS
JOY CATALUNA	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	03-29-2025	39 YRS 05 MOS
THERESA M. CAZARES	PUBLIC LIBRARY Dept.#PL	04-30-2025	39 YRS 05 MOS
MARY JOAN C. CENTINA	AMBULATORY CARE NETWORK Dept.#HN	05-31-2025	25 YRS 08½ MOS
JOANNY S. CHAN	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	05-31-2025	25 YRS 00 MOS
MARIA E. CHAVEZ	PARKS AND RECREATION Dept.#PK	03-29-2025	34 YRS 04 MOS
SY T. CHEN	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	05-09-2025	20 YRS 021/2 MOS

## **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
HSIAO-CHING CHEN	REGIONAL PLANNING Dept.#RP	05-30-2025	31 YRS 00 MOS
DEBORA A. CHILDRESS	SHERIFF Dept.#SH	04-30-2025	45 YRS 00 MOS
ERNESTINE COLEMAN	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	05-31-2025	36 YRS 10 MOS
HATTIE M. COLLIER	SHERIFF Dept.#SH	03-31-2025	08 YRS 04 MOS
LYNN R. COOPER	CHILDREN & FAMILY SERVICES Dept.#CH	06-28-2025	37 YRS 08 MOS
KATHLEEN B. CURLEY	ANIMAL CONTROL Dept.#AN	05-17-2025	20 YRS 00 MOS
AVEROL E. DAVIS	SUPERIOR COURT/COUNTY CLERK Dept.#SC	03-28-2025	31 YRS 05 MOS
ANNETTE M. DAVIS	SHERIFF Dept.#SH	06-07-2025	35 YRS 08½ MOS
MICHAEL D. DENNIS	PROBATION DEPARTMENT Dept.#PB	03-29-2025	37 YRS 00 MOS

#### **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	<u>SERVICE</u>
ELIZA DERDERIAN	SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO	05-31-2025	18 YRS 02 MOS
JOCELYN DISTOR	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	03-28-2025	30 YRS 11 MOS
ANAHIT DNGIKYAN	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	06-27-2025	27 YRS 00 MOS
KARIN DORNSTEDT	RANCHO LOS AMIGOS HOSPITAL Dept.#HR	04-26-2025	36 YRS 02 MOS
FELYDOLORES C. DUNTON	ASSESSOR Dept.#AS	03-29-2025	26 YRS 05 MOS
ALMA G. ELEGINO	CORRECTIONAL HEALTH Dept.#HC	05-20-2025	14 YRS 05 MOS
SHARON E. ELLIS	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	05-13-2025	19 YRS 08½ MOS
TODD ELLIS	PROBATION DEPARTMENT Dept.#PB	03-30-2025	40 YRS 09 MOS
KIMBERLY K. EPPS	PROBATION DEPARTMENT Dept.#PB	03-28-2025	01 YRS 03 MOS

#### **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
ELIZABETH ESCOTO	ANIMAL CONTROL Dept.#AN	04-30-2025	27 YRS 03½ MOS
LUIS ESCUDERO	SHERIFF Dept.#SH	03-29-2025	19 YRS 03 MOS
LILIAN R. ESPEJO	SUPERIOR COURT/COUNTY CLERK Dept.#SC	04-30-2025	28 YRS 05 MOS
GERMAN FAGOAGA	HEALTH SERVICES ADMINISTRATION Dept.#HS	03-28-2025	25 YRS 01 MOS
ELSA C. FAIRLEY	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	05-31-2025	24 YRS 09½ MOS
LUIS F. FERNANDEZ JR	INTERNAL SERVICES Dept.#IS	03-29-2025	25 YRS 09 MOS
ENRICO C. FLORES	PUBLIC HEALTH PROGRAM Dept.#PH	04-30-2025	16 YRS 00 MOS
SANDRA L. FOSTER	SUPERIOR COURT/COUNTY CLERK Dept.#SC	03-28-2025	28 YRS 09 MOS
ALICIA L. FRANCISCO	CORRECTIONAL HEALTH Dept.#HC	03-29-2025	15 YRS 03 MOS

## **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
LORENA FRCEK	MENTAL HEALTH Dept.#MH	04-01-2025	34 YRS 09½ MOS
CYNTHIA Y. FREEMAN-TAYL	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	06-28-2025	39 YRS 06 MOS
JOHN FRESCAS J R	PUBLIC WORKS Dept.#PW	03-29-2025	35 YRS 05 MOS
CHERIE M. FRYMAN	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	06-30-2025	11 YRS 00 MOS
KELLY L. FULLNER	L A COUNTY FIRE DEPT Dept.#FR	05-01-2025	12 YRS ½ MOS
ANTHONY J. GALVAN	PROBATION DEPARTMENT Dept.#PB	05-01-2025	25 YRS 02½ MOS
ADA M. GARCIA	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	05-31-2025	39 YRS 08½ MOS
SERGIO GARCIA	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	05-31-2025	30 YRS 04½ MOS
SABINO S. GOLEZ	SUPERIOR COURT/COUNTY CLERK Dept.#SC	03-29-2025	34 YRS 01 MOS

#### **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
TINA M. GOMEZ	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	05-31-2025	18 YRS 1/2 MOS
IRAIDA D. GOMEZ	DISTRICT ATTORNEY Dept.#DA	05-31-2025	07 YRS 00 MOS
MARYCARMEN GONZALEZ	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	04-30-2025	23 YRS 041/2 MOS
JAVIER GONZALEZ	PROBATION DEPARTMENT Dept.#PB	05-31-2025	39 YRS 02½ MOS
TANYA D. GREENE	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	03-29-2025	20 YRS 00 MOS
GRACIE GUERRERO	PROBATION DEPARTMENT Dept.#PB	03-31-2025	29 YRS 00 MOS
MARICELA GUTIERREZ	SUPERIOR COURT/COUNTY CLERK Dept.#SC	03-29-2025	24 YRS 1/2 MOS
HECTOR GUTIERREZ-ME	SUPERIOR COURT/COUNTY CLERK Dept.#SC	05-05-2025	21 YRS 07½ MOS
HELIANA HALIM	MENTAL HEALTH Dept.#MH	05-30-2025	10 YRS 06 MOS

#### **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
LORI A. HARR	RANCHO LOS AMIGOS HOSPITAL Dept.#HR	03-29-2025	19 YRS 05 MOS
CHERYL HATCHETT	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	04-30-2025	45 YRS 05 MOS
ALEJANDRO HERNANDEZ	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	03-29-2025	27 YRS 02 MOS
MARIA HERNANDEZ	COUNTY COUNSEL Dept.#CC	04-12-2025	24 YRS 10½ MOS
DONALD L. HILLMAN	PUBLIC WORKS Dept.#PW	03-27-2025	36 YRS 03 MOS
MARTY H. HO	CORRECTIONAL HEALTH Dept.#HC	05-17-2025	19 YRS 00 MOS
RENEE Y. HO	INTERNAL SERVICES Dept.#IS	05-31-2025	19 YRS 01½ MOS
ANTHONY HOOKS	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	03-31-2025	19 YRS 07½ MOS
OMAR B. HOPKINS	SHERIFF Dept.#SH	05-01-2025	28 YRS ½ MOS

#### BENEFIT APPROVAL LIST

NAME	DEPARTMENT	RETIRED	SERVICE
KIMMEY E. HOWARD	CHILDREN & FAMILY SERVICES Dept.#CH	04-30-2025	25 YRS 111/2 MOS
LAWRENCE R. HOWLAND	SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO	03-29-2025	32 YRS 08 MOS
SHIU-YEN HUANG	CORRECTIONAL HEALTH Dept.#HC	05-31-2025	18 YRS ½ MOS
JANELLE G. HUMMINGBIRD	INTERNAL SERVICES Dept.#IS	03-29-2025	37 YRS 03 MOS
IL R. HWANG	PUBLIC HEALTH PROGRAM Dept.#PH	05-31-2025	39 YRS 06 MOS
JERRY L. INGRAM	SHERIFF Dept.#SH	04-25-2025	27 YRS 05 MOS
RIAD ITANI	PUBLIC WORKS Dept.#PW	04-30-2025	37 YRS 02 MOS
JOHONNER M. JACKSON	PROBATION DEPARTMENT Dept.#PB	06-03-2025	37 YRS 06½ MOS
IRMA JARA	L A COUNTY FIRE DEPT Dept.#FR	05-31-2025	37 YRS 08½ MOS

#### **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
CHRISTINE L. JENKINS	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	05-30-2025	25 YRS 00 MOS
MIGUEL A. JIMENEZ JR	PROBATION DEPARTMENT Dept.#PB	05-31-2025	37 YRS 06½ MOS
TORIBIO JIMENEZ-SALV	SHERIFF Dept.#SH	03-29-2025	25 YRS 01 MOS
IVORIE L. JOHNSON	CHILDREN & FAMILY SERVICES Dept.#CH	05-31-2025	06 YRS 081/2 MOS
SENORINA C. JUSI	SUPERIOR COURT/COUNTY CLERK Dept.#SC	05-31-2025	41 YRS 07 MOS
SOHEILA M. KALHOR	PUBLIC WORKS Dept.#PW	06-30-2025	39 YRS 11 MOS
NOELENE E. KAO	PUBLIC HEALTH PROGRAM Dept.#PH	05-01-2025	39 YRS ½ MOS
EDWARD KHANBABAIAN	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	03-29-2025	36 YRS 09 MOS
MYUNG O. KIM	SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO	05-31-2025	25 YRS 1/2 MOS

#### **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	<u>SERVICE</u>
SUE KIM	PUBLIC HEALTH PROGRAM Dept.#PH	03-29-2025	33 YRS 00 MOS
LARRY A. KNIGHT	PUBLIC HEALTH PROGRAM Dept.#PH	02-28-2025	38 YRS 10 MOS
OXANA KOTLER	PUBLIC DEFENDER Dept.#PD	03-29-2025	30 YRS 01 MOS
Υυ Η. Κυ	JUVENILE COURT HEALTH SERVICES Dept.#HJ	06-01-2025	19 YRS 03½ MOS
IMELDA A. LADIA	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	03-31-2025	40 YRS 10 MOS
JACQUELINE LANSKIE	INTERNAL SERVICES Dept.#IS	03-28-2025	33 YRS 09 MOS
MARIA E. LARA	PUBLIC WORKS Dept.#PW	04-26-2025	17 YRS 10 MOS
DEMARVIN LAWRENCE	ASSESSOR Dept.#AS	06-19-2025	33 YRS 06 MOS
GINGER LEE	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	05-31-2025	26 YRS 07 MOS

#### **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
JOY LEE	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	05-31-2025	35 YRS 05 MOS
HAN S. LEE	HEALTH SERVICES ADMINISTRATION Dept.#HS	05-01-2025	37 YRS 10½ MOS
SIU N. LEE	HEALTH SERVICES ADMINISTRATION Dept.#HS	05-31-2025	31 YRS 101/2 MOS
PHILLIP LIM	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	03-29-2025	25 YRS 04 MOS
BAOSHI LIU	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	05-01-2025	08 YRS 06½ MOS
ELVIRA LIZARRAGA	BEACHES & HARBORS Dept.#BH	06-28-2025	34 YRS 04 MOS
JANET L. LOZANO	PUBLIC WORKS Dept.#PW	06-14-2025	38 YRS ½ MOS
YU HUA L. LU	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	03-29-2025	25 YRS 04 MOS
MARIA LUCERO	RANCHO LOS AMIGOS HOSPITAL Dept.#HR	03-29-2025	43 YRS 01 MOS

#### **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
DOREEN A. LUK	ASSESSOR Dept.#AS	05-01-2025	25 YRS ½ MOS
TINA L. LUKE	CHILDREN & FAMILY SERVICES Dept.#CH	04-30-2025	33 YRS 09 MOS
MICHAEL L. LUTU	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	05-31-2025	16 YRS ½ MOS
VIRGINIA C. MAGALLANEZ	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	05-31-2025	37 YRS 02 MOS
ROBERT R. MALINE	DISTRICT ATTORNEY Dept.#DA	03-29-2025	38 YRS 00 MOS
SERGEY MANUCHARYAN	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	05-31-2025	30 YRS 02½ MOS
MARIALUISA M. MARCELO	WORKFORCE DEV AGING & COMM SVC Dept.#CS	02-28-2025	02 YRS 00 MOS
PABLO MARIN	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	04-30-2025	30 YRS 02 MOS
JULIA D. MARTIN	MENTAL HEALTH Dept.#MH	03-21-2025	27 YRS 101/2 MOS

## **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	<u>SERVICE</u>
SILVIA L. MARTINEZ	SUPERIOR COURT/COUNTY CLERK Dept.#SC	05-31-2025	33 YRS 07½ MOS
FORTUNATO MARTINEZ	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	06-28-2025	33 YRS 03 MOS
MARTIN MARTINEZ	SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO	05-01-2025	25 YRS 1/2 MOS
PAUL H. MASELBAS	PUBLIC WORKS Dept.#PW	03-30-2025	41 YRS 06 MOS
KENT D. MAXWELL	PUBLIC WORKS Dept.#PW	04-30-2025	22 YRS 08 MOS
JULIE A. MCCASLAND	PUBLIC LIBRARY Dept.#PL	05-31-2025	20 YRS ½ MOS
DARLENE MCDADE-WHITE	CHILDREN & FAMILY SERVICES Dept.#CH	06-28-2025	39 YRS 04 MOS
DAVID F. MCDONALD	SHERIFF Dept.#SH	05-17-2025	31 YRS 11 MOS
MARIA F. MCLAUGHLIN	SUPERIOR COURT/COUNTY CLERK Dept.#SC	05-31-2025	18 YRS ½ MOS

#### **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
FERNANDO R. MEDINA	PROBATION DEPARTMENT Dept.#PB	05-03-2025	33 YRS 09½ MOS
JULIO C. MEJIA	SHERIFF Dept.#SH	03-29-2025	25 YRS 04 MOS
ELAINE C. MENDEZ	PUBLIC WORKS Dept.#PW	03-28-2025	23 YRS 09 MOS
CLARISSA M. MENDOZA	PUBLIC HEALTH PROGRAM Dept.#PH	04-30-2025	25 YRS 00 MOS
DALTON A. MEYERS JR	SHERIFF Dept.#SH	03-29-2025	17 YRS 10 MOS
ELVA M. MILLER	SUPERIOR COURT/COUNTY CLERK Dept.#SC	06-28-2025	31 YRS 01½ MOS
MALINDA D. MILLER	PARKS AND RECREATION Dept.#PK	04-30-2025	24 YRS 00 MOS
GLENN MILLS	CHILDREN & FAMILY SERVICES Dept.#CH	03-31-2025	37 YRS 08½ MOS
JESSIE R. MITCHELL	SUPERIOR COURT/COUNTY CLERK Dept.#SC	03-29-2025	26 YRS 04 MOS

#### **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
BELINDA D. MIXON	CHILDREN & FAMILY SERVICES Dept.#CH	05-17-2025	25 YRS 03½ MOS
IRENE MONTANO-LOPE	DISTRICT ATTORNEY Dept.#DA	04-26-2025	34 YRS 08 MOS
ANGELA MONTOYA	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	04-30-2025	36 YRS 01 MOS
DANIEL MORALES	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	03-24-2025	24 YRS 01 MOS
JOSE D. MORALES-RAMI	INTERNAL SERVICES Dept.#IS	03-29-2025	11 YRS 01 MOS
MARIA D. MORENO	SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO	03-29-2025	10 YRS 04½ MOS
LYNETTE M. MORGAN-NICHO	CHILDREN & FAMILY SERVICES Dept.#CH	06-28-2025	37 YRS 03 MOS
MARIA E. MUNOZ	CHILD SUPPORT SERVICES Dept.#CD	03-29-2025	29 YRS 11½ MOS
MARY L. MURPHY	SUPERIOR COURT/COUNTY CLERK Dept.#SC	03-29-2025	40 YRS 07 MOS

#### **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
SURELLA P. MURPHY	SUPERIOR COURT/COUNTY CLERK Dept.#SC	03-19-2025	44 YRS 03 MOS
AREVIK NADIMYAN	DEPARTMENT OF HUMAN RESOURCES Dept.#HM	05-31-2025	24 YRS 00 MOS
REIKO T. NAVARRO	HEALTH SERVICES ADMINISTRATION Dept.#HS	03-29-2025	28 YRS 02 MOS
ATTONNIA C. NELSON	DISTRICT ATTORNEY Dept.#DA	03-29-2025	38 YRS 01 MOS
CARLOS NERIA JR	CHILDREN & FAMILY SERVICES Dept.#CH	05-30-2025	35 YRS 01 MOS
ERIC G. NEWBY	PROBATION DEPARTMENT Dept.#PB	05-24-2025	37 YRS 11 MOS
DIEP N. NGUYEN	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	04-30-2025	26 YRS 02 MOS
TUYET-TAM NGUYEN	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	04-30-2025	24 YRS 00 MOS
CHAU M. NGUYEN	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	05-01-2025	24 YRS 01½ MOS

#### **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
HOA T. NGUYEN	PUBLIC HEALTH PROGRAM Dept.#PH	04-02-2025	22 YRS 00 MOS
OAK NGUYEN	CORRECTIONAL HEALTH Dept.#HC	05-31-2025	20 YRS 00 MOS
GARY A. NIELSEN	DISTRICT ATTORNEY Dept.#DA	03-29-2025	37 YRS 01 MOS
FRANCISCA NUNO	SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO	05-31-2025	25 YRS 1/2 MOS
JULIE N. NWOSU	CHILDREN & FAMILY SERVICES Dept.#CH	04-30-2025	24 YRS 05 MOS
IRENE I. O'BANOR	MENTAL HEALTH Dept.#MH	05-28-2025	41 YRS 02½ MOS
NANCY D. O'LEARY	CHILDREN & FAMILY SERVICES Dept.#CH	04-30-2025	29 YRS ½ MOS
IHEANACHO E. OFO	PUBLIC WORKS Dept.#PW	06-06-2025	36 YRS 11½ MOS
EMMANUEL O. OJINNAKA	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	03-12-2025	23 YRS 05½ MOS

#### **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	<u>SERVICE</u>
EMY OKOHIRA	PUBLIC HEALTH PROGRAM Dept.#PH	05-30-2025	26 YRS 05 MOS
MARIA I. ORDUNA	RANCHO LOS AMIGOS HOSPITAL Dept.#HR	03-29-2025	17 YRS 04 MOS
MARYETTA OVSEPIAN	SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO	03-29-2025	18 YRS 00 MOS
ROSE Y. PANG	CHILDREN & FAMILY SERVICES Dept.#CH	03-28-2025	23 YRS 05 MOS
YATIN PATEL	MENTAL HEALTH Dept.#MH	05-17-2025	07 YRS 03 MOS
ALONSO J. PELAYO	SHERIFF Dept.#SH	05-30-2025	26 YRS 09 MOS
PHILIP C. PENG JR	SUPERIOR COURT/COUNTY CLERK Dept.#SC	05-30-2025	27 YRS 03 MOS
WILLIAM M. PERERA	PUBLIC WORKS Dept.#PW	03-29-2025	30 YRS 01½ MOS
LISSA J. PEREZ	PROBATION DEPARTMENT Dept.#PB	03-29-2025	36 YRS 05 MOS

#### **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
MARIA PONTE	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	04-30-2025	25 YRS 03 MOS
YOLANDA POWELL	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	03-29-2025	25 YRS 01 MOS
BOBBIE PRATT	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	04-18-2025	29 YRS 09 MOS
DANIEL Z. QUINTANA	SHERIFF Dept.#SH	03-29-2025	44 YRS 11 MOS
VALENTIN C. RADA	PUBLIC DEFENDER Dept.#PD	06-22-2025	26 YRS 09 MOS
ALFONSO RAMIREZ	CHILDREN & FAMILY SERVICES Dept.#CH	03-29-2025	31 YRS 05 MOS
VICKI S. RAMIREZ	CHILDREN & FAMILY SERVICES Dept.#CH	03-29-2025	42 YRS 01 MOS
GLENN RAMOS	PUBLIC WORKS Dept.#PW	03-28-2025	37 YRS 11 MOS
ELIZABETH RATINOFF	DISTRICT ATTORNEY Dept.#DA	03-29-2025	35 YRS 11 MOS

#### **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
DENEEN M. RAY	SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO	05-30-2025	35 YRS 03 MOS
ZOLA M. REED	MENTAL HEALTH Dept.#MH	05-30-2025	23 YRS 10 MOS
MIRIAM O. REMO	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	05-31-2025	25 YRS 02 MOS
AGNES D. RESULTO	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	03-29-2025	25 YRS 07 MOS
SHARON J. REYNOLDS	PROBATION DEPARTMENT Dept.#PB	03-30-2025	26 YRS 08 MOS
SHAWN D. RIVAS	CHILDREN & FAMILY SERVICES Dept.#CH	03-29-2025	24 YRS 08½ MOS
GERMAN RIVERA	HEALTH SERVICES ADMINISTRATION Dept.#HS	03-15-2025	33 YRS 02½ MOS
GARY T. ROBERTS	SHERIFF Dept.#SH	03-31-2025	29 YRS 03½ MOS
CANDELARIA F. RODARTE	INTERNAL SERVICES Dept.#IS	03-29-2025	34 YRS 08 MOS

#### **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
MARIAELENA RODRIGUEZ-LO	CHILD SUPPORT SERVICES Dept.#CD	03-29-2025	44 YRS 04 MOS
JESUS ROMERO	SHERIFF Dept.#SH	03-29-2025	37 YRS 11 MOS
IRENE ROSALES	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	04-21-2025	36 YRS 01 MOS
ROBERT RUBALCAVA	SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO	04-30-2025	10 YRS 06 MOS
ESTHER B. SAKO	AGING DEPARTMENT Dept.#AG	04-30-2025	24 YRS 01 MOS
MORENA SANCHEZ	AMBULATORY CARE NETWORK Dept.#HN	03-29-2025	36 YRS 01 MOS
SHARON D. SAYLES	CHILDREN & FAMILY SERVICES Dept.#CH	05-30-2025	35 YRS 10 MOS
LORRAINE SERRANO	REG-RECORDER/COUNTY CLERK Dept.#RR	05-31-2025	27 YRS ½ MOS
MARTHA A. SERRANO	AMBULATORY CARE NETWORK Dept.#HN	04-01-2025	08 YRS 06½ MOS

#### **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
OLGA C. SERVIN	SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO	03-29-2025	28 YRS 01 MOS
CAROLINA B. SHANKLIN	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	03-29-2025	37 YRS 04½ MOS
ELVIRA D. SIMMONS	SUPERIOR COURT/COUNTY CLERK Dept.#SC	05-30-2025	26 YRS 01 MOS
MIRIAM N. SINGER	PUBLIC DEFENDER Dept.#PD	05-25-2025	20 YRS 02 MOS
JOCELYN SISON-LUCELA	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	04-30-2025	39 YRS 05 MOS
ANA MARIA SMITH	SUPERIOR COURT/COUNTY CLERK Dept.#SC	05-31-2025	36 YRS 10½ MOS
LORENE A. SMITH	MENTAL HEALTH Dept.#MH	03-29-2025	18 YRS 02 MOS
TED SOBOTKA	CHILDREN & FAMILY SERVICES Dept.#CH	03-28-2025	37 YRS 06 MOS
STEVEN E. STEIN	SHERIFF Dept.#SH	03-28-2025	30 YRS 01 MOS

#### **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
DAPHNE R. STEWART	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	04-26-2025	27 YRS 09 MOS
CONNIE SU	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	06-28-2025	38 YRS 06 MOS
ROBERTO C. TABARES JR	PUBLIC WORKS Dept.#PW	03-28-2025	31 YRS 01 MOS
YUNYIN W. TAKEUCHI	PUBLIC HEALTH PROGRAM Dept.#PH	06-27-2025	25 YRS 08 MOS
JULIUS N. TANYI	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	03-30-2025	10 YRS 01 MOS
LUZ X. TELLO	SHERIFF Dept.#SH	03-24-2025	06 YRS 06½ MOS
ARAYA B. TESFAMARIAM	PUBLIC HEALTH PROGRAM Dept.#PH	03-29-2025	23 YRS 03 MOS
PANADDA THANASUANSAN	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	05-31-2025	19 YRS 10½ MOS
IVORY J. THOMAS	PROBATION DEPARTMENT Dept.#PB	03-29-2025	51 YRS 10 MOS

#### **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
CHRISTOPHER THOMAS	L A COUNTY FIRE DEPT Dept.#FR	03-30-2025	36 YRS 01½ MOS
ELIZABETH Q. TOLEDO	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	04-23-2025	33 YRS 02 MOS
ROBERT TORRES	AMBULATORY CARE NETWORK Dept.#HN	03-30-2025	49 YRS 11 MOS
GLORIA TORRES	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	05-31-2025	38 YRS 03½ MOS
MILLICENT B. TOWNSEND	CHILDREN & FAMILY SERVICES Dept.#CH	03-31-2025	27 YRS 05½ MOS
MINHHUAN T. TRINH	PUBLIC WORKS Dept.#PW	05-16-2025	44 YRS 06 MOS
ALFREDO UBANOS	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	03-29-2025	16 YRS 05 MOS
ESTRELLA T. VALDEZ	PUBLIC HEALTH PROGRAM Dept.#PH	06-28-2025	30 YRS 00 MOS
HELEN M. VARDAKIS	CHILDREN & FAMILY SERVICES Dept.#CH	06-28-2025	27 YRS 04 MOS

#### **BENEFIT APPROVAL LIST**

## GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

NAME	DEPARTMENT	RETIRED	SERVICE
FREDESMINDA J. VELASCO	SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO	03-29-2025	14 YRS 01 MOS
ALICE S. VILLALOBOS	ALTERNATE PUBLIC DEFENDER Dept.#AD	05-30-2025	17 YRS 04 MOS
NORA R. VILLAPANDO	AMBULATORY CARE NETWORK Dept.#HN	06-28-2025	17 YRS 00 MOS
FELICISIMA VILLASENOR	SHERIFF Dept.#SH	03-29-2025	10 YRS ½ MOS
WENDY VU	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	03-29-2025	20 YRS 06 MOS
TIMOTHY W. WALTON	PUBLIC WORKS Dept.#PW	03-28-2025	07 YRS 06 MOS
MINDY WANG	HEALTH SERVICES ADMINISTRATION Dept.#HS	03-28-2025	38 YRS 01 MOS
CAROLYN S. WATSON	PUBLIC HEALTH PROGRAM Dept.#PH	03-29-2025	42 YRS 05 MOS
DONALD WHITMORE	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	03-29-2025	32 YRS 08 MOS

#### **BENEFIT APPROVAL LIST**

## GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

NAME	DEPARTMENT	RETIRED	SERVICE
CAROLYN WIGGINS-KING	SUPERIOR COURT/COUNTY CLERK Dept.#SC	03-29-2025	35 YRS 09 MOS
DARRYL L. WILHITE	PUBLIC WORKS Dept.#PW	04-30-2025	39 YRS 03 MOS
SANDRA G. WILLIAMS	CHILD SUPPORT SERVICES Dept.#CD	03-29-2025	10 YRS 04½ MOS
SHARON WILLIAMS	RANCHO LOS AMIGOS HOSPITAL Dept.#HR	04-30-2025	44 YRS 05 MOS
N'NETTE D. WILLIAMS	BOARD OF SUPERVISORS Dept.#BS	06-28-2025	40 YRS 11 MOS
ANDREA M. WILSON	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	03-29-2025	45 YRS 11 MOS
DENISE WOODS	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	06-28-2025	24 YRS 00 MOS
CHIN-CHI C. WU	INTERNAL SERVICES Dept.#IS	03-28-2025	30 YRS 02 MOS
KAREN J. WU	MENTAL HEALTH Dept.#MH	03-29-2025	16 YRS 08 MOS

## **BENEFIT APPROVAL LIST**

## GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

NAME	DEPARTMENT	RETIRED	SERVICE
LUCY P. XU	PROBATION DEPARTMENT Dept.#PB	06-13-2025	12 YRS ½ MOS
MARY F. YESKE	SHERIFF Dept.#SH	03-24-2025	24 YRS 11 MOS
CYNTHIA L. YOB	PUBLIC HEALTH PROGRAM Dept.#PH	06-27-2025	19 YRS 07 MOS
ARAIK ZARGARYAN	PUBLIC WORKS Dept.#PW	06-26-2025	34 YRS 06 MOS
ADRIANA P. ZEHFUSS	REG-RECORDER/COUNTY CLERK Dept.#RR	03-28-2025	34 YRS 10 MOS
RENATE ZEUCH	SUPERIOR COURT/COUNTY CLERK Dept.#SC	05-31-2025	13 YRS 05½ MOS

#### **BENEFIT APPROVAL LIST**

## **GENERAL SURVIVOR APPLICATIONS**

#### NAME

DEPARTMENT

RETIRED SERVICE

TERRI L. KIRKLAND

ASSESSOR Dept.#AS 02-28-2025 26 YRS 06 MOS

WIFE of ROYCE D KIRKLAND dec'd on 02-27-2025, Sect. #31781.1

## **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
THOMAS P. HILL	SHERIFF Dept.#SH	03-24-2025	28 YRS 00 MOS
THOMAS J. REHAK	SHERIFF Dept.#SH	03-21-2025	04 YRS 09 MOS
MARIO J. RODARTE	SHERIFF Dept.#SH	03-31-2025	16 YRS 09 MOS
JANICE R. SHIMAMURA	SHERIFF Dept.#SH	03-13-2025	08 YRS 07½ MOS

## **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
DALE AASTROM	ASSESSOR Dept.#AS	04-01-2025	14 YRS 07 MOS
MARY ELLEN ALVAREZ-DIAZ	PUBLIC HEALTH PROGRAM Dept.#PH	04-14-2025	12 YRS 06 MOS
ARAX AMIRIAN	CHILDREN & FAMILY SERVICES Dept.#CH	03-15-2025	18 YRS 03½ MOS
ROLAND ARNOLD	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	03-28-2025	29 YRS 11 MOS
GRISSELLE AYALA	SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO	01-27-2025	17 YRS 06 MOS
ROBIN M. BENSON	HEALTH SERVICES ADMINISTRATION Dept.#HS	02-28-2025	08 YRS 08 MOS
DAUGHN E. CANTRELL	SOUTHWEST CLUSTER (MLK JR MC) Dept.#HK	04-04-2025	11 YRS 03 MOS
CLARA M. CARPENTER	TREASURER AND TAX COLLECTOR Dept.#TT	04-10-2025	14 YRS 01 MOS
KRISTIN A. CASANOVA	SHERIFF Dept.#SH	05-18-2025	16 YRS 08½ MOS

## **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
OMAR CASTELLANOS	ASSESSOR Dept.#AS	03-28-2025	03 YRS 05 MOS
MICHELLE CRAMTON	SUPERIOR COURT/COUNTY CLERK Dept.#SC	05-01-2025	18 YRS 09 MOS
KIM M. DONALDSON	SUPERIOR COURT/COUNTY CLERK Dept.#SC	06-02-2025	20 YRS 04 MOS
RAMON A. ESCOBEDO	SHERIFF Dept.#SH	05-22-2025	14 YRS 08½ MOS
FEMI N. ESTOLANO	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	03-20-2025	07 YRS 03½ MOS
LANI FRADEL	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	12-27-2024	00 YRS 06 MOS
JUAN GARCIA	MENTAL HEALTH Dept.#MH	04-09-2025	38 YRS 04½ MOS
TRACY M. GASTELUM	DISTRICT ATTORNEY Dept.#DA	04-30-2025	15 YRS 00 MOS
JUNE N. HENG	CHILDREN & FAMILY SERVICES Dept.#CH	03-21-2025	07 YRS 11 MOS

## **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
NORA V. HERMOSILLO	CHILD SUPPORT SERVICES Dept.#CD	04-02-2025	15 YRS 10 MOS
MARVIN HERRERA-TALA	HEALTH SERVICES ADMINISTRATION Dept.#HS	04-01-2025	13 YRS 11 MOS
JANET Y. JACKSON	SOUTHWEST CLUSTER (MLK JR MC) Dept.#HK	06-27-2025	12 YRS 07 MOS
NANCY M. JAGIELSKI-RU	SUPERIOR COURT/COUNTY CLERK Dept.#SC	03-27-2025	05 YRS 00 MOS
NARDA K. KHAN	PUBLIC WORKS Dept.#PW	03-25-2025	11 YRS 07 MOS
LAURA L. KURINIJ	DISTRICT ATTORNEY Dept.#DA	03-16-2025	17 YRS 02 MOS
JENLING A. LEE	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	04-01-2025	27 YRS 00 MOS
MARTIN LOPEZ	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	06-16-2025	28 YRS 01½ MOS
DEISY C. MANCIA-CHACO	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	03-05-2025	06 YRS 03 MOS

## **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	<u>SERVICE</u>
LOIS A. MC ARTHUR	SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO	04-30-2025	12 YRS 11 MOS
SCOTT T. MILLINGTON	SUPERIOR COURT/COUNTY CLERK Dept.#SC	05-15-2025	15 YRS 01 MOS
SONGTHANEE MODRACEE	SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO	03-26-2025	11 YRS 11 MOS
MEBRAT D. NEGUSSE	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	05-01-2025	10 YRS 05 MOS
THUY NGUYEN	CHILD SUPPORT SERVICES Dept.#CD	02-08-2021	03 YRS 06 MOS
BURT M. OGATA	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	05-14-2025	24 YRS 01 MOS
CRAIG OMURA	DISTRICT ATTORNEY Dept.#DA	05-21-2025	10 YRS 02 MOS
CANDICE M. PALMISANO	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	03-17-2025	15 YRS 04½ MOS
ROSITA M. PARDUCHO	MENTAL HEALTH Dept.#MH	03-27-2025	18 YRS 10 MOS

## **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	SERVICE
SANDRA L. PEREZ	SHERIFF Dept.#SH	04-13-2025	32 YRS 10 MOS
ANTONIETA PONCEDELEON	PUBLIC HEALTH PROGRAM Dept.#PH	03-29-2025	09 YRS 04 MOS
MARIANNE RADOGNA	SHERIFF Dept.#SH	03-17-2025	11 YRS 02 MOS
ALFRED RAMOS	ANIMAL CONTROL Dept.#AN	05-09-2025	15 YRS 03 MOS
DAYSI RIVAS	SHERIFF Dept.#SH	03-05-2025	14 YRS 09 MOS
ANN L. ROBERTS	SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO	02-20-2025	13 YRS 03 MOS
CLINTON SAMUEL	CHILDREN & FAMILY SERVICES Dept.#CH	03-01-2025	11 YRS 02 MOS
JANET V. SARRIA	SUPERIOR COURT/COUNTY CLERK Dept.#SC	04-02-2025	11 YRS 10 MOS
MELANDIE SMITH-AUSTIN	CHILDREN & FAMILY SERVICES Dept.#CH	03-31-2025	25 YRS 11 MOS

## **BENEFIT APPROVAL LIST**

NAME	DEPARTMENT	RETIRED	<u>SERVICE</u>
RODERICK SMOOT	SUPERIOR COURT/COUNTY CLERK Dept.#SC	04-30-2025	25 YRS 00 MOS
CHRISTY ST. CLAIR	RANCHO LOS AMIGOS HOSPITAL Dept.#HR	04-21-2025	10 YRS 04 MOS
TERESAA. STEELE	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	06-01-2025	10 YRS 05 MOS
SHEILAH L. SULLIGER	CHILDREN & FAMILY SERVICES Dept.#CH	03-27-2025	10 YRS 11 MOS
ROSALYN TAM	SUPERIOR COURT/COUNTY CLERK Dept.#SC	04-03-2025	30 YRS 07½ MOS
SHEILA A. THORNTON	HEALTH SERVICES ADMINISTRATION Dept.#HS	03-18-2025	11 YRS 02 MOS
ROBERT V. TIMMERMANN	PUBLIC LIBRARY Dept.#PL	04-19-2025	05 YRS 08 MOS
VIVIAN C. VELIZ-MENA	SUPERIOR COURT/COUNTY CLERK Dept.#SC	04-15-2025	37 YRS 07 MOS
STEPHANIE G. WEISS	SUPERIOR COURT/COUNTY CLERK Dept.#SC	01-23-2025	17 YRS 06 MOS

## **BENEFIT APPROVAL LIST**

#### GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT FROM DEFERRED

NAME	DEPARTMENT	RETIRED	SERVICE
AURORA WINTERS	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	03-01-2025	07 YRS 03 MOS
PATRICE R. YOUNG-BURNSI	COASTAL CLUSTER-HARBOR/UCLA MC	03-20-2025	19 YRS 01 MOS

Dept.#HH

## BOARD OF RETIREMENT MEETING OF MAY 7, 2025 RESCISSIONS/CHANGES FROM BENEFIT APPROVAL LIST APPROVED ON APRIL 2, 2025

## **GENERAL MEMBER APPLICATIONS FOR SERVICE RETIREMENT**

NAME	DEPARTMENT	UPDATE
TERESA P. SCANLON	COASTAL CLUSTER-HARBOR/UCLA MC	RESCISSION OF RETIREMENT
STACEY A. ENSLEY	DISTRICT ATTORNEY	RESCISSION OF RETIREMENT
GABRIELLA M. RANGEL	PROBATION DEPARTMENT	RESCISSION OF RETIREMENT
ROBERT J. SALE	NORTHEAST CLUSTER (LAC+USC)	CHANGE OF DATE TO May 17, 2025
HUI WEN TSENG	DEPT OF PUBLIC SOCIAL SERVICES	RESCISSION OF RETIREMENT
HODA F. EL SOKKARY	PUBLIC WORKS	CHANGE OF DATE TO May 30, 2025

# L///CERA

April 21, 2025

## TO: Each Member Board of Retirement

- FROM: Insurance, Benefits and Legislative Committee Les Robbins, Chair Ronald Okum, Vice Chair Aleen Langton Wayne Moore Shawn R. Kehoe, Alternate
- FOR: May 7, 2025 Board of Retirement Meeting

## SUBJECT: Senate Bill 853—Public Employees' Retirement

Author: Sponsor: Amended: Introduced: Status:	Committee on Labor, Public Employment & Retirement State Association of County Retirement Systems April 21, 2025 March 4, 2025 From committee with author's amendments. Read second time and amended. Re-referred to Committee on Appropriations. (04/21/2025)
IBI C Recom	nmendation: Support (04/02/2025)

Staff Recommendation: Support (04/02/2025)

## RECOMMENDATION

That the Board of Retirement adopt a "Support" position on Senate Bill 853, which would provide clarification and technical updates to the County Employees Retirement Law of 1937.

## LEGISLATIVE POLICY STANDARD

The Board of Retirement's legislative policy standard is to support proposals that provide clarification, technical updates, or conforming changes to the County Employees Retirement Law of 1937, the California Public Employees' Pension Reform Act of 2013, or other applicable provisions under California law related to public retirement systems (Legislative Policy, page 6).

## SUMMARY

SB 853 is an omnibus bill that provides clarifications, technical updates, and conforming changes to the County Employees Retirement of Law of 1937 (CERL). It also contains amendments to the Public Employees' Retirement Law and State Teachers' Retirement Law sponsored by the CalPERS and CalSTRS, respectively.

SB 853 Board of Retirement April 21, 2025 Page 2

## ANALYSIS

## Computation of Final Compensation (31462.05)

A member who is subject to the California Public Employees' Pension Reform Act of 2013 (PEPRA) for all or any portion of their membership in a county retirement system shall have their final compensation determined based on a 36-month period.

If the member has less than three years of service, their final compensation shall be determined by dividing the total pensionable compensation by the number of months of service credited to the member and multiplying by 12.

To determine final compensation for a member who <u>does not have three consecutive</u> <u>years</u> of earned pensionable compensation due to an absence, the compensation for any absence shall be based on the pensionable compensation of the position held by the member immediately prior to the absence.

The amendment would clarify that, for purposes of determining final compensation, the computation for any absence shall be based on the pensionable compensation of the position held by the member at the beginning of the absence, regardless of the number of consecutive years of earned pensionable compensation.

The amendment would ensure that even for members who <u>have three consecutive years</u> of earned pensionable compensation, any absences shall be based on the pensionable compensation of the position held by the member immediately prior to the absence before final compensation is determined. This would align with the practice and understanding of the CERL systems of how final compensation is determined for absences that occur with respect to compensation earnable for legacy members.

## Safety Membership (31470.14)

PEPRA (Government Code Section 7522.44) provides that any enhancement to a member's retirement formula or retirement benefit adopted on or after January 1, 2013, shall apply only to service performed on or after the operative date of the enhancement and shall not be applied to any service performed prior to the operative date of the enhancement.

CERL provides that a general member's service shall be converted to safety service if that past service was rendered in a position that has subsequently been reclassified as a safety position. The amendment would conform CERL to PEPRA's prohibition on retroactive benefit enhancements by clarifying that on or after January 1, 2013 (the effective date of PEPRA), any enhancement to safety service shall be subject to PEPRA's prohibition on retroactive enhancements.

## Post-Retirement Employment (31680.9)

Retired members may be employed for county or district service without reinstatement, subject to specified restrictions such as not exceeding 120 working days or 960 hours in

SB 853 Board of Retirement April 21, 2025 Page 3

a fiscal year. A retired member shall reimburse the retirement system for any retirement allowance received during the periods of employment that exceed these working days or hours.

If an employer fails to enroll, for administrative recordkeeping purposes of the retirement system, a retired member employed without reinstatement within 30 days of the effective date of hire, the retirement board may assess the employer a fee of \$200 per retired member per month until the retired member is enrolled into recordkeeping system.

If an employer fails to report the pay rate and number of hours worked of a retired member employed without reinstatement, within 30 days following the last day of the pay period in which the retired member worked, the board may assess the employer a fee of \$200 per retired member per month until the information is reported.

The amendments would provide the employer with more flexibility in compliance by clarifying that in terms of reporting new hires and payroll information, the retirement board would determine the format of how new hires are reported into the administrative recordkeeping system and the periods for reporting pay rate and hours.

**IT IS THEREFORE RECOMMENDED THAT THE BOARD** adopt a "Support" position on Senate Bill 853, which would provide clarification and technical updates to the County Employees Retirement Law of 1937.

## Attachments

Attachment 1—Board Positions Adopted on Related Legislation Attachment 2—Support and Opposition SB 853 (Committee on Labor, Public Employment & Retirement) as amended on April 21, 2025

cc: Santos H. Kreimann Luis Lugo JJ Popowich Laura Guglielmo Steven P. Rice Jean Kim Naomi Padron, MKP Government Relations SB 853 Attachment 1—Board Positions Adopted on Related Legislation Board of Retirement April 21, 2025 Page 1

## BOARD POSITIONS ADOPTED ON RELATED LEGISLATION

<u>AB 2474 (Chapter 108, Statutes of 2024)</u> provided authorization for LACERA to establish a prepaid card program to disburse retirement allowances. The bill also provided for actions that the retirement system can undertake with respect to retired members who are employed after retirement in violation of specified statutes. The Board of Retirement adopted a "Support" position.

<u>AB 2770 (Chapter 117, Statutes of 2024)</u> made various clarifications and technical updates as well as amendments for administrative flexibility to the County Employees Retirement Law of 1937. The Board of Retirement adopted a "Support" position.

<u>AB 1824 (Chapter 231, Statutes of 2022)</u> made various clarifications and technical updates to the County Employees Retirement Law of 1937. The Board of Retirement adopted a "Support" position.

<u>AB 1971 (Chapter 524, Statutes of 2022)</u> made various amendments to the County Employees Retirement Law of 1937 to provide administrative flexibility and more efficient and effective service to members and stakeholders. The Board of Retirement adopted a "Support" position.

<u>AB 2376 (Chapter 134, Statutes of 2016)</u> clarified the definition of Plan D for purposes of a prospective plan transfer and the applicability of the reciprocal provision on nonconcurrent retirement to Plan E members. The Board of Retirement adopted a "Support" position.

<u>AB 992 (Chapter 40, Statutes of 2015)</u> clarified the ability of members to change their retirement option after being granted a disability retirement. The Board of Retirement adopted a "Support" position.

<u>AB 2474 (Chapter 741, Statutes of 2014)</u> made various amendments to the County Employees Retirement Law of 1937 to conform with the California Public Employees' Pension Reform Act of 2013. The Board of Retirement adopted a "Support" position.

<u>AB 2473 (Chapter 740, Statutes of 2014)</u> made various amendments to the County Employees Retirement Law of 1937 to conform with federal law. The Board of Retirement adopted a "Support" position.

<u>SB 13 (Chapter 528, Statutes 2013)</u> made various technical and clarifying amendments to the County Employees Retirement Law of 1937 and California Public Employees' Pension Reform Act of 2013. The Board of Retirement adopted a "Support" position.

SB 853 Attachment 1—Board Positions Adopted on Related Legislation Board of Retirement April 21, 2025 Page 2

<u>AB 1380 (Chapter 247, Statutes 2013)</u> amended various provisions of the County Employees Retirement Law of 1937 to conform with the California Public Employees' Pension Reform Act of 2013. The Board of Retirement adopted a "Watch" position.

<u>SB 996 (Chapter 792, Statutes of 2012)</u> clarified that for purposes of disability retirement the presumption of heart trouble is a rebuttable presumption. The Board of Retirement adopted a "Support" position.

<u>AB 1902 (Chapter 86, Statutes of 2010)</u> provided technical and clarifying amendments to the provisions of Plan E related to prospective plan transfers and disability retirement, reciprocity, and the crediting of service. The Board of Retirement adopted a "Support" position.

<u>SB 1479 (Chapter 158, Statutes of 2010)</u> provided technical and clarifying amendments to the County Employees Retirement Law of 1937 related to the commencement of membership, exclusion from membership based on monthly compensation rate, advance payments of employer contributions from districts, and compliance with Internal Revenue Service procedures. The Board of Retirement adopted a "Watch" position.

<u>AB 1354 (Chapter 188, Statutes of 2010)</u> amended the County Employees Retirement Law of 1937 to conform with federal law on tax qualification requirements and benefits related to deaths due to military service. The Board of Retirement adopted a "Support" position.

<u>AB 1355 (Chapter 9, Statutes of 2009)</u> updated cross-references related to the calculation of survivor allowances and made other technical changes. The Board of Retirement adopted a "Watch" position.

<u>AB 399 (Chapter 778, Statutes of 2001)</u> codified negotiated benefit enhancements set forth in a Memorandum of Understanding (MOU) between the County of Los Angeles and its labor organizations. The Board of Retirement adopted a "Support" position.

SB 853 Attachment 2—Support and Opposition Board of Retirement April 21, 2025 Page 1

## SUPPORT

State Association of County Retirement Systems (Co-*Sponsor*) California Public Employees' Retirement System (Co-Sponsor) California State Teachers' Retirement System (Co-Sponsor)

## **OPPOSITION**

None on file.

#### AMENDED IN SENATE APRIL 21, 2025

#### AMENDED IN SENATE APRIL 10, 2025

No. 853

## Introduced by Committee on Labor, Public Employment and Retirement (Senators Smallwood-Cuevas (Chair), Cortese, Durazo, Laird, and Strickland)

March 4, 2025

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.

#### LEGISLATIVE COUNSEL'S DIGEST

SB 853, as amended, Committee on Labor, Public Employment and Retirement. Public employees' retirement.

(1) Existing law, the Teachers' Retirement Law, establishes the State Teachers' Retirement System (STRS) and creates the Defined Benefit Program of the State Teachers' Retirement Plan, which provides a defined benefit to members of the program, based on final compensation, creditable service, and age at retirement, subject to certain variations. STRS is administered by the Teachers' Retirement Board. Existing law requires employers and employees to make contributions to the system based on the member's creditable compensation. Existing law defines terms for the purposes of STRS.

Existing law defines "employer" or "employing agency" to mean the state or any agency or political subdivision thereof, including a joint powers authority, as specified. Existing law also defines "membership"

under the Teachers' Retirement Law to mean membership in the Defined Benefit Program, except as specified.

This bill would provide that the board has final authority for determining an "employer" or "employing agency" for purposes of the Teachers' Retirement Law and related provisions governing teachers' health care benefits. The bill would also provide that the board has final authority for determining membership in STRS, as specified.

Existing law authorizes the governing board of a school district or community college district to establish regulations, subject to specified requirements, to permit an employee who is a member of the Defined Benefit Plan to reduce their workload from full time to part time and have retirement benefits calculated as if the employee was employed full time. Existing law requires the agreement to reduce a member's workload to be terminated if one of specified actions is taken, including if the member performs less than  $\frac{1}{2}$  of the days or hours the employer requires for full time in that position.

This bill would revise that provision to instead require the agreement to be terminated if the member earns less than  $\frac{1}{2}$  of the annualized pay rate, as defined.

Existing law makes a continuous annual appropriation from the General Fund to the Controller for transfer to the Supplemental Benefit Maintenance Account in the Teachers' Retirement Fund, as specified. Existing law requires that transfers made to that account occur on October 15 and April 15 of each fiscal year with each payment to be 50% of the annual appropriation.

This bill would provide that if either date falls on a weekend or holiday, the funds will be transferred the next business day.

Existing law also makes certain continuous annual appropriations from the General Fund to the Controller for transfer to the Teachers' Retirement Fund, as specified. Existing law requires the total amounts to be divided into 4 equal payments made on July 1, October 1, December 15, and April 15 of each fiscal year, or the following business day after.

This bill would delete the above-described reference to "on the following business day after" and would instead specify that if any of these dates fall on a weekend or holiday, the funds shall be transferred the next business day.

Existing law establishes procedures governing the recovery of amounts that have been overpaid due to an error by STRS and requires recovery with interest, as specified. Existing law requires a specified amount to

be made as a continuous appropriation from the General Fund to the Controller each July 1, for transfer to the Teachers' Retirement Fund.

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This bill would provide that if July 1 falls on a weekend or holiday, those funds shall be transferred the next business day.

(2) Existing law, the State Teachers' Retirement System Cash Balance Plan, prescribes retirement, disability, and death benefits for part-time educational employees and provides for the administration and operation of the plan. Existing law defines "employer" for purposes of those provisions to mean a school district, community college district, or county office of education that has elected to provide the benefits of that law to persons employed to perform creditable service.

This bill would provide that the Teachers' Retirement Board has final authority for determining an "employer" for purposes of that law.

(3) Existing law, the Public Employees' Retirement Law (PERL), creates the Public Employees' Retirement System (PERS) for the purpose of providing pension benefits to state employees and employees of contracting agencies and prescribes the rights and duties of members of the system and their beneficiaries. Existing law vests management and control of PERS in its board of administration. PERS provides a defined benefit to members of the program, based on final compensation, credited service, and age at retirement, subject to certain variations.

Existing law, the California Public Employees' Pension Reform Act of 2013 (PEPRA), on and after January 1, 2013, requires a public retirement system, as defined, to modify its plan or plans to comply with PEPRA, as specified. Among other things, PEPRA prohibits a public employer from offering a defined benefit pension plan exceeding specified retirement formulas and requires new members of public retirement systems to contribute at least a specified amount of the normal cost, as defined. PEPRA defines "pensionable compensation" for a new member of any public retirement system to mean the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis, as specified.

Under PERL, the highest annual average compensation during any consecutive 12- or 36-month period of employment as a member of a retirement system maintained by the University of California is considered compensation earnable by a member of PERS for purposes of computing final compensation for the member providing that member retires concurrently under both systems.

This bill would instead specify that the highest annual average compensation in the above-described circumstances shall be considered compensation earnable or pensionable compensation pursuant to PEPRA, whichever is applicable.

PERL defines "state service" solely for purposes of qualification for benefits and retirement allowances under PERS to also include service rendered as an officer or employee of a county if the salary for the service constitutes compensation earnable by a member of PERS, as prescribed.

This bill would instead provide that "state service" in the above-described circumstances shall be considered compensation earnable or pensionable compensation pursuant to PEPRA, whichever is applicable.

PERL also provides that the highest annual compensation during any 12- or 36-month period of employment as a member of a county retirement system is considered compensation earnable by a member of PERS for purposes of computing final compensation, as prescribed.

This bill would instead specify that the highest annual average compensation in the above-described circumstances shall be considered compensation earnable or pensionable compensation pursuant to PEPRA, whichever is applicable.

Under PERL, 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 PERS for purposes of computing final compensation for the member, if that member retires concurrently under both systems.

This bill would instead specify that the compensation during any period of service, as described above, is considered compensation earnable or pensionable compensation under PEPRA, whichever is applicable, for purposes of computing final compensation.

(4) Existing law, the County Employees Retirement Law of 1937 (CERL), 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. Under existing law, CERL provides for a defined retirement benefit based upon credited service, final compensation, and age at retirement subject to specified formulas relating to membership classification.

Existing law provides that, for a member who is subject to PEPRA, a specified definition of "final compensation" contained in that law applies for all or any portion of their membership in the county retirement system. Existing law provides that when determining final compensation for a member who does not have 3 consecutive years of earned pensionable compensation due to an absence, the compensation for any absence is based on the pensionable compensation of the position held by the member immediately prior to the absence.

This bill would delete that latter provision. The bill would revise the above provision concerning PEPRA to specify that the compensation for any absence is based on the pensionable compensation of the position held by the member at the beginning of the absence.

Existing law provides that local prosecutors, local public defenders, and local public defender investigators are eligible to participate in CERL, as specified. Under existing law, past service as a general member is required to be converted to safety service if the past service was rendered in a position that has subsequently been reclassified as a safety position pursuant to that provision.

This bill would revise that provision to specify that it applies to service before January 1, 2013. The bill would specify that on and after January 1, 2013, any enhancement to safety service is subject to a provision of PEPRA governing the retirement formulas and benefits of all public employees.

Existing law prohibits a person who has been retired under CERL from being employed in any capacity thereafter by a county or district of the retirement system unless the person has first been reinstated from retirement or is authorized under CERL or PEPRA. Existing law provides that if an employer fails to enroll, solely for the administrative recordkeeping purposes of the system, a retired member employed in any capacity, without reinstatement, within 30 days of the effective date of hire, the board may assess the employer a fee of \$200 per retired member per month until the retired member is enrolled in those administrative aspects of the system.

This bill would instead provide that if an employer fails to report the above-described information, in a format determined by the system, and within the above-described timeframe, the board may assess that \$200 fee until the information is reported.

Existing law also authorizes the board to assess the employer a fee of \$200 per retired member per month if an employer fails to report the pay rate and number of hours worked by a retired member, without reinstatement, within 30 days following the last day of the pay period in which the retired member worked.

This bill would delete the 30-day period described above and instead would replace it with "at periods determined by the system."

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

## The people of the State of California do enact as follows:

SECTION 1. Section 22104.8 of the Education Code, as added
 by Section 2 of Chapter 690 of the Statutes of 2024, is amended
 to read:

4 22104.8. (a) "Annualized pay rate" means the salary, as 5 described in Section 22119.3, a person could earn during a school 6 term in each position subject to membership if creditable service 7 were performed for that position on a full time basis

7 were performed for that position on a full-time basis.

8 (b) The annualized pay rate shall be determined pursuant to the
9 publicly available pay schedule by using either of the following
10 methods:

(1) Explicitly itemized as a single amount, either separately orwithin a table.

(2) Derived from an explicit hourly or daily rate multiplied by
the total hours or days required in order to be employed in the
position subject to membership on a full-time basis pursuant to
Section 22138.5. If the total hours or days required to be employed

17 on a full-time basis is not established, the number of hours or days

18 shall be the minimum standard described in Section 22138.5.

19 (c) If no annualized pay rate exists pursuant to subdivision (b)

for a position subject to membership, all compensation earned in that position shall be deemed "supplemental pay" pursuant to paragraph (2) of subdivision (a) of Section 22119.3.

23 (d) This definition of "annualized pay rate" is consistent with
24 subdivision (e) of Section 22115.

(e) (1) The board shall determine a date based on when the
system has the capacity to implement the changes made by the act
that added this subdivision. The date determined by the board shall

be posted on the internet website of the system no later than July
1, 2027.

30 (2) This section shall become operative on the date determined 31 by the board pursuant to paragraph (1).

1 SEC. 2. Section 22131 of the Education Code is amended to 2 read:

3 22131. (a) (1) "Employer" or "employing agency" means the 4 state or any agency or political subdivision thereof, including, but 5 not limited to, a joint powers authority, for which creditable service 6 subject to coverage by the plan is performed.

7 (2) In the case of a joint powers authority, all of the following 8 criteria shall be met:

9 (A) The joint powers authority shall be formed pursuant to the 10 Joint Exercise of Powers Act (Chapter 5 (commencing with Section 11 6500) of Division 7 of Title 1 of the Government Code).

(B) All entities included in the joint powers authority shall be
entities at which creditable service subject to coverage by the plan
is performed.

15 (C) The joint powers authority shall report through a single 16 county office of education, with that county superintendent having 17 responsibility for activities specified under this part, including but

18 not limited to, reporting and remitting contributions.

(b) This section shall be administered in compliance with the
requirements defining a governmental plan set forth in Section
414(d) of the Internal Revenue Code of 1986 (26 U.S.C. Sec.
414(d)).

(c) The board shall have final authority for determining an
"employer" or "employing agency" for purposes of this part and
Part 13.5 (commencing with Section 25900).

26 SEC. 3. Section 22146.5 of the Education Code is amended to 27 read:

28 22146.5. "Membership" means membership in the Defined
29 Benefit Program, except as otherwise specifically provided in this

30 part. The board shall have final authority for determining 31 membership in the system, considering the conditions under which

persons may be admitted to and receive benefits from the system.

SEC. 4. Section 22713 of the Education Code is amended to
 read:

35 22713. (a) Notwithstanding any other provision of this chapter, 36 if the governing board of a school district or a community college 37 district, or a county superintendent of schools establishes 38 regulations pursuant to Sections 44922 and 87483, an employer 39 may enter into a written agreement with an employee who is a 40 member of the Defined Benefit Program to reduce their workload

1 in a position from full time to part time, receive the service credit

2 the member would have received if the member had been employed

3 in that position on a full-time basis and have their retirement

4 allowance, as well as other benefits that the member is entitled to

5 under this part, based, in part, on the final compensation the 6 member would have been entitled to if the member had been

6 member would have been entitled to if the member had been 7 employed on a full-time basis. The option to reduce the member's

7 employed on a full-time basis. The option to reduce the member's8 workload shall be exercised at the request of the member if all of

9 the following conditions are met:

10 (1) The member is employed by either of the following:

(A) A school district or county office of education as a
prekindergarten through grade 12 certificated employee who does
not hold a position with a salary above the maximum salary of a

14 school principal for that employer.

15 (B) A community college district.

16 (2) The member has a minimum of 10 years of credited service

in the Defined Benefit Program prior to the start of the school termof the first school year of the agreement to reduce the member'sworkload.

(3) The member shall have been employed on a full-time basis
to perform creditable service under the Defined Benefit Program
each year of the five school years immediately preceding the first
school year in which the member's workload is reduced, without
having a break in service. For the purposes of this paragraph:

(A) Employer-approved leaves of absence, and unpaid absences
 from the performance of creditable service for personal reasons

27 from full-time employment do not constitute a break in service.

28 (B) Creditable service that was performed for a school year in

29 which a member reduced their workload pursuant to this section

30 shall be treated as full time, provided that the agreement to reduce

31 the member's workload was not terminated during that year 32 pursuant to subdivision (e).

33 (C) The period of time during which a member is retired for34 service shall constitute a break in service.

(4) The member is 55 years of age or older prior to the start of
the school term of the first school year of the agreement for which
the member's workload is reduced.

38 (b) The employer, in conjunction with the system, shall certify

39 the member's eligibility for participation in the reduced workload

40 program in accordance with subdivision (a). The employer's

1 certification shall be submitted in a format prescribed by the system

2 and shall be received in the system's headquarters office prior to

3 the start of the school term of the first school year of the agreement4 for which the member's workload is reduced.

5 (c) The agreement to reduce the member's workload shall be

6 in effect prior to the start of the school term of the first school year

7 of the agreement for which the member's workload is reduced,

8 and shall include the following requirements:

9 (1) The total amount of time in which a member reduces their 10 workload pursuant to this section shall not exceed 10 school years.

(2) The reduced workload shall be equal to at least one-half of
the time the employer requires for full-time employment in that
position in accordance with Section 22138.5.

14 (3) The member shall be paid creditable compensation that is

the pro rata share of the creditable compensation the member wouldhave been paid for that position had the member not reduced theirworkload.

18 (4) For each school year the member's workload is reduced 19 pursuant to this section, the member shall make contributions to 20 the Teachers' Retirement Fund in the amount that the member 21 would have contributed if the member had performed creditable 22 service for that position on a full-time basis and if that service was

23 subject to coverage under the Defined Benefit Program.

(5) For each school year the member's workload is reduced
pursuant to this section, the employer shall contribute to the
Teachers' Retirement Fund at a rate adopted by the board as a plan
amendment with respect to the Defined Benefit Program an amount

amendment with respect to the Defined Benefit Program an amountbased upon the creditable compensation that would have been paid

to the member if the member had performed creditable service for

that position on a full-time basis and if that service was subject to

31 coverage under the Defined Benefit Program.

32 (d) The employer shall maintain the necessary records to
33 separately identify each member who participates in the reduced
34 workload program pursuant to this section.

35 (e) The agreement to reduce a member's workload shall be 36 terminated if one of the following actions is taken:

37 (1) The member's employment is terminated prior to the end38 of the school term.

39 (2) The member earns less than one-half of the annualized pay40 rate as defined in Section 22104.8.

1 (3) The member and the employer mutually agree that the 2 member will perform creditable service without making 3 contributions in accordance with paragraphs (4) and (5) of 4 subdivision (c).

5 (f) Upon termination of the agreement for any of the reasons 6 described in subdivision (e):

7 (1) The employer shall notify the system that the agreement to
8 reduce a member's workload has been terminated within 30 days
9 of the agreement being terminated.

(2) The member's service credit and contributions for that school
year in which the agreement is terminated shall be computed in
accordance with Section 22701 and Chapters 15 and 16.

(3) That school year in which the agreement is terminated shall
not be included in the total amount of time in which a member is
allowed to reduce their workload pursuant to paragraph (1) of
subdivision (c).

(4) Any subsequent agreement to reduce a member's workloadshall meet all of the conditions set forth in this section.

19 SEC. 5. Section 22954 of the Education Code is amended to 20 read:

21 22954. (a) Notwithstanding Section 13340 of the Government
22 Code, a continuous appropriation is hereby annually made from
23 the General Fund to the Controller, pursuant to this section, for
24 transfer to the Supplemental Benefit Maintenance Account in the
25 Teachers' Retirement Fund.

26 (b) Except as reduced pursuant to subdivision (c), the total 27 amount of the appropriation for each year shall be equal to 2.5 28 percent of the total of the creditable compensation of the fiscal 29 year ending in the immediately preceding calendar year upon which 30 members' contributions are based for purposes of funding the supplemental payments authorized by Section 24415, as reported 31 32 annually to the Director of Finance, the Chairperson of the Joint 33 Legislative Budget Committee, and the Legislative Analyst 34 pursuant to Section 22955.5.

(c) Beginning with the 2008–09 fiscal year, the appropriation
in subdivision (b) shall be reduced in accordance with the following
schedule:

38

39	2008–09	\$66,386,000
40	2009–10	\$70,000,000

2010–11.....\$71,000,000 2011–12 and each fiscal year thereafter.....\$72,000,000

1 2 3

4 (d) Transfers made to the Supplemental Benefit Maintenance 5 Account, pursuant to subdivision (a), shall be made on October 6 15 and April 15 of each fiscal year with each payment to be 50 7 percent of the annual appropriation. If either date falls on a 8 weekend or holiday, the funds shall be transferred the next business 9 day.

10 (e) Notwithstanding subdivision (d), for the 2010–11 fiscal year 11 only, the transfer that would have been made pursuant to 12 subdivision (d) on October 15, 2010, shall be made on November 13 15, 2010, and the transfer that would have been made pursuant to 14 subdivision (d) on April 15, 2011, shall be made on March 14, 15 2011.

(f) The board may deduct from the annual appropriation madepursuant to this section an amount necessary for the administrativeexpenses of Section 24415.

19 (g) It is the intent of the Legislature in enacting this section to establish the supplemental payments pursuant to Section 24415 20 21 as vested benefits pursuant to a contractually enforceable promise 22 to make annual contributions from the General Fund to the Supplemental Benefit Maintenance Account in the Teachers' 23 Retirement Fund in order to provide a continuous annual source 24 25 of revenue for the purposes of making the supplemental payments under Section 24415. 26 27 SEC. 6. Section 22955 of the Education Code is amended to 28 read:

29 22955. (a) Notwithstanding Section 13340 of the Government 30 Code, commencing July 1, 2003, a continuous appropriation is hereby annually made from the General Fund to the Controller, 31 32 pursuant to this section, for transfer to the Teachers' Retirement Fund. The total amount of the appropriation for each year shall be 33 34 equal to 2.017 percent of the total of the creditable compensation 35 of the fiscal year ending in the immediately preceding calendar year upon which members' contributions are based, as reported 36 37 annually to the Director of Finance, the Chairperson of the Joint 38 Legislative Budget Committee, and the Legislative Analyst pursuant to Section 22955.5, and shall be divided into four equal 39 40 payments. The payments shall be made on July 1, October 1,

1 December 15, and April 15 of each fiscal year. If any of these dates

2 fall on a weekend or holiday, the funds shall be transferred the3 next business day.

4 (b) Notwithstanding Section 13340 of the Government Code, 5 commencing October 1, 2003, a continuous appropriation, in addition to the appropriation made by subdivision (a), is hereby 6 7 annually made from the General Fund to the Controller for transfer 8 to the Teachers' Retirement Fund. The total amount of the 9 appropriation for each year shall be equal to 0.524 percent of the total of the creditable compensation of the fiscal year ending in 10 the immediately preceding calendar year upon which members' 11 12 contributions are based, as reported annually to the Director of 13 Finance, the Chairperson of the Joint Legislative Budget 14 Committee, and the Legislative Analyst pursuant to Section 22955.5, and shall be divided into four equal quarterly payments. 15 The percentage shall be adjusted to reflect the contribution required 16 17 to fund the normal cost deficit or the unfunded obligation as 18 determined by the board based upon a recommendation from its 19 actuary. If a rate increase is required, the adjustment may be for 20 no more than 0.25 percent per year and in no case may the transfer 21 made pursuant to this subdivision exceed 1.505 percent of the total 22 of the creditable compensation of the fiscal year ending in the 23 immediately preceding calendar year upon which members' contributions are based. At any time when there is neither an 24 25 unfunded obligation nor a normal cost deficit, the percentage shall 26 be reduced to zero. The funds transferred pursuant to this 27 subdivision shall first be applied to eliminating on or before June 28 30, 2027, the unfunded actuarial liability of the fund identified in 29 the actuarial valuation as of June 30, 1997. 30 (c) For the purposes of this section, the term "normal cost

31 deficit" means the difference between the normal cost rate as 32 determined in the actuarial valuation required by Section 22311 and the total of the member contribution rate required under Section 33 34 22901 and the employer contribution rate required under Section 35 22950, and shall exclude (1) the portion for unused sick leave service credit granted pursuant to Section 22717, and (2) the cost 36 37 of benefit increases that occur after July 1, 1990. The contribution 38 rates prescribed in Section 22901 and Section 22950 on July 1, 39 1990, shall be utilized to make the calculations. The normal cost 40 deficit shall then be multiplied by the total of the creditable

1 compensation upon which member contributions under this part

2 are based to determine the dollar amount of the normal cost deficit3 for the year.

4 (d) Pursuant to Section 22001 and case law, members are 5 entitled to a financially sound retirement system. It is the intent of 6 the Legislature that this section shall provide the retirement fund 7 stable and full funding over the long term.

(e) This section continues in effect but in a somewhat different
form, fully performs, and does not in any way unreasonably impair,
the contractual obligations determined by the court in California
Teachers' Association v. Cory, 155 Cal.App.3d 494.

(f) Subdivision (b) shall not be construed to be applicable to
any unfunded liability resulting from any benefit increase or change
in contribution rate under this part that occurs after July 1, 1990.

(g) The provisions of this section shall be construed and implemented to be in conformity with the judicial intent expressed

by the court in California Teachers' Association v. Cory, 155Cal.App.3d 494.

19 (h) Subdivisions (a) through (g), inclusive, shall be inoperative

20 on and after July 1, 2014, and shall become operative beginning 21 the earlier of July 1, 2046, or July 1 of the first fiscal year after a

22 30-day notice has been sent to the Joint Legislative Budget

23 Committee and the Controller in compliance with subdivision (d)

24 of Section 22957.

25 SEC. 7. Section 22955.1 of the Education Code is amended to 26 read:

27 22955.1. (a) Notwithstanding Section 13340 of the 28 Government Code, commencing July 1, 2003, a continuous 29 appropriation is hereby annually made from the General Fund to 30 the Controller, pursuant to this section, for transfer to the Teachers' 31 Retirement Fund. The total amount of the appropriation for each 32 year shall be equal to 2.017 percent of the total of the creditable 33 compensation of the fiscal year ending in the immediately 34 preceding calendar year upon which members' contributions are 35 based, as reported annually to the Director of Finance, the 36 Chairperson of the Joint Legislative Budget Committee, and the 37 Legislative Analyst pursuant to Section 22955.5, and shall be 38 divided into four equal payments. The payments shall be made on

39 July 1, October 1, December 15, and April 15 of each fiscal year.

- 1 If any of these dates fall on a weekend or holiday, the funds shall
- 2 be transferred the next business day.

3 (b) (1) Commencing July 1, 2014, the amount of the 4 appropriation required under subdivision (a) shall increase by the 5 following percentages of the creditable compensation upon which

6 that appropriation is based:

7 (A) On July 1, 2014, by 1.437 percent.

8 (B) On July 1, 2015, by 2.874 percent.

9 (C) On July 1, 2016, by 4.311 percent.

10 (2) Except as provided in paragraph (3), for the 2017–18 fiscal 11 year and each fiscal year thereafter, the board shall increase or

decrease the percentage specified in this subdivision from the percentage paid during the prior fiscal year to reflect the

14 contribution required to eliminate the remaining unfunded actuarial 15 obligation, as determined by the board based upon a

16 recommendation from its actuary. If a rate increase is required,

17 the adjustment may be for no more than 0.50 percent per year of

18 the total of the creditable compensation of the fiscal year ending

19 in the immediately preceding calendar year upon which members'

20 contributions are based. At any time when there is not an unfunded

actuarial obligation as determined by the board, the percentagespecified in this subdivision shall be reduced to zero.

(3) For the 2020–21 fiscal year, the percentage specified in this
subdivision shall be the percentage set by the board pursuant to
paragraph (2) for the 2019–20 fiscal year, and the board shall not
increase or decrease the percentage specified in this paragraph for

increase or decrease the percentage specified in this paragraph forthe 2020–21 fiscal year. This paragraph does not prevent payments

towards the unfunded actuarial obligation from being made from

other sources of funding, including, but not limited to, other sources

30 in the General Fund.

31 (c) Pursuant to Section 22001 and case law, members are entitled

32 to a financially sound retirement system. It is the intent of the

Legislature that this section shall provide the retirement fund stableand full funding over the long term.

(d) This section continues in effect but in a somewhat different
 form, fully performs, and does not in any way unreasonably impair,

37 the contractual obligations determined by the court in California

38 Teachers Association v. Cory (1984) 155 Cal.App.3d 494.

39 (e) Subdivision (b) shall not be construed to be applicable to 40 any unfunded actuarial obligation resulting from any benefit

1 increase or change in contribution rate under this part that occurs

after July 1, 1990, except that state contributions made pursuant
to subdivision (b) shall be allocated to reduce the unfunded
actuarial obligation resulting from the benefits and contribution
rates in effect as of July 1, 1990.

6 (f) The provisions of this section shall be construed and
7 implemented to be in conformity with the judicial intent expressed
8 by the court in California Teachers Association v. Cory (1984)
9 155 Cal.App.3d 494.

10 (g) (1) Except as described in paragraph (2), this section shall 11 become inoperative on July 1, 2046, and as of January 1, 2047, is 12 repealed.

(2) Notwithstanding paragraph (1), on July 1 of the first fiscal
year after a 30-day notice has been sent to the Joint Legislative
Budget Committee and the Controller in compliance with
subdivision (d) of Section 22957, this section shall become
inoperative and, as of the following January 1, is repealed.

18 SEC. 8. Section 24616.2 of the Education Code is amended to19 read:

20 24616.2. (a) Except as limited pursuant to Section 22008:

(1) All amounts that have been overpaid due to inaccurate
information, untimely submission, nonsubmission of information,
or on the basis of fraud or intentional misrepresentation by, or on
behalf of, a recipient of a benefit, annuity, or refund shall be
recovered, as applicable, from the member, participant, former
member, former participant, or beneficiary. This paragraph
excludes amounts overpaid pursuant to paragraph (2), (3), or (4).

(2) All amounts that have been overpaid due to inaccurate
information, untimely submission, or nonsubmission of information
by an employer that reports directly to the system shall be
recovered, as applicable, from that employer.

(3) All amounts that have been overpaid due to inaccurate
information, untimely submission, or nonsubmission of information
by a county superintendent of schools that reports directly to the
system on behalf of an employer shall be recovered, as applicable,
from that county superintendent of schools. If the overpayment
resulted from an error of an employer, the county superintendent
of schools may recover the amounts required from that employer

39 pursuant to Section 23012.

(A) If the county superintendent of schools provided notice to,
 and received consent from, an employer to submit that employer's
 monthly report, inclusive of any modifications by the county
 superintendent of schools on behalf of the employer, an
 overpayment due to inaccurate information shall be considered an
 error of that employer.

7 (B) If the untimely submission or nonsubmission of information 8 was the result of the employer's untimely submission or 9 nonsubmission of information, the overpayment shall be considered 10 an error of the employer.

(4) (A) All amounts that have been overpaid due to an error by
the system shall be recovered, with interest as specified in
subparagraph (B), as follows:

14 (i) Commencing July 1, 2024, 85 percent of this amount 15 resulting from benefit adjustments that take place within the fiscal year ending in the immediately preceding calendar year, the 16 17 specific amount of which shall be determined by the board, shall 18 be made as a continuous appropriation from the General Fund to 19 the Controller each July 1 for transfer to the Teachers' Retirement 20 Fund. If July 1 falls on a weekend or holiday, the funds shall be 21 transferred the next business day.

22 (ii) Commencing July 1, 2024, 15 percent of this amount resulting from benefit adjustments that take place within the fiscal 23 24 year ending in the immediately preceding calendar year, the 25 specific amount of which shall be determined by the board, shall 26 be recovered from all employers that report directly to the system 27 in amounts proportionate to their share of contributions for that 28 fiscal year, including the contributions of those employers for 29 whom a county superintendent of schools reports. A county 30 superintendent of schools that reports directly to the system on 31 behalf of employers may recover amounts proportionate to each 32 employer's share of contributions for that fiscal year from those 33 employers pursuant to Section 23012.

34 (B) The amount to be recovered in accordance with35 subparagraph (A) shall be calculated to include regular interest36 from the date of the overpayment to the date of recovery.

(b) (1) An employer shall remit any amount required to be paid
to the system pursuant to this section within 30 days of the date
of the invoice. If the system does not receive payment within 30

1 days, the amount owed to the system shall be recalculated to2 include regular interest from the initial due date.

3 (2) If a payment pursuant to paragraph (1) is not received within

4 30 days of the date of invoice, the Controller shall, upon the order
5 of the board, reduce subsequent payments from the State School

6 Fund to the county for deposit in the county school service fund

7 by the amount owed or, upon the request of a county superintendent 8 of schools to the county auditor, the Controller shall reduce

8 of schools to the county auditor, the Controller shall reduce 9 payments to a school district for deposit in the district general fund

by the amount owed. The Controller shall then pay to the system

11 the amount owed for deposit in the Teachers' Retirement Fund.

(c) Determination of an amount that has been overpaid shall be
provided in writing by the system to the party responsible for the
overpayment pursuant to subdivision (a). The system shall identify
the error, document the source of the error, and specify the total

16 amount overpaid due to the error.

(d) This section shall not apply to a recovery made under Section
24015, 24016, or 24017 or to a benefit or allowance reduction
required pursuant to Section 24010, 24109, 24114, 24201.5, 24214,

required pursuant to Section 24010, 24109, 24114, 24201.5 or 24214.5.

(e) Except as explicitly provided by its provisions, this section
shall not be interpreted to limit the system's authority to correct
benefits.

24 SEC. 9. Section 26122 of the Education Code is amended to 25 read:

26 26122. (a) "Employer" means a school district, community
27 college district, or county office of education that has elected to
28 provide the benefits of this part to persons employed to perform
29 creditable service. "Employer" shall not include the state.

30 (b) The board shall have final authority for determining an31 "employer" for purposes of this part.

32 SEC. 10. Section 7522.02 of the Government Code is amended 33 to read:

7522.02. (a) (1) Notwithstanding any other law, except as
provided in this article, on and after January 1, 2013, this article
shall apply to all state and local public retirement systems and to
their participating employers, including the Public Employees'

38 Retirement System, the State Teachers' Retirement System, the

39 Legislators' Retirement System, the Judges' Retirement System,

40 the Judges' Retirement System II, county and district retirement

1 systems created pursuant to the County Employees Retirement

2 Law of 1937 (Chapter 3 (commencing with Section 31450) of Part

3 3 of Division 4 of Title 3), independent public retirement systems,

4 and to individual retirement plans offered by public employers.

5 However, this article shall be subject to the Internal Revenue Code

6 and Section 17 of Article XVI of the California Constitution. The

7 administration of the requirements of this article shall comply with

8 applicable provisions of the Internal Revenue Code and the

9 Revenue and Taxation Code.

10 (2) Notwithstanding paragraph (1), this article shall not apply

11 to the entities described in Section 9 of Article IX of, and Sections

12 4 and 5 of Article XI of, the California Constitution, except to the

13 extent that these entities continue to be participating employers in

14 any retirement system governed by state statute. Accordingly, any

retirement plan approved before January 1, 2013, by the voters of any entity excluded from coverage by this section shall not be

17 affected by this article.

18 (3) (A) Notwithstanding paragraph (1), this article shall not 19 apply to a public employee whose interests are protected under

20 Section 5333(b) of Title 49 of the United States Code until a federal

21 district court rules that the United States Secretary of Labor, or

22 their designee, erred in determining that the application of this

article precludes certification under that section, or until January

24 1, 2016, whichever is sooner.

(B) If a federal district court upholds the determination of theUnited States Secretary of Labor, or their designee, that application

27 of this article precludes them from providing a certification under

28 Section 5333(b) of Title 49 of the United States Code, this article

shall not apply to a public employee specified in subparagraph(A).

(4) Notwithstanding paragraph (1), this article shall not apply
to a multiemployer plan authorized by Section 302(c)(5) of the

33 federal Taft-Hartley Act (29 U.S.C. Sec. 186(c)(5)) if the public

34 employer began participation in that plan prior to January 1, 2013,

35 and the plan is regulated by the federal Employee Retirement

36 Income Security Act of 1974 (29 U.S.C. Sec. 1001 et seq.).

(b) The benefit plan required by this article shall apply to publicemployees who are new members as defined in Section 7522.04.

39 (c) (1) Individuals who were employed by any public employer

40 before January 1, 2013, and who became employed by a subsequent

1 public employer for the first time on or after January 1, 2013, shall

2 be subject to the retirement plan that would have been available

3 to employees of the subsequent employer who were first employed

4 by the subsequent employer on or before December 31, 2012, if

5 the individual was subject to concurrent membership for which

6 creditable service was performed in the previous six months or

7 reciprocity established under any of the following provisions:

8 (A) Article 5 (commencing with Section 20350) of Chapter 3
9 of Part 3 of Division 5 of Title 2.

10 (B) Chapter 3 (commencing with Section 31450) of Part 3 of 11 Division 4 of Title 3.

12 (C) Any agreement between public retirement systems to provide 13 reciprocity to members of the systems.

14 (D) Section 22115.2 of the Education Code.

15 (2) An individual who was employed before January 1, 2013, 16 and who, without a separation from employment, changed 17 employment positions and became subject to a different defined 18 benefit plan in a different public retirement system offered by their 19 employer shall be subject to that defined benefit plan as it would 20 have been available to employees who were first employed on or 21 before December 31, 2012.

22 (d) If a public employer, before January 1, 2013, offers a defined 23 benefit pension plan that provides a defined benefit formula with 24 a lower benefit factor at normal retirement age and results in a 25 lower normal cost than the defined benefit formula required by 26 this article, that employer may continue to offer that defined benefit 27 formula instead of the defined benefit formula required by this 28 article, and shall not be subject to the requirements of Section 29 7522.10 for pensionable compensation subject to that formula. 30 However, if the employer adopts a new defined benefit formula 31 on or after January 1, 2013, that formula must conform to the 32 requirements of this article or must be determined and certified by 33 the retirement system's chief actuary and the retirement board to 34 have no greater risk and no greater cost to the employer than the 35 defined benefit formula required by this article and must be 36 approved by the Legislature. New members of the defined benefit 37 plan may only participate in the lower cost defined benefit formula 38 that was in place before January 1, 2013, or a defined benefit 39 formula that conforms to the requirements of this article or is 40 approved by the Legislature as provided in this subdivision.

(e) If a public employer, before January 1, 2013, offers a 1 2 retirement benefit plan that consists solely of a defined contribution 3 plan, that employer may continue to offer that plan instead of the 4 defined benefit pension plan required by this article. However, if 5 the employer adopts a new defined benefit pension plan or defined 6 benefit formula on or after January 1, 2013, that plan or formula 7 must conform to the requirements of this article or must be 8 determined and certified by the retirement system's chief actuary 9 and the system's board to have no greater risk and no greater cost to the employer than the defined benefit formula required by this 10 article and must be approved by the Legislature. New members of 11 12 the employer's plan may only participate in the defined 13 contribution plan that was in place before January 1, 2013, or a 14 defined contribution plan or defined benefit formula that conforms 15 to the requirements of this article. This subdivision shall not be construed to prohibit an employer from offering a defined 16 17 contribution plan on or after January 1, 2013, either with or without 18 a defined benefit plan, whether or not the employer offered a defined contribution plan prior to that date. 19 20 (f) (1) If, on or after January 1, 2013, the Cities of Brea and

21 Fullerton form a joint powers authority pursuant to the provisions 22 of the Joint Exercise of Powers Act (Article 1 (commencing with 23 Section 6500) of Chapter 5), that joint powers authority may provide employees the defined benefit plan or formula that those 24 25 employees received from their respective employers prior to the 26 exercise of a common power, to which the employee is associated, 27 by the joint powers authority to any employee of the City of Brea, 28 the City of Fullerton, or a city described in paragraph (2) who is 29 not a new member and subsequently is employed by the joint 30 powers authority within 180 days of the city providing for the 31 exercise of a common power, to which the employee was 32 associated, by the joint powers authority.

33 (2) On or before January 1, 2017, a city in Orange County that
34 is contiguous to the City of Brea or the City of Fullerton may join
35 the joint powers authority described in paragraph (1) but not more
36 than three cities shall be permitted to join.

(3) The formation of a joint powers authority on or after January
1, 2013, shall not act in a manner as to exempt a new employee
or a new member, as defined by Section 7522.04, from the
requirements of this article. New members may only participate

1 in a defined benefit plan or formula that conforms to the 2 requirements of this article.

3 (g) (1) If, on or after January 1, 2013, the Belmont Fire 4 Protection District, the Estero Municipal Improvement District, 5 and the City of San Mateo form a joint powers authority pursuant 6 to the provisions of the Joint Exercise of Powers Act (Article 1 7 (commencing with Section 6500) of Chapter 5), that joint powers 8 authority may provide employees the defined benefit plan or 9 formula that those employees received from their respective 10 employers prior to the exercise of a common power, to which the 11 employee is associated, by the joint powers authority to any 12 employee of the Belmont Fire Protection District, the Estero 13 Municipal Improvement District, and the City of San Mateo who is not a new member and subsequently is employed by the joint 14 15 powers authority within 180 days of the agency providing for the exercise of a common power, to which the employee was 16 17 associated, by the joint powers authority.

18 (2) The formation of a joint powers authority on or after January 19 1, 2013, shall not act in a manner as to exempt a new employee 20 or a new member, as defined by Section 7522.04, from the 21 requirements of this article. New members may only participate 22 in a defined benefit plan or formula that conforms to the 23 requirements of this article.

(h) The Judges' Retirement System and the Judges' Retirement
System II shall not be required to adopt the defined benefit formula
required by Section 7522.20 or 7522.25 or the compensation
limitations defined in Section 7522.10.

(i) This article shall not be construed to provide membership in
any public retirement system for an individual who would not
otherwise be eligible for membership under that system's
applicable rules or laws.

(j) On and after January 1, 2013, each public retirement system
shall modify its plan or plans to comply with the requirements of
this article and may adopt regulations or resolutions for this
purpose.

(k) On and after January 1, 2024, a county and a trial court that
separate their joint contract into individual contracts pursuant to
Section 20471.2 may provide employees the defined benefit plan
or formula that those employees received from their respective

40 employers prior to the exercise of the option to separate, provided

- that the employee subsequently does not otherwise meet the
   definition of a new employee.
- 3 SEC. 11. Section 20034 of the Government Code is amended 4 to read:
- 5 20034. The highest annual average compensation during any 6 consecutive 12- or 36-month period of employment as a member 7 of any retirement system maintained by the university shall be 8 considered compensation earnable or pensionable compensation 9 pursuant to Section 7522.34, whichever is applicable, by a member 10 of this system for purposes of computing final compensation for 11 the member providing the member retires concurrently under both
- 12 systems.
- 13 SEC. 12. Section 20069 of the Government Code is amended 14 to read:
- 15 20069. (a) "State service" means service rendered as an 16 employee or officer (employed, appointed, or elected) of the state, 17 the California Institute for Regenerative Medicine and the officers 18 and employees of its governing body, the university, a school 19 employer, or a contracting agency, for compensation, and only 20 while receiving compensation from that employer therefor, except 21 as provided in Article 4 (commencing with Section 20990) of 22 Chapter 11
- 22 Chapter 11.
- 23 (b) "State service," solely for purposes of qualification for 24 benefits and retirement allowances under this system, shall also
- 25 include service rendered as an officer or employee of a county if
- 26 the salary for the service constitutes compensation earnable or
- 27 pensionable compensation pursuant to Section 7522.34, whichever
- 28 is applicable, by a member of this system under Section 20638.
- 29 (c) "State service," except for purposes of qualification for 30 health or dental benefits, shall also include compensated service
- 31 rendered by an officer, warrant officer, or a person of the enlisted
- 32 ranks of the California National Guard who has elected to become
- 33 a member pursuant to Section 20326 and who has not canceled
- 34 their membership pursuant to Section 20327.
- 35 SEC. 13. Section 20638 of the Government Code is amended 36 to read:
- 37 20638. The highest annual average compensation during any
- 38 consecutive 12- or 36-month period of employment as a member
- 39 of a county retirement system shall be considered compensation
- 40 earnable or pensionable compensation pursuant to Section 7522.34,
  - 97

1 whichever is applicable, by a member of this system for purposes 2 of computing final compensation for the member provided:

3 (a) (1) Entry into employment in which the person became a 4 member in one system occurred on or after October 1, 1957, and 5 within 90 days of discontinuance of employment as a member of 6 the other system.

7 (2) This subdivision shall not deny the benefit of this section to 8 any person retiring after October 1, 1963, who entered membership 9 prior to October 1, 1957, if the person entered the employment in 10 which they became a member within 90 days of termination of 11 employment in which they were a member of the other system, 12 and they became a member within seven months of entry into 13 employment, or, if an employee of a district as defined in Section 14 31468, became a member at the time the district was included in 15 a county retirement system. 16 (b) The member retires concurrently under both systems and is

17 credited with the period of service under the county system at the 18 time of retirement.

19 SEC. 14. Section 20639 of the Government Code is amended 20 to read:

21 20639. The compensation <del>carnable</del> during any period of service 22 as a member of the Judges' Retirement System, the Judges' 23 Retirement System II, the Legislators' Retirement System, or the 24 Defined Benefit Program of the State Teachers' Retirement Plan 25 shall be considered compensation earnable or pensionable 26 compensation pursuant to Section 7522.34, whichever is applicable, 27 as a member of this system for purposes of computing final 28 compensation for the member, if the member retires concurrently 29 under both systems. 30

A member shall be deemed to have retired concurrently under

31 this system and under the Defined Benefit Program of the State

32 Teachers' Retirement Plan, if the member is enrolled as a disabled 33 member under the Defined Benefit Program of the State Teachers'

34 Retirement Plan and for retirement under this system on the same 35 effective date.

SEC. 15. Section 31462.05 of the Government Code is amended 36 37 to read:

38 31462.05. (a) For a member who is subject to the California

Public Employees' Pension Reform Act of 2013 (Article 4 39

40 (commencing with Section 7522) of Chapter 21 of Division 7 of

1 Title 1) for all or any portion of their membership in the county

2 retirement system, "final compensation" as defined in Section

3 7522.32 shall apply. The computation for any absence shall be

4 based on the pensionable compensation of the position held by the5 member at the beginning of the absence.

6 (b) If a member has less than three years of service, that

7 member's final compensation shall be determined by dividing the

8 total pensionable compensation by the number of months of service

9 credited to the member and multiplying by 12.

10 SEC. 16. Section 31470.14 of the Government Code is amended 11 to read:

12 31470.14. (a) Local prosecutors, local public defenders, and13 local public defender investigators are eligible.

14 (b) Except as provided in subdivision (c) and notwithstanding

Sections 31639.7 and 31639.75, past service as a general membershall be converted to safety service if the past service was rendered

17 in a position that has subsequently been reclassified as a safety

position pursuant to this section before January 1, 2013. On or

after January 1, 2013, any enhancement to safety service shall be

20 subject to Section 7522.44. For local prosecutors, as described in

21 paragraph (2) of subdivision (a) of Section 31469.2, service in the

22 office of a district attorney and a local child support agency shall

be considered service for the district attorney for purposes of thissection.

25 (c) Notwithstanding any other provision of this chapter, within

26 90 days after this section becomes operative in the county, or on

27 the first day of the calendar month following entrance into service,

28 whichever is later, a local prosecutor, local public defender, or 29 local public defender investigator may file a written election not

to become a local safety member pursuant to this section.

31 (d) Notwithstanding any other provision of this chapter, local 32 prosecutors, local public defenders, and local public defender 33 investigators shall be subject to the barefit formula contained in

investigators shall be subject to the benefit formula contained inSection 31664 or 31664.2, or any other benefit formula applicable

35 to safety members that does not provide benefits greater than those

36 benefits provided under Section 31664.2, as designated in the

37 resolution described in subdivision (e). A local prosecutor, local

38 public defender, or local public defender investigator shall not be

deemed to be a county peace officer, as defined in Section 31469.1,

40 for any purpose under this chapter.

1 (e) This section shall not be operative in a county unless and 2 until the board of supervisors, by resolution adopted by majority 3 vote, makes this section operative in the county. A resolution to 4 make this section operative in the county shall include all local 5 prosecutors, local public defenders, and local public defender 6 investigators described in Section 31469.2.

7 (f) A provision in a memorandum of understanding that an 8 employer is not obligated to meet and confer regarding wages, 9 hours, or conditions of employment during the term of the 10 memorandum shall not be construed to preclude meetings regarding 11 the provisions of this section between an employer and local 12 prosecutors, local public defenders, and local public defender 13 investigators prior to the expiration of the term of the memorandum 14 of understanding.

(g) This section does not apply to any person described in
Section 31469.2 who dies prior to the date this section becomes
applicable in the county.

18 SEC. 17. Section 31680.9 of the Government Code is amended19 to read:

20 31680.9. (a) A person who has been retired under the 21 retirement system, for service or for disability, may not be 22 employed in any capacity thereafter by the county or a district of 23 the retirement system unless the person has first been reinstated 24 from retirement pursuant to this chapter, or unless the employment, 25 without reinstatement, is authorized by this article or the Public 26 Employees' Pension Reform Act of 2013. A retired person whose 27 employment without reinstatement is authorized by this article or 28 the Public Employees' Pension Reform Act shall acquire no service 29 credit or retirement rights under this part with respect to the 30 employment. 31 (b) Any retired member employed in violation of Section 32 31680.2, 31680.3, 31680.6, or 7522.56 shall do all of the following:

(1) Reimburse the retirement system for any retirement
 allowance received during the period or periods of employment
 that are in violation of law. The retirement allowance that was paid
 in violation of law shall be considered an overpayment subject to

37 collection by the retirement system.

38 (2) Only if reinstated, pay to the retirement system an amount

39 of money equal to the employee contributions that would otherwise

have been paid during the period or periods of unlawful
 employment, plus interest thereon.

3 (3) Contribute toward reimbursement of the retirement system 4 for reasonable administrative expenses incurred in responding to 5 this situation, to the extent the member is determined by the 6 retirement system administrator to be at fault.

7 (c) Any public employer that employs a retired member in
8 violation of Section 31680.2, 31680.3, 31680.6, or 7522.56 shall
9 do both of the following:

(1) Only if the retired member is reinstated, pay to the retirement
system an amount of money equal to employer contributions that
would otherwise have been paid for the period or periods of time
that the member is employed in violation of this article, plus
interest thereon.

15 (2) Contribute toward reimbursement of the retirement system 16 for reasonable administrative expenses incurred in responding to 17 this situation, to the extent the employer is determined by the 18 administrator of the retirement system to be at fault.

(d) If an employer fails to report, in a format determined by the

20 system for the administrative recordkeeping purposes of the system,21 a retired member employed in any capacity, without reinstatement,

a retired member employed in any capacity, without reinstatement,
within 30 days of the effective date of hire, the board may assess

the employer a fee of two hundred dollars (\$200) per retired member per month until the information is reported

24 member per month until the information is reported.25 (e) If an employer fails to report the pay rate and number of

hours worked of a retired member employed in any capacity, without reinstatement, at periods determined by the system, the

board may assess the employer a fee of two hundred dollars (\$200)

29 per retired member per month until the information is reported.

30 (f) An employer shall not pass on to an employee any fees31 assessed pursuant to subdivisions (d) and (e).

(g) The employer shall provide written notice to the employee,
by an appropriate mechanism, including by first-class mail or
email, before the employee is within 10 business days or 80 hours
of the period of time included in Section 31680.2, 31680.3,

36 31680.6, or 7522.56.

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#### 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	<u>Salary</u>
	<u>Schedule</u>
Chief Ethics and Compliance Officer, LACERA	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.

New Classification Title	<u>Salary</u>
	<u>Schedule</u>
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.

#### 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 Boards<sup>1</sup>. 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 CEO<sup>2</sup>. 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.

<sup>&</sup>lt;sup>1</sup> ACRE Committee Charter, Section VIII(B)(1).

<sup>&</sup>lt;sup>2</sup> 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.<sup>3</sup> 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

<sup>&</sup>lt;sup>3</sup> 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

LACERA CECO and DCECO Proposed Classification and Compensation April 24, 2025 Page 8 of 14

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,

LACERA CECO and DCECO Proposed Classification and Compensation April 24, 2025 Page 9 of 14

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	50 <sup>th</sup> Percentile –	75 <sup>th</sup> Percentile –				
	Experienced Level	Experienced Level				
Chief Compliance Officer (Manages a Division, C-Suite)	\$278,766 annual /	\$362,895 annual /				
	\$23,230 monthly	\$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.

NCPERS/CBIZ (Public Pension/National))		
Classification Title	50 <sup>th</sup> Percentile –	75 <sup>th</sup> Percentile –
	Experienced Level	Experienced Level
Chief Auditor/Compliance Officer	\$152,300 annual /	\$194,200 annual /
	\$12,691 monthly	\$16,183 monthly
Deputy Chief Auditor/Compliance Officer	\$126,000 annual /	\$167,100 annual /
	\$10,500 monthly	\$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.

Classification Title	<u>Filter</u>	<u>50<sup>th</sup> Percentile –</u> <u>Experienced Level</u>	<u>75<sup>th</sup> Percentile –</u> 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 75<sup>th</sup> percentile and slightly below the average of the three SCCE data points at the 75<sup>th</sup> percentile.

#### LACERA CECO and DCECO Proposed Classification and Compensation April 24, 2025 Page 10 of 14

Ethics and Compliance Program Charter "three lines" model

Item	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

Compariso	comparison with other LACERA Classifications				
Item	Classification Title	Sal Sch	<u>Sal Max*</u>		
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).

E	Ethics and Compliance Program Charter "three lines" model					
	ltem	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		
	0772	Section Head, LACERA (PMG Supervisor), LACERA	LS09	\$14,616.91		
	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

Item	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) Sch Max Salary Annual		TOTAL ANNUAL TOTAL BUDGET IMPACT	
Ordinance Pos. Requested				w/Benefits @ 55%	
1 BUD/ 1 ORD	Chief Ethics and Compliance Officer, LACERA	LS12	\$18,158.54	\$217,902.48	\$119,846.36

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

No. of Additional		SALARY (1/1/23)		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	\$511.307.30

(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**

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> <u>Schedule</u>
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.

<u>Salary</u>
<u>Schedule</u>
LS12

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, Section 17 of the California</u> <u>Constitution</u> and <u>California Government Code Section 31595 of the County</u> <u>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</u> <u>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</u> <u>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</u> <u>Sentencing Commission's Sentencing Guidelines for Organizations (2023)</u>, which is the most influential of applicable compliance program standards, and the <u>U.S.</u> <u>Department of Justice "Evaluation of Corporate Compliance Programs" (March</u> <u>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;
- C. 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.
  - 3. 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, Response, 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.
- I. <u>Vendor/Third-Party Ethics and Compliance Risk Management</u>. 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. <u>The Institute of Internal Auditors' "Three Lines Model" publication (2020)</u>
- E. <u>United States Sentencing Commission's Sentencing Guidelines for</u> <u>Organizations (2023)</u>
- F. <u>U.S. Department of Justice "Evaluation of Corporate Compliance Programs"</u> (March 2023)

## XI. CHARTER REVIEW

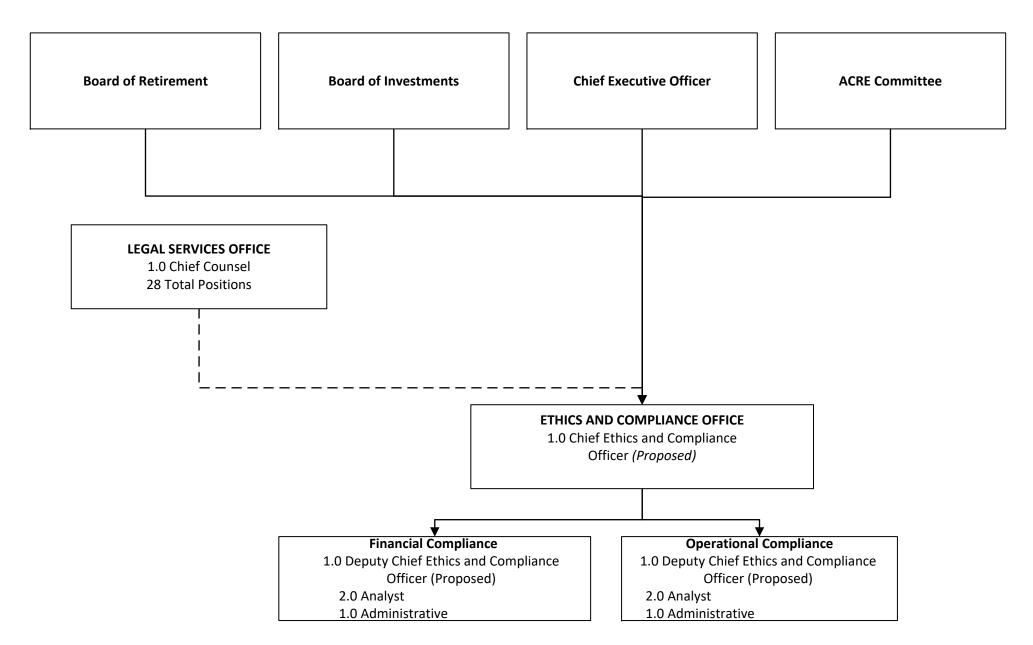
This Charter shall be annually reviewed by the ACRE Committee and the Boards until the Program is fully operational and the Ethics and Compliance Office is developed and staffed. Once those milestones are met, review shall be every three years by the ACRE Committee and the Boards, or more frequently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



#### 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,

#### CHIEF ETHICS AND COMPLIANCE OFFICER, LACERA Page 2

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.

<u>OPTION B: Three years' experience at the level of Deputy, Chief Ethics and Compliance</u> 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

### DEPUTY, CHIEF ETHICS AND COMPLIANCE OFFICER, LACERA Page 2

concerns to the Chief Ethics and Compliance Officer, Chief Executive Officer, the <u>Audit, Compliance, Risk, and Ethics (ACRE)</u> 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.

### DEPUTY, CHIEF ETHICS AND COMPLIANCE OFFICER, LACERA 4 24 2025 Page 3

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

**I**1.,

April 7, 2025

TO: Each Trustee Board of Retirement

- FROM: Francis J. Boyd
- FOR: May 7, 2025, Board of Retirement Meeting

### SUBJECT: DISMISS WITH PREJUDICE THE APPEAL OF JACQUELINE STEWART-BOUTE

Ms. Stewart-Boute applied for a service-connected disability retirement on May 2, 2023. On September 4, 2024, the Board of Retirement denied her application.

Ms. Stewart-Boute filed a timely appeal of the Board's decision. On March 3, 2025, she signed a Withdrawal of Appeal advising LACERA that she did not wish to proceed with the appeal for a service-connected disability retirement. A copy of her request to withdraw is attached.

### IT IS THEREFORE RECOMMENDED THAT THE BOARD:

Dismiss with prejudice Jacqueline Stewart-Boute's appeal for a service-connected disability retirement.

FΒ

Attachment

Jacqueline Stewart-Boute In re Stewart-Boute Febaruary 21, 2025 Page 2

#### WITHDRAWAL OF APPEAL

Coult Stund, Boutc' Date]. My appeal requested an administrative hearing with regard to the denial of application for disability retirement. I understand that once the withdrawal is approved by the Board of Retirement, it becomes final, and no further action will or can be taken. The matter will be closed.

eline Stew

April 17, 2025

TO: Each Trustee Board of Retirement

FROM: Tamara Caldwell, Division Manager

FOR: May 7, 2025, Board of Retirement Meeting

## SUBJECT: SERVICE PROVIDER INVOICE APPROVAL REQUEST – NOAM DRAZIN, M.D.

On January 1, 2015, the Board of Retirement adopted a policy whereby staff is authorized to approve and pay vendor invoices up to a cumulative amount of \$15,000.00 per vendor. Invoices from vendors exceeding \$15,000.00 per case shall be submitted to the Board of Retirement for approval prior to payment.

Dr. Noam Drazin completed his initial report and record review for the application of Michael A. Potechin and is requesting approval for payment of the attached invoice. This was an extensive case with 31.856 inches of records sent for review. The total outstanding balance is \$16,005.73.

**IT IS THEREFORE RECOMMENDED THAT** the Board approve the service provider invoice for Noam Drazin, M.D.

TC:rl

**Confidential Attachment** 

**I**1.,

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





April 24, 2025

- TO: Each Trustee, Board of Retirement
- FROM: Ricki Contreras A 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



# Fiscal Year 2025-26 Proposed Budget Presentation

Administrative, Retiree Healthcare Benefits & OPEB Trust Budgets





# 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



• 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)

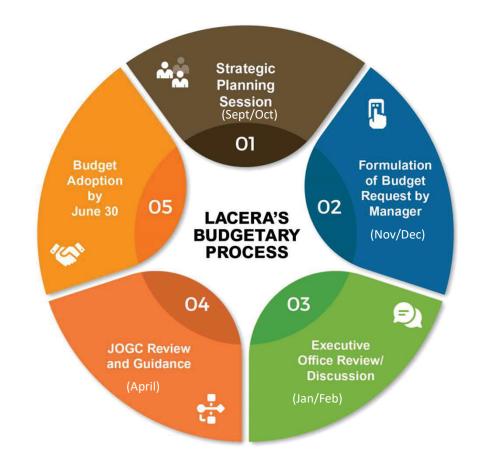
• "The assets of a public pension or retirement system are trust funds and shall be held for the exclusive purposes of providing benefits to participants in the pension or retirement system and their beneficiaries and *defraying reasonable expenses of administering the system*"

### 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

# $\mathbf{C} + \mathbf{I} = \mathbf{B} + \mathbf{E}$

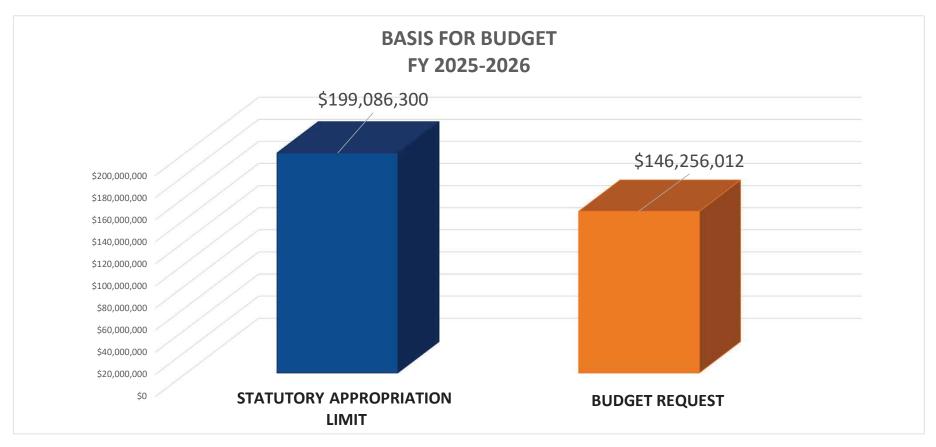
## Contributions + Investment Earnings = Benefits + Expenses



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

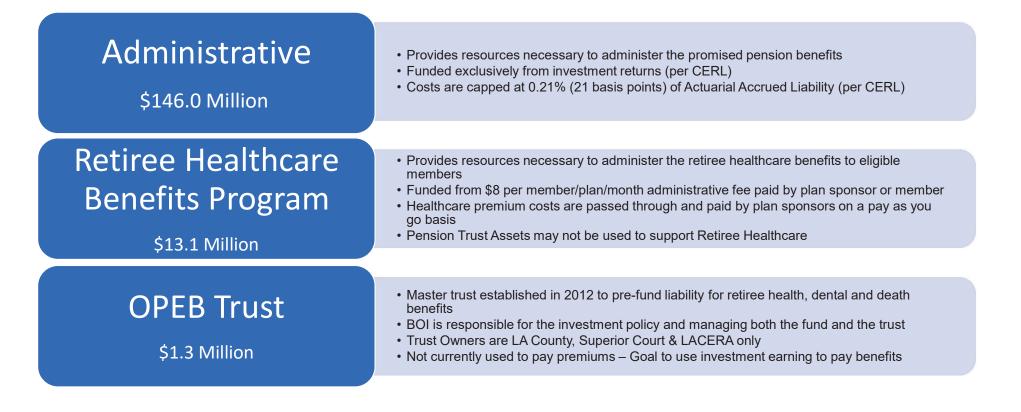


# FY 2025-26 Administrative Budget





# LACERA's Operating Budgets – FY 2025-26

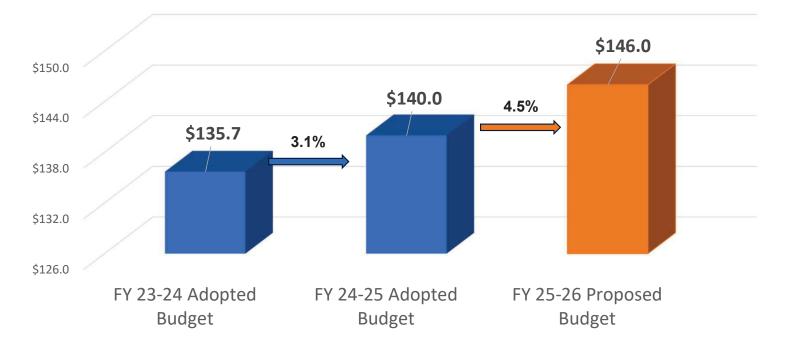


# FY 2025-26 Administrative Budget



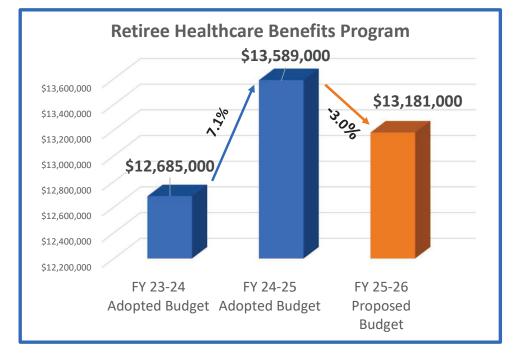
### 3-Year Budget Trend

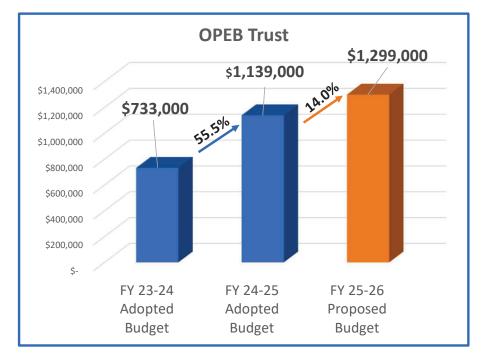
**Administrative Budget (in millions)** 



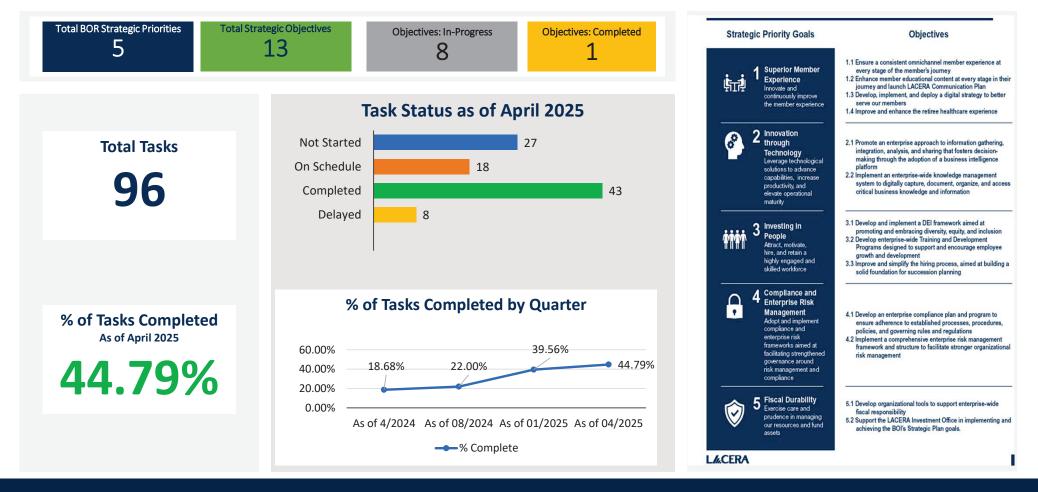
# **Retiree Healthcare & OPEB Trust**

### **3-Year Budget Trend**





# **BOR Strategic Priorities**





# **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 Accomplishments** Solution 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)

# L//,CERA

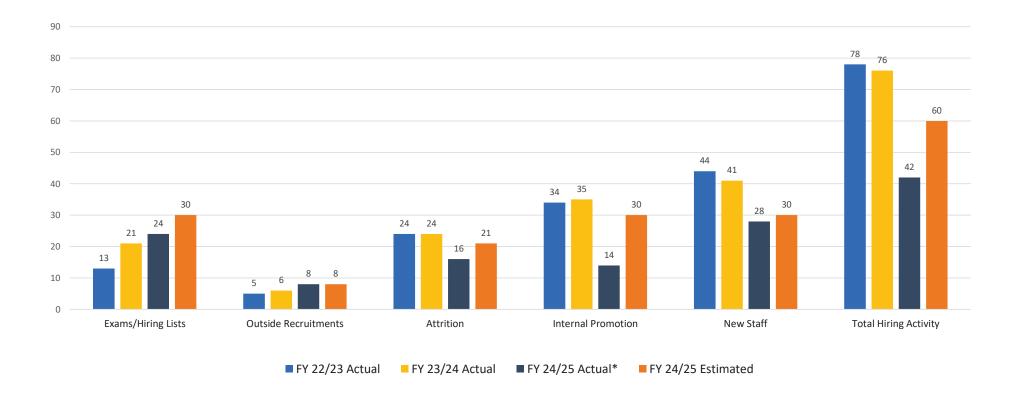
# **Current Staffing and Hiring Trends**

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





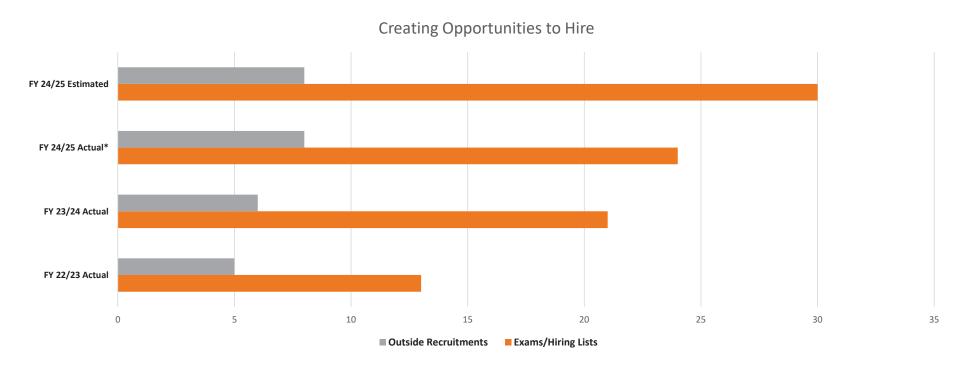
## **HR Key Performance Indicators - 3 Year Trend**



\* 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



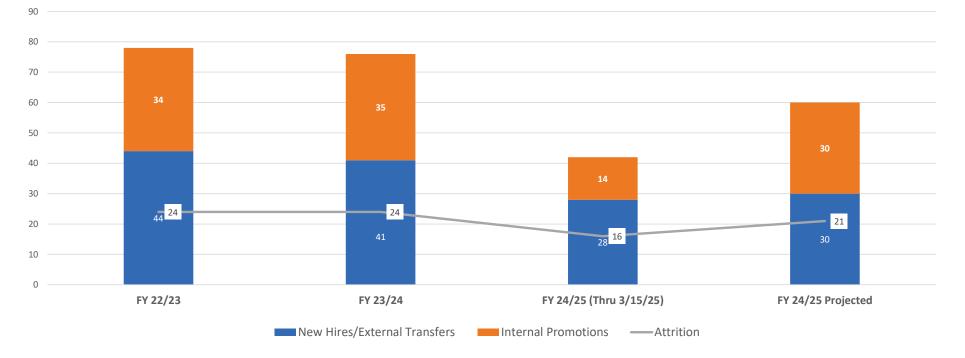
## **Exam Metrics - 3 Year Trend**

Fiscal Year	#Exams		# Applicants	# Hired	
	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.



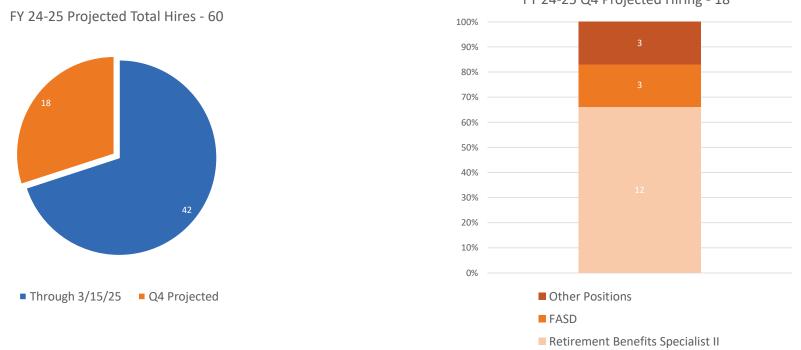
## **Staffing Key Performance Indicators - 3 Year Trend**



Total Hiring and Attrition by FY



## **Breakdown of FY 24-25 Projected Hiring**



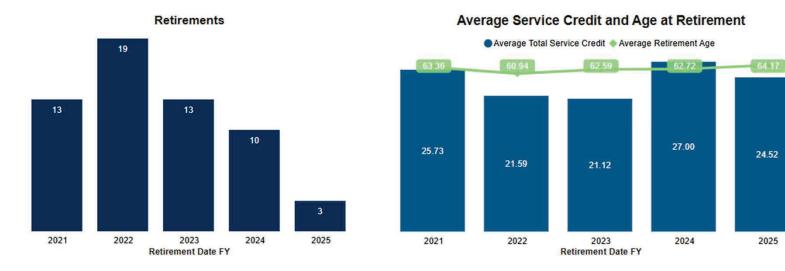
FY 24-25 Q4 Projected Hiring - 18



24.52

2025

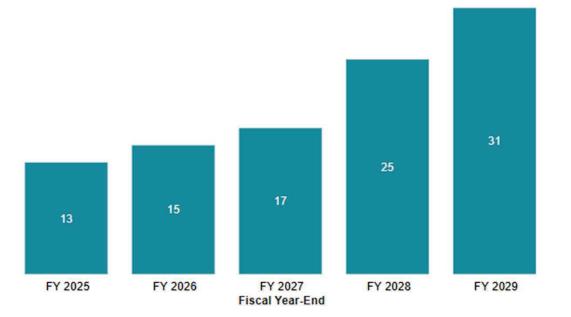
### **Historical Retirement – LACERA Staff Members**





### **Forecasted Retirement – LACERA Staff Members**

### Active Members: Potential Retirements Based on Forecasted Factors



Forecasted Retirement Age = 64.2 Forecasted Retirement Service Credit = 24.5





Los Angeles County Employees Retirement Association

### 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



#### **LACERA Budget Book – A Guide for Trustees**

#### **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





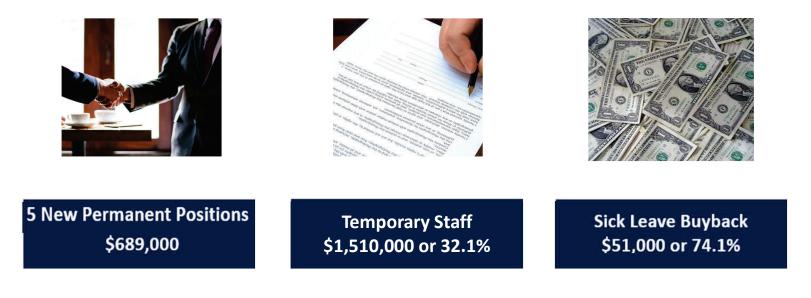
#### Fiscal Year 2025-26 Administrative Budget Request Summary

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** 



# Budget Impact of Requested Position Changes

DIVISION	#	POSTION TITLE	BUDGET IMPACT
Administrative Services	1	Administrative Services Analyst II	\$110,754
Administrative Services	(1)	Procurement Assistant II	(\$95,056)
	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)
Investment 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

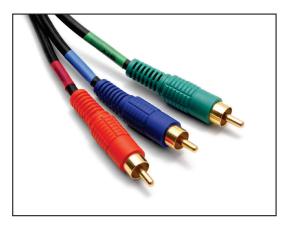
#### **Highlights of Significant Increases Across LACERA**





### 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**





#### Fiscal Year 2025-26 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!**



#### **QUESTIONS?**

# L//,CERA

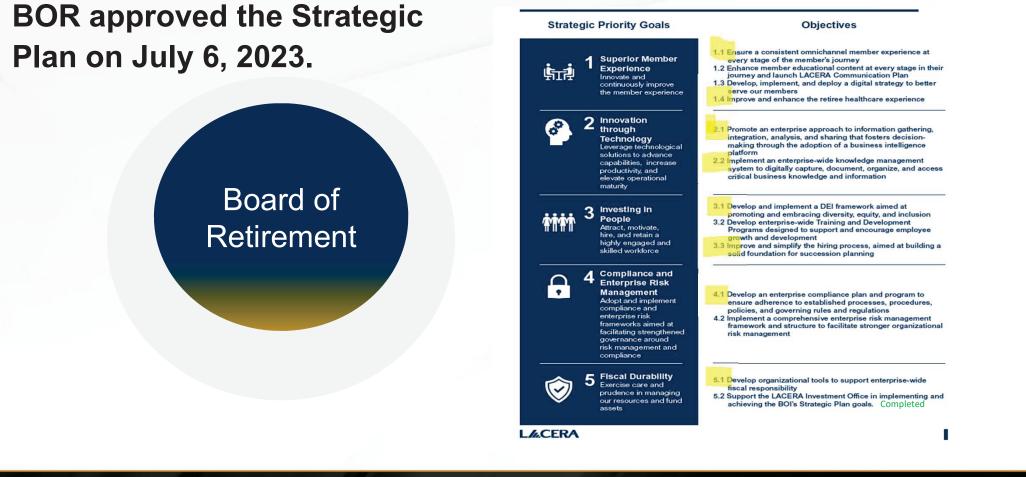
# Appendix FY 2025-26 Strategic Workplans

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



#### **LACERA Strategic Priorities and Objectives**





#### **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**

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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	۲	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	٠	TBD	12/31/2026



#### **MILESTONE TRACKER**

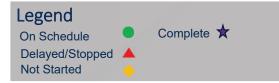
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#### **WORKPLAN - Strategic Objective 1.4**

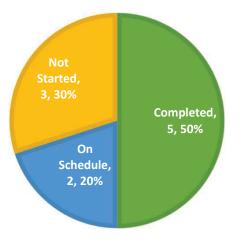
Strategic Goal:Superior Member ExperienceStrategic Objective:1.4 – Improving the Retiree Healthcare (RHC) experience.Executive Sponsor and Lead:JJ Popowich; Tionna Fredericks (Lead)

			/	/
#	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	٠	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	٠	TBD	6/30/2025
11				
<b>.</b> -				



#### **MILESTONE TRACKER**

Completed On Schedule Not Started



\* Expected completion date: 7/31/2025

### **WORKPLAN - Strategic Objective 2.1**

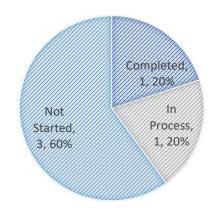
Strategic Goal:Innovation Through TechnologyStrategic Objective: 2.1 – Implement Enterprise Business Intelligence SolutionExecutive Sponsor:Luis Lugo; Kathy Delino (Lead)

Objective Milestones	Status	Start	Expected Completion
Develop objective scope and goals	*	10/2023	01/01/2024
Communication Plan, Communicate objective goals to various stakeholders	*	01/2024	06/30/2024
Centralize Data Governance- Establish Data Management Team		7/1/2024	12/31/2024*
Publish Dashboards for Enterprise/Member Data (Explore Enterprise Solution)	٠	7/1/2024	12/31/2026
Replace reporting requests with on-demand dashboards	٠	TBD	12/31/2025**
	Develop objective scope and goals Communication Plan, Communicate objective goals to various stakeholders Centralize Data Governance- Establish Data Management Team Publish Dashboards for Enterprise/Member Data (Explore Enterprise Solution)	Develop objective scope and goals       ★         Communication Plan, Communicate objective goals to various stakeholders       ★         Centralize Data Governance- Establish Data Management Team       ▲         Publish Dashboards for Enterprise/Member Data (Explore Enterprise Solution)       ●	Develop objective scope and goals       ★       10/2023         Communication Plan, Communicate objective goals to various stakeholders       ★       01/2024         Centralize Data Governance- Establish Data Management Team       ▲       7/1/2024         Publish Dashboards for Enterprise/Member Data (Explore Enterprise Solution)       ●       7/1/2024



#### **Milestone Tracker**

Completed In Process Not Started



\* Expected completion date: 6/30/2025 \*\* Expected completion date: 06/30/2026

### **WORKPLAN - Strategic Objective 2.2**

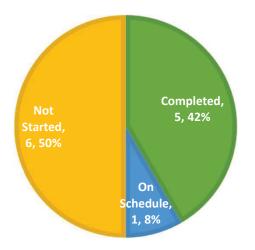
Strategic Goal: Innovation Through Technology Strategic Objective: 2.2 – Implement Enterprise Knowledge Management System Executive Sponsor: JJ Popowich; Eugenia Der (Lead)

#	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

Completed On Schedule Not Started



Los Angeles County Employees Retirement Association

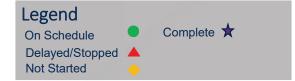
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### **WORKPLAN - Strategic Objective 2.2**



Strategic Goal:Innovation Through TechnologyStrategic Objective: 2.2 – Implement Enterprise Knowledge Management SystemExecutive 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**



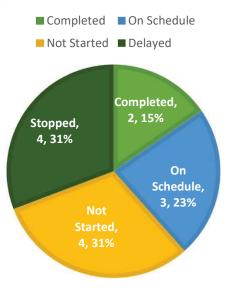
Strategic Goal: Investing in People

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

	Executive Sponsor. Laura Gugileimo					
#	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	۲	02/2025	06/30/2025		
6	Identify scope of work for Diversity, Equity, Inclusion, Belonging, and Accessibility (DEIBA) Advisor					
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		



#### **MILESTONE TRACKER**



### **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**

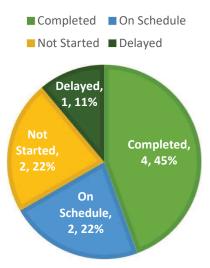
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Strategic Goal:Investing in PeopleStrategic Objective: 3.3 – Improve and simplify hiring processExecutive Sponsor:Laura Guglielmo; Carly Ntoya (Lead)

#	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	<b></b>	10/2023	12/31/2024
5	Revise rater training	*	10/2024	12/31/2024
6	Expand use of NEOGOV for performance management	٠	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	٠	TBD	3/31/2026
10				
11				



#### **MILESTONE TRACKER**



### **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

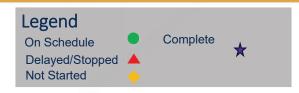
 Executive Sponsor: Luis Lugo; Steven Rice and Allison Barrett (Leads)

 #
 Objective Milestones

 Status
 Status

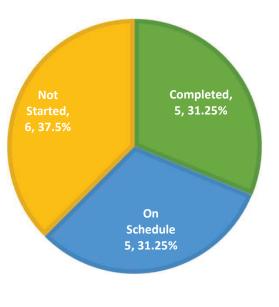
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				Completion
1	Ethics Compliance Program (ECP) Communication campaign		10/2023	Ongoing
2	Approval of Ethics and Compliance program Charter	*	10/2023	10/09/2024
3	Update and obtain approval of Charter	*	10/2023	10/09/2024
4	Chief Ethics and Compliance 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				



#### MILESTONE TRACKER

Completed On Schedule Not Started



### **WORKPLAN - Strategic Objective 4.1**



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	٠	TBD	6/1/2025
14	Development of recruitment process for ECO staff	٠	TBD	TBD
15	Recruit/Hire CECO staff	•	TBD	TBD
16	Recruit/Hire ECO staff	٠	TBD	TBD



Not Started

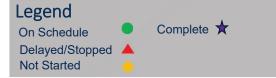
### **WORKPLAN - Strategic Objective 5.1**

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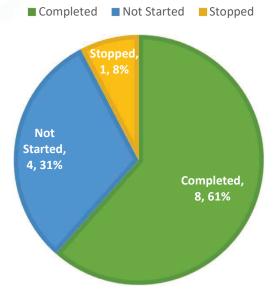
Strategic Goal: Fiscal Durability

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	<b></b>	10/2024	Canceled
13	Design and Deliver a Comprehensive Financial Training for Supervisors (1-30/2026)	•	TBD	1/30/2026











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



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#### 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

ADMINISTRATIVE, RETIREE HEALTHCARE BENEFITS, AND OPEB TRUST BUDGETS

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# Salaries and Employee Benefits

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Non-Administrative Expenses

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# BUDGET NARRATIVE

# 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 enterprisewide 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 mailThe 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, 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.	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

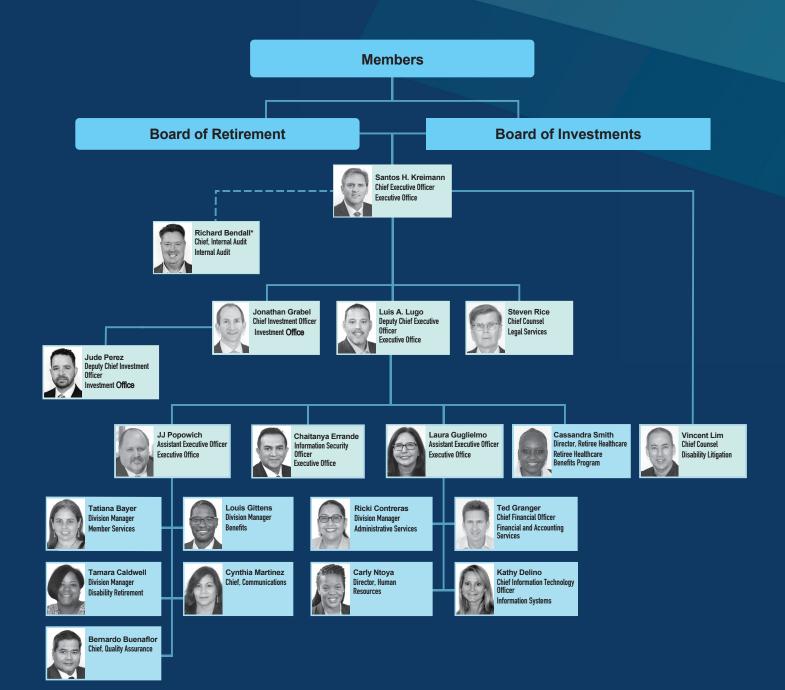
# Mission

To produce, protect, and provide the promised benefits to our members *<u>Vision</u>* 

Empowering our members to enjoy a healthy and secure retirement Accountability Collaboration Inclusivity Innovation Integrity Transparency

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# FISCAL YEAR 2025-2026 Organizational Chart



<sup>\*</sup> 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



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





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



# **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

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#### **BUDGET POLICIES**

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

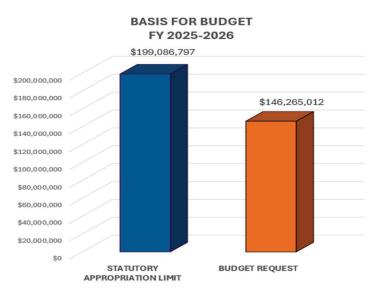
The budget is made up of three operating funds: the Administrative Fund, the Retiree Healthcare Benefits Program Fund, and the Other Post-Employment Benefits (OPEB) Trust Fund.

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.

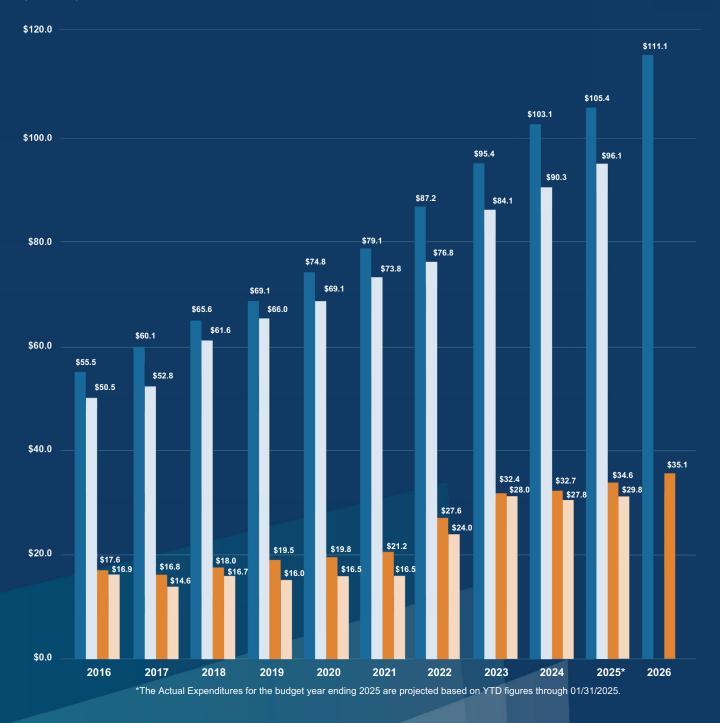
The fourth stage includes presenting the preliminary budget to the JOGC for review, discussion, and guidance. The JOGC meeting is open to the public and all Trustees are invited to participate in the discussion. Staff incorporates changes requested by the JOGC and prepares the final proposed budget on 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 30<sup>th</sup> to take effect on July 1<sup>st</sup>.

# HISTORY: BUDGET EXPENDITURES

#### Salaries & Employee Benefits and Services & Supplies

2016-2026 (\$ in Millions)



Salaries and Employee Benefits Approved BudgetServices and Supplies Approved Budget

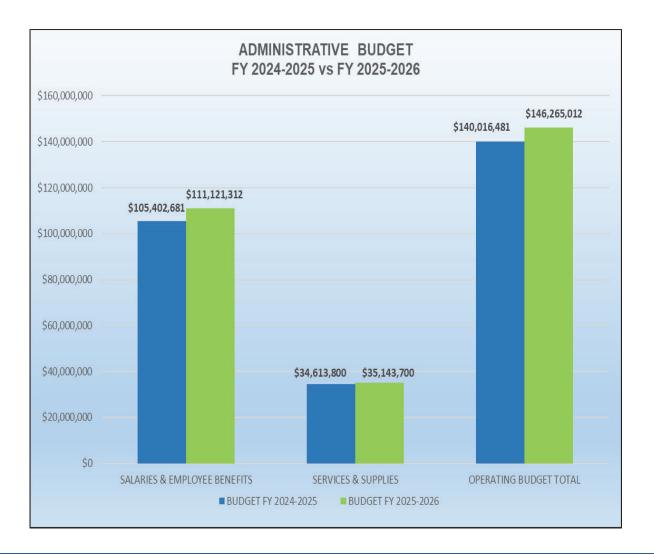
Salaries and Employee Benefits Actual Expenditures
 Services and Supplies Actual Expenditures

#### **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
Member Services	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.

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

#### **Vacant Positions Summary**

\*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			COMPARI CURRENT YE	AR BUDGET	COMPARISON OF PROPOSED BUDGET TO	
	PROPOSED	2024-2025			TO PROJI	ECTION	2024-2025	BUDGET
	BUDGET		YTD		OVER/(U	NDER)		
	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
			(0.0.20)					
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	φ02,040,104	ψ09,049,040	\$20,0 <del>4</del> 0,091	ψ04,227,000	(\$3,521,445)	-0.370	\$5,250,110	0.070
Permanent Salaries	\$62,845,154	\$59,549,043	\$28,348,591	\$54,227,600	(\$5,321,443)	-8.9%	\$3,296,110	5.5%
r ermanent oularies	<i>\\</i> 02,040,104	\$00,040,040	φ20,040,001	ψ0 <del>1</del> ,221,000	(\$0,021,440)	-0.570	ψ0,200,110	0.070
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	18,805	18,805	0	0	(18,805)	-100.0%	0	0.0%
Thrift Plan/Horizons	2,494,813	2,392,838	857,551	1,635,100	(757,738)	-31.7%	101,975	4.3%
Savings Plan	1,606,228	1,546,989	583,654	1,114,200	(432,789)	-28.0%	59,240	3.8%
Pension Savings Plan	59,193	59,193	6,101	11,600	(47,593)	-80.4%	0	0.0%
Megaflex	6,826,471	6,553,702	3,126,871	5,961,900	(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%
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%
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%
Transportation Allowance	36,000	36,000	19,500	36,000	0	0.0%	0	0.0%
	00,000			00,000	0	0.070		0.070
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 2 0 2 4 - 2 0 2 5			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%

\*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

#### AGENCY TEMPORARY STAFFING DIVISION SUMMARY

			CURRENT YEAF 2024-2025		COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET	
	PROPOSED BUDGET		YTD		OVER/(U	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.

#### **BUDGET REQUEST INFORMATION**

#### AGENCY TEMPORARY STAFFING HISTORY OF EXPENDITURES

	FYE 2	FYE 2023 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.

#### FISCAL YEAR 2025-2026

#### OVERTIME REQUEST DIVISION SUMMARY

		CURRENT YEAR 2024-2025			COMPAR CURRENT YE TO PRO.	AR BUDGET	COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET		
	PROPOSED BUDGET		YTD		OVER/(I	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%	

#### BUDGET REQUEST INFORMATION

### OVERTIME HISTORY OF EXPENDITURES

	FYE 20	)23	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

### **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.

#### FISCAL YEAR 2025-2026

#### SERVICES AND SUPPLIES CATEGORY SUMMARY

		CURRENT YEAR 2 0 2 4 - 2 0 2 5			COMPARIS CURRENT YEA	R BUDGET	COMPARIS PROPOSED B	UDGET TO
	PROPOSED		2024-2025 YTD		OVER/(UN		2024-2025 8	BUDGET
	BUDGET				OVER/(UI	,		
	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%

#### FISCAL YEAR 2025-2026

#### SERVICES AND SUPPLIES DIVISION SUMMARY

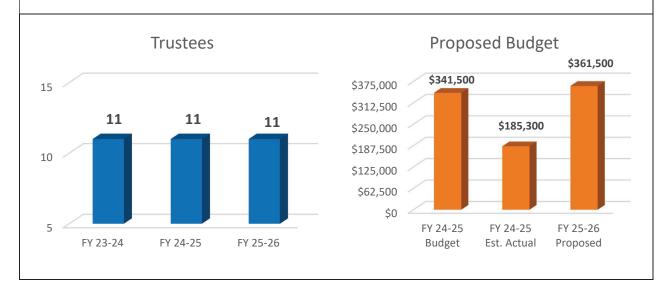
		CURRENT YEAR 2 0 2 4 - 2 0 2 5				AR BUDGET	COMPARI PROPOSED E	BUDGET TO
	PROPOSED		YTD		TO PROJI		2024-2025	BUDGET
	BUDGET 2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	, % CHANGE	\$ CHANGE	% CHANGE
		BOBOLI	(01 01 20)					
Administrative Services	\$10,641,400	\$10,769,300	\$5,527,067	\$8,969,000	(\$1,800,300)	-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%

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BUDGET NARRATIVE FISCAL YEAR 2025-2026

## **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 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

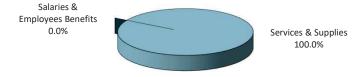
#### BUDGET SUMMARY

#### BOARD OF RETIREMENT

	С	URRENT YEAR 2024-2025		COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET		
PROPOSED BUDGET		YTD		OVER/(U	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



#### FISCAL YEAR 2025-2026

#### SERVICES & SUPPLIES ACCOUNT SUMMARY

#### **BOARD OF RETIREMENT**

		CURRENT YEAR 2024-2025			COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET	
	PROPOSED BUDGET	YTD			OVER/(U	JNDER)		
ACCOUNT CLASSIFICATION	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	\$93,500	\$93,500	\$39,856	\$80,000	(\$13,500)	-14.4%	\$0	0.0%
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%

#### BOARD OF RETIREMENT

#### BUDGET REQUEST INFORMATION

#### HISTORY OF EXPENDITURES

	FYE 2	024	FYE 2	2025	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

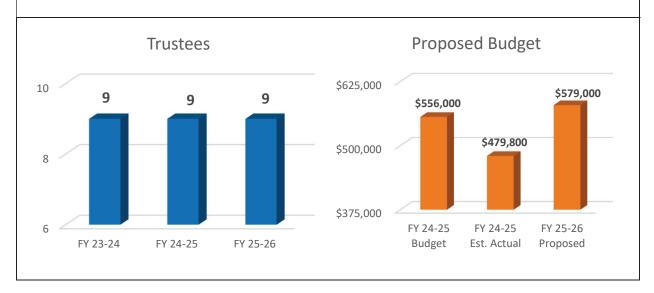
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## BUDGET NARRATIVE

FISCAL YEAR 2025-2026

## 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**

Description	Position Changes	<u>Amount</u>
<ul><li>Registration Fees</li><li>Educational Materials</li></ul>		\$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

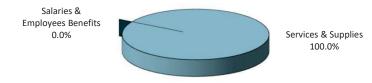
#### BUDGET SUMMARY

#### BOARD OF INVESTMENTS

	С	URRENT YEAR 2024-2025		COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET		
PROPOSED BUDGET		YTD		OVER/(U	JNDER)			
2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE	
\$0	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%	
579,000	556,000	264,695	479,800	(76,200)	-13.7%	23,000	4.1%	
\$579,000	\$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



#### FISCAL YEAR 2025-2026

#### SERVICES & SUPPLIES ACCOUNT SUMMARY

#### BOARD OF INVESTMENTS

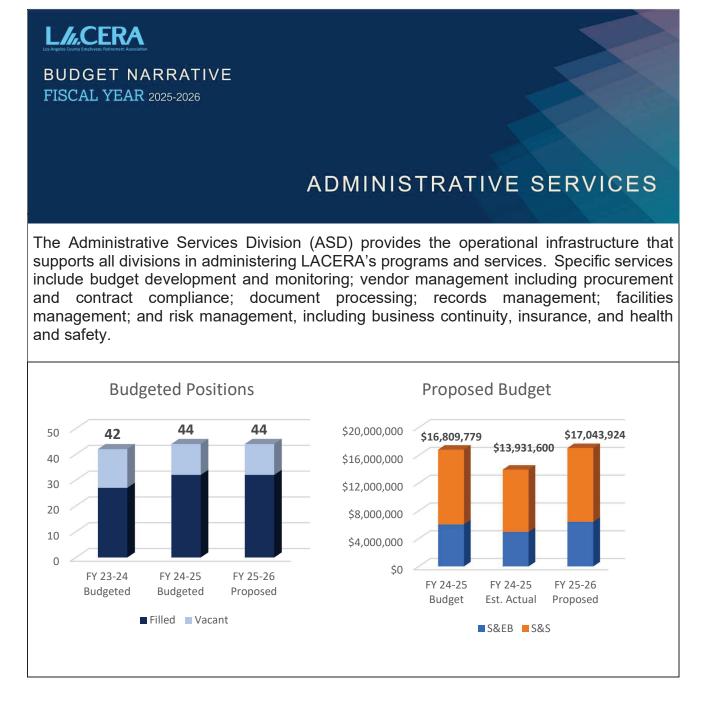
		CURRENT YEAR 2024-2025			COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPARISON OF PROPOSED BUDGET T 2024-2025 BUDGET	
	PROPOSED BUDGET	YTD			OVER/(U	JNDER)		
ACCOUNT CLASSIFICATION	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	\$246,000	\$246,000	\$67,554	\$195,000	(\$51,000)	-20.7%	\$0	0.0%
EDUCATIONAL EXPENSES	216,000	200,000	98,521	179,000	(21,000)	-10.5%	16,000	8.0%
MISCELLANEOUS	117,000	110,000	98,620	105,800	(4,200)	-3.8%	7,000	6.4%
TOTAL	\$579,000	\$556,000	\$264,695	\$479,800	(\$76,200)	-13.7%	\$23,000	4.1%

#### BOARD OF INVESTMENT

#### BUDGET REQUEST INFORMATION

#### HISTORY OF EXPENDITURES

	FYE 2	024	FYE	Proposed	
	Budget	Actual	Budget	Projection	Budget
SERVICES & SUPPLIES					
Transportation & Travel	\$246,000	\$141,865	\$246,000	\$195,000	\$246,000
Educational Expenses	200,000	184,502	200,000	179,000	216,000
Miscellaneous	105,000	80,653	110,000	105,800	117,000
TOTAL OPERATING BUDGET	\$551,000	\$407,019	\$556,000	\$479,800	\$579,000



## **Summary of Significant Changes**

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

<ul> <li>Travel</li> <li>Safety and Health Supplies</li> <li>Computer Supplies (Transferred to Systems)</li> <li>Fiduciary Insurance</li> <li>Earthquake/Flood Insurance</li> <li>Business Package Insurance</li> <li>Empl. Prac. Liability Insurance</li> <li>Cyber Liability Insurance</li> <li>Production Copiers - Leases (Transferred to Systems)</li> <li>HVAC/Lighting</li> <li>Security Services</li> <li>Consulting and Contracting Services</li> <li>Shredding Services</li> <li>Courier Service</li> <li>Furniture Off-Site Storage</li> </ul>		\$16,400 \$24,400 (\$60,000) \$22,100 (\$7,100) (\$24,700) \$35,900 (\$84,700) (\$220,000) (\$35,000) (\$14,000) \$40,000 \$40,000 (\$15,000) \$9,000
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## 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**

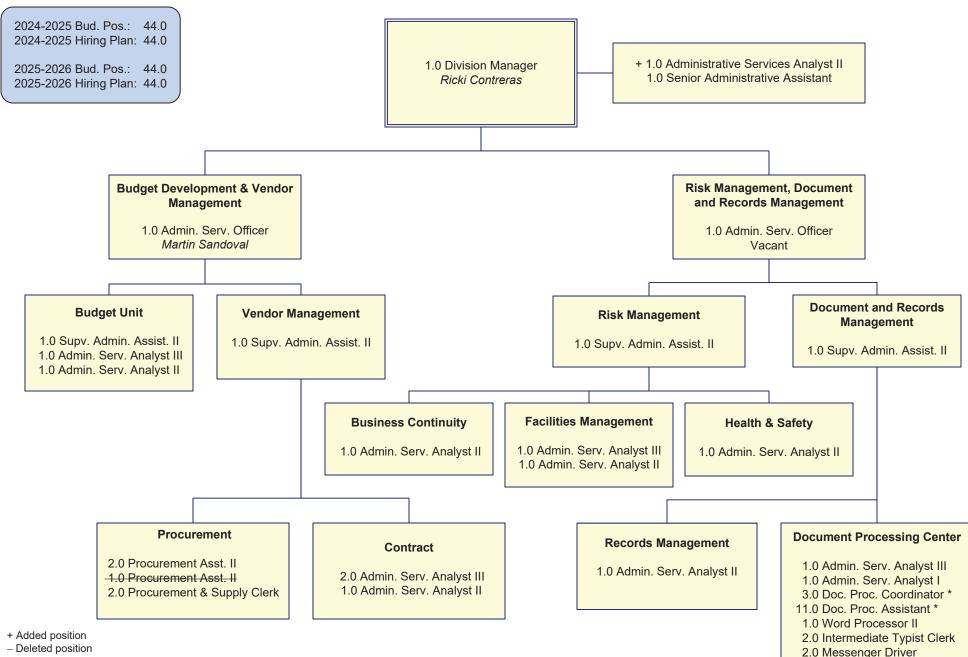
Digital resource transition has contributed to reduced spending for courier services. For the prior year, \$25,000 was budgeted. We look to reduce this line item by \$15,000 for a budget request of \$10,000.

## 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**



\* Classification study for the position requested.

#### FISCAL YEAR 2025-2026

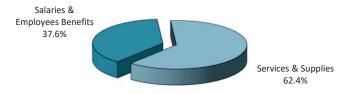
#### BUDGET SUMMARY

#### ADMINISTRATIVE SERVICES DIVISION

		С	COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET			
	PROPOSED BUDGET		YTD		OVER/(L	INDER)		
	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
nefits	\$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



#### FISCAL YEAR 2025-2026

#### SALARIES AND EMPLOYEE BENEFITS SUMMARY

#### ADMINISTRATIVE SERVICES DIVISION

		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
		<b>*</b> ******	<b>*</b> / <b>* *</b> / <b>*</b>			10.10		0.00/
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 =		1
	IOTAL POSITIONS =	44	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

#### ADMINISTRATIVE SERVICES DIVISION

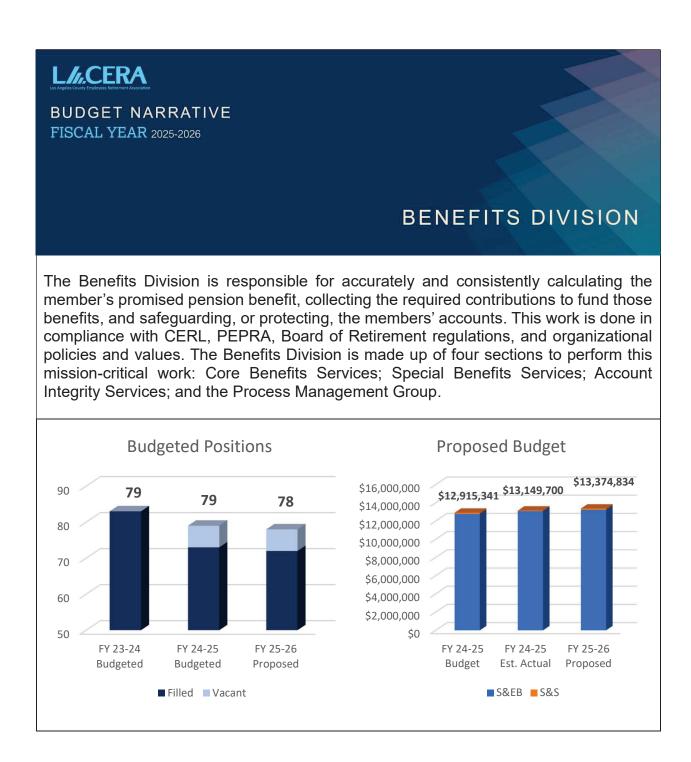
		CURRENT YEAR 2024-2025			COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPARISON OF PROPOSED BUDGET T 2024-2025 BUDGET	
	PROPOSED BUDGET		YTD		OVER/(UNDER)			
ACCOUNT CLASSIFICATION	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
AUTO EXPENSE	\$34,000	\$33,000	\$301	\$1,500	(\$31,500)	-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%

#### ADMINISTRATIVE 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	\$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



## **Summary of Significant Changes**

Description	Position Changes	<u>Amount</u>
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.

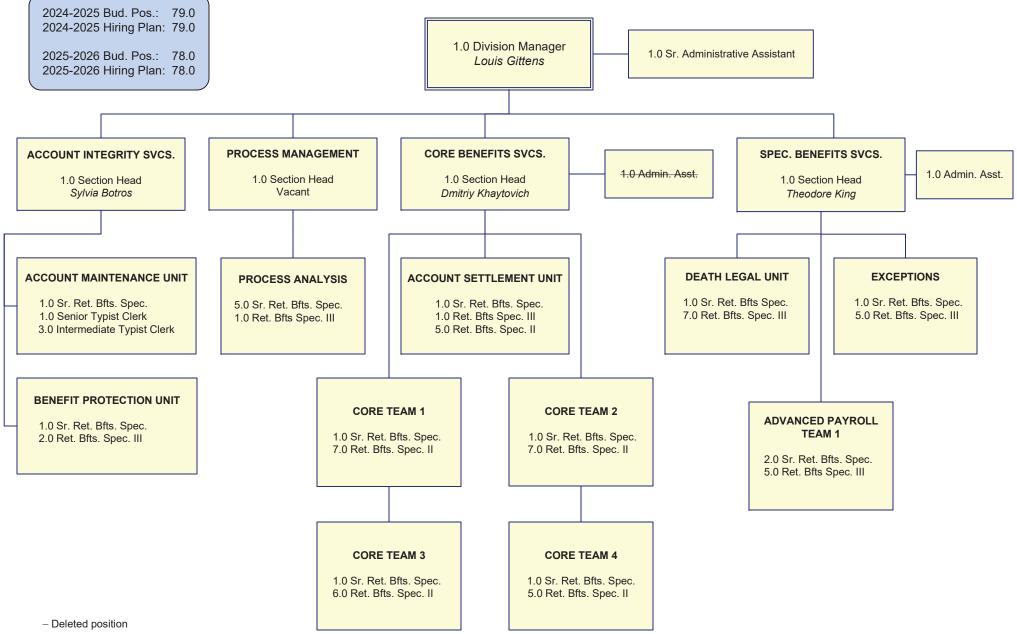
## **Services and Supplies Adjustments**

## 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

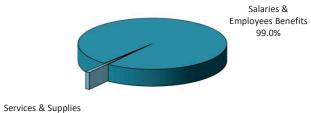
#### BUDGET SUMMARY

#### **BENEFITS DIVISION**

		С	URRENT 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
enefits	\$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



1.0%

#### FISCAL YEAR 2025-2026

#### SALARIES AND EMPLOYEE BENEFITS SUMMARY

#### **BENEFITS DIVISION**

		CURRENT YEAR 2024-2025			COMPAR CURRENT YE TO PROJ	AR BUDGET	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	\$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**

#### FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
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	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0772	SECTION HEAD, LACERA	1	LS09
1312	SENIOR RETIREMENT BENEFITS SPECIALIST	3	106C
1311	RETIREMENT BENEFITS SPECIALIST III	2	100J
	Total Vacant Positions =	6	
	TOTAL POSITIONS =	78	]

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

#### **BENEFITS DIVISION**

		CURRENT YEAR 2024-2025			COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPARISON OF PROPOSED BUDGET T 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%
MISCELLANEOUS	2,000	1,600	189	1,000	(600)	-37.5%	400	25.0%
TOTAL	\$136,900	\$136,500	\$25,117	\$59,300	(\$77,200)	-56.6%	\$400	0.3%

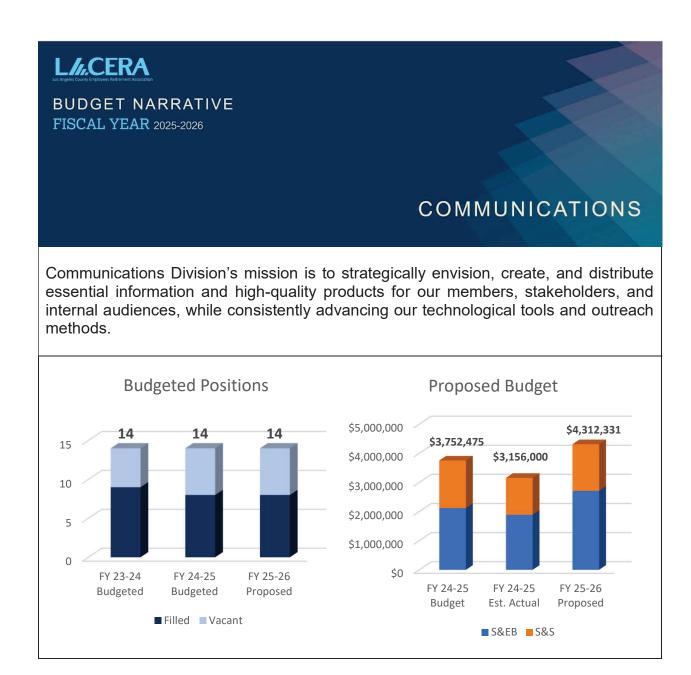
\*All amounts rounded to the nearest dollar.

#### BENEFITS DIVISION

#### BUDGET REQUEST INFORMATION

#### HISTORY OF EXPENDITURES

	FYE 2024		FYE 2	025	Proposed
	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
Total Agency Temp Salaries	62,200	45,355	57,900	30,000	0
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



## **Summary of Significant Changes**

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

Description	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

- Retirement Guide redesign
- Steps to Prepare campaign
- Retirement University videos and campaign
- My LACERA video updates (including Online Disability and Online Retirement)
- My LACERA campaign: Sign-up to My LACERA to secure member email addresses
- o 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):
  - 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:
  - Annual Retirement Benefits Statement (ABS) redesign (1.1)
  - 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.

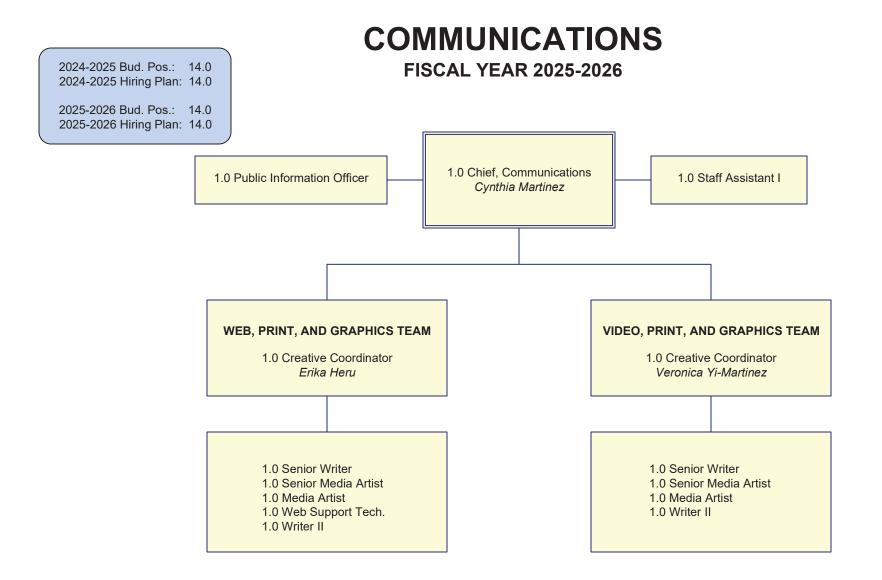
### Community Property Guide

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.



#### FISCAL YEAR 2025-2026

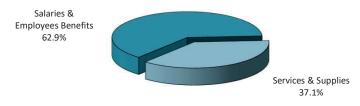
#### BUDGET SUMMARY

#### COMMUNICATIONS

		CURRENT YEAR 2024-2025		COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET		
	PROPOSED BUDGET	VTD		OVER/(UNDER)				
	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
its	\$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



#### FISCAL YEAR 2025-2026

#### SALARIES & EMPLOYEE BENEFITS SUMMARY

#### COMMUNICATIONS

		C	URRENT 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%

\*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**

#### 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	SENIOR WRITER, LACERA	1	110A
0465 0807 0786	PUBLIC INFORMATION OFFICER, LACERA SENIOR MEDIA ARTIST, LACERA WRITER II, LACERA	1 1 2	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 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	\$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

Γ	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	0	
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	

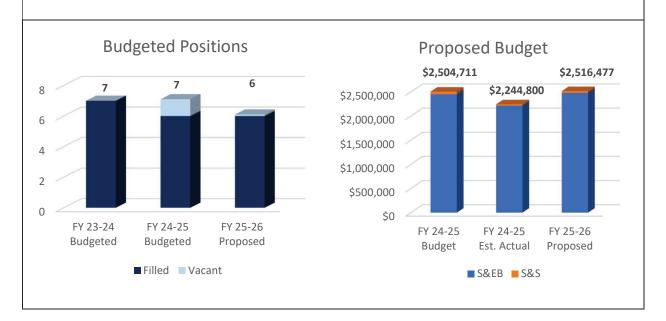


## BUDGET NARRATIVE FISCAL YEAR 2025-2026

## 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**

Description	Position Changes	<u>Amount</u>
<ul><li>Senior Staff Counsel</li><li>Educational Materials</li></ul>	(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

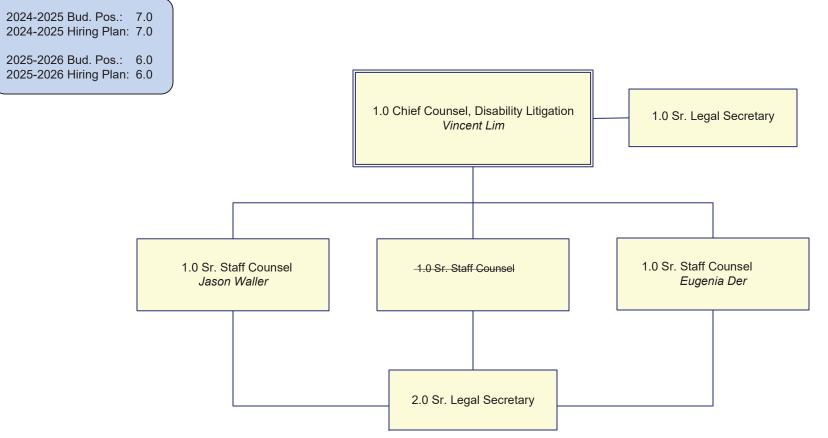
DLO does not have any removal of one-time expenditures for FY 2025-26.

## **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



Deleted position

#### FISCAL YEAR 2025-2026

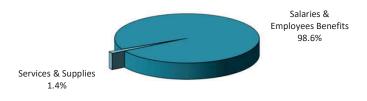
#### BUDGET SUMMARY

#### **DISABILITY LITIGATION**

		C	URRENT YEAR 2024-2025		COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPAR PROPOSED 2024-2025	BUDGET TO
	PROPOSED BUDGET		YTD			JNDER)		
	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
s & Employees Benefits	\$2,481,377	\$2,451,211	\$1,160,645	\$2,215,700	(\$235,511)	-9.61%	\$30,165	1.2%
es & Supplies	35,100	53,500	6,986	29,100	(24,400)	-45.6%	(18,400)	-34.4%
RATING BUDGET	\$2,516,477	\$2,504,711	\$1,167,631	\$2,244,800	(\$259,911)	-10.4%	\$11,765	0.5%

Salaries Services OPER/

## 2025 - 2026 PROPOSED BUDGET



#### FISCAL YEAR 2025-2026

#### SALARIES AND EMPLOYEE BENEFITS SUMMARY

#### **DISABILITY LITIGATION**

		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	\$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	CHIEF COUNSEL, DISABILITY LITIGATION, LACERA	1	LS18
9213	SENIOR STAFF COUNSEL, LACERA	2	LS16
0441	SENIOR LEGAL SECRETARY, LACERA	3	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 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
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%

#### DISABILITY LITIGATION

#### BUDGET REQUEST INFORMATION

#### HISTORY OF EXPENDITURES

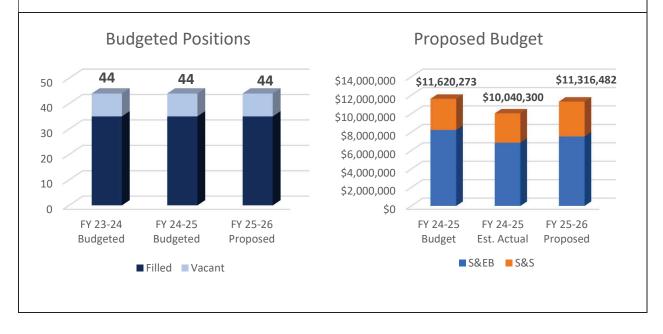
Γ	FYE 20	24	FYE 2	Proposed	
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$1,461,729	\$1,450,581	\$1,467,993	\$1,336,600	\$1,485,700
Total Agency Temp Salaries	0	0	0	0	0
Employee Benefits (Variable)	898,999	762,246	831,822	729,600	837,967
Employee Benefits (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	о
Overtime	2,800	572	2,900	400	3,000
Bilingual Bonus	0	0	0	0	о
Sick Leave Buyback	0	0	0	0	о
Rideshare Allowance	900	0	900	0	900
Transportation Allowance	0	0	0	0	о
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

## L////CERA

BUDGET NARRATIVE FISCAL YEAR 2025-2026

## 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
<ul> <li>Increase in Agency Temp Staffing</li> <li>Reduction in Overtime</li> <li>Job Analyst</li> <li>Outside Legal Counsel</li> <li>Hearing Officers</li> <li>Medical Fees</li> </ul>		\$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. and report 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

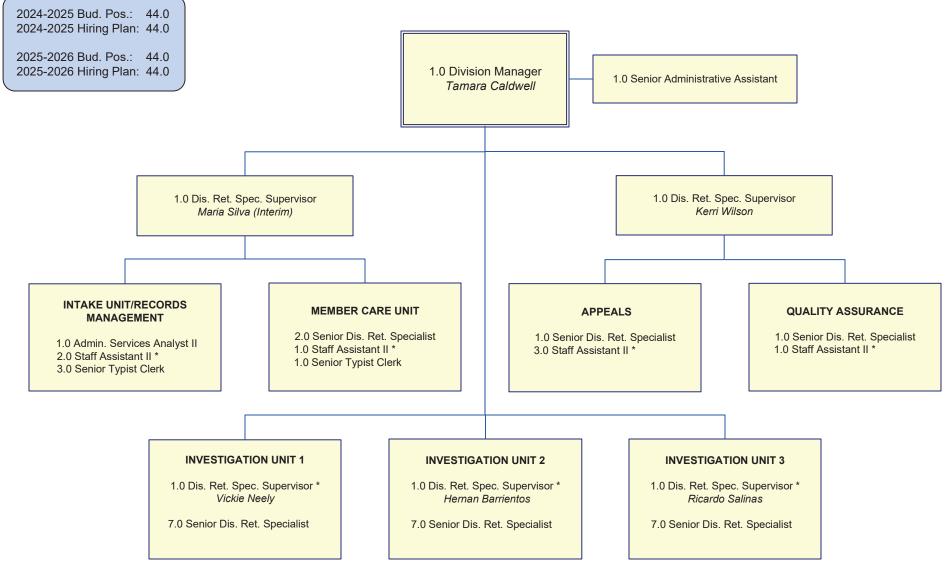
We propose to maintain the current budget allocation of \$20,000 for attending conferences such as SACRS, CALAPRS, and the National Premier Workers' Compensation Conference. In addition, we are exploring further opportunities for workforce development and management training. A comprehensive training 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

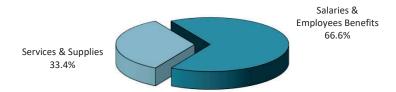
#### BUDGET SUMMARY

#### DISABILITY RETIREMENT

		CURRENT YEAR 2024-2025			COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET	
	PROPOSED BUDGET	YTD			OVER/(UNDER)			
	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
nefits	\$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



#### FISCAL YEAR 2025-2026

#### SALARIES AND EMPLOYEE BENEFITS SUMMARY

#### DISABILITY RETIREMENT

		C	URRENT YEAR 2024-2025		COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPAR PROPOSED 2024-2025	BUDGET TO
	PROPOSED BUDGET		YTD		OVER/(UNDER)			
	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
	A	<b>*</b> 4 5 4 5 5 0 0	<b>\$4,000,450</b>	<b>*</b> 0.055.000	(\$222.022)	40.000	(0404.044)	0.00/
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 1632 0439	DISABILITY RETIREMENT SPECIALIST SUPERVISOR, LACERA SENIOR DISABILITY RETIREMENT SPECIALIST, LACERA SENIOR ADMINISTRATIVE ASSISTANT, LACERA	1 7	111C 107C 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 YEAF 2024-2025	8	COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPAR PROPOSED 2024-2025	BUDGET TO
	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%

#### DISABILITY RETIREMENT

#### BUDGET REQUEST INFORMATION

#### HISTORY OF EXPENDITURES

	FYE 20	)24	FYE 2	025	Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	¢4 570 007	¢4.040.404		¢2.055.000	¢4 440 750
	\$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



# **Summary of Significant Changes**

FY 24-25

Budgeted

Vacant

FY 25-26

Proposed

0

FY 23-24

Budgeted

Description	Position Changes	<u>Amount</u>
• Deputy Chief Ethics and Compliance Officer (DCECO) (3 months)	1	\$48,102
<ul> <li>Senior Administrative Assistant (6 months)</li> <li>Consulting</li> <li>Outside Legal Counsel</li> <li>Educational Materials</li> </ul>	1	\$50,797 \$35,000 \$7,000 (\$15,000)

\$62,500

\$0

FY 24-25

Budget

FY 24-25

Est. Actual

■ S&EB ■ S&S

FY 25-26

Proposed

# **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

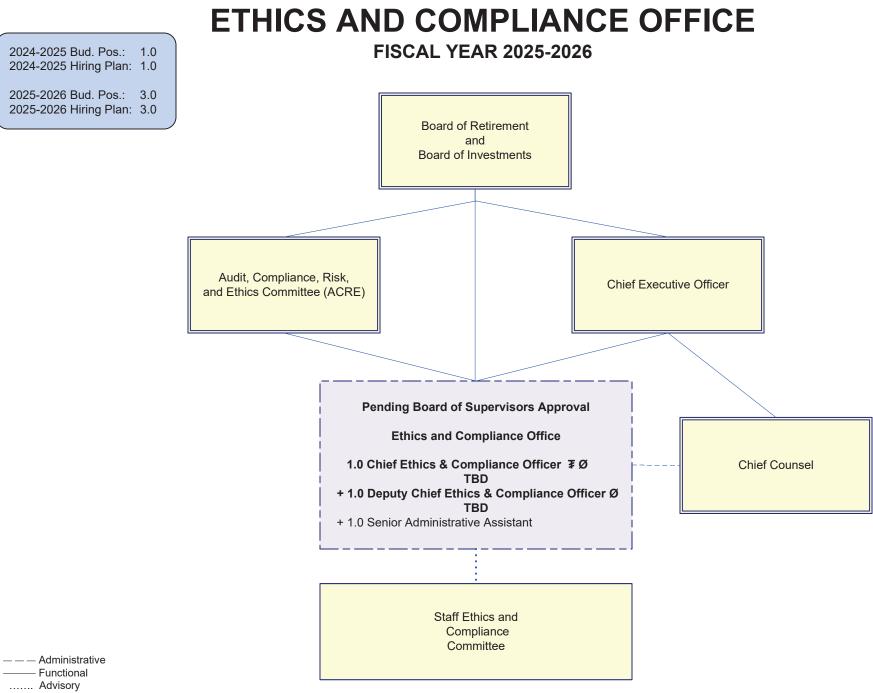
Funding totaling \$8,000 is requested for memberships to support the Chief Ethics and Compliance Officer's professional development and participation in ethics and compliance-related organizations.

## 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 totaling \$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.



+ 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

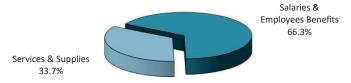
#### BUDGET SUMMARY

## ETHICS AND COMPLIANCE OFFICE

		CURRENT YEAR 2024-2025			COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET	
	PROPOSED BUDGET	YTD			OVER/(L	INDER)		
	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
s	\$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



#### FISCAL YEAR 2025-2026

#### SALARIES AND EMPLOYEE BENEFITS SUMMARY

## ETHICS AND COMPLIANCE OFFICE

		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	\$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 99999A 0439	CHIEF, ETHICS & COMPLIANCE OFFICER DEPUTY CHIEF, ETHICS & COMPLIANCE OFFICER SENIOR ADMINISTRATIVE ASSISTANT	1 1 1	LS12 118J 095C	
	Total Vacant Positions =	3		
	TOTAL POSITIONS =	3	]	

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

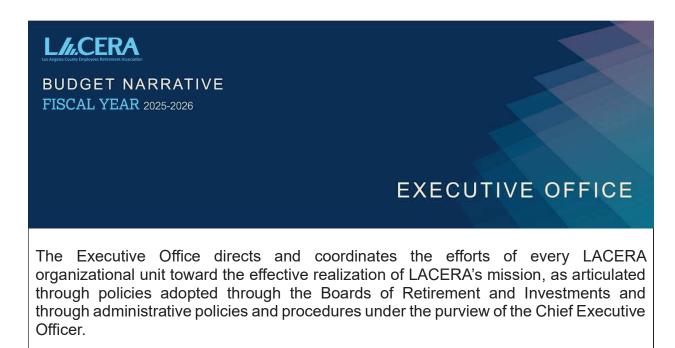
		(	CURRENT YEAF 2024-2025	8	COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPAR PROPOSED 2024-2025	BUDGET TO
	PROPOSED BUDGET		YTD		OVER/(L	JNDER)		
ACCOUNT CLASSIFICATION	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	\$11,500	\$11,500	\$1,239	\$1,300	(\$10,200)	-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%

#### ETHICS AND COMPLIANCE OFFICE

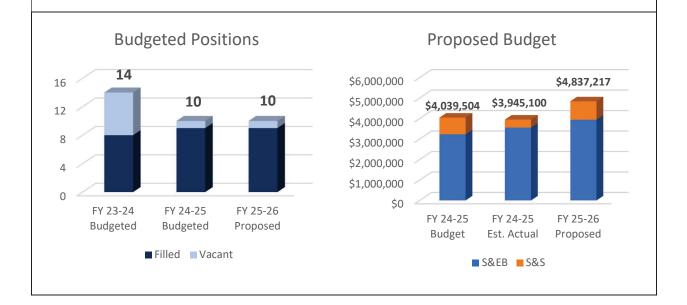
#### BUDGET REQUEST INFORMATION

#### HISTORY OF EXPENDITURES

Γ	FYE 20	24	FYE 2	025	Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS		<b>^</b>	<b>*</b> ***	<b>*</b> •	
Total LACERA Salaries	\$90,700	\$0	\$93,330	\$0	\$172,614
Total Agency Temp Salaries	0	0	0	0	0
Employee Benefits (Variable)	0	0	24,686	100	45,656
Employee Benefits (Other)	0	0	5,687	5,300	10,204
OPEB Contribution	0	0	3,696	4,000	7,666
OPEB Contribution (Budget Surplus)	0	0	0	0	0
Stipends	0	0	0	0	o
Overtime	0	0	0	0	o
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	0	0	0	0	0
Rideshare Allowance	0	0	0	0	0
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES		0			
Auto Expenses	0	0	0	0	0
Transportation & Travel	11,500	0	11,500	1,300	11,500
Office Supplies & Equipment	0	0	0	0	1,200
Professional and Specialized Services				0	35,000
Legal Fees & Services	20,000	60,105	20,000	55,000	27,000
Educational Expenses	60,500	5,339	60,500	21,500	45,500
Miscellaneous	0	0	0	0	0
TOTAL OPERATING BUDGET	\$182,700	\$65,444	\$219,400	\$87,200	\$356,341



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**

Description	Position Changes	<u>Amount</u>
<ul><li>Agency Temporary Salaries</li><li>Bi-Annual Economic Impact Report</li></ul>		\$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.

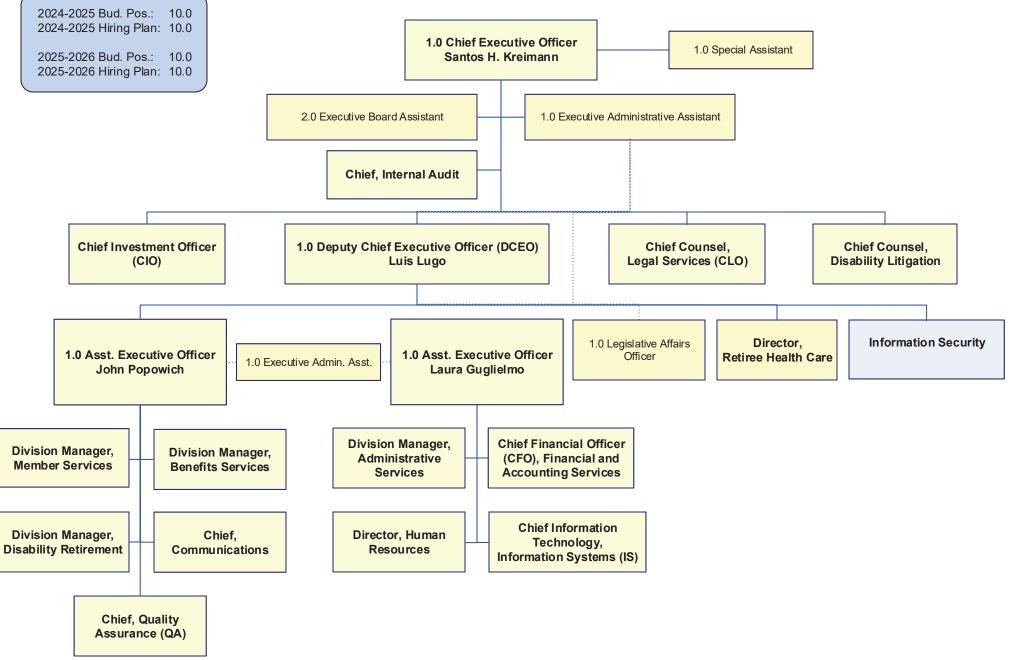
# **Services and Supplies Adjustments**

## **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

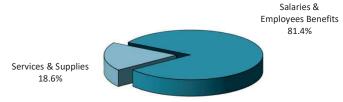
#### BUDGET SUMMARY

## EXECUTIVE OFFICE

		CURRENT YEAR 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
efits	\$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



#### FISCAL YEAR 2025-2026

## SALARIES AND EMPLOYEE BENEFITS SUMMARY

## EXECUTIVE OFFICE

		C	URRENT YEAR 2024-2025		COMPAR CURRENT YE TO PROJ	AR BUDGET	PROPOSED	SISON OF BUDGET TO BUDGET
	PROPOSED BUDGET		YTD		OVER/(UNDER)			
	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			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
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%

#### EXECUTIVE OFFICE

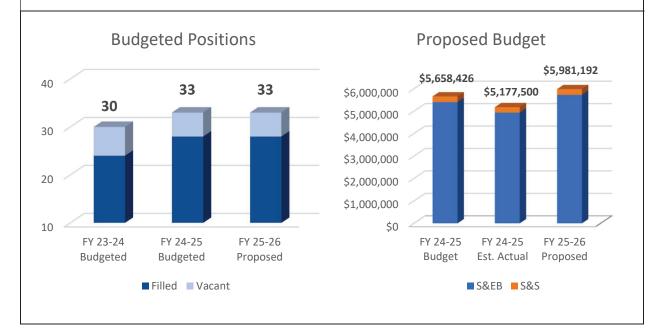
#### BUDGET REQUEST INFORMATION

#### HISTORY OF EXPENDITURES

	FYE 2024 FY		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



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**

Description	Position Changes	Amount
<ul> <li>Upgrade one Accountant I position to Accountant II</li> </ul>		\$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 Policy-related 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 enterprisewide 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 workflow current 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.

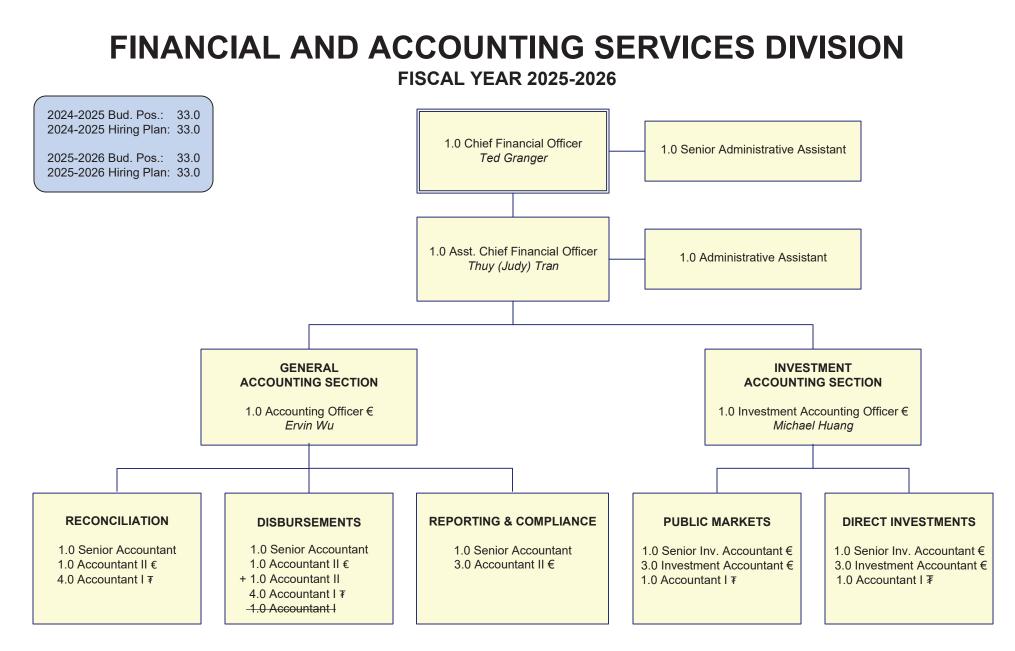
# SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

## **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.



+ 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.

 $\in\,$  Position reclassified per result of classification study

₮ Title changed

#### FISCAL YEAR 2025-2026

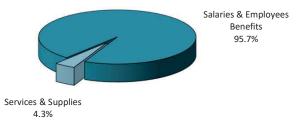
#### BUDGET SUMMARY

## FINANCIAL AND ACCOUNTING SERVICES

		CURRENT YEAR 2024-2025			COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET	
	PROPOSED BUDGET	YTD		OVER/(UNDER)				
	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
6	\$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



#### FISCAL YEAR 2025-2026

## SALARIES AND EMPLOYEE BENEFITS SUMMARY

## FINANCIAL AND ACCOUNTING SERVICES

		C	URRENT YEAR 2024-2025		COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPAR PROPOSED 2024-2025	BUDGET TO
	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 2024-2025			COMPARI CURRENT YE TO PROJ	AR BUDGET	COMPAR PROPOSED 2024-2025	BUDGET TO
	PROPOSED BUDGET	YTD			OVER/(L	INDER)		
Ν	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
	\$29,000	\$29,000	\$5,879	\$23,000	(\$6,000)	-20.7%	\$0	0.0%
	6,000	6,000	418	2,000	(4,000)	-66.7%	0	0.0%
	200,000	200,000	109,450	200,000	0	0.0%	0	0.0%
	20,000	16,000	9,424	15,800	(200)	-1.3%	4,000	25.0%
	2,000	2,000	626	1,800	(200)	-10.0%	0	0.0%
	\$257,000	\$253,000	\$125,798	\$242,600	(\$10,400)	-4.1%	\$4,000	1.6%

ACCOUNT CLASSIFICATION

TRANSPORTATION & TRAVEL OFFICE SUPPLIES & EQUIPMENT BANK SERVICES EDUCATIONAL EXPENSES MISCELLANEOUS TOTAL

#### FINANCIAL AND ACCOUNTING SERVICES

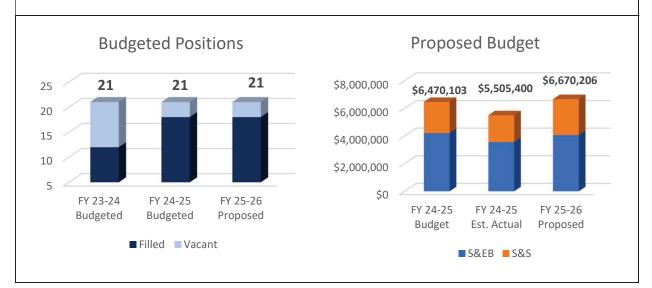
#### BUDGET REQUEST INFORMATION

#### HISTORY OF EXPENDITURES

	FYE 20	24	FYE 2	025	Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$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



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**

Description	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

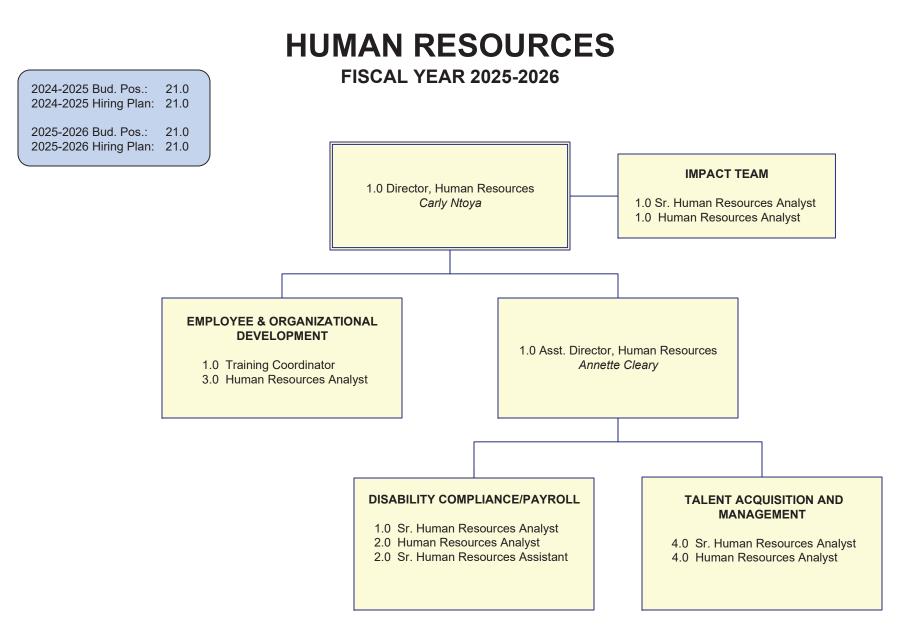
Administrative Services Division will transfer the Rideshare Program to Human Resources in July 2025. The \$2,000 program cost will be added to the HR budget.

## 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.



#### FISCAL YEAR 2025-2026

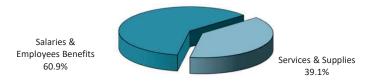
#### BUDGET SUMMARY

#### HUMAN RESOURCES

		CI	CURRENT YEAR 2024-2025		COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET	
	PROPOSED BUDGET		YTD		OVER/(U	INDER)		
	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
Benefits	\$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%
ΕT	\$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



#### FISCAL YEAR 2025-2026

#### SALARIES AND EMPLOYEE BENEFITS SUMMARY

#### HUMAN RESOURCES

		c	URRENT YEAR 2024-2025		COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPAR PROPOSED 2024-2025	BUDGET TO
	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

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0436 0434	SENIOR HUMAN RESOURCES ANALYST, LACERA HUMAN RESOURCES ANALYST, LACERA Total Vacant Positions =	1 2 3	107G 103G
	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

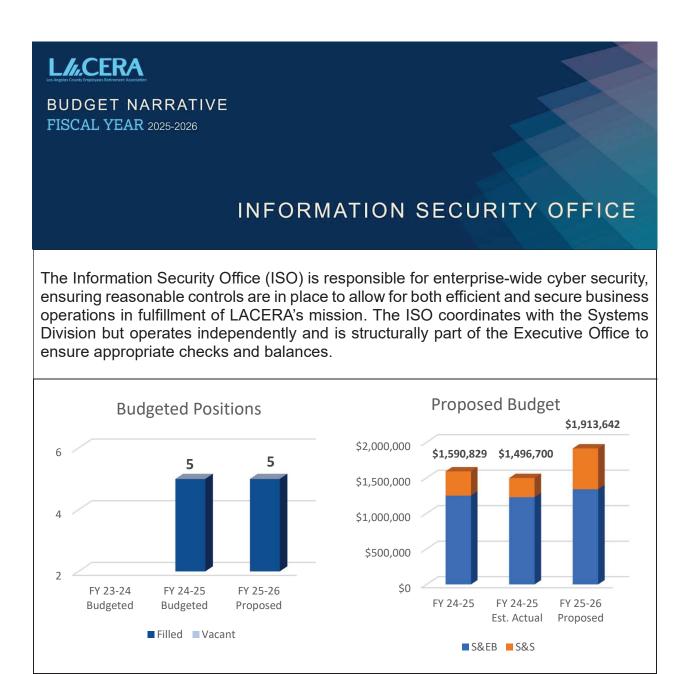
		CURRENT YEAR 2024-2025			COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET	
	PROPOSED BUDGET		YTD		OVER/(U	JNDER)		
ACCOUNT CLASSIFICATION	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	\$18,200	\$16,200	\$12,899	\$16,200	\$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%

#### HUMAN RESOURCES

#### BUDGET REQUEST INFORMATION

#### HISTORY OF EXPENDITURES

Γ	FYE 20	24	FYE 2	025	Proposed
-	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



## **Summary of Significant Changes**

Description	Position Changes	<u>Amount</u>
<ul> <li>Agency Temp</li> <li>Software Subscriptions         <ul> <li>(e.g., penetration testing, internet monitoring services, email filtering services, SASE, and IT GRC)</li> </ul> </li> </ul>		(\$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

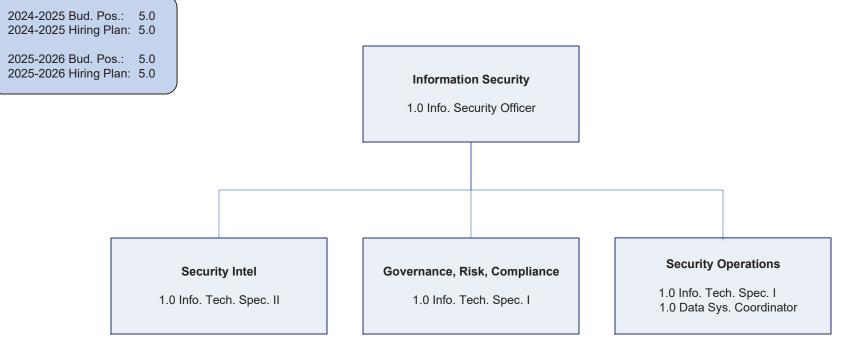
Funding totaling \$240,000 was provided for the Information Security Office to ensure LACERA's cybersecurity for FY 2024-25; however, because we eliminated redundant technologies in the FY 2024-25 Mid-Year requests, we reduced this amount to \$108,000. We will be maintaining the same amount of \$108,000 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



#### FISCAL YEAR 2025-2026

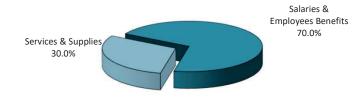
#### BUDGET SUMMARY

#### 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
efits	\$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	\$803,991	\$1,496,700	(\$94,129)	-5.9%	\$322,813	20.3%

Salaries & Employees Benefits Services & Supplies OPERATING BUDGET

### 2025 - 2026 PROPOSED BUDGET



#### FISCAL YEAR 2025-2026

#### SALARIES AND EMPLOYEE BENEFITS SUMMARY

#### **INFORMATION SECURITY OFFICE**

			URRENT 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	\$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 =	1 1 2 1 5	LS12 128D 123B 115L
	VACANT POSITIONS		
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 YEAF 2024-2025	8	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
\$16,200	\$16,200	\$0	\$6,000	(\$10,200)	-63.0%	\$0	0.0%
0	0	0	0	0	0.0%	0	0.0%
523,000	297,500	122,109	250,000	(47,500)	-16.0%	225,500	75.8%
35,000	27,000	3,629	13,000	(14,000)	-51.9%	8,000	29.6%
0	0	0	0	0	0.0%	0	0.0%
\$574,200	\$340,700	\$125,738	\$269,000	(\$71,700)	-21.0%	\$233,500	68.5%

#### ACCOUNT CLASSIFICATION

TRANSPORTATION & TRAVEL OFFICE SUPPLIES & EQUIPMENT PROFESSIONAL & SPEC. SRVCS. EDUCATIONAL EXPENSES MISCELLANEOUS

TOTAL

#### INFORMATION SECURITY OFFICE

#### BUDGET REQUEST INFORMATION

#### HISTORY OF EXPENDITURES

	FYE 20	24	FYE 2	025	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	0
Stipends	0	0	0	0	0
Overtime	0	0	0	0	0
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	0	0	0	0	o
Rideshare Allowance	0	0	0	0	0
Transportation Allowance	0	0	0	0	0
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

LILICERA Los Angeles County Employees Retirement Association

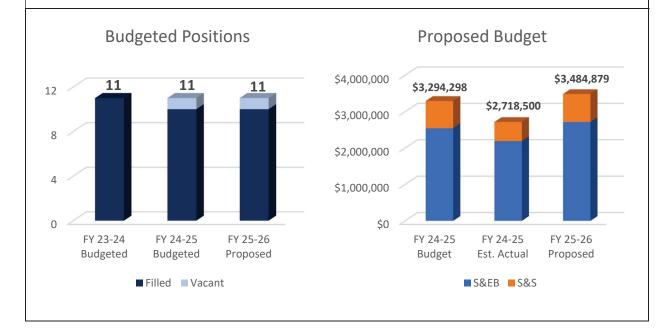
## BUDGET NARRATIVE FISCAL YEAR 2025-2026

## 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**

Description	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**

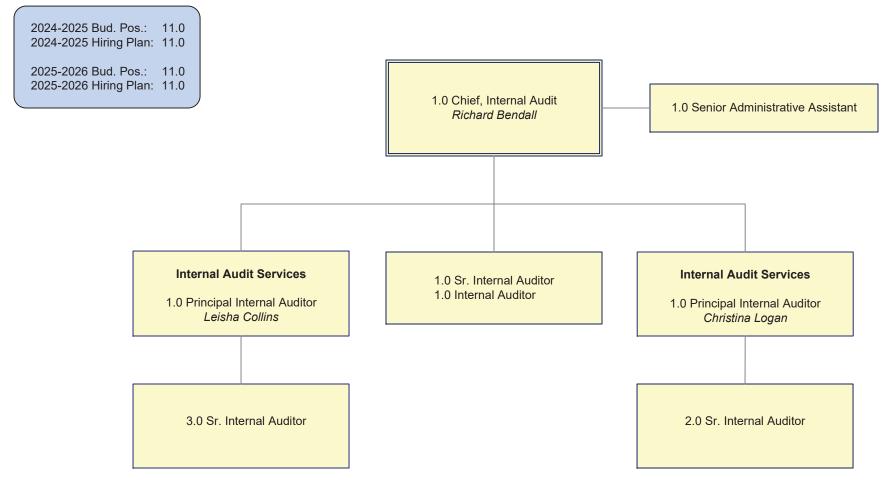
Internal Audit does not have any removal of one-time expenditures for FY 2025-26.

## **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



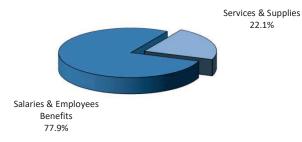
#### FISCAL YEAR 2025-2026

#### BUDGET SUMMARY

#### **INTERNAL AUDIT**

		CURRENT YEAR 2024-2025			COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET	
	PROPOSED BUDGET 2025-	YTD -			OVER/(UNDER)			
	2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
Salaries & Employees Benefits	\$2,715,679	\$2,545,098	\$1,069,036	\$2,191,000	(\$354,098)	-13.9%	\$170,581	6.7%
Services & Supplies	769,200	749,200	203,626	527,500	(\$221,700)	-29.6%	20,000	2.7%
OPERATING BUDGET	\$3,484,879	\$3,294,298	\$1,272,662	\$2,718,500	(\$575,798)	-17.5%	\$190,581	5.8%

2025 - 2026 PROPOSED BUDGET



#### FISCAL YEAR 2025-2026

#### SALARIES AND EMPLOYEE BENEFITS SUMMARY

#### INTERNAL AUDIT

		CURRENT YEAR 2024-2025			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET	
	PROPOSED BUDGET 2025		YTD		OVER/(UNDER)			
	2026	BUDGET	BUDGET (01-31-25) PROJECTION			% 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	-							
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			COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPAR PROPOSED 2024-2025	BUDGET TO
	PROPOSED BUDGET 2024-	YTD			OVER/(L	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%

#### INTERNAL AUDIT

#### BUDGET REQUEST INFORMATION

#### HISTORY OF EXPENDITURES

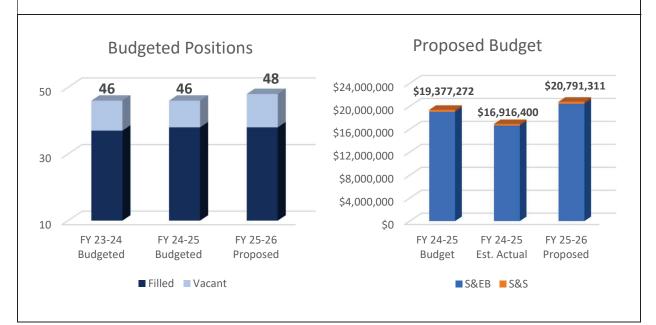
	FYE 2024		FYE 2	025	Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$1,652,147	\$1,356,731	\$1,557,081	\$1,348,600	\$1,685,619
Total Agency Temp Salaries	0	0	0	0	0
Employee Benefits (Variable)	1,065,420	727,363	824,465	682,400	848,354
Employee 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	0
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

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## BUDGET NARRATIVE FISCAL YEAR 2025-2026

## **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**

Description	Position Changes	<u>Amount</u>
<ul> <li>Two Finance Analyst I Positions</li> <li>Educational Materials</li> <li>Miscellaneous</li> </ul>	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, twoyear 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

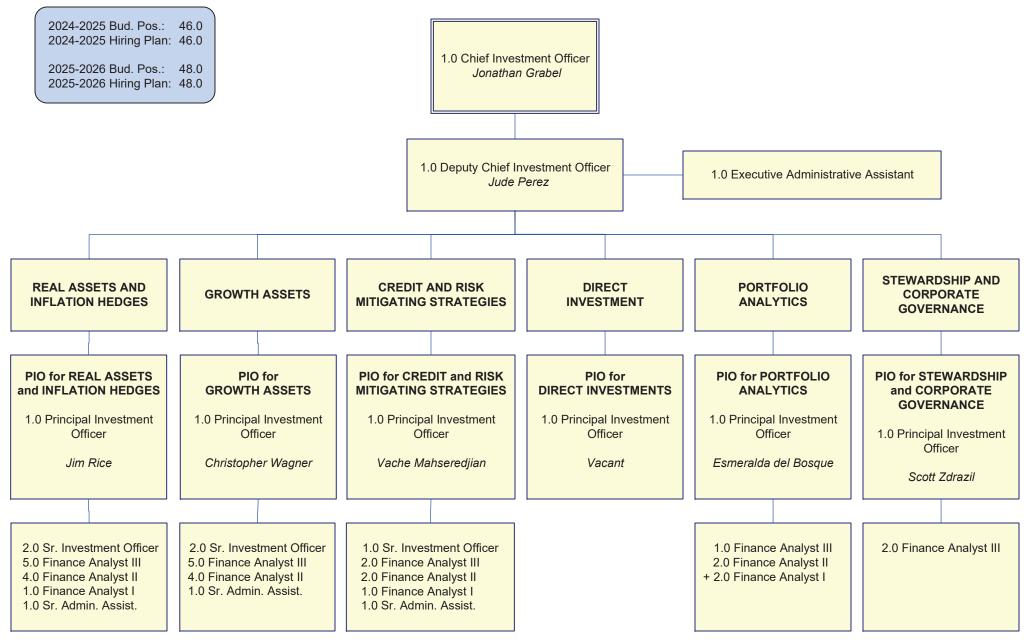
For FY 2025-26, we propose an increase of \$10,000 in the budget for educational materials. In order to enhance the professional development and educational advancement of our team, it is essential to allocate this additional funding to the Investment Office's budget for educational materials. This increase 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**



+ Added position

#### FISCAL YEAR 2025-2026

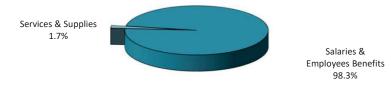
#### BUDGET SUMMARY

### INVESTMENT OFFICE

		CI	JRRENT 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	JDGET (01-31-25) PI		BUDGET % CHANGE		\$ CHANGE	% CHANGE
its	\$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



#### FISCAL YEAR 2025-2026

#### SALARIES AND EMPLOYEE BENEFITS SUMMARY

#### **INVESTMENT OFFICE**

			CURRENT YEAF 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	\$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	# of Budget Positions	Budget Salary Schedule
0493	CHIEF INVESTMENT OFFICER, LACERA (UC)	4	LR28
0493	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	COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET		
	PROPOSED BUDGET	YTD			OVER/(U	JNDER)		
ACCOUNT CLASSIFICATION	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 & EQUIPMENT	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%

#### INVESTMENT OFFICE

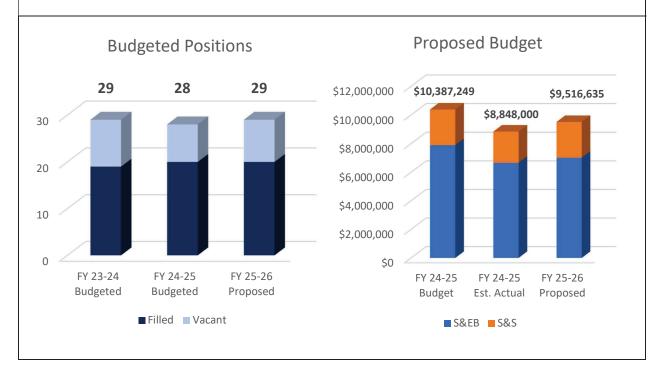
#### BUDGET REQUEST INFORMATION

#### 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



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>
<ul> <li>One Senior Staff Counsel</li> <li>Two Agency Temporary Staff: One Legal Analyst and One Senior Legal Secretary</li> <li>Photocopies of Documents</li> <li>Attorney Fees Awards</li> </ul>	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**

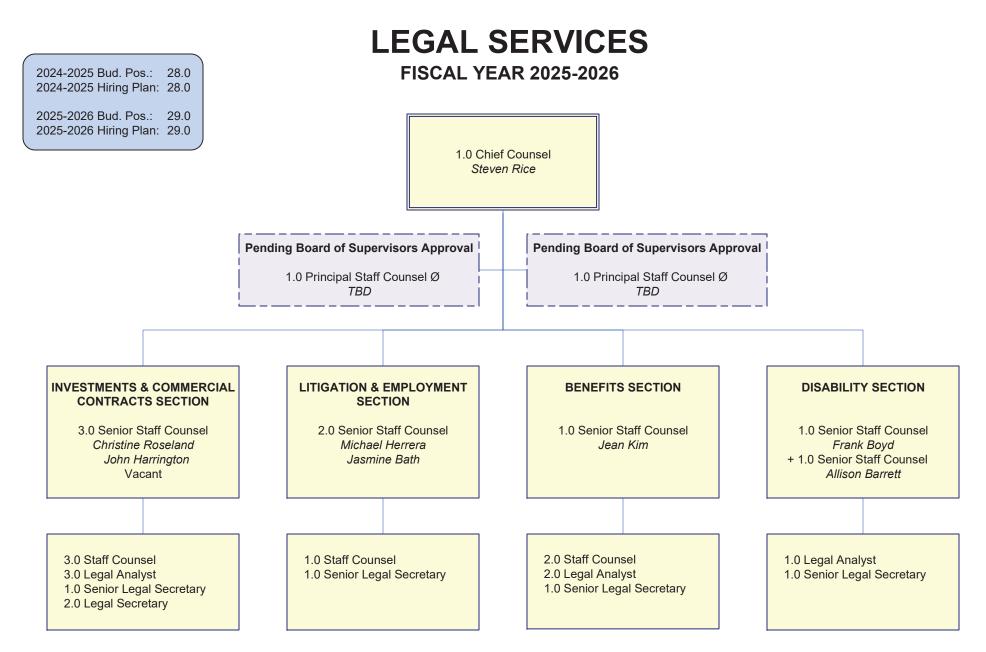
Services and supplies are the same as in FY 2024-25, with the exceptions detailed below.

### 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.



+ 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)

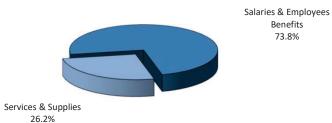
#### FISCAL YEAR 2025-2026

#### BUDGET SUMMARY

#### LEGAL SERVICES

		C	CURRENT YEAR 2024-2025			ISON OF AR BUDGET ECTION	COMPAR PROPOSED E 2024-2025	BUDGET TO
	PROPOSED BUDGET 2025-		YTD		OVER/(L	INDER)		
	2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
Salaries & Employees Benefits	\$7,019,735	\$7,904,049	\$3,502,418	\$6,665,100	(\$1,238,949)	-15.7%	(\$884,314)	-11.2%
Services & Supplies	2,496,900	2,483,200	927,454	2,182,900	(300,300)	-12.1%	13,700	0.6%
OPERATING BUDGET	\$9,516,635	\$10,387,249	\$4,429,872	\$8,848,000	(\$1,539,249)	-14.8%	(\$870,614)	-8.4%

2025 - 2026 PROPOSED BUDGET



\*All amounts rounded to the nearest dollar.

#### FISCAL YEAR 2025-2026

#### SALARIES AND EMPLOYEE BENEFITS SUMMARY

### LEGAL SERVICES

		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	\$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 2024-2025			COMPARI CURRENT YE TO PROJ	AR BUDGET	COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET	
	PROPOSED BUDGET 2025-		YTD		OVER/(UNDER)			
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%

#### LEGAL SERVICES

#### BUDGET REQUEST INFORMATION

#### HISTORY OF EXPENDITURES

[	FYE 2024		FYE 2	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

L//.CERA **BUDGET NARRATIVE** FISCAL YEAR 2025-2026 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. **Proposed Budget Budgeted Positions** \$12,762,490 \$12,157,076 \$11,250,400 \$14,000,000 100 81 79 79 \$12,000,000 80 \$10,000,000 60 \$8,000,000 \$6,000,000 40 \$4,000,000 20 \$2,000,000 0 \$0 FY 23-24 FY 24-25 FY 25-26 FY 24-25 FY 24-25 FY 25-26 Budgeted Proposed Budgeted Budget Est. Actual Proposed Filled Vacant S&EB S&S

## **Summary of Significant Changes**

Description	Position Changes	<u>Amount</u>
<ul> <li>One New Position (RBS III)</li> <li>One Administrative Assistant (Transferred from Benefits)</li> <li>Agency Temp</li> <li>Overtime</li> <li>Transportation and Travel</li> <li>Consulting and Contracting Services (New Account)</li> <li>Strategic Planning Consultant (New Account)</li> </ul>	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' selfservice 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.

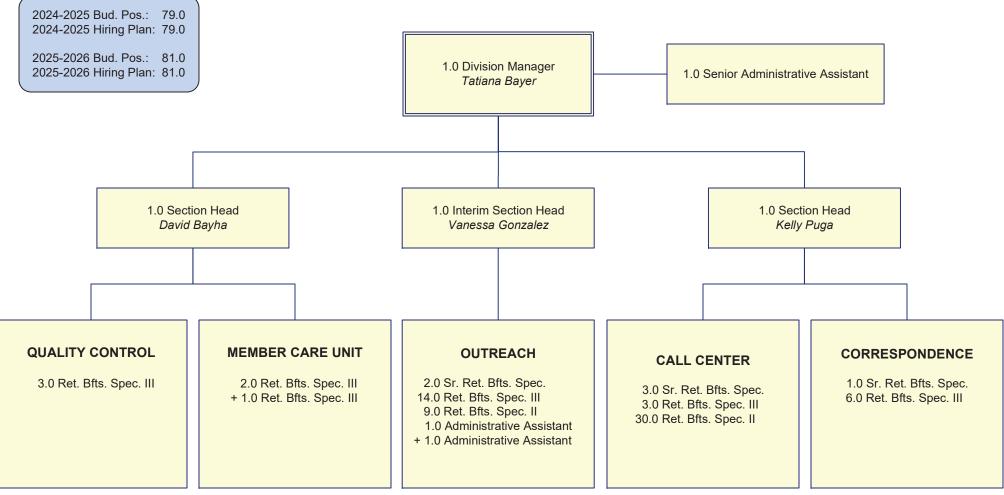
# **Registration Fees**

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

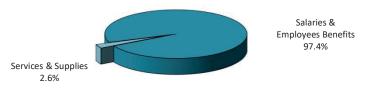
#### BUDGET SUMMARY

#### MEMBER SERVICES

		CURRENT YEAR 2024-2025			COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPARISON OF PROPOSED BUDGET TO 2024-2025 BUDGET		
	PROPOSED BUDGET		YTD	YTD		OVER/(UNDER)			
	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE	
fits	\$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	\$5,854,248	\$11,250,400	(\$906,676)	-7.5%	\$605,414	5.0%	

Salaries & Employees Benefits Services & Supplies OPERATING BUDGET

## 2025 - 2026 PROPOSED BUDGET



#### FISCAL YEAR 2025-2026

#### SALARIES AND EMPLOYEE BENEFITS SUMMARY

#### MEMBER SERVICES

		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
	AT 0 40 0TT	<b>*</b> 0.074.400		<b>*</b> 0 570 000	(\$07.500)	4 50/	<b>****</b>	40.00(
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 Schedule
0773	DIVISION MANAGER, LACERA	1	LS12
0772	SECTION HEAD, LACERA	2	LS09
1312	SENIOR RETIREMENT BENEFITS SPECIALIST	4	106C
1311	RETIREMENT BENEFITS SPECIALIST III	27	100J
0439	SENIOR ADMINISTRATIVE ASSISTANT, LACERA	1	095C
1310	RETIREMENT BENEFITS SPECIALIST II	35	094C
0438	ADMINISTRATIVE ASSISTANT, LACERA	1	088L
	Total Filled Positions =	71	

### VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0772	SECTION HEAD, LACERA	1	LS09
1312	SENIOR RETIREMENT BENEFITS SPECIALIST	2	106C
1311	RETIREMENT BENEFITS SPECIALIST III	3	100J
1310	RETIREMENT BENEFITS SPECIALIST II	4	094C
	Total Vacant Positions =	10	
	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 2024-2025			COMPAR CURRENT YE TO PROJ	AR BUDGET	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
	¢50.000	¢00.000	¢47.040	¢00.000	<b>¢</b> 0	0.00/	¢00 700	407 50/
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%

#### MEMBER SERVICES

#### BUDGET REQUEST INFORMATION

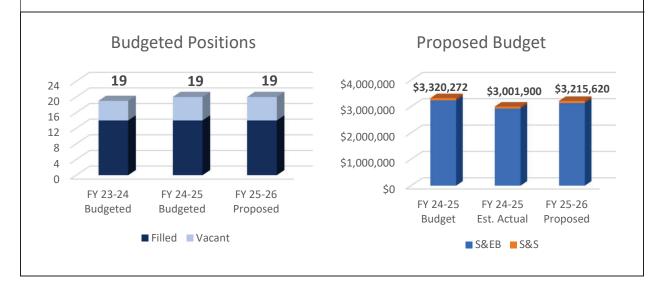
#### HISTORY OF EXPENDITURES

	FYE 2024		FYE 2	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



- 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**

### **Description**

Position Changes Amount

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
  - 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.

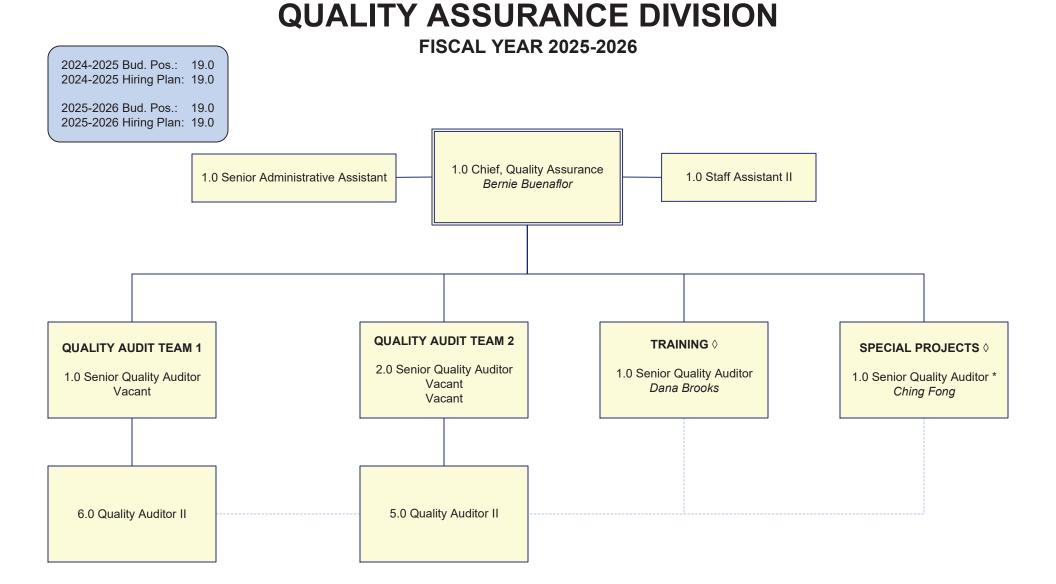
# SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

## **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.



\* Classification study for the position requested.

#### FISCAL YEAR 2025-2026

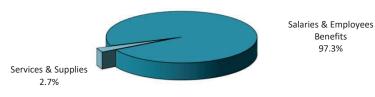
#### BUDGET SUMMARY

#### 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/(UNDER)				
	2025-2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE	
enefits	\$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%	
г	\$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



#### 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	CHIEF, QUALITY ASSURANCE	1	LS12
0798	SENIOR QUALITY AUDITOR	2	110J
0797	QUALITY AUDITOR II	8	105G
0439	SENIOR ADMINISTRATIVE ASSISTANT	1	095C
0427	STAFF ASSISTANT II	1	097B
	Total Filled Positions =	13	

#### 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	]

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 2024-2025			COMPAR CURRENT YE TO PROJ	AR BUDGET	COMPAR PROPOSED 2024-2025	BUDGET TO
	PROPOSED BUDGET		YTD		OVER/(l	JNDER)	OVER/(I	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 2025		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

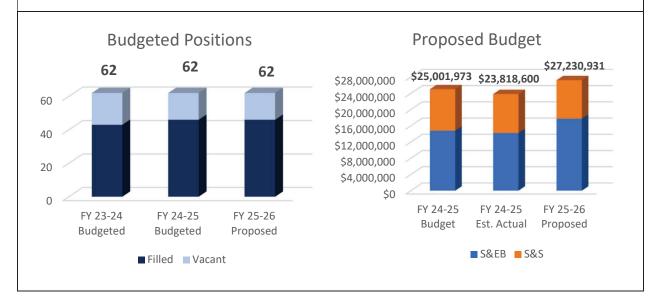
\*All amounts rounded to the nearest dollar.



#### BUDGET NARRATIVE FISCAL YEAR 2025-2026

### 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**

Description	<u>Position</u> Changes	<u>Amount</u>
<ul> <li>Add 1 EDP Prin. Prog. Analyst and 1 EDP Sen. Prog. Analyst (Application Development)</li> </ul>	2	\$367,131
<ul> <li>Delete 2 Retirement Systems Specialists (Application Development)</li> </ul>	(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
•	<ul> <li>Divisional Software—New</li> <li>Completion of SASE Solution (NetSkope Replacement)</li> <li>Deferral of Facilities Management Solution (in-house SharePoint/Power Automate solution implemented instead)</li> <li>Cancellation of PBI Upgrade (in-house enhancement to PAS implemented instead)</li> <li>Completion of Human Resources Recruitment Module (NeoGov)</li> <li>Identity Verification Software (deferred to FYE 2027)</li> </ul>		(\$556,000)
•	Divisional Software—Existing SASE Solution: Transfer of budget item to Information Security Office		(\$57,000)
•	<ul> <li>Enterprise Software</li> <li>Knowledge Management Solution: Initial milestones completed</li> <li>Enterprise Resource Planning Solution: Deferred to FYE 2028</li> <li>Member Experience Communication Platform (MECP): Initial milestones completed</li> </ul>		(\$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**

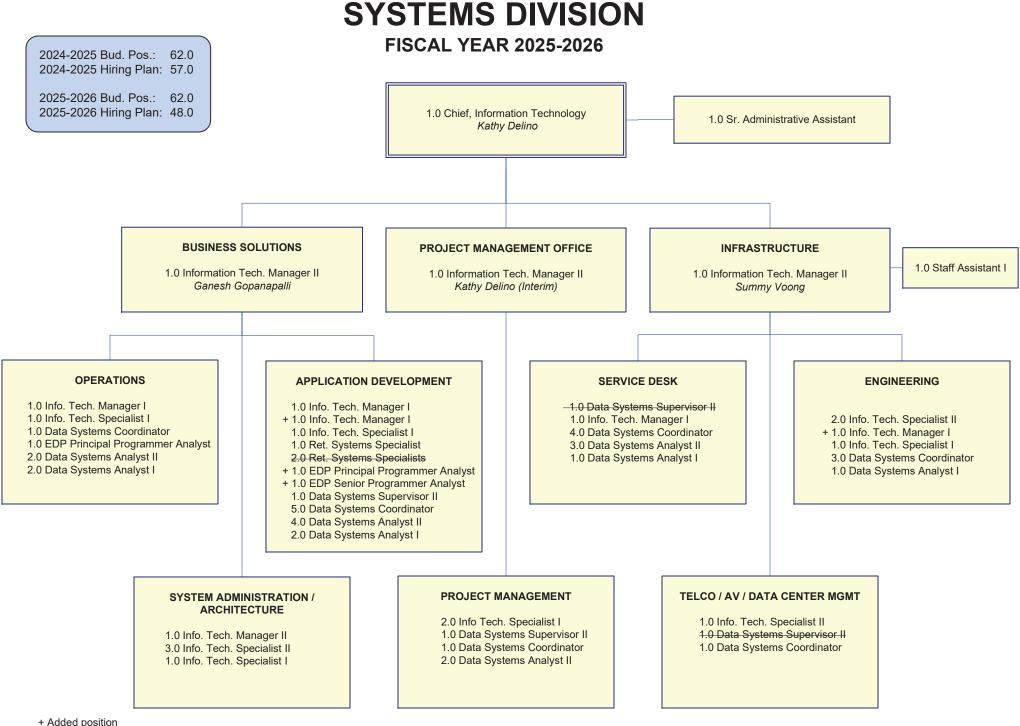
Project	Total Cost	Description
Digital Mailroom Solution	\$150,000	LACERA seeks a virtual mailroom to ensure business continuity by providing efficient and secure management of incoming mail. The virtual mailroom would use an outsourced solution to provide uninterrupted document processing and remote 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.



Deleted position

#### FISCAL YEAR 2025-2026

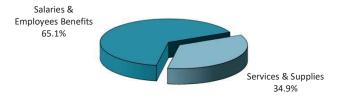
#### BUDGET SUMMARY

#### SYSTEMS DIVISION

		CURRENT YEAR 2024-2025			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPAR PROPOSED I 2024-2025	BUDGET TO
PROPO		YTD			OVER/(UNDER)			
2025-2	2026	BUDGET	(01-31-25)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
\$17,72	28,931	\$14,784,573	\$7,594,487	\$14,215,800	(\$568,773)	-3.8%	\$2,944,358	19.9%
9,50	02,000	10,217,400	5,162,026	9,602,800	(614,600)	-6.0%	(715,400)	-7.0%
\$27,23	30,931	\$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 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
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	(0,000)	-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	

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			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	\$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

Γ	FYE 2024		FYE 2	Proposed	
	Budget	Actual	Budget	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

Current Year				Prior Year	
					ACTUAL
					FOR FY
	12/31/2024		2025-2026		2023-2024
<b>^</b>	5 000 040	•	0.057.000	•	7 400 045
\$		\$		\$	7,190,615
					22,366,322
			10,901,501		14,583,958
	190,275		380,549		352,119
	9,684		19,369		21,943
	3,574,834		6,847,370		6,871,608
	2.575.040		4.370.781		2,491,225
					20,544,143
					1,511,89
			1,702,040		2,082,367
			76.604.096		78,016,19
	00,112,014		10,004,000		70,010,100
	129 960		519 841		512,271
					2,548,655
	-				
					526,050
					959,625
	1,082,297		2,755,254		4,546,601
	1,493,166		2,704,190		3,584,034
	1,250		5,000		5,000
	1,494,416		2,709,190		3,589,034
	36 371 1/0		138 635 7/8		94,952,093
					1,582,344
	1,113,931		2,065,000		1,680,624
	41,200,791		148,743,843		106,350,696
\$	80,643,665	\$	225,347,939	\$	184,366,891
	210,247		341,000		326,486
\$	80,853,912	\$	225,688,939	\$	184,693,377
			· · ·		
\$	58 849	\$	117.699	\$	112,992
Ψ	3,380	Ψ	6,760	Ψ	6,953
			30,000		
			30.000		30,000
	15,000		,		
\$	15,000 <b>77,229</b>	\$	154,458	\$	149,94
\$	· · · ·	\$		\$	149,94
\$	· · · ·	\$		\$	149,94
\$	77,229	\$ \$		<b>\$</b>	
<b>\$</b>	<b>77,229</b> 16,395	\$	154,458		30,94
<b>\$</b>	<b>77,229</b> 16,395 20,280		<b>154,458</b> 32,789 -		30,94 209,76
<b>\$</b> \$	<b>77,229</b> 16,395 20,280 206,301	\$	<b>154,458</b> 32,789 - 412,602		30,94 209,76 509,68
<b>\$</b>	<b>77,229</b> 16,395 20,280 206,301 813,366	\$	<b>154,458</b> 32,789 - 412,602 1,626,733		30,94 209,76 509,68 1,013,79
\$ \$	77,229 16,395 20,280 206,301 813,366 3,814,618	\$	<b>154,458</b> 32,789 - 412,602 1,626,733 2,908,000		30,94 209,76 509,68 1,013,79 1,593,279.8
\$	77,229 16,395 20,280 206,301 813,366 3,814,618 45,088	\$	<b>154,458</b> 32,789 - 412,602 1,626,733 2,908,000 90,177		30,94 209,76 509,68 1,013,79 1,593,279.8 88,86
\$	77,229 16,395 20,280 206,301 813,366 3,814,618	\$	<b>154,458</b> 32,789 - 412,602 1,626,733 2,908,000		30,944 209,763 509,683 1,013,794 1,593,279.84 88,863 139,334
	\$	EXPENSES AS OF 12/31/2024           \$ 5,063,942 13,027,808 5,572,943 190,275 9,684 3,574,834 2,575,040 7,969,233 846,480 612,636 39,442,874           129,960 389,833 117,500 445,004           129,960 389,833 117,500 445,004           1,082,297           1,493,166 1,250           1,493,166 1,250           1,493,166 1,250           1,493,166 1,250           1,493,166           1,250           1,493,166           1,250           1,493,166           1,250           1,493,166           1,250           1,493,166           2,250           1,493,166           1,250           1,493,166           1,250           1,493,166           2,210,247           \$ 80,643,6655           210,247           \$ 58,849	EXPENSES       F         AS OF       12/31/2024         \$ 5,063,942       \$         13,027,808       5,572,943         190,275       9,684         3,574,834       2,575,040         7,969,233       846,480         612,636       39,442,874         129,960       389,833         117,500       445,004         1,082,297       1,493,166         1,250       1,494,416         36,371,140       1,139,007         1,113,931       41,200,791         \$ 80,643,665       \$         210,247       \$         \$ 58,849       \$	AS OF 12/31/2024         FOR FY 2025-2026           \$ 5,063,942 \$ 9,957,239 13,027,808         23,207,570 5,572,943           10,901,501         190,275           190,275         380,549           9,684         19,369           3,574,834         6,847,370           2,575,040         4,370,781           7,969,233         19,217,068           846,480         1,702,649           612,636         -           39,442,874         76,604,096           129,960         519,841           389,833         852,333           117,500         493,073           445,004         890,008           1,082,297         2,755,254           1,493,166         2,704,190           1,250         5,000           1,494,416         2,709,190           36,371,140         138,635,748           1,139,007         2,578,650           1,113,931         2,065,000           41,200,791         148,743,843           \$ 80,643,665         225,347,939           210,247         341,000           \$ 80,853,912         225,688,939           \$ 58,849 \$ 117,699	EXPENSES AS OF 12/31/2024         PROJECTED FOR FY 2025-2026           \$ 5,063,942 \$ 9,957,239 13,027,808         \$ 23,207,570 5,572,943         \$ 10,901,501 190,275         \$ 380,549 9,684         \$ 19,369 3,574,834         6,847,370 2,575,040         \$ 4,370,781 7,969,233         19,217,068 846,480         \$ 1,702,649 612,636         -           39,442,874         76,604,096         -         -         -           129,960         519,841 389,833         852,333 117,500         -         -           129,960         519,841 389,833         852,333 117,500         -         -           129,960         519,841 389,833         852,333 117,500         -         -           1,982,297         2,755,254         -         -         -           1,493,166         2,704,190         -         -         -           1,493,166         2,709,190         -         -         -           36,371,140         138,635,748 1,139,007         2,578,650 1,113,931         2,065,000           41,200,791         148,743,843         \$         -         -           210,247         341,000         \$         \$         -           \$ 80,853,912         225,688,939         \$         \$





# **Board of Retirement (BOR) Strategic Plan Quarterly Update** (2024-2028)

Operations Oversight Committee Meeting April 2025

Los Angeles County Employees Retirement Association

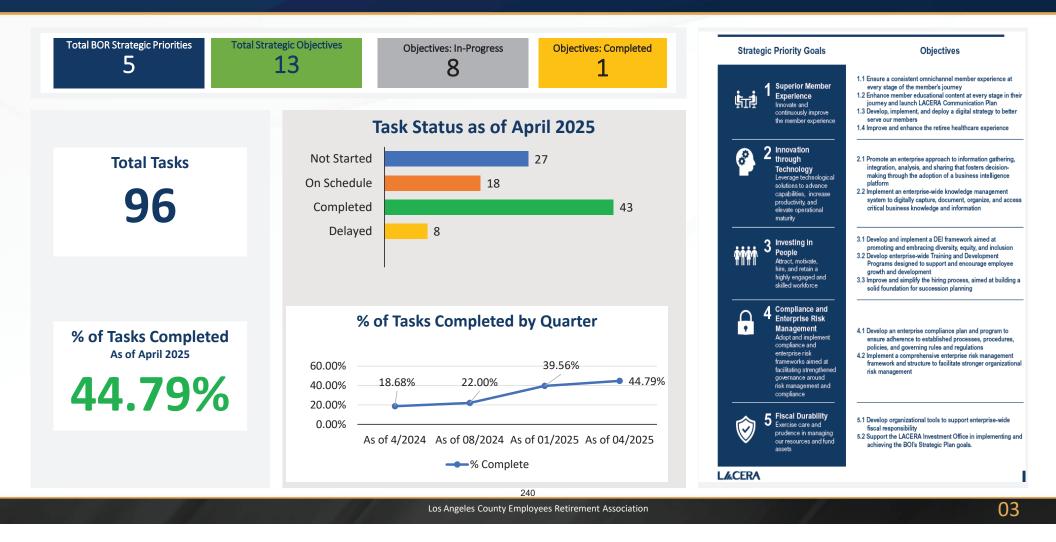


# **Progress Dashboard**

Los Angeles County Employees Retirement Association

02

## **Strategic Planning Dashboard – April 2025**





# **OBJECTIVE SPOTLIGHT**

Los Angeles County Employees Retirement Association

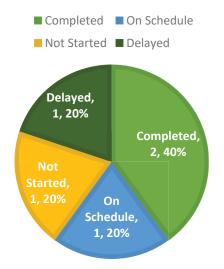
## **WORKPLAN - Strategic Objective 2.1**

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**



#### **MILESTONE TRACKER**



\* Expected completion date: 6/30/2025

\*\* Expected completion date: 06/30/2026

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Los Angeles County Employees Retirement Association

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### **Enterprise Business Intelligence Goals**







Centralize Data Governance



**Publish Dashboard for Member Data** 



Publish Dashboards for Enterprise Data



Replace Reporting Requests with On-Demand Dashboards



06

## **Key Milestones Achieved**





Established a Data Management and Business Intelligence team

Implemented LACERA's data lake, a centralized source of data

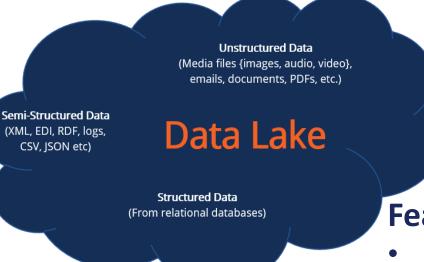
Completed pilot dashboards for Member Demographic Data and the CEO Report



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 <sup>245</sup>

# **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

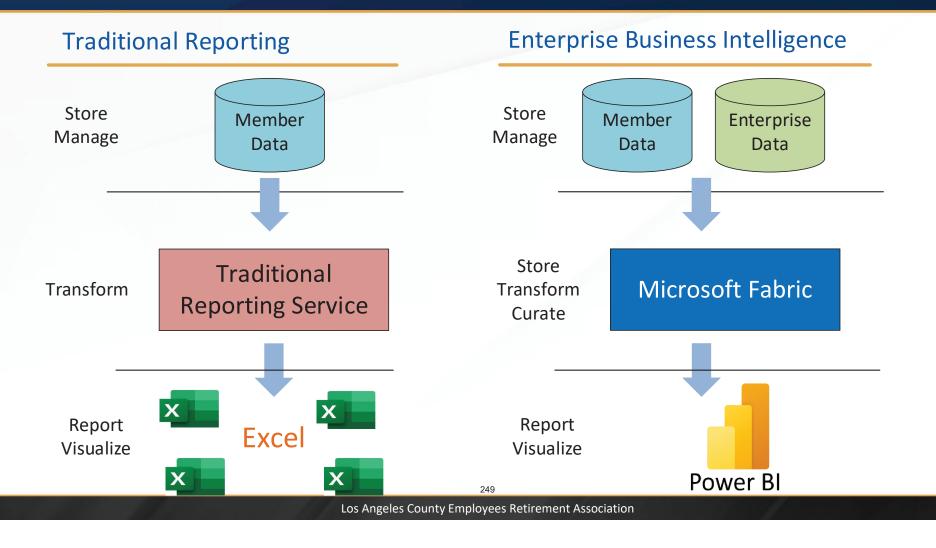
# **Benefits of Microsoft (MS) Fabric**



### **MS Fabric vs. Traditional Data Lakes**

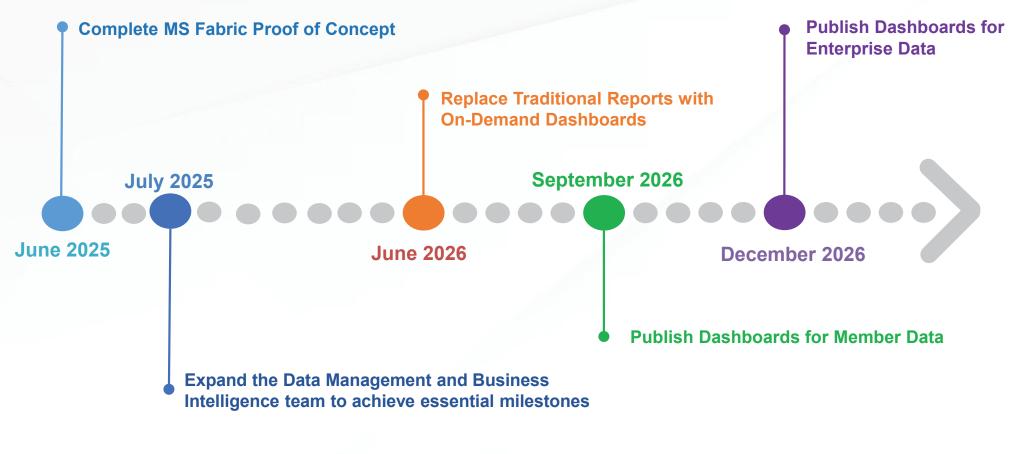
- Software as a Service (SaaS) model provides simpler maintenance and scalability
- Unified data storage and integration with Power BI provides greater autonomy for analysts and report developers
- Direct Lake query capability combines speed and currency. Get up-tothe-minute data and get it quickly
- Al-driven real-time insights via Copilot

# Comparing Traditional Reports and Modern Business Intelligence



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# **Next Steps and Timeline**





# **Workplan Dashboards** (Objectives In-Progress)

# **WORKPLAN - Strategic Objective 1.1**

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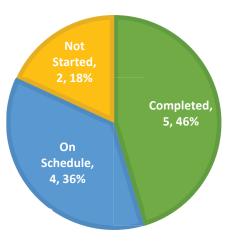
Strategic Goal: Superior Member Experience Strategic Objective: 1.1 – Ensure an omni-channel experience at every stage of a member journey Executive Sponsor and Leads: JJ Popowich; Tatiana Bayer (Lead)

#	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

#### Legend On Schedule • Complete ★ Delayed/Stopped ▲ Not Started •

#### **MILESTONE TRACKER**

Completed On Schedule Not Started



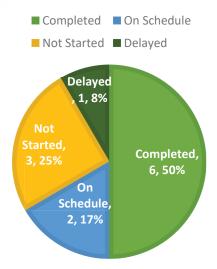
# **WORKPLAN - Strategic Objective 1.4**

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	*	10/2023	12/31/2024
8	Automation Opportunity: RHC Online Enrollment	•	11/2024	12/31/2025
9	Automation Opportunity: SSA Data Exchange		02/2023	12/31/2024
10	Automation Opportunity: RHC/County Comparison Roadmap	•	TBD	06/30/2025
11	Collaborate with Union sponsored healthcare plans	•	3/2025	12/31/2025
	Collaborate with Union sponsored healthcare plans	•	3/2025	12/31/2025



#### **MILESTONE TRACKER**



\* Expected completion date: 7/31/2025

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Los Angeles County Employees Retirement Association

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## **WORKPLAN - Strategic Objective 1.4**



Strategic Goal:Superior Member ExperienceStrategic 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		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

■ Completed ■ On Schedule ■ Not Started ■



# **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

Legend	
On Schedule	Complete ★
Delayed/Stopped	
Not Started	

# **WORKPLAN - Strategic Objective 3.1**

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Complete ★

Strategic Goal: Investing in People Strategic Objective: 3.1 – Develop and implement framework aimed at promoting D.E.I. Executive Sponsor: Laura Guglielmo

#	Objective Milectores	Status	Start	Expected
T	Objective Milestones		otan	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			
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

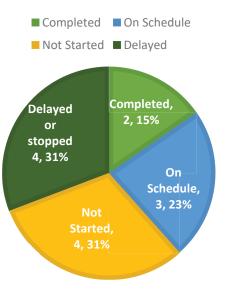


Legend

**On Schedule** 

Not Started

Delayed/Stopped



# **WORKPLAN - Strategic Objective 3.1**



Strategic Goal: Investing in People			
Strategic Objective: 3.1 – Develop and implement framework air	ned at pro	moting 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**

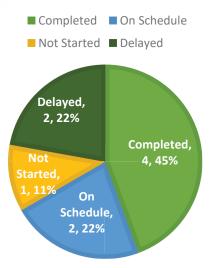
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Strategic Goal:Investing in PeopleStrategic Objective: 3.3 – Improve and simplify hiring processExecutive Sponsor:Laura Guglielmo; Carly Ntoya (Lead)

#	Objective Milestones		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



#### **MILESTONE TRACKER**



# **WORKPLAN - Strategic Objective 4.1**

1 of 2

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#       Objective Milestones       Status       Stat	Str	ategic Goal: Compliance and Enterprise Risk ategic Objective:4.1 – Develop and implement an Enterprise E ecutive Sponsor: Luis Lugo; Steven Rice and Allison Barrett (L		Compliar	nce Program	Legend On Schedule Delayed/Stopped Not Started	● Complete
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       12/01/2024         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 risk areas and Scope of Program Oversight       ●       11/201/2024         10       Determine critical ethics and compliance GRC solution (GRC 360) - Compass       3/2023       12/01/2024         11       PPC Management Software Solution/Compliance GRC solution (GRC 360) - Compass       3/2023       12/01/2024         12       County Approval of CECO Position       20       TBD       6/01/2025   <	#	Objective Milestones	Status	Start		MUEST	ONE TRACKER
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)       •       11/11/24       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       0	1	Ethics Compliance Program (ECP) Communication campaign		10/2023	Ongoing		
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       0	2	Approval of Ethics and Compliance program Charter	*	10/2023	10/09/2024	Completed (	On Schedule Not Started
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       •       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       5	3	Update and obtain approval of ACRE Charter	*	10/2023	10/09/2024		
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Image: Normal state       Image: Norma state       Image: Norma state </td <td>7</td> <td>Ethics and Compliance Orientation (ACRE, MAC, SAC, and Staff)</td> <td>•</td> <td>11/1/24</td> <td>6/01/2025</td> <td>6, 37.5%</td> <td></td>	7	Ethics and Compliance Orientation (ACRE, MAC, SAC, and Staff)	•	11/1/24	6/01/2025	6, 37.5%	
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	11		*	3/2023	12/01/2024		
Los Angeles County Employees Retirement Association	12	County Approval of CECO Position	260	TBD	6/01/2025		- 22
		Los Angeles County Employees I	Retiremen Asso	ciation			23

# **WORKPLAN - Strategic Objective 4.1**

Strategic Goal:Compliance and Enterprise RiskStrategic 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



# **WORKPLAN - Strategic Objective 5.1**

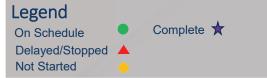
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#### Fiscal Durability

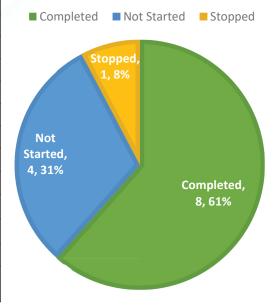
Strategic Goal

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







#### **LACERA Strategic Priorities and Objectives**



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#### **COMPLETE - Strategic Objective 5.2**

Strategic Goal **Fiscal Durability** Legend Complete ★ Strategic Objective: 5.2 – Update and revise LACERA Actuarial Funding Policy **On Schedule** Delayed/Stopped Executive Sponsor: Luis Lugo; Vache Mahseredjian (Lead) Not Started # Status Expected **Objective Milestones** Start Completion **MILESTONE TRACKER** Create team to define objective goals and initiatives. Investment team in  $\bigstar$ 1 09/2023 01/01/2024 Completed collaboration with FASD and Legal led jumpstart during 2023 BOI offsite  $\star$ Review of existing policy and discussion of desirable elements 2 10/2023 12/01/2023  $\star$ Schedule meetings among workgroup to develop drafts of new policies 3 10/2023 07/2024  $\star$ FASD and LACERA Actuary (Milliman) to draft separate interest crediting policy 01/2024 08/2024 4  $\bigstar$ 5 Seek approval of funding policy and interest crediting policy by LACERA ECC 08/2024 08/2024 Seek trustee input on proposed update of Actuarial Funding Policy and new \* 6 08/2024 09/2024 Interest Crediting Policy.  $\star$ 7 Both policies adopted at BOI Meeting in October 09/2024 10/2024 Completed, 7.100% 265

**ATTACHMENT** 

# 2025 Strategic Framework and Initiatives:

#### **Towards Best-In-Class Investor**

Board of Investments Meeting January 8, 2025

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LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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#### 2025 Strategic Framework and Initiatives Recommendation and Overview

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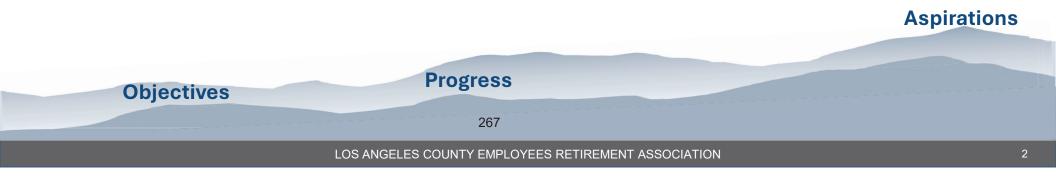
#### Recommendation

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



#### Strategic Framework and Initiatives Towards Best-In-Class Investor



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

#### Execute Strategic Asset Allocation

# Updated in 2024



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

#### Execute Strategic Asset Allocation Towards Best-In-Class Investor



#### 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

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

#### **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

Investment	Objectives of the Investment Program           LACERA follows a carefully planned and executed strategic investment in order to:				
Policy Statement Receiver to 2007	I.	<b>Produce</b> 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;			
LICERA	II.	<b>Protect</b> 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			
	<i>III.</i>	<b>Provide</b> the promised benefits for LACERA members and beneficiaries, in part by ensuring adequate liquidity, consistent with LACERA's mission			

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

### Added 2019-2021



LACERA 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

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### 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

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### 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

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# Dynamic Investment Program

# Added 2023

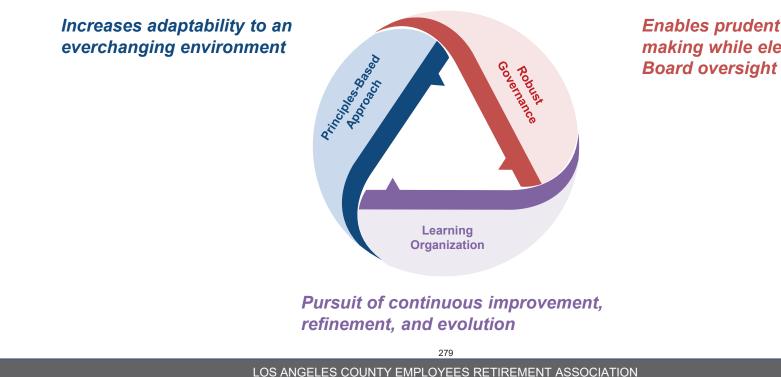


LACERA Mission: To produce, protect and provide the promised benefits to our members

#### **Dynamic Investment Program**



LACERA's dynamic investment program sharpens decision-making and fosters perpetual growth



Enables prudent decision making while elevating

LACERA's dynamic investment program provides a methodical, deliberate, and meticulous process to evaluate strategic efforts



LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

# Dynamic Investment Program



### Next Steps

- 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 ٠
- Consultants, actuaries, and fiduciary counsel

#### **Oversight**

- Portfolio implementation
- **CIO Monthly Report** ٠
- 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**

The above lists are not exhaustive. The IPS provides a more comprehensive description of roles and responsibilities.

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LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

#### **Periodic Updates**

- New investment and redemption notices
- RFP updates and memorandums
- Material portfolio or market events
- Significant investment updates
- **Educational speakers**

#### 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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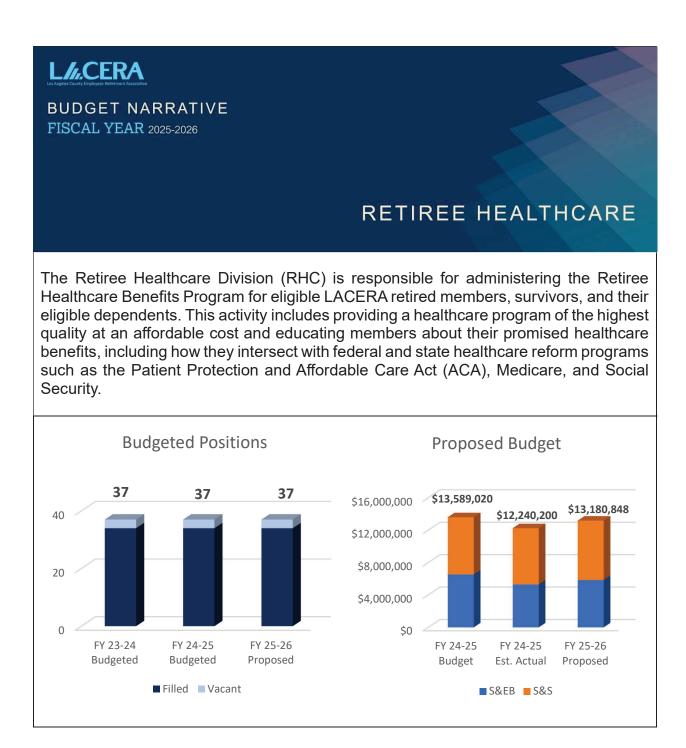
#### Services and Supplies

Services and Supplies Summary	14-R
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#### Budget History

Budget History

15-R



#### **Summary of Significant Changes**

Description	Position Changes	<u>Amount</u>
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 self-service 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

CavMac	GASB 75	\$16,000
	Total	\$16,000

• Funding totaling \$354,000 (excluding Project 4 as noted below) is requested for OPEB Program Actuarial Consulting Fees.

OPEB Pro	gram Consulting		FY 2025
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	-\$	<u> </u>
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.

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	

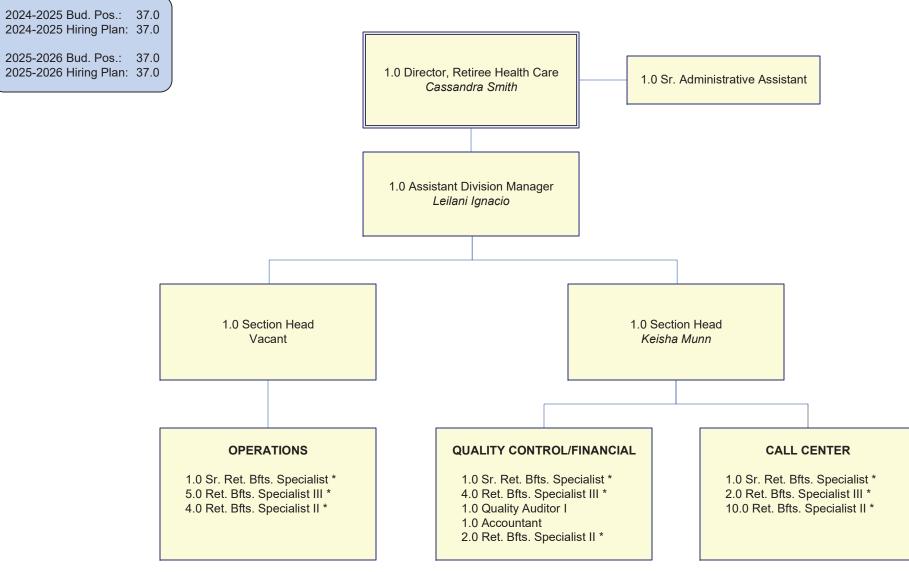
#### RHC ADMINISTRATIVE REVENUE AND EXPENSES FOR THE LAST 10 FISCAL YEARS

<sup>1</sup>LACERA billed the RHC Administrative Fee of \$10 and collected \$8 from the County.

<sup>2</sup> The administrative fee account's accumulated surplus was used to absorb the over expenditure.

<sup>3</sup> From July 2024 to January 2025.

#### **FISCAL YEAR 2025-2026**



\* Classification study for the position requested.

FISCAL YEAR 2025-2026

**BUDGET SUMMARY** 

	U	CURRENT YEAR		COMPARISON OF CLIRRENT YFAR BLIDG	COMPARISON OF	COMPAR	COMPARISON OF PROPOSED BUDGET TO
		2024-2025		TO PROJECTION	ECTION	2024-2025 BUDGET	BUDGET
PROPOSED BUDGET		ΥTD		OVER/(L	DVER/(UNDER)		
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	\$6,715,311	\$12,240,200	(\$1,348,820)	-9.9%	(\$408,172)	-3.0%

Salaries & Employees Benefits Services & Supplies OPERATING BUDGET

# 2025 - 2026 PROPOSED BUDGET

Salaries & Employees Benefits 44.3%



\*All amounts rounded to the nearest dollar.

#### FISCAL YEAR 2025-2026

#### SALARIES AND EMPLOYEE BENEFITS SUMMARY

		C	URRENT 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	\$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 0796	RETIREMENT BENEFITS SPECIALIST III QUALITY AUDITOR I, LACERA	1 1	100J 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 2023		FYE 2024		FYE 2	FYE 2026	
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 2025		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

Γ	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

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#### LI/I, CERA

BUDGET NARRATIVE FISCAL YEAR 2025-2026

#### 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 2 0 2 4 - 2 0 2 5			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
Salaries & Employees Benefits	\$976,786	\$825,111	\$481,315	\$775,604	(\$49,507)	-6.0%	\$151,675	18.4%
Services & Supplies	\$322,645	314,357	183,375	295,496	(18,861)	-6.0%	8,288	2.6%
OPERATING BUDGET	\$1,299,431	\$1,139,468	664,690	1,071,100	(68,368)	-6.0%	\$159,963	14.0%

#### 2025 - 2026 PROPOSED BUDGET



# L///.CERA

#### **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 "nonadministrative 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 Approva	l Calendar
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Date	Activity
By November 30	<ul> <li>Executive Office and Management review each Board's Strategic Plan initiatives for alignment with the upcoming Fiscal Year budget development cycle.</li> </ul>
	<ul> <li>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.</li> </ul>
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 twentyone 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:**

- <u>Retirement Benefit Funding Policy</u>
- 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
- <u>Audit Committee Charter</u>
- 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.

## L//,CERA

April 22, 2025

- TO:Each Trustee,<br/>Board of Retirement<br/>Board of InvestmentFROM:James Beasley Administrative Services<br/>Supervising Administrative Assistant II
  - Lindsay Knight Administrative Services
- FOR:May 7, 2025 Board of Retirement MeetingMay 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 8<sup>th</sup> 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



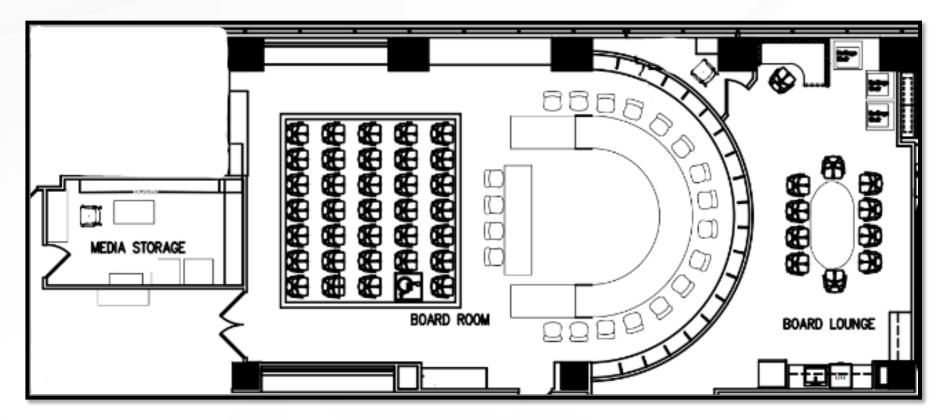
## CURRENT BOARDROOM LIMITATIONS

- 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



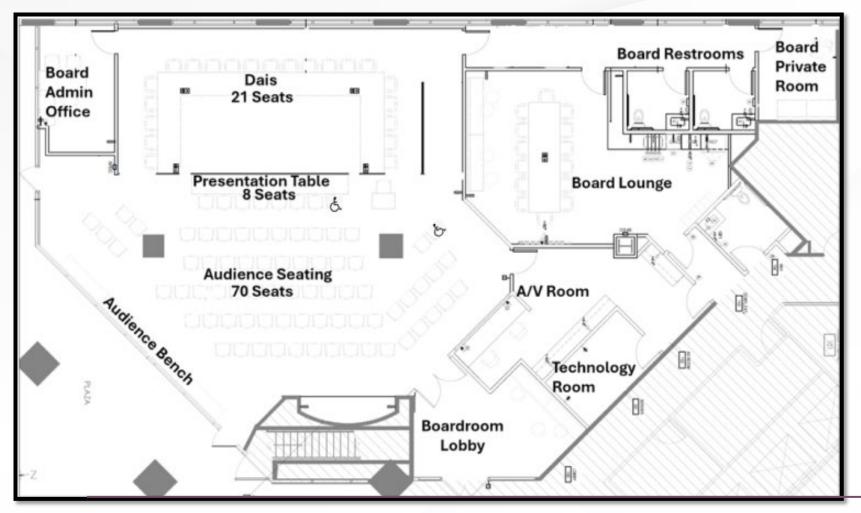


## A STRATEGIC OPPORTUNITY

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
- $_{\circ}$   $\,$  Private Trustee room  $\,$
- Board Admin Office
- Large public waiting area
- Dedicated AV control room
- Double usable square footage Total = 4,563 sq. ft

## FUNCTIONAL IMPROVEMENT -ENHANCED SAFETY & SECURITY

- Public access restricted to first floor
- Ability to quickly & safely
   evacuate in case of emergency
- **Dedicated Trustee entrance**
- Weapon detection system
- $_{\circ}$  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

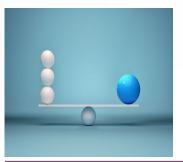


### Timeline

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

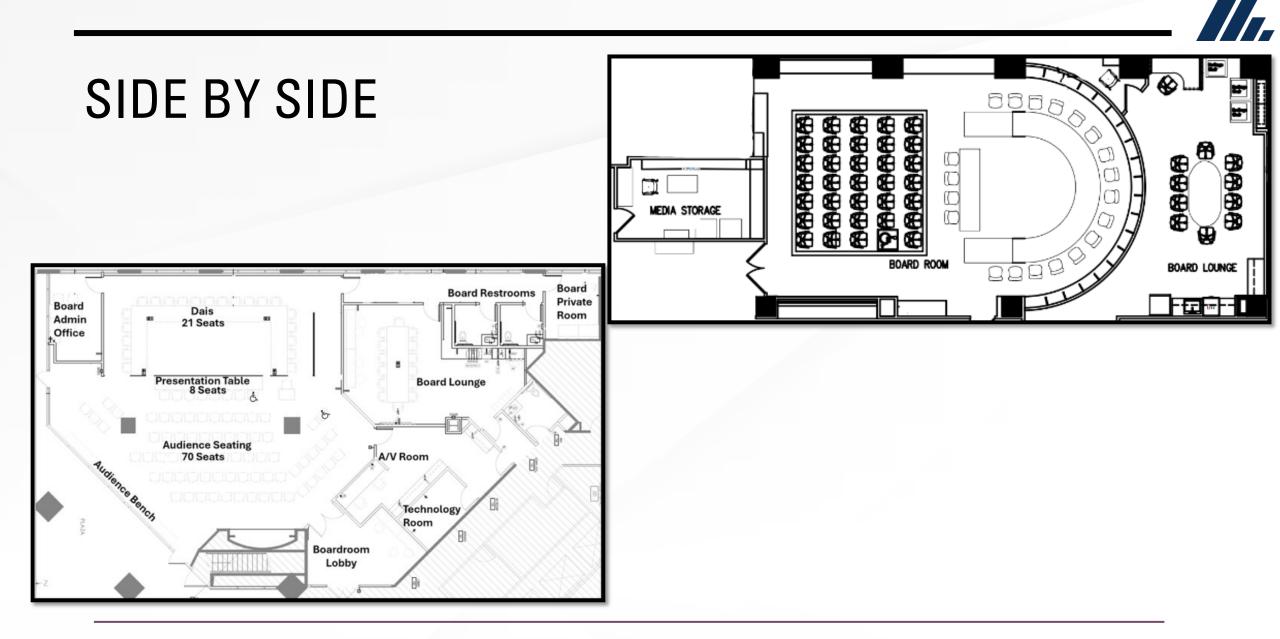
Ground level view Traffic noise & pedestrian distraction May be more vulnerable to vandalism or other security threats Retail office space that will not be leased by another tenant



## 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



#### SUPPLEMENTAL AGENDA INFORMATION

#### April 24, 2025

- TO: Each Trustee Board of Retirement
- FROM: Barry W. Lew & Legislative Affairs Officer
- FOR: May 7, 2025 Board of Retirement Meeting

SUBJECT: Assembly Bill 1383—Public Employees' Retirement Benefits

Amended:	McKinnor [D] California Professional Firefighters April 11, 2025 February 21, 2025 From Assembly Committee on Public Employment and Retirement: Do Pass to Committee on Appropriations.
IBLC Recom	(04/25/2025)

IBLC Recommendation: Watch (04/02/2025) Staff Recommendation: Neutral

#### RECOMMENDATION

That the Board of Retirement concur with the recommendation by the Insurance, Benefits and Legislative and adopt a "Watch" position on Assembly Bill 1383, which would adjust the pensionable compensation limit to be consistent with the defined benefit limitation under federal law, enhance various retirement formulas, and adjust the sharing of normal costs.

#### LEGISLATIVE POLICY STANDARD

AB 1383 proposes benefit enhancements that would increase the compensation limit under the California Public Employees' Pension Reform Act of 2013 (PEPRA) to equal the benefits limitation under federal law, increase the retirement formula, and adjust the sharing of normal costs. AB 1383 is not consistent with any of the Board of Retirement's (BOR) legislative policy standards that would entail support or opposition. A "Watch" or "Neutral" position indicates that the Board neither supports nor opposes the proposal.

#### SUMMARY

As amended on April 11, 2025:

AB 1383 Board of Retirement April 24, 2025 Page 2

- A public employer and a recognized employee organization may negotiate a prospective increase to the retirement benefit formulas for members and new members. The proposed benefit increases shall be applied prospectively on or after the operative date of the benefit increases.
- For new safety members hired on or after January 1, 2026, a new benefit formula shall be offered that maintains the same percentage of compensation factor offered as of December 31, 2025.
- For safety members hired on or after January 1, 2013, the current benefit formula applies to service performed between January 1, 2013, and December 31, 2025. For service performed on or after January 1, 2026, the employer shall offer the new benefit formula that is closest to the current benefit formula.
- The employer and its employees may agree in a memorandum of understanding to provide a higher safety plan that applies to members after the effective date of the plan.
- The employer and its employees may agree in a memorandum of understanding to provide a lower safety plan for members first employed on or after the effective date of the lower plan.
- The employer and its employees may agree to terms in a memorandum of understanding where the employer pays a portion of the employee contribution in the equal sharing of normal costs. This provision applies to all members, not just safety members.

#### ANALYSIS

#### Retirement Benefit Formulas

The following table summarizes the current benefit formulas and the enhanced benefit formulas proposed by the bill.

	Current Formula	Current	Current	Enhanced Formula	Enhanced
Plan	Section	Formula at 57	Formula at 55	Section	Formula at 55
<b>Basic Safety Plan</b>	7522.25(b)	2% at 57	1.836% at 55	7522.26(b)	2% at 55
Safety Option					
Plan One	7522.25(c)	2.5% at 57	2.357% at 55	7522.26(c)	2.5% at 55
Safety Option					
Plan Two	7522.25(d)	2.7% at 57 <sup>1</sup>	2.5% at 55	7522.26(d)	2.7% at 55

<sup>&</sup>lt;sup>1</sup> PEPRA Plan C Safety members currently have Safety Option Plan Two with 2.7% at 57. This is the plan with a formula that is closest to and provides a lower benefit at age 55 than Plan B Safety, which provides 2.62% at 55.

Plan	Current Formula Section	Current Formula at 57	Current Formula at 55	Enhanced Formula Section	Enhanced Formula at 55
Safety Option					
Plan Three				7522.26(e)	3% @ 55

#### New Members

For new safety members hired on or after January 1, 2026, shall offer one of the safety formulas in Section 7522.26, which maintains the percentage of compensation factor offered as of December 31, 2025. Thus, such new members at LACERA will receive 2.7% at 55 under Safety Option Plan Two.

#### Current Members

Current members with service performed between January 1, 2013, and December 31, 2025, the current benefit formulas under Section 7522.25 shall continue to apply. For service performed on or after January 1, 2026, the employer shall offer the formula in Section 7522.26 that is closest to the formula provided in Section 7522.25. Thus, current LACERA members, who have service on or after January 1, 2026, and receive 2.7% at 57 are to receive 2.7% at 55 under Safety Option Plan Two.

#### MOU for Higher Safety Plan or Lower Safety Plan

An employer and its employees may agree in a memorandum of understanding to be subject to a higher safety plan on or after the effective date of the higher plan. Thus, for LACERA members who are in Safety Option Plan Two, the employer and employees may negotiate for Safety Option Plan Three, which is 3% at 55.

They may also agree to provide for a lower safety plan to apply to members first employed on or after the effective date of the lower plan. Thus, for new LACERA members who would be subject to Safety Option Plan Two at the new formula of 2.7% at 55, the employer and employees may negotiate for a lower plan to be applicable.

#### Nonrepresented, Managerial, or Supervisory Employees

An employer shall not provide a different defined benefit for nonrepresented, managerial, and supervisory employees than the employer provides for other employees of the same employer who are in the same membership classifications.

#### Normal Cost Rate

The normal cost rate is the annual actuarially determined normal cost for the plan of retirement benefits provided to a member. PEPRA members are required to contribute at least 50% of the normal cost rate for their plan. The bill would provide that on or after January 1, 2026, an employer and employees may collectively bargain and agree in a memorandum of understanding that the employer pays a portion of the employee contribution.

AB 1383 Board of Retirement April 24, 2025 Page 4

**IT IS THEREFORE RECOMMENDED THAT THE BOARD** concur with the recommendation by the Insurance, Benefits and Legislative and adopt a "Watch" position on Assembly Bill 1383, which would adjust the pensionable compensation limit to be consistent with the defined benefit limitation under federal law, enhance various retirement formulas, and adjust the sharing of normal costs.

**Reviewed and Approved:** 

Luis Lugo, Deputy Chief Executive Officer

#### Attachment

AB 1383 (McKinnor) as amended on April 11, 2025 Government Code Section 7522.44 AB 1383: Staff Presentation

cc: Santos H. Kreimann Luis Lugo JJ Popowich Laura Guglielmo Steven P. Rice Jean Kim Louis Gittens Tatiana Bayer Naomi Padron, McHugh Koepke & Associates

#### AMENDED IN ASSEMBLY APRIL 11, 2025

#### AMENDED IN ASSEMBLY MARCH 10, 2025

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL

#### No. 1383

#### Introduced by Assembly Member McKinnor

February 21, 2025

An act to amend-Section 7522.10 of Sections 7522.10, 7522.25, and 7522.30 of, and to add Sections 7522.19 and 7522.26 to, the Government Code, relating to public employees' retirement, and making an appropriation therefor.

#### LEGISLATIVE COUNSEL'S DIGEST

AB 1383, as amended, McKinnor. Public employees' retirement benefits.

The Public Employees' Retirement Law (PERL) establishes the Public Employees' Retirement System (PERS) to provide a defined benefit to members of the system based on final compensation, credited service, and age at retirement, subject to certain variations. Existing law creates the Public Employees' Retirement Fund, which is continuously appropriated for purposes of PERS, including depositing employer and employee contributions. Under the California Constitution, assets of a public pension or retirement system are trust funds.

The California Public Employees' Pension Reform Act of 2013 (PEPRA) establishes a variety of requirements and restrictions on public employers offering defined benefit pension plans. In this regard, PEPRA restricts the amount of compensation that may be applied for purposes of calculating a defined pension benefit for a new member, as defined, by restricting it to specified percentages of the contribution and benefit

base under a specified federal law with respect to old age, survivors, and disability insurance benefits.

This bill, on and after January 1, 2026, would require a retirement system to adjust pensionable compensation limits to be consistent with a defined benefit limitation established and annually adjusted under federal law with respect to tax exempt qualified trusts. By

PEPRA requires each retirement system that offers a defined benefit plan for safety members of the system to use one of 3 formulas for safety members, 2% at age 57, 2.5% at age 57, or 2.7% at age 57.

This bill would establish new retirement formulas, for employees first hired on or after January 1, 2026, as 2.5% at age 55, 2.7% at age 55, or 3% at age 55. For new members hired on or after January 1, 2013, who are safety members, the bill would require employers to adjust the formulas for service performed on or after January 1, 2026, to offer one of the 3 formulas for safety members that is closest to the formula the employer provided pursuant to existing law. The bill would authorize 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.

This bill would authorize an employer and its employees to agree in a memorandum of understanding to be subject to a higher safety plan or a lower safety plan, subject to certain requirements, including that the memorandum of understanding is collectively bargained in accordance with applicable laws.

PEPRA requires all public employees to pay at least 50 percent of normal costs and prohibits public employers from paying any of the required employee contribution.

This bill would authorize an employer and employee, through the collective bargaining process, to agree to terms in a memorandum of understanding where the employer pays a portion of employee contribution.

*By* increasing the contribution to continuously appropriated funds, this bill would make an appropriation.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares the following:

1 (a) California is experiencing significant challenges in the 2 recruitment and retention of safety personnel, including 3 firefighters, police officers, and other first responders. Competitive 4 retirement benefits are critical to ensuring an adequate and 5 well-trained public safety workforce.

6 (b) Firefighters face heightened risks of occupational diseases, 7 including elevated cancer rates. Studies have shown that 8 firefighters have a significantly higher risk of developing multiple 9 types of cancer due to prolonged exposure to carcinogens and 10 hazardous materials in the line of duty. In 2022, the International 11 Agency for Research on Cancer identified the occupation of 12 firefighting as a Class 1 carcinogen.

(c) The physical demands of safety positions are extraordinary,
requiring peak physical performance, endurance, and exposure
to high-stress, life-threatening situations on a daily basis. These
factors contribute to increased rates of disability, injury, and early
retirement compared to other professions.

(d) Adjusting the retirement age and pension formulas for safety
employees is necessary to maintain a sustainable and effective
workforce while addressing the unique health and occupational
challenges faced by these personnel.

(e) California has a strong history of protecting and promoting
collective bargaining rights and providing opportunities for
employees and employers to bargain over certain retirement
benefits that further enhances opportunities for public employers
and employees to partner on stronger retirement security.

(f) Public employees commit their life to service of their
communities. Allowing employees to bargain over the payment of
the normal cost between employees and employers will facilitate
further discussion at the bargaining table, improving conditions
for all employees.

(g) The compensation cap established under the public employee pension reform act, places limits that are significantly less than the current federal limit. To reflect current wage rates across both safety and miscellaneous employees, it is necessary to reconsider the appropriate compensation cap level, consistent with federal

37 *limits*.

38 SECTION 1.

39 *SEC.* 2. Section 7522.10 of the Government Code is amended 40 to read:

1 7522.10. (a) On and after January 1, 2013, each public 2 retirement system shall modify its plan or plans to comply with 3 the requirements of this section for each public employer that 4 participates in the system.

5 (b) Whenever pensionable compensation, as defined in Section 6 7522.34, is used in the calculation of a benefit, the pensionable 7 compensation shall be subject to the limitations set forth in 8 subdivision (c).

9 (c) (1) The pensionable compensation used to calculate the 10 defined benefit paid to a new member who retires from the system 11 shall not exceed the following applicable percentage of the 12 contribution and benefit base specified in Section 430(b) of Title 13 42 of the United States Code on January 1, 2013:

14 (A) One hundred percent for a member whose service is included 15 in the federal system.

(B) One hundred twenty percent for a member whose serviceis not included in the federal system.

18 (2) On and after January 1, 2026, a retirement system subject 19 to this article shall adjust pensionable compensation limits 20 established by this subdivision to be consistent with the defined 21 benefit rate established by Section 415(b)(1)(A) of Title 26 of the 22 Units 1 State Call

22 United States Code, as adjusted annually.

(d) (1) The retirement system shall adjust the pensionable
compensation described in subdivision (c) based on the annual
changes to the Consumer Price Index for All Urban Consumers:
U.S. City Average, calculated by dividing the Consumer Price

27 Index for All Urban Consumers: U.S. City Average, for the month

28 of September in the calendar year preceding the adjustment by the

29 Consumer Price Index for All Urban Consumers: U.S. City

30 Average, for the month of September of the previous year rounded 31 to the nearest thousandth. The adjustment shall be effective

annually on January 1, beginning in 2014.

33 (2) The Legislature reserves the right to modify the requirements

34 of this subdivision with regard to all public employees subject to

- 35 this section, except that the Legislature may not modify these
- 36 provisions in a manner that would result in a decrease in benefits

37 accrued prior to the effective date of the modification.

38 (e) A public employer shall not offer a defined benefit or any

39 combination of defined benefits, including a defined benefit offered

1 by a private provider, on compensation in excess of the limitation2 in subdivision (c).

3 (f) (1) Subject to the limitation in subdivision (c) of Section 4 7522.42, a public employer may provide a contribution to a defined 5 contribution plan for compensation in excess of the limitation in 6 subdivision (c) provided the plan and the contribution meet the 7 requirements and limits of federal law.

8 (2) A public employee who receives an employer contribution 9 to a defined contribution plan shall not have a vested right to 10 continue receiving the employer contribution.

(g) Any employer contributions to any employee defined
contribution plan above the pensionable compensation limits in
subdivision (c) shall not exceed the employer's contribution rate,
as a percentage of pay, required to fund the defined benefit plan
for income subject to the limitation in subdivision (c) of Section

16 7522.42.

(h) The retirement system shall limit the pensionable
compensation used to calculate the contributions required of an
employer or a new member to the amount of compensation that
would be used for calculating a defined benefit as set forth in
subdivision (c) or (d).

22 SEC. 3. Section 7522.19 is added to the Government Code, to 23 read:

7522.19. (a) Notwithstanding any other law, a public employer
and a recognized employee organization may negotiate a
prospective increase to the retirement benefit formulas for members
and new members, consistent with the formulas permitted under
this article.

(b) Benefit formula increases adopted pursuant to this section
shall be established in accordance with Section 7522.44 of this
article.

32 (c) For safety members, prospective benefit enhancement may
33 be considered using the formulas included in Section 7522.26.

34 SEC. 4. Section 7522.25 of the Government Code is amended 35 to read:

36 7522.25. (a) Each retirement system that offers a defined
37 benefit plan for safety members of the system shall use one or
38 more of the defined benefit formulas prescribed by this section. A

38 more of the defined benefit formulas prescribed by this section. A 39 member may retire for service under any of the formulas in this

section after five years of service and upon reaching 50 years of
 age.

(b) The Basic Safety Plan shall provide a pension at retirement
for service equal to the percentage of the member's final
compensation set forth opposite the member's age at retirement,
taken to the preceding quarter year, in the following table,
multiplied by the number of years of service in the system as a
safety member.

9

10	Age at Retirement	Fraction
11	50	1.426
12	50 <sup>1</sup> / <sub>4</sub>	1.447
13	50 <sup>1</sup> / <sub>2</sub>	1.467
14	50 <sup>3</sup> / <sub>4</sub>	1.488
15	51	1.508
16	51 <sup>1</sup> / <sub>4</sub>	1.529
17	51 <sup>1</sup> / <sub>2</sub>	1.549
18	51 <sup>3</sup> / <sub>4</sub>	1.570
19	52	1.590
20	52 <sup>1</sup> / <sub>4</sub>	1.611
21	52 <sup>1</sup> / <sub>2</sub>	1.631
22	52 <sup>3</sup> / <sub>4</sub>	1.652
23	53	1.672
24	53 <sup>1</sup> / <sub>4</sub>	1.693
25	53 <sup>1</sup> / <sub>2</sub>	1.713
26	53 <sup>3</sup> / <sub>4</sub>	1.734
27	54	1.754
28	54 <sup>1</sup> / <sub>4</sub>	1.775
29	54 <sup>1</sup> / <sub>2</sub>	1.795
30	54 <sup>3</sup> / <sub>4</sub>	1.816
31	55	1.836
32	55 <sup>1</sup> / <sub>4</sub>	1.857
33	55 <sup>1</sup> / <sub>2</sub>	1.877
34	55 <sup>3</sup> / <sub>4</sub>	1.898
35	56	1.918
36	56 <sup>1</sup> / <sub>4</sub>	1.939
37	56 <sup>1</sup> / <sub>2</sub>	1.959
38	56 <sup>3</sup> / <sub>4</sub>	1.980
39	57 and over	2.000
40		

1 (c) The Safety Option Plan One shall provide a pension at 2 retirement for service equal to the percentage of the member's 3 final compensation set forth opposite the member's age at 4 retirement, taken to the preceding quarter year, in the following 5 table, multiplied by the number of years of service in the system 6 as a safety member.

/		-
8	Age at Retirement	Fraction
9	50	2.000
10	50 <sup>1</sup> / <sub>4</sub>	2.018
11	50 <sup>1</sup> / <sub>2</sub>	2.036
12	50 <sup>3</sup> / <sub>4</sub>	2.054
13	51	2.071
14	51 <sup>1</sup> / <sub>4</sub>	2.089
15	51 <sup>1</sup> / <sub>2</sub>	2.107
16	51 <sup>3</sup> / <sub>4</sub>	2.125
17	52	2.143
18	52 <sup>1</sup> / <sub>4</sub>	2.161
19	52 <sup>1</sup> / <sub>2</sub>	2.179
20	52 <sup>3</sup> / <sub>4</sub>	2.196
21	53	2.214
22	53 <sup>1</sup> / <sub>4</sub>	2.232
23	53 <sup>1</sup> / <sub>2</sub>	2.250
24	53 <sup>3</sup> / <sub>4</sub>	2.268
25	54	2.286
26	54 <sup>1</sup> / <sub>4</sub>	2.304
27	54 <sup>1</sup> / <sub>2</sub>	2.321
28	54 <sup>3</sup> / <sub>4</sub>	2.339
29	55	2.357
30	55 <sup>1</sup> / <sub>4</sub>	2.375
31	55 <sup>1</sup> / <sub>2</sub>	2.393
32	55 <sup>3</sup> / <sub>4</sub>	2.411
33	56	2.429
34	56 <sup>1</sup> / <sub>4</sub>	2.446
35	56 <sup>1</sup> / <sub>2</sub>	2.464
36	56 <sup>3</sup> / <sub>4</sub>	2.482
37	57 and over	2.500
38		
39	(d) The Safety Option Plan Two shall prov	vide a pension at
10		C (1 1 )

<sup>40</sup> retirement for service equal to the percentage of the member's

1 final compensation set forth opposite the member's age at

2 retirement, taken to the preceding quarter year, in the following

3 table, multiplied by the number of years of service in the system

4 as a safety member. 5

5		
6	Age at Retirement	Fraction
7	50	2.000
8	50 <sup>1</sup> / <sub>4</sub>	2.025
9	50 <sup>1</sup> / <sub>2</sub>	2.050
10	50 <sup>3</sup> / <sub>4</sub>	2.075
11	51	2.100
12	51 ¼	2.125
13	51 <sup>1</sup> / <sub>2</sub>	2.150
14	51 <sup>3</sup> / <sub>4</sub>	2.175
15	52	2.200
16	52 <sup>1</sup> / <sub>4</sub>	2.225
17	52 <sup>1</sup> / <sub>2</sub>	2.250
18	52 <sup>3</sup> / <sub>4</sub>	2.275
19	53	2.300
20	53 <sup>1</sup> / <sub>4</sub>	2.325
21	53 <sup>1</sup> / <sub>2</sub>	2.350
22	53 <sup>3</sup> / <sub>4</sub>	2.375
23	54	2.400
24	54 <sup>1</sup> / <sub>4</sub>	2.425
25	54 <sup>1</sup> / <sub>2</sub>	2.450
26	54 <sup>3</sup> / <sub>4</sub>	2.475
27	55	2.500
28	55 <sup>1</sup> / <sub>4</sub>	2.525
29	55 <sup>1</sup> / <sub>2</sub>	2.550
30	55 <sup>3</sup> / <sub>4</sub>	2.575
31	56	2.600
32	56 <sup>1</sup> / <sub>4</sub>	2.625
33	56 <sup>1</sup> / <sub>2</sub>	2.650
34	$56^{3}/_{4}$	2.675
35	57 and over	2.700
36		
37	(e) On and after January 1, 2013, an employe	
20		4

(e) On and after January 1, 2013, an employer shall offer one
or more of the safety formulas prescribed by this section to new
members who are safety employees. The formula offered shall be
the formula that is closest to, and provides a lower benefit at 55

years of age than, the formula provided to members in the same 1 2 retirement classification offered by the employer on December

3 31, 2012.

4 (f) On and after January 1, 2013, an employer and its employees 5 subject to Safety Option Plan One or Safety Option Plan Two may 6 agree in a memorandum of understanding to be subject to Safety 7 Option Plan One or the Basic Safety Plan, subject to the following: 8 (1) The lower plan shall apply to members first employed on 9

or after the effective date of the lower plan, and shall be agreed to 10 in a memorandum of understanding that has been collectively 11 bargained in accordance with applicable laws.

12 (2) A retirement plan contract amendment with a public 13 retirement system to alter a retirement formula pursuant to this subdivision shall not be implemented by the employer in the 14 15 absence of a memorandum of understanding that has been collectively bargained in accordance with applicable laws. 16

17 (3) An employer shall not use impasse procedures to impose 18 the lower plan.

19 (4) An employer shall not provide a different defined benefit

20 for nonrepresented, managerial, or supervisory employees than 21 the employer provides for other public employees, including 22 represented employees, of the same employer who are in the same

23 membership classifications.

24 (g) Pensionable compensation used to calculate the defined 25 benefit shall be limited as described in Section 7522.10.

26 (h) This section shall only apply to service performed between 27 January 1, 2013, and December 31, 2025.

28 SEC. 5. Section 7522.26 is added to the Government Code, to 29 read:

30 7522.26. (a) On and after January 1, 2026, each retirement

31 system that offers a defined benefit plan for safety members of the

32 system shall use one or more of the defined benefit formulas

33 prescribed by this section. A member may retire for service under

34 any of the formulas in this section after five years of service and 35 upon reaching 50 years of age.

(b) The Basic Safety Plan shall provide a pension at retirement 36

37 for service equal to the percentage of the member's final 38

compensation set forth opposite the member's age at retirement, 39

taken to the preceding quarter year, in the following table,

#### AB 1383

3		
4	Age at	
5	Retirement	Fraction
6	50	1.426
7	50 <sup>1</sup> / <sub>4</sub>	1.450
8	50 <sup>1</sup> / <sub>2</sub>	1.474
9	50 <sup>3</sup> / <sub>4</sub>	1.498
10	51	1.522
11	51 <sup>1</sup> / <sub>4</sub>	1.550
12	51 <sup>1</sup> / <sub>2</sub>	1.576
13	51 <sup>3</sup> / <sub>4</sub>	1.602
14	52	1.628
15	52 <sup>1</sup> / <sub>4</sub>	1.656
16	52 <sup>1</sup> / <sub>2</sub>	1.686
17	52 <sup>3</sup> / <sub>4</sub>	1.714
18	53	1.742
19	53 <sup>1</sup> / <sub>4</sub>	1.772
20	53 <sup>1</sup> / <sub>2</sub>	1.804
21	53 <sup>3</sup> / <sub>4</sub>	1.834
22	54	1.866
23	54 <sup>1</sup> / <sub>4</sub>	1.900
24	54 <sup>1</sup> / <sub>2</sub>	1.932
25	54 <sup>3</sup> / <sub>4</sub>	1.966
26	55 and over	2.000
27		

1	multiplied by the number of years of service in the system as a	ı
2	safety member	

(c) The Safety Option Plan One shall provide a pension at
retirement for service equal to the percentage of the member's
final compensation set forth opposite the member's age at
retirement, taken to the preceding quarter year, in the following
table, multiplied by the number of years of service in the system
as a safety member.

34 35

35	Age at	
36	Retirement	Fraction
37	50	2.000
38	50 <sup>1</sup> / <sub>4</sub>	2.025
39	50 <sup>1</sup> / <sub>2</sub>	2.050
40	50 <sup>3</sup> / <sub>4</sub>	2.075

1		
1	Age at	Fugation
2 3	Retirement	Fraction 2.100
3 4	51	
	51 <sup>1</sup> / <sub>4</sub>	2.125
5	$51^{-1}$ / <sub>2</sub>	2.150
6	$51^{-3} _4$	2.175
7	52	2.200
8	52 <sup>1</sup> / <sub>4</sub>	2.225
9	$52 \frac{1}{2}$	2.250
10	52 <sup>3</sup> / <sub>4</sub>	2.275
11	53	2.300
12	53 <sup>1</sup> / <sub>4</sub>	2.325
13	53 <sup>1</sup> / <sub>2</sub>	2.350
14	53 <sup>3</sup> / <sub>4</sub>	2.375
15	54	2.400
16	54 <sup>1</sup> / <sub>4</sub>	2.425
17	54 <sup>1</sup> / <sub>2</sub>	2.450
18	54 <sup>3</sup> / <sub>4</sub>	2.475
19	55 and over	2.500
20		
20		
20	(d) The Safety Option Plan Two shall provide	a pension at
	(d) The Safety Option Plan Two shall provide retirement for service equal to the percentage of	
21	retirement for service equal to the percentage of	the member's
21 22	retirement for service equal to the percentage of final compensation set forth opposite the men	the member's ober's age at
21 22 23	retirement for service equal to the percentage of final compensation set forth opposite the men retirement, taken to the preceding quarter year, in	the member's aber's age at the following
21 22 23 24	retirement for service equal to the percentage of final compensation set forth opposite the men retirement, taken to the preceding quarter year, in table, multiplied by the number of years of service	the member's aber's age at the following
21 22 23 24 25	retirement for service equal to the percentage of final compensation set forth opposite the men retirement, taken to the preceding quarter year, in	the member's aber's age at the following
21 22 23 24 25 26 27	retirement for service equal to the percentage of final compensation set forth opposite the men retirement, taken to the preceding quarter year, in table, multiplied by the number of years of service as a safety member.	the member's aber's age at the following
21 22 23 24 25 26 27 28	retirement for service equal to the percentage of final compensation set forth opposite the men retirement, taken to the preceding quarter year, in table, multiplied by the number of years of service	the member's aber's age at the following
21 22 23 24 25 26 27 28 29	retirement for service equal to the percentage of final compensation set forth opposite the men retirement, taken to the preceding quarter year, in table, multiplied by the number of years of service as a safety member. Age at	the member's aber's age at the following in the system Fraction
21 22 23 24 25 26 27 28 29 30	retirement for service equal to the percentage of final compensation set forth opposite the men retirement, taken to the preceding quarter year, in table, multiplied by the number of years of service as a safety member. Age at Retirement 50	the member's aber's age at the following in the system
21 22 23 24 25 26 27 28 29 30 31	retirement for service equal to the percentage of final compensation set forth opposite the men retirement, taken to the preceding quarter year, in table, multiplied by the number of years of service as a safety member. Age at Retirement 50	the member's aber's age at the following in the system Fraction 2.000 2.035
21 22 23 24 25 26 27 28 29 30 31 32	retirement for service equal to the percentage of final compensation set forth opposite the mem retirement, taken to the preceding quarter year, in table, multiplied by the number of years of service as a safety member. Age at Retirement 50 50 <sup>1</sup> / <sub>4</sub> 50 <sup>1</sup> / <sub>2</sub>	the member's aber's age at the following in the system Fraction 2.000 2.035 2.070
21 22 23 24 25 26 27 28 29 30 31 32 33	retirement for service equal to the percentage of final compensation set forth opposite the men retirement, taken to the preceding quarter year, in table, multiplied by the number of years of service as a safety member. Age at Retirement $50$ $50^{-1}/_4$ $50^{-1}/_2$ $50^{-3}/_4$	the member's aber's age at the following in the system Fraction 2.000 2.035 2.070 2.105
21 22 23 24 25 26 27 28 29 30 31 32 33 34	retirement for service equal to the percentage of final compensation set forth opposite the men retirement, taken to the preceding quarter year, in table, multiplied by the number of years of service as a safety member. Age at Retirement $50$ $50^{-1}/_4$ $50^{-1}/_2$ $50^{-3}/_4$ $51$	the member's aber's age at the following in the system Fraction 2.000 2.035 2.070 2.105 2.140
21 22 23 24 25 26 27 28 29 30 31 32 33 34 35	retirement for service equal to the percentage of final compensation set forth opposite the men retirement, taken to the preceding quarter year, in table, multiplied by the number of years of service as a safety member. Age at Retirement 50 $50^{-1/4}$ $50^{-1/2}$ $50^{-3/4}$ $51^{-1/4}$	the member's aber's age at the following in the system Fraction 2.000 2.035 2.070 2.105 2.140 2.175
21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36	retirement for service equal to the percentage of final compensation set forth opposite the mem retirement, taken to the preceding quarter year, in table, multiplied by the number of years of service as a safety member. Age at Retirement 50 $50^{-1/4}$ $50^{-1/4}$ $50^{-3/4}$ $51^{-1/4}$ $51^{-1/4}$	the member's aber's age at the following in the system Fraction 2.000 2.035 2.070 2.105 2.140 2.175 2.210
21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37	retirement for service equal to the percentage of final compensation set forth opposite the mem retirement, taken to the preceding quarter year, in table, multiplied by the number of years of service as a safety member. Age at Retirement 50	the member's aber's age at the following in the system Fraction 2.000 2.035 2.070 2.105 2.140 2.175 2.210 2.245
21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38	retirement for service equal to the percentage of final compensation set forth opposite the mem retirement, taken to the preceding quarter year, in table, multiplied by the number of years of service as a safety member. Age at Retirement $50$ $50$ $^{1}/_{4}$ $50$ $^{1}/_{2}$ $50$ $^{3}/_{4}$ $51$ $^{1}/_{4}$ $51$ $^{1}/_{2}$ $51$ $^{3}/_{4}$ $52$ $52$	the member's aber's age at the following in the system Fraction 2.000 2.035 2.070 2.105 2.140 2.175 2.210 2.245 2.280
21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37	retirement for service equal to the percentage of final compensation set forth opposite the mem retirement, taken to the preceding quarter year, in table, multiplied by the number of years of service as a safety member. Age at Retirement 50	the member's aber's age at the following in the system Fraction 2.000 2.035 2.070 2.105 2.140 2.175 2.210 2.245

1	Age at	
2	Retirement	Fraction
3	52 <sup>3</sup> / <sub>4</sub>	2.385
4	53	2.420
5	53 <sup>1</sup> / <sub>4</sub>	2.455
6	53 <sup>1</sup> / <sub>2</sub>	2.490
7	53 <sup>3</sup> / <sub>4</sub>	2.525
8	54	2.560
9	54 <sup>1</sup> / <sub>4</sub>	2.595
10	54 <sup>1</sup> / <sub>2</sub>	2.630
11	54 <sup>3</sup> / <sub>4</sub>	2.665
12	55 and over	2.700
13		

(e) The Safety Option Plan Three shall provide a pension at
retirement for service equal to the percentage of the member's
final compensation set forth opposite the member's age at
retirement, taken to the preceding quarter year, in the following
table, multiplied by the number of years of service in the system
as a safety member. For service subject to this subdivision the
benefit limit shall be 90 percent of final compensation.

21

<u> </u>		
22	Age at	
23	Retirement	Fraction
24	50	2.400
25	50 <sup>1</sup> / <sub>4</sub>	2.430
26	50 <sup>1</sup> / <sub>2</sub>	2.460
27	50 <sup>3</sup> / <sub>4</sub>	2.490
28	51	2.520
29	51 <sup>1</sup> / <sub>4</sub>	2.550
30	<i>51</i> <sup>1</sup> / <sub>2</sub>	2.580
31	51 <sup>3</sup> / <sub>4</sub>	2.610
32	52	2.640
33	52 <sup>1</sup> / <sub>4</sub>	2.670
34	52 <sup>1</sup> / <sub>2</sub>	2.700
35	52 <sup>3</sup> / <sub>4</sub>	2.730
36	53	2.760
37	53 <sup>1</sup> / <sub>4</sub>	2.790
38	53 <sup>1</sup> / <sub>2</sub>	2.820
39	53 <sup>3</sup> / <sub>4</sub>	2.850
40	54	2.880

1	Age at	
2	Retirement	Fraction
3	54 <sup>1</sup> / <sub>4</sub>	2.910
4	54 <sup>1</sup> / <sub>2</sub>	2.940
5	54 <sup>3</sup> / <sub>4</sub>	2.970
6	55 and over	3.000
7		

8 (f) For new members hired on or after January 1, 2026, who 9 are safety members, an employer shall offer one or more of the 10 safety formulas prescribed by this section to new members who 11 are safety employees. The formula offered shall maintain the 12 percentage of compensation factor offered as of December 31, 13 2025.

14 (g) For new members hired on or after January 1, 2013, who 15 are safety members, the employer shall adjust their formula as 16 follows:

(1) For service performed between January 1, 2013, and
December 31, 2025, the retirement age and formula shall be as
offered by the employer between January 1, 2013, and December
31, 2025, and subject to Section 7522.25.

(2) For service performed on or after January 1, 2026, the
employer shall offer the formula in this section that is closest to
the formula the employer provided pursuant to Section 7522.25.

25 ine formula the employer provided pursuant to section 7522.25.

(3) This section shall not be construed to provide retroactive
benefits to employees. This section shall adjust the prospective
benefit for safety employees by adjusting the retirement age to 55.

(h) An employer and its employees may agree in a memorandum
of understanding to be subject to a higher safety plan, subject to
the following:

30 (1) The higher plan shall apply to members or after the effective

date of the higher plan, and shall be agreed to in a memorandumof understanding that has been collectively bargained in

33 accordance with applicable laws.

34 (2) The higher plan adopted pursuant to this subdivision shall
35 be subject to Section 7522.44.

36 (i) An employer and its employees may agree in a memorandum
37 of understanding to be subject to a lower safety plan, subject to

37 of understanding to be subject to a lower safety plan, subject 38 the following:

39 (1) The lower plan shall apply to members first employed on or 40 after the effective date of the lower plan, and shall be agreed to

*in a memorandum of understanding that has been collectivelybargained in accordance with applicable laws.* 

3 (2) A retirement plan contract amendment with a public 4 retirement system to alter a retirement formula pursuant to this 5 subdivision shall not be implemented by the employer in the 6 absence of a memorandum of understanding that has been 7 collectively bargained in accordance with applicable laws.

8 (3) An employer shall not use impasse procedures to impose 9 the lower plan.

(4) An employer shall not provide a different defined benefit for
nonrepresented, managerial, or supervisory employees than the
employer provides for other public employees, including
represented employees, of the same employer who are in the same
membership classifications.

15 *(j) Pensionable compensation used to calculate the defined* 16 *benefit shall be limited as described in Section 7522.10.* 

(k) A safety member that is subject to a defined benefit formula
prescribed by this section, who is not a new member, shall be
subject to contribution rates established pursuant to Section
7522.30.

SEC. 6. Section 7522.30 of the Government Code is amended
to read:

7522.30. (a) This section shall apply to all public employersand to all new members. Equal

(1) Except as otherwise provided in paragraph (2), equal sharing
of normal costs between public employers and public employees
shall be the standard. The standard shall be that employees pay at
least 50 percent of normal costs and that employers not pay any
of the required employee contribution.

30 (2) On or after January 1, 2026, an employer and employees 31 may, through the collective bargaining process, agree to terms in 32 a memorandum of understanding where the employer pays a

33 portion of employee contribution.

34 (b) The "normal cost rate" shall mean the annual actuarially

determined normal cost for the plan of retirement benefits providedto the new member and shall be established based on the actuarial

37 assumptions used to determine the liabilities and costs as part of

38 the annual actuarial valuation. The plan of retirement benefits shall

include any elements that would impact the actuarial determinationof the normal cost, including, but not limited to, the retirement

1 formula, eligibility and vesting criteria, ancillary benefit provisions,

2 and any automatic cost-of-living adjustments as determined by the3 public retirement system.

4 (c) New members employed by those public employers defined 5 in paragraphs (2) and (3) of subdivision (i) of Section 7522.04, 6 the Legislature, the California State University, and the judicial 7 branch who participate in a defined benefit plan shall have an 8 initial contribution rate of at least 50 percent of the normal cost 9 rate for that defined benefit plan, rounded to the nearest quarter 10 of 1 percent, unless a greater contribution rate has been agreed to 11 pursuant to the requirements in subdivision (e). This contribution

12 shall not be paid by the employer on the employee's behalf. 13 (d) Notwithstanding subdivision (c), once established, the 14 employee contribution rate described in subdivision (c) shall not 15 be adjusted on account of a change to the normal cost rate unless 16 the normal cost rate increases or decreases by more than 1 percent 17 of payroll above or below the normal cost rate in effect at the time 18 the employee contribution rate is first established or, if later, the 19 normal cost rate in effect at the time of the last adjustment to the 20 employee contribution rate under this section.

(e) Notwithstanding subdivision (c), employee contributions
may be more than one-half of the normal cost rate if the increase
has been agreed to through the collective bargaining process,
subject to the following conditions:

(1) The employer shall not contribute at a greater rate to the
plan for nonrepresented, managerial, or supervisory employees
than the employer contributes for other public employees, including
represented employees, of the same employer who are in related
retirement membership classifications.

30 (2) The employer shall not increase an employee contribution
31 rate in the absence of a memorandum of understanding that has
32 been collectively bargained in accordance with applicable laws.

(3) The employer shall not use impasse procedures to increasean employee contribution rate above the rate required by thissection.

(f) If the terms of a contract, including a memorandum of
understanding, between a public employer and its public
employees, that is in effect on January 1, 2013, would be impaired
by any provision of this section, that provision shall not apply to
the public employer and public employees subject to that contract

- until the expiration of that contract. A renewal, amendment, or 1
- any other extension of that contract shall be subject to the 2 3 requirements of this section.
- SEC. 7. It is the intent of the Legislature that this act shall not 4
- 5 *be construed to affect any retirement benefits or pension rights* 6 *accrued before its effective date.*

0

#### State of California

#### **GOVERNMENT CODE**

#### Section 7522.44

7522.44. This section shall apply to all public employers and to all public employees:

(a) Any enhancement to a public employee's retirement formula or retirement benefit adopted on or after January 1, 2013, shall apply only to service performed on or after the operative date of the enhancement and shall not be applied to any service performed prior to the operative date of the enhancement.

(b) If a change to a member's retirement membership classification or a change in employment results in an enhancement in the retirement formula or retirement benefit applicable to that member, that enhancement shall apply only to service performed on or after the operative date of the change and shall not be applied to any service performed prior to the operative date of the change.

(c) For purposes of this section, "operative date" in a collective bargaining agreement means one of the following:

(1) The date that the agreement is signed by the parties.

(2) A date agreed to by the parties that will occur after the date that the agreement is signed by the parties.

(3) A date designated by the parties that occurred prior to the date the agreement was signed if the most recent collective bargaining contract was expired at the time of the agreement and the date designated is not earlier than 12 months prior to the date of the agreement or the day after the last day of the expired bargaining contract, whichever occurred later.

(d) For purposes of this section, an increase to a retiree's annual cost-of-living adjustment within existing statutory limits shall not be considered to be an enhancement to a retirement benefit.

(Added by Stats. 2012, Ch. 296, Sec. 15. (AB 340) Effective January 1, 2013.)



## AB 1383: PEPRA Benefit Enhancements



Los Angeles County Employees Retirement Association

# Overview



- Prospective enhancements and prohibition on retroactive enhancements: Section 7522.44(a)
- Compensation limit
- New retirement formulas

# **Prospective Enhancements**



Section 7522.44(a)

"Any enhancement to a public employee's retirement formula or retirement benefit adopted on or after January 1, 2013, shall apply only to service performed on or after the operative date of the enhancement and shall not be applied to any service performed prior to the operative date of the enhancement."



On and after January 1, 2026, the pensionable compensation limits would be consistent with the defined benefit limitation under federal law.

	Defined Benefit Limitation	PEPRA Unenhanced Comp Limit	PEPRA Enhanced Comp Limit If AB 1383 Becomes Law
<mark>2026*</mark>	<mark>285,000</mark>	<mark>190,563</mark>	<mark>285,000</mark>
2025	280,000	186,096	186,096
2024	275,000	181,734	181,734
2023	265,000	175,250	175,250
2022	245,000	161,969	161,969
2021	230,000	153,671	153,671

\* Values are assumed for 2026 for discussion purposes.





SCENARIO 1A		Months	-	Final Comp	Weighted Average
2/1/2025	1/31/2026	12	2025-2026	186,096	2,233,152
2/1/2024	1/31/2025	12	2024-2025	181,736	2,180,832
2/1/2023	1/31/2024	12	2023-2024	175,250	2,103,000
				Total	6,516,984
				Total	
				Months	36
				<b>Final Comp</b>	181,027
			Service		
			Credit		Annual
		Final Comp	Years	Age Factor	Benefit
		181,027	5	0.02	18,103





			<b>Final Comp</b>	Final Comp	Weighted
SCENARIO 1B		Months	Period	Amount	Average
2/1/2026	1/31/2027	12	2026-2027	285,000	3,420,000
2/1/2025	1/31/2026	12	2025-2026	186,096	2,233,152
2/1/2024	1/31/2025	12	2024-2025	181,736	2,180,832
				Total	7,833,984
				Months	36
				Final Comp	217,611
			Service		
			Credit		Annual
		Final Comp	Years	Age Factor	Benefit
		217,611	5	0.02	21,761





				Enhanced Final Comp	
SCENARIO 2		Months	Final Comp Period	Amount	Weighted Average
1/1/2026	1/31/2026	1	2026-2026	285,000	285,000
				Total	285,000
				Months	1
				Final Comp	285,000
				Unenhanced Final	
		Months	Final Comp Period	Comp Amount	Weighted Average
2/1/2025	1/31/2026	12	2025-2026	186,096	2,233,152
2/1/2024	1/31/2025	12	2024-2025	181,736	2,180,832
2/1/2023	1/31/2024	12	2023-2024	175,250	2,103,000
				Total	6,516,984
				Months	36
				Final Comp	181,027
	Service Retirement	Final Comp	Service Credit Years	Age Factor	Annual Benefit
		285,000	0.08333	0.02	475
		181,027	4.91647	0.02	17,800
	Total		4.9998		18,275
	Service-connected				
	<b>Disability Retirement</b>	Final Comp	Service Credit Years	Proration	Annual Benefit
		285,000	0.08333	1.67%	2,380
		181,027	4.91647	98.33%	89,002
	Total		4.9998	100.00%	91,382

# **Benefit Formulas**



Plan	Current Formula Section	Current Formula at 57	Current Formula at 55	Enhanced Formula Section	Enhanced Formula at 55
Basic Safety Plan	7522.25(b)	2% at 57	1.836% at 55	7522.26(b)	2% at 55
Safety Option Plan One	7522.25(c)	2.5% at 57	2.357% at 55	7522.26(c)	2.5% at 55
Safety Option Plan Two	7522.25(d)	2.7% at 57	2.5% at 55	7522.26(d)	2.7% at 55
Safety Option Plan Three				7522.26(e)	3% at 55



# Questions

## L//,CERA

April 23, 2025

- TO: Each Member Board of Retirement
- FROM: Insurance, Benefits and Legislative Committee Les Robbins, Chair Ronald Okum, Vice Chair Aleen Langton Wayne Moore Shawn R. Kehoe, Alternate
- FOR: May 7, 2025 Board of Retirement Meeting

#### SUBJECT: Assembly Bill 1383—Public Employees' Retirement Benefits

Amended:	McKinnor [D] California Professional Firefighters April 11, 2025 February 21, 2025
Status:	From Assembly Committee on Public Employment and Retirement: Do Pass to Committee on Appropriations. (04/23/2025)

IBLC Recommendation: Watch (04/02/2025) Staff Recommendation: Neutral

#### RECOMMENDATION

That the Board of Retirement adopt a "Watch" position on Assembly Bill 1383, which would adjust the pensionable compensation limit to be consistent with the defined benefit limitation under federal law.

#### LEGISLATIVE POLICY STANDARD

AB 1383 proposes a benefit enhancement that would increase the compensation limit under the California Public Employees' Pension Reform Act of 2013 (PEPRA) to equal the benefits limitation under federal law. AB 1383 is not consistent with any of the Board of Retirement's (BOR) legislative policy standards that would entail support or opposition. A "Watch" or "Neutral" position indicates that the Board neither supports nor opposes the proposal.

#### SUMMARY

AB 1383 would, on and after January 1, 2026, require a retirement system subject to PEPRA to adjust its pensionable compensation limit to be consistent with the defined benefit limitation established and annually adjusted under federal law.

AB 1383 Board of Retirement April 23, 2025 Page 2

#### ANALYSIS

#### Existing Law

Government Code Section 7522.02 provides that PEPRA generally applies to state and local public retirement systems governed by state statute. These retirement systems include CaIPERS, CaISTRS, the Legislators' Retirement System, the Judges' Retirement Systems I and II, and county retirement systems created by the County Employees Retirement Law of 1937.

Government Code Section 7522.10 provides that on and after January 1, 2013, the pensionable compensation of PEPRA members used to calculate a benefit shall not exceed a specified pensionable compensation limit, which is adjusted annually based on a specified Consumer Price Index. For calendar year 2025, the PEPRA compensation limit is 185,096 (Section 7522.10(c)(1)) for those whose service is not covered by Social Security and 155,081 (Section 7522.10(c)(2)) for those whose service is covered by Social Security.

Government Code Section 7522.44 provides that any enhancement to a member's retirement formula or retirement benefit adopted on or after January 1, 2013, shall apply only to service performed on or after the operative date of the enhancement and shall not be applied to any service performed prior to the operative date of the enhancement.

Internal Revenue Code Section 415(b)(1) provides that the annual benefit shall not exceed a specified limitation. For calendar year 2025, the limitation under Section 415(b)(1)(A) is \$280,000. This limitation is adjusted annually by the Internal Revenue Service.

#### <u>This Bill</u>

AB 1383 proposes that beginning on January 1, 2026, the pensionable compensation limit under Government Code Section 7522.10(c) be adjusted to be consistent with the benefit limitation under Section 415(b)(1)(A).

As an illustration, if this bill had been in effect in calendar year 2025 for LACERA members (whose service is not covered by Social Security), the pensionable compensation limit would have been \$280,000 instead of \$185,096. For example, if a LACERA PEPRA member had average annual pensionable compensation of \$300,000 and had been granted a service-connected disability retirement, which provides a minimum benefit of 50%<sup>1</sup> of final compensation, their annual benefit would have been \$140,000 instead of \$92,548.

<sup>&</sup>lt;sup>1</sup> PEPRA has been in effect just over 12 years since January 1, 2013. The following examples assume a member retiring for service with 12 years of service credit and no additional service credit purchased by the member. The general member PEPRA age factors range from 1.000 (Age 52) to 2.500 (Age 67) percent per year of service and would provide benefit percentages of 12% to 30%. The safety member PEPRA age factors range from 2.000 (Age 50) to 2.700 (Age 57) percent per year of service and would

AB 1383 Board of Retirement April 23, 2025 Page 3

As illustrated, for a PEPRA member whose pensionable compensation exceeds the current compensation limit, AB 1383 would increase the pensionable compensation limit in the calculation of a benefit and consequently would enhance the retirement allowances of affected PEPRA members. However, PEPRA limits the effect of any benefit enhancements to only service performed after the operative date of the enhancement. Thus, if enacted in 2025, AB 1383's increased compensation limit based on Section 415(b)(1)(A) would only apply to service performed on and after January 1, 2026. For service performed before this date, the compensation limits under Sections 7522.10(c)(1)-(2) would apply.

**IT IS THEREFORE RECOMMENDED THAT THE BOARD** adopt a "Watch" position on Assembly Bill 1383, which would adjust the pensionable compensation limit to be consistent with the defined benefit limitation under federal law.

#### Attachments

Attachment 1—Board Positions Adopted on Related Legislation Attachment 2—Support and Opposition AB 1383 (McKinnor) as amended on April 11, 2025

cc: Santos H. Kreimann Luis Lugo JJ Popowich Laura Guglielmo Steven P. Rice Jean Kim Naomi Padron, MKP Government Relations

provide benefit percentages of 24% to 32.4%. As such, a service-connected disability retirement would currently provide the highest benefit percentage at 50%.

AB 1383 Attachment 1—Board Positions Adopted on Related Legislation Board of Retirement April 23, 2025 Page 1

#### BOARD POSITIONS ADOPTED ON RELATED LEGISLATION

<u>AB 197 (Chapter 297, Statutes of 2012)</u> enacted technical clarifications to the definition of compensation earnable that was amended by AB 340. The Board of Retirement did not adopt a position.

<u>AB 340 (Chapter 296, Statutes of 2012)</u> enacted the California Public Employees' Pension Reform Act of 2013, amended the County Employees Retirement Law of 1937's (CERL) provisions on compensation earnable, and added new provisions to CERL on the assessment, reporting, and audit of compensation items. The Board of Retirement adopted a "Watch" position.

AB 1383 Attachment 2—Support and Opposition Board of Retirement April 23, 2025 Page 1

#### SUPPORT

California Professional Firefighters (Sponsor) Peace Officers Research Association of California (Co-Sponsor) Alameda City Firefighters, Local 689 Alameda County Firefighters, IAFF, Local 55 Anaheim Firefighters Association, Local 2899 Atascadero City Firefighters, Local 3600 Burbank Fire Fighters, Local 778 California Association of Psychiatric Technicians California Federation of Labor Unions, AFL-CIO Carlsbad Firefighters Association, Local 3730 Cathedral City Firefighters Association, Local 3654 Chico Firefighters, Local 2734 Chula Vista Firefighters, Local 2180 Compton Firefighters, Local 2216 Contra Costa County Professional Firefighters, Local 1230 Corona Firefighters Association, Local 3757 Coronado Firefighters Association, Local 1475 Costa Mesa Firefighters, Local 1465 Davis Professional Firefighters Association, Local 3494 El Cajon Firefighters, Local 4603 El Dorado Hills Professional Firefighters, Local 3604 Encinitas Firefighters Association, Local 3787 Escondido Firefighters, Local 3842 Fallbrook Firefighters Association, Local 1622 Fremont Firefighters, IAFF, Local 1689 Fullerton Firefighters Association, Local 3421 Gilroy Firefighters, IAFF, Local 2805 Glendale Professional Firefighters, Local 776 Hayward Firefighters, Local 1909 Heartland Firefighters of La Mesa, Local 4759 Heartland Firefighters of Lemon, Grove Local 2728 Hemet City Firefighters Association, Local 2342 Kern County Firefighters, IAFF, Local 1301 Lakeside Firefighters Association, Local 4488 Long Beach Firefighters, Local 372 Marin Professional Firefighters, Local 1775 Modesto City Firefighters, Local 1289 Monrovia Firefighters, Local 2415 Monterey Firefighters Association, Local 3707 Murrieta Firefighters, Local 3540 NASA JPL Professional Firefighters, Local I-94 National City Firefighters Association, Local 2744

AB 1383 Attachment 2—Support and Opposition Board of Retirement April 23, 2025 Page 2

Nevada County Professional Firefighters, Local 3800 Newport Beach Firefighters Association, Local 3734 Oakland Firefighters, Local 55 Oceanside Firefighters Association, Local 3736 Ontario Professional Firefighters, Local 1430 Orange City Firefighters, Local 2384 Orange County Professional Firefighters Association, Local 3631 **Oxnard Firefighters, Local 1684** Palm Springs Firefighters Association, Local 3601 Poway Firefighters Association, Local 3922 Professional Firefighters of Sonoma County, Local 1401 Rancho Cucamonga Firefighters Association, Local 2274 Redlands Professional Firefighters Association, Local 1354 Riverside City Firefighters Association, Local 1067 Sacramento Area Firefighters, Local 522 Salinas Firefighters, Local 1270 San Diego City Fire Fighters, IAFF, Local 145 San Jose Fire Fighters, Local 230 San Marcos Firefighters Association, Local 4184 Santa Barbara City Firefighters Association, Local 525 Santa Barbara County Firefighters, Local 2046 Santa Clara City Firefighters, Local 1171 Santa Clara County Firefighters, Local 1165 Service Employees International Union, California Solana Beach Firefighters, Local 3779 Stockton Firefighters, Local 456 Torrance Firefighters Association, Local 1138 Vandenberg Professional Firefighters, Local F-116 Ventura County Professional Firefighters Association, Local 1364 Vista Firefighters Association, Local 4107

#### **OPPOSITION**

California Special Districts Association California State Association of Counties League of California Cities Rural County Representatives of California Urban Counties of California

## L///CERA

**//**,,

April 23, 2025

TO:	Each Trustee	
	Board of Retirement	
	LP	
FROM:	Luis A. Lugo	

Deputy Chief Executive Officer

FOR: May 7, 2025 Board of Retirement Meeting

#### SUBJECT: SACRS OFFICER ELECTIONS

The State Association of County Retirement Systems (SACRS) will be holding a business meeting during their semi-annual conference on May 16, 2025. SACRS will be asking LACERA's voting delegate to provide direction on the SACRS officer elections.

#### SACRS Officer Elections

The SACRS Nominating Committee recommends the following SACRS final officer slate for the 2025-2026 year:

Position	Nominee	County		
President	Adele Tagaloa	Orange CERS		
Vice President	Jordan Kaufman	Kern CERA		
Treasurer	Zandra Cholmondeley	Santa Barbara CERS		
Secretary	Rhonda Biesemeier	Stanislaus CERA		
Regular Member	Riley Talford	Fresno CERA		
Regular Member	Chris Giboney	Sacramento CERS		

**IT IS THEREFORE RECOMMENDED** the Board of Retirement provide the SACRS voting delegate direction on voting for the SACRS slate of officers.

LL:bn SACRS Officer Slate 2025.doc

Attachment

### SACRS Board of Directors Elections 2025-2026 Candidate Submissions

Candidate personal information redacted



#### SACRS Board of Directors Elections 2025-2026

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2025.** Please submit to the Nominating Committee Chair at <u>Dan.McAllister@sdcounty.ca.gov</u> **AND** to SACRS at <u>sulema@sacrs.org</u>. If you have any questions, please feel free to contact Sulema Peterson at SACRS (916) 701-5158.

Name of Candidate	Name: Adele Lopez Tagaloa
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address) Name of Retirement System Candidate Currently Serves On	Mailing Address:       2223 East Wellington Ave, Suite 100 Santa Ana, CA 92701         Email Address:       alopeztagaloa@ocers.org         Phone:       (714) 853-2953         System Name:       Orange County Employees Retirement System (OCERS)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<ul> <li>Chair</li> <li>Alternate</li> <li>General Elected</li> <li>Retiree</li> <li>Other</li> </ul>
Applying for SACRS Board of Directors Position (select only one)	<ul> <li>President</li> <li>Vice President</li> <li>Treasurer</li> <li>Secretary</li> <li>Regular Member</li> </ul>
Brief Bio in Paragraph Format ( <i>CV format and</i> <i>screen</i> shot <i>photos will</i> <i>not be accepted</i> )	<ul> <li>Vice President, SACRS 2023-2024, 2024-2025</li> <li>Programming Committee Chair, SACRS 2023-2024, 2024-2025</li> <li>Secretary, SACRS 2022-2023</li> <li>Elected General Member Trustee, OCERS, 2020 to present</li> <li>Over 15 years of service to the County of Orange Registrar of Voters</li> <li>Chair, OCERS Audit Committee 2025</li> <li>Chair, OCERS Disability Committee 2020 to 2022</li> <li>Vice Chair, OCERS Investment Committee 2023</li> <li>Union Steward, Orange County Employees Association (OCEA) 2012 to present</li> <li>Board of Directors, OCEA 2018 to present</li> <li>Committee Member, City of Anaheim Community Services 2024 to present</li> <li>Public Pension Trustee Certificates: SACRS Public Pension Investment Management Program - UC Berkeley 2024 NCPERS - Accredited Fiduciary Program - Accredited Fiduciary designation 2024 CALAPRS Principles of Pension Governance and Principles for Trustees Completed 219 hours of education, 2024</li> </ul>

## Adele Lopez Tagaloa

2223 East Wellington Ave, Suite 100, Santa Ana, CA 92804 | 714-853-2953 | alopeztagaloa@ocers.org

#### February 20, 2025

Mr. Dan McAllister SACRS Immediate Past President, Nominating Committee Chair State Association of County Retirement Systems (SACRS) 840 Richards Blvd Sacramento, CA 95811

#### Dear Mr. Dan McAllister:

Please accept this letter of my intent to run for SACRS Board of Directors for the office of President.

I believe I am qualified to serve as President based on my fifteen years of leadership positions in my employee labor organization, at the County of Orange Registrar of Voters serving 1.8 million voters by providing transparent, accurate and secure elections, over 15 years in the non-profit and private sector and most importantly, as a Trustee on the Orange County Employees Retirement System for the last five years. Most recently, serving on SACRS Board of Director as Vice President for the year 2024-2025 collaborating to enhance high-quality education for our trustees, with affiliates, staff and other CERL counties ensuring pension security.

I hold a passion for democracy, organized labor, and education accessibility that encompasses everything in my career and life. Since I have been elected to the OCERS Board of Retirement, trustee and member education has continue to be my main priorities.

Attending SACRS conferences since 2020, I have found an organization that understands the challenge and importance of pensions, education and duty, specifically for trustees in our CERL 37 Act Systems. Continuing to serve to provide professional and outstanding conferences is my desire as SACRS president and build on the work of past leadership. Not only do we provide top-notch education and fantastic speakers that reach beyond pensions, it is the relationships we build between trustees, staff and affiliates. These past years serving as your SACRS Secretary and Vice President has allowed me to represent trustees, for example:

- Provide feedback, submitting topics and speakers that would benefit trustees, investment staff, and affiliates
- Commitment to working on long-term goals for all our members

Using my leadership experience, it is my goal to continue to share all the benefits of SACRS to members and to continue to make SACRS the premier pension organization in a changing world. It would be an honor to serve on the SACRS Board of Directors as President and truly appreciate your consideration.

Sincerely,

Adele Lopez Tagaloa

Adele Lopez Tagaloa Trustee, General Member-Elected Orange County Employees Retirement System (OCERS)



Serving the Active and Retired Members of:

City of San Juan Capistrano

COUNTY OF ORANGE

ORANGE COUNTY CEMETERY DISTRICT

ORANGE COUNTY CHILDREN & FAMILIES COMMISSION

ORANGE COUNTY DEPARTMENT OF EDUCATION (CLOSED TO NEW MEMBERS)

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM

ORANGE COUNTY FIRE AUTHORITY

ORANGE COUNTY IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY

Orange County Local Agency Formation Commission

ORANGE COUNTY PUBLIC LAW LIBRARY

ORANGE COUNTY SANITATION DISTRICT

ORANGE COUNTY TRANSPORTATION AUTHORITY

SUPERIOR COURT OF CALIFORNIA, COUNTY OF ORANGE

TRANSPORTATION CORRIDOR AGENCIES

UCI MEDICAL CENTER AND CAMPUS (CLOSED TO NEW MEMBERS) February 20, 2025

By Mail and Electronic Mail [Dan.McAllister@sdcounty.ca.gov]

Mr. Dan McAllister SACRS Nominating Committee Chair SACRS 840 Richards Blvd. Sacramento, CA 95811

Re: NOMINATION FOR SACRS BOARD OF DIRECTORS ELECTION 2025-2026

Dear Mr. McAllister:

As a regular member of SACRS, the Orange County Employees Retirement System (OCERS) is entitled, under the SACRS Bylaws, Article VIII, Section 2, to submit nominations for the election of directors for the SACRS Board of Directors.

On February 19, 2025, the OCERS Board of Retirement met and took action to nominate OCERS trustee, Adele Lopez Tagaloa, for the position of her choosing on the SACRS Board of Directors and directed me to submit this nomination to the SACRS Nominating Committee. Ms. Lopez Tagaloa informed the OCERS Board of Retirement that she intends to pursue the position of PRESIDENT of the SACRS Board.

Accordingly, please accept this letter as OCERS' nomination of OCERS Trustee, Adele Lopez Tagaloa, for election to the position of PRESIDENT of the SACRS Board of Directors at the 2025-2026 SACRS Board of Directors Election to take place on May 10, 2025.

Please do not hesitate to contact me at (714) 558-6222 if you have any questions or require additional information. Thank you.

Best regards,

Steve Delaney Chief Executive Officer

cc: Sulema H. Peterson, SACRS Administrator



#### SACRS Board of Directors Elections 2025-2026

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2025.** Please submit to the Nominating Committee Chair at <u>Dan.McAllister@sdcounty.ca.gov</u> **AND** to SACRS at <u>sulema@sacrs.org</u>. If you have any questions, please feel free to contact Sulema Peterson at SACRS (916) 701-5158.

Name of Candidate	Name: Jordan Kaufman				
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address) Name of Retirement System Candidate	Mailing Address:1115 Truxtun Avenue, 2nd floor Bakersfield, CA 93301 jkaufman@kerncounty.com 661-204-1510Phone:System Name:System Name:Kern County Employees Retirement Assoc.				
Currently Serves On List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<ul> <li>Chair</li> <li>Alternate</li> <li>General Elected</li> <li>Retiree</li> <li>X Other <u>Statutory</u></li> </ul>				
Applying for SACRS Board of Directors Position (select only one)	<ul> <li>President</li> <li>Vice President</li> <li>Treasurer</li> <li>Secretary</li> <li>Regular Member</li> </ul>				
Brief Bio in Paragraph Format (CV format and screenshot photos will not be accepted)	I am the current SACRS Treasurer and am excited for the opportunity to continue in the board as the Vice President. I am in my third term as the elected Kern County Treasurer-Tax Collector with fiduciary responsibility over the \$6.7 billion Treasury Investment Pool and the responsibility of annually collecting over \$1.6 billion in local property taxes. I am also the Plan Administrator for the \$700 million deferred compensation plan for County employees. Prior to being elected, I became the assistant Treasurer-Tax Collector in 2006. Prior to 2006, I spent over a decade in the County Administrative Office where I performed budget and policy analysis and was involved in the issuance of various types of municipal bonds for the County. I am the Treasurer and past Chairman of the United Way of Kern County, Trustee and past Chairman of the Boy Scouts of America Southern Sierra Council. I have a Bachelor of Science degree in Industrial Technology from Cal Poly San Luis Obispo. I live in Bakersfield with my beautiful wife Kristen and we have four children.				



March 5, 2025

Dan McAllister, Nominating Committee Chairman State Association of County Retirement Systems

Re: Letter of interest to apply for the Board of Directors of SACRS in the position of Vice President

Dear Dan and members of the Nominating Committee,

Thank you for the opportunity to express my interest in continuing on the SACRS Board of Directors in the position of Vice President. I believe that I have the knowledge, experience and motivation to add value to the Board. I am in my third term as the elected Kern County Treasurer-Tax Collector, and I am a 19 year member of the Kern County Employees Retirement Association (KCERA) as a general elected, alternate, and statutory trustee. I have a deep background in public fund investment and retirement plan administration and I am or have been the Treasurer of many organizations and associations.

As the elected Treasurer-Tax Collector, I manage the County's \$6.7 billion treasury pool, provide banking services to over 200 different county agencies and districts, and collect over \$1.6 billion in local property taxes. I am also the Plan Administrator for the County's 457(b) deferred compensation plan with over \$700 million in participant assets.

I have extensive experience sitting on boards of directors and currently sit on or have previously sat on the board of the following entities: Kern County Foundation; California Association of County Treasurer's and Tax Collectors (CACTTC); United Way of Central Eastern California; Boy Scouts of America Southern Sierra Council; Kern County Management Council; and California Asset Management Program (CAMP).

I have dedicated my career to public service and I am proud to serve the residents of Kern County and the employees of the County of Kern and I feel that I can continue to bring value to SACRS Board of Directors. Thank you in advance for your consideration and feel free to call me if you have any questions at 661-204-1510.

Sincerely,

Jordon Kaufman

Jordan Kaufman Kern County Treasurer-Tax Collector Deferred Compensation Plan Administrator

Attachment



#### SACRS Nomination Submission Form SACRS Board of Directors Elections 2025-2026

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2025.** Please submit to the Nominating Committee Chair Dan McAllister **AND** to SACRS at <u>sulema@sacrs.org</u>. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name: Zandra Cholmondeley						
Mailing Address: Email Address: zcholmondeley@gmail.com						
Phone: System Name: Santa Barbara County Employees' Retirement System						
<ul> <li>Chair</li> <li>Alternate</li> <li>General Elected</li> <li>Retiree</li> <li>Other</li> </ul>						
<ul> <li>President</li> <li>Vice President</li> <li>xTreasurer Secretary</li> <li>Regular Member</li> </ul>						
Zandra Cholmondeley was elected to represent County retirees as a trustee on the governing board of the Santa Barbara County Retirement System (SBCERS) in November 2008. She joined the SBCERS Board in January 2009 and starting in January 2010, served two terms as Chair of the Board. She currently serves as Secretary on the SACRS Board (2023-24) and previously served as Secretary of this board from 2014-15. She has also served three terms as the President of the Retired Employees of Santa Barbara County (RESBC). Zandra retired in July 2008. As Principal Analyst for Santa Barbara County she was charged with overseeing the development of the County's annual budget and performed numerous special projects for the County Executive Officer (CEO). Her budget responsibilities included working with County departments to ensure the accuracy of projections and overall preparation of the budget document. Special projects experience included implementing fiscal policy for						

SACRS Board of Directors Letter of Intent Elections 2025-26

Dear Mr. McAllister,

I hereby express my interest in serving as Treasurer on the SACRS Board of Directors for the 2025-26 term of office.

I have been a regular attendee at SACRS conferences since 2009, when I joined the Board of Directors the Santa Barbara County Employees' Retirement System as elected retiree trustee. I currently serve as Secretary (2023-25) and have previously served as Secretary on the SACRS Board of Directors in 2013-14. I have also served on the SACRS program committee over the past 11 years and have contributed to the lineup of speakers and panelists at SACRS conferences during this period.

I would be honored to continue to serve as Treasurer on the SACRS Board of Directors.

Yours sincerely,

Zandra Cholmondeley, Elected Retiree Trustee, Santa Barbara County Employees' Retirement System



#### SACRS Board of Directors Elections 2025-2026

All interested candidates must complete this form and submit along with a letter of intent. **Both the form** and the letter of intent must be submitted no later than March 1, 2025. Please submit to the Nominating Committee Chair at <u>Dan.McAllister@sdcounty.ca.gov</u> AND to SACRS at <u>sulema@sacrs.org</u>. If you have any questions, please feel free to contact Sulema Peterson at SACRS (916) 701-5158.

Name of Candidate	Name:								
	Rhonda Biesemeier								
Candidate Contact	Mailing Address: 1121 Karen Way, Modesto, CA 95350-3414								
Information	1121 Karen Way, Modesto, CA 95350-3414								
(Please include – Phone	Email Address:								
Number, Email Address	biesemrh@gmail.com								
and Mailing Address)	Phone: 209-341-9828								
Name of Retirement	System Name:								
System Candidate	Stanislaus County Employees' Retirement Association								
Currently Serves On	(StanCERA)								
List Your Current	o Chair ∕								
Position on Retirement	<ul> <li>Alternate</li> </ul>								
Board (Chair, Alternate,	<ul> <li>General Elected</li> </ul>								
Retiree, General Elected,	X Retiree								
Etc)	• Other								
-									
Applying for SACRS	<ul> <li>President</li> </ul>								
Board of Directors	<ul> <li>Vice President</li> </ul>								
Position (select only one)	o Treasurer								
	X Secretary								
	<ul> <li>Regular Member</li> </ul>								
Brief Bio in Paragraph	Liberra convertions the Stepielous County Board of Dativement since July 2017, first as								
Format	I have served on the Stanislaus County Board of Retirement since July 2017, first as								
(CV format and	Alternate, then in 2023 as Retiree Representative. I continue to serve as a Trustee in that capacity.								
screenshot photos will									
not be accepted)	In 2024, I was fortunate enough to be elected to the SACRS Board as a Regular Member. I								
not be accepted)	have appreciated the opportunity to work with this dedicated Board for the past year, and								
	as such, I would like to continue my work. I am now applying for the Board Secretary								
	position for the 2025-2026 term.								
	I am committed to retirees as evidenced by volunteer positions I have held since retiring in								
	2008. Including President and board member of the Retired Employees of Stanislaus								
	County (RESCO) 2008 - present and Delegate to the California Retired County Employees								
	Association (CRCEA) 2009 - 2023. In 2022, I was appointed to the Stanislaus County								
	Equal Rights Commission whose goals of inclusiveness match those of SACRS.								
	I was raised in Modesto, California. I have two accomplished young adult children, a dog								
	and a cat. My favorite things include spending time with my children and my many friends,								
	meeting new people, participating in community events, traveling, and cell phone								
	photography.								

#### Rhonda Biesemeier



February 11, 2025

Mr. Dan McAllister SACRS Nominating Committee Chair

Ms. Sulema Peterson SACRS Executive Director

Dear Mr. McAllister and Ms. Peterson,

I am Rhonda Biesemeier and I am interested in serving as a member of the SACRS Board of Directors as Secretary for the 2025-2026 term. I have served as a Regular Member on the Board for the 2024-2025 term, and I am very excited to be applying for another term.

I have always been impressed by the quality of education I receive through SACRS, both at conferences and through the UC Berkeley Program. The SACRS organization is impressively well-run, providing top-notch presenters to improve member's understanding of investments and other aspects of pension management. The networking opportunities you provide enhance the educational experience.

I am a strong proponent of furthering and protecting retiree's defined benefit plans. I would like to stress that once I commit to a position, I am involved and dedicated to assuring that a certain level of excellence is maintained. I recognize that SACRS maintains such a level and I'd like to continue to be a part of its future.

I appreciate that you are willing to consider me for the position of Secretary SACRS Board of Directors.

Sincerely,

Rhonda Biesemeier

#### SACRS Board of Directors Elections 2025-2026

All interested candidates must complete this form and submit along with a letter of intent. Both the form and the letter of intent must be submitted no later than March 1, 2025. Please submit to the Nominating Committee Chair at <u>Dan.McAllister@sdcounty.ca.gov</u> AND to SACRS at

sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS (916) 701-5158.

Name of Candidate	Name: Riley Talford
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address Fresno, CA. 93727 Email Address: rileytalford@gmail.com Phone: (559) 577-7673
Name of Retirement System Candidate Currently Serves On	System Name: Fresno County Employees Retirement Association (FCERA)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	x Chair o Alternate o General Elected o Retiree o Other
Applying for SACRS Board of Directors Position (select only one)	<ul> <li>President</li> <li>Vice President</li> <li>Treasurer</li> <li>Secretary</li> <li>X Regular Member</li> </ul>
Brief Bio in Paragraph Format (CV format and screenshot photos will not be accepted)	Greetings. My name is Riley Talford and I am running for SACRS Regular Member. Here is a little information on my background: First I proudly served 7 years in the United States Navy as a Cryptologic Technician. I hold a Bachelor's Degree in Psychology, and a Master's in Education, and I am currently working towards completion of my law degree. My day job for the County of Fresno is as a Supervising Juvenile Correctional Officer within the Probation Department. In addition to serving my third term on the Retirement Board, I serve as the Fresno County Chapter President of SEIU Local 521, and 521 Local wide Vice President. It would be an honor to serve as an active participant on the SACRS Board of Directors!

2/18/25

To: Dan McAllister, SACRS Nominating Committee Chair; SACRS From: Riley Talford Subj: Letter of Intent

Dear SACRS Nominating Committee,

I am submitting this Letter of Intent to run for a position on the SACRS Board of Directors as a SACRS Regular Member for the 2025 – 2026 term. I have been endorsed by the FCERA Board of Trustees and would welcome an opportunity to represent all County Retirement Systems. My work ethic, experience, and good nature would be welcomed by the team. It is my sincere hope that you accept my candidacy.

Sincerely, **Riley Talford** 

(559) 577-7673 💊



#### SACRS Board of Directors Elections 2025-2026

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Name of Candidate	Name:							
	Christopher Giboney							
Candidate Contact	Mailing Address:							
Information								
(Please include – Phone	Email Address:							
Number, Email Address	giboneyc@saccounty.gov Phone: 831-444-5036							
and Mailing Address) Name of Retirement	Phone: 031-444-5050							
System Candidate	System Name:							
Currently Serves On	Sacramento County Employees Retirement System							
List Your Current	o Chair							
Position on Retirement	o Alternate							
Board (Chair, Alternate,	<ul> <li>General Elected</li> </ul>							
Retiree, General Elected,	o Retiree							
Etc)	Other Safety Alternate							
Applying for SACRS	o President							
Board of Directors	• Vice President							
Position (select only one)	o Treasurer							
· · · · · · · · · · · · · · · · · · ·	o Secretary							
	🗴 Regular Member							
Brief Bio in Paragraph Format (CV format and screenshot photos will	I am Fire Captain with Sacramento Airport Fire where I have worked for 11 years. I previously worked for the state and other several other local government fire positions. I was re- elected January 1st to serve my second 3 years term on the							
not be accepted)	elected January 1st to serve my second 3 years term on the SCERS board. I grew up with a significant interest in finance and retirement funding as my Dad with the Division Chief of Personnel Services for the County of Monterey and a major in fluence on my eagerness to be financially astute. I have worked as a firefighter for 18 years and I plan to work at least 18 more. I have completed my bachelors and started work on my masters. I was appointed to the Counties 457 Committee and I am eager to find ways to assist the system and those planning for retirement around me.							

SACRS Nomination Committee,

I want to nominate myself as a candidate for the SACRS Board of Directors. I have received the full support and backing of the SCERS board and staff at our most recent board meeting. I was reelected in January for a second 3-year term as our Safety Alternate. I have thoroughly enjoyed and taken away an immense amount of knowledge from the SACRS conferences over the past three years. I see these conferences as an invaluable educational and networking event for all stakeholders in the retirement systems. It would be an honor to be considered to be a part of the board and the association. I have had several life changes over the past 2 years, but my daily workload and demands have significantly decreased over the past six months, which I believe will give me ample time to dedicate to the SACRS Board and any needs that arise. Please let me know if you need anything else.

hrito ul

Chris Giboney Fire Captain SCERS Elected Safety Alternate



April 3, 2025

TO:	Each Trustee
	Board of Investments
	Board of Retirement
FROM:	Santos H. Kreimann
FOR:	Board of Investments Meeting April 9, 2025 Board of Retirement Meeting May 7, 2025

#### SUBJECT: Salary Adjustments for Investment Office Staff Members

This memorandum is to notify the Board Trustees of my intention to make salary adjustments in accordance with the delegated legal authority granted, as LACERA's Retirement Administrator, per the Los Angeles County Code.

#### LEGAL AUTHORITY

LACERA's Ordinance Section 6.127.030(A) provides that, after initial placement, "succeeding step advancement in such a case will be made thereafter on a yearly <u>basis</u> <u>unless an exception is specifically authorized by the retirement administrator.</u>" This section provides that notice should be periodically provided to the Boards.

Further, Ordinance Section 6.127.040 H3 regarding Tier I and Tier II MAPP Participants provides that <u>"the retirement administrator may provide for salary placement or subsequent movement of any employee at any rate with the established Salary Range for the position he/she holds."</u>

#### BACKGROUND

On March 1, 2024, LACERA retained CBIZ Compensation Consulting ("CBIZ") to conduct a Classification and Compensation Study for positions in the Investment Division as requested by the Board of Investments. The purpose of the study was to accurately identify job titles and responsibilities for each classification, determine whether classifications are competitively compensated in comparison to the external market, evaluate internal equity for each classification, and report on bonus or incentive pay structures utilized at comparable agencies.

The compensation study has two phases: analyzing the current pay structure and recommending salary adjustments to align with market rates (phase one) and exploring a bonus or incentive pay structure for future review (phase two) and consideration by the Boards in keeping with the allocator to best in class investor strategic direction.

Trustees – Board of Investments - April 9, 2025 Board of Retirement – May 7, 2025 Salary Adjustments for Investment Office Staff Members Page 2

For phase one, CBIZ conducted a comprehensive analysis of the Investment Division's compensation through a series of methodical steps. These steps included surveying comparable agencies, performing a market analysis based on the survey data, and subsequently carrying out a compression analysis to address internal equity concerns and possible retention challenges.

CBIZ, for the first step of the analysis, surveyed thirteen (13) peer agencies comparable to LACERA. These agencies were identified based on various labor market characteristics, including the size of the organization, geographic scope, and industry from which LACERA recruits talent. These agencies also feature classifications with similar duties and responsibilities to the LACERA Investment Division and are listed on page eight (8) of the CBIZ presentation.

After CBIZ completed the survey and compiled the results, the data was utilized to conduct a thorough market analysis of competitive base salary and total cash compensation for plans that include incentive pay. The data showed that, on average, the salaries of LACERA's Financial Analysts I, II, and III are positioned at the 50th percentile of the market base salaries. CBIZ then formulated a salary grade structure for each position in the Investment Division. Each position, such as Financial Analyst II, was assigned to a salary range such that the midpoint of the range aligned with the market 75th percentile, as detailed on page thirteen (13) of the CBIZ presentation.

In addition, CBIZ conducted a compression analysis of the Investment Division's compensation. Compression occurs when employees with varying levels of experience in the same position are compensated at similar rates. The main cause of pay compression is the lack of significant salary progression for existing employees within the salary range for that position. Pay compression presents two primary challenges in setting compensation. Firstly, it limits an organization's ability to recruit and hire qualified staff without creating pay parity issues. Secondly, it poses a risk of voluntary turnover among experienced staff due to dissatisfaction with their compensation.

The compression analysis performed by CBIZ involved comparing employee salaries to a target range for each position based on tenure and performance, allowing for a 5% increase within the position's salary range for each year of service. Employees must achieve an average performance evaluation score of 3.5, exceeds expectations, or higher, for the time they have been in their position to be eligible for salary adjustments. If salaries fall below the target range, adjustments were made to bridge the gap.

Following the analysis by CBIZ and consultations from the Executive Office, Human Resources, Legal, and the Investment Division, sixteen (16) salaries are planned to be adjusted to align with the compression analysis and current market rates for Financial Analysts II and III positions. The details of the salary adjustments and financial impact are provided in **Attachment 1**.

Trustees – Board of Investments - April 9, 2025 Board of Retirement – May 7, 2025 Salary Adjustments for Investment Office Staff Members Page 3

To summarize, the methodology employed for the first phase of salary adjustments consists of:

- Positioning each position's salary range to align with the 75th percentile of the market based on CBIZ's analysis and LACERA's pay philosophy.
- Positioning staff salaries as recommended by the compression analysis performed by CBIZ within the current LACERA salary range for each position. This analysis compares an employee's salary to a target salary range, with adjustments based on tenure and performance.

In addition, the following restrictions will be consistently applied for each position with respect to the salary adjustments:

• An employee's salary cannot exceed the maximum of the current LACERA salary range for that position. If the employee's salary exceeds the top of the position's salary range, no adjustments were applied. Any proposed increase above the salary range maximum will be capped at the top of the salary range.

To the extent there are no objections from the Boards, all adjustments shall be effective May 1, 2025, for non-probationary employees. For probationary employees, the adjustments will take effect the first month after they pass probation.

A presentation will be provided by CBIZ, covering their process, analysis, and recommendation (Attachment 2), as part of the April public meeting for the BOI and BOR meeting in May.

SHK

### Attachment 1 Salary Adjustments and Financial Impact

#### <u>Table 1</u>

Investment Division Proposed Salary Adjustments											
Full Name	Job Title	Current Grade		ent Maximum <sup>.</sup> Pay Range		Salary Pre Adjustment		Actual Salary Proposal - Post Compression Adjustment	\$	5 Dollar Change	% Percent Change
QUOC NGUYEN	Financial Analyst III	LR16	\$	291,002	\$	266,945	\$	291,002	\$	24,057	9.0%
PUSHPAM JAIN	Financial Analyst III	LR16	\$	291,002	\$	275,938	\$	278,698	\$	2,759	1.0%
KRISTA POWELL	Financial Analyst III	LR16	\$	291,002	\$	268,376	\$	278,493	\$	10,117	3.8%
JOHN KIM	Financial Analyst III	LR16	\$	291,002	\$	253,047	\$	272,016	\$	18,969	7.5%
RONALD SENKANDWA	Financial Analyst III	LR16	\$	291,002	\$	263,822	\$	284,969	\$	21,148	8.0%
CINDY RIVERA	Financial Analyst III	LR16	\$	291,002	\$	248,227	\$	272,016	\$	23,789	9.6%
MIKE LOMBARDO	Financial Analyst III	LR16	\$	291,002	\$	243,407	\$	259,063	\$	15,656	6.4%
PIERS SMITH	Financial Analyst III	LR16	\$	291,002	\$	243,407	\$	259,063	\$	15,656	6.4%
MICHAEL ROMERO	Financial Analyst II	LR12	\$	217,902	\$	183,221	\$	195,889	\$	12,667	6.9%
JASON CHOI	Financial Analyst II	LR12	\$	217,902	\$	161,522	\$	170,338	\$	8,816	5.5%
TERRA ELIJAH	Financial Analyst II	LR12	\$	217,902	\$	170,177	\$	178,855	\$	8,678	5.1%
STEPHANIE XIA	Financial Analyst II	LR12	\$	217,902	\$	160,726	\$	170,338	\$	9,612	6.0%
KATHRYN TON	Financial Analyst II	LR12	\$	217,902	\$	163,909	\$	174,596	\$	10,687	6.5%
MELVIN TSAO	Financial Analyst II	LR12	\$	217,902	\$	163,648	\$	170,338	\$	6,690	4.1%
SONA GINOYAN	Financial Analyst II	LR12	\$	217,902	\$	161,522	\$	170,338	\$	8,816	5.5%
ADRIAN GONZALEZ	Financial Analyst II	LR12	\$	217,902	\$	161,522	\$	170,338	\$	8,816	5.5%

#### <u>Table 2</u>

Salary Adjustments - Total Impact							
Count		16					
Grand Total Cost	\$ 206,932						
Total Adjustment as a Percent of Investments Total Payroll:		2.0%					



# LACERA Investment Division Compensation Study Results

April 9, 2025

## **CBIZ** Introduction

- National compensation consulting practice for CBIZ
- Team of compensation professionals serving clients from coast to coast
- Extensive experience working with public pension funds
- Project Team

~RI7

- Joe Rice Managing Director
- Gaby Davidson Senor Consultant

## **RECENT CLIENT LIST**

- Austin Police Retirement System
- Chicago Teachers' Pension Fund
- City of Austin Employees' Retirement System
- Colorado Public Employees Retirement Association
- Dallas Police and Fire Pension System
- Denver Employees Retirement Plan
- Fort Worth Employees' Retirement Fund
- Fresno County Employees' Retirement Association
- Illinois Municipal Retirement Fund
- Kansas Public Employees Retirement
   System
- Maryland State Retirement Agency
- Missouri Department of Transportation & Patrol Employees' Retirement System
- Missouri Local Government Employees
   Retirement System
- Missouri State Employees' Retirement
   System

- New York State Teachers' Retirement
   System
- Ohio Police & Fire Pension Fund
- Ohio Public Employees Deferred Compensation Program
- Ohio Public Employee Retirement System
- Ohio School Employee Retirement System
- Pennsylvania Public School Employees' Retirement System
- Pennsylvania State Employees' Retirement
   System
- Public School & Education Employee Retirement Systems of Missouri
- School Employees Retirement System of Ohio
- State University Retirement System of Illinois
- State Teachers Retirement System of Ohio
- Virginia Retirement System
- Wyoming Retirement System



## Overview

- Compensation Study
- Sample Incentive Design
- Next Steps
- Appendix: Industry Best Incentive Practices

# Compensation Study



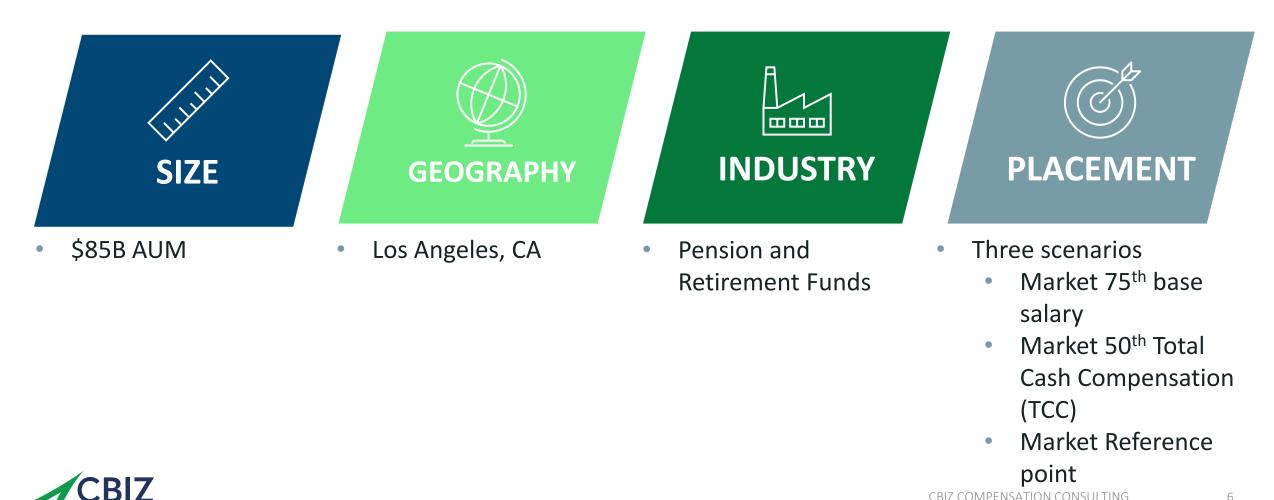


## Project Scope

- Project began in March of 2024
- A competitive market review of base salary and total cash compensation (i.e., base and bonus)
- Modeling three compensation philosophy approaches
- Update of salary structures
- Evaluation of incentive plan practices and potential implementation
- Reconciliation of actual compensation to market-competitive compensation
- Calculation of plan implementation costs tied to phased approach
  - Phase 1 adopt recommendations to the degree allowable within LACERA's current pay structure
  - Phase 2 identify a compensation framework aligned with strategic, long-term objectives



## Labor Markets & Competitiveness





CBIZ COMPENSATION CONSULTING

## Market Analysis

- Evaluate job documentation
- Sources of compensation data
  - CBIZ Pension Survey (peers on next slide)
- Job matching
  - Compare job descriptions to survey descriptions
  - Match based on duties, scope, and qualifications
- Summarize results
  - Aggregate market percentiles
  - Base salary ٠
  - Total cash compensation

					Mar	ket Base Sa	alary		Market Tol	al Cash Co	npensati
BIZ	Annualized Average	Annualized Average						Proposed Pay Grade			
ode	Base	Total Cash			25th	50th	75th		25th	50th	75th
L00	30,042	30,042		g Specialist	39,499	42,065	45,423	7	40,335	42,959	46,39
101	35,085	35,085		ative Assistant	36,586	38,948	42,098	6	37,107	39,506	42,70
L81	43,629	43,629	Archives I		52,686	56,267	61,394	9	53,673	57,346	62,58
L07	46,863	46,863		Coordinator	47,725	51,029	55,389	8	48,734	52,114	56,57
87	40,842	40,842	Bibliograp		46,807	49,391	53,202	8	57,408	60,866	65,81
L02	41,614	41,614		cations Specialist	55,205	58,783	63,901	10	56,241	59,908	65,14
L04	50,825	50,825	Content M	Aanaging Editor	59,230	62,242	66,608	10	61,471	64,633	69,19
105	115,200 40,621	135,200		Exhibit 2A: ABC C	in Actual Ann		Salare Corr	nated to Mari		entile	404.75
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## Peers

- 1. Arizona State Retirement System \$50B AUM
- 2. California State Teachers Retirement System \$353B AUM
- 3. California Public Employee's Retirement System \$500B AUM
- 4. Colorado Public Employees' Retirement Association \$59B AUM
- 5. Maryland State Retirement & Pension System \$64B AUM
- 6. New York City Office of the Comptroller \$250B AUM
- 7. New York State Teachers' Retirement System \$132B AUM
- 8. Ohio Public Employees Retirement System \$107B AUM
- 9. Public School and Education Employee Retirement Systems of Missouri \$54B AUM
- 10. State Board of Administration of Florida \$206B AUM
- 11. State Teachers Retirement System of Ohio \$90B AUM
- 12. Teachers Retirement System of Georgia \$94B AUM
- 13. Virginia Retirement System \$105B AUM

AUM effective as of April 1, 2023

## Setting the Market Comparison Point (Structure Anchor)

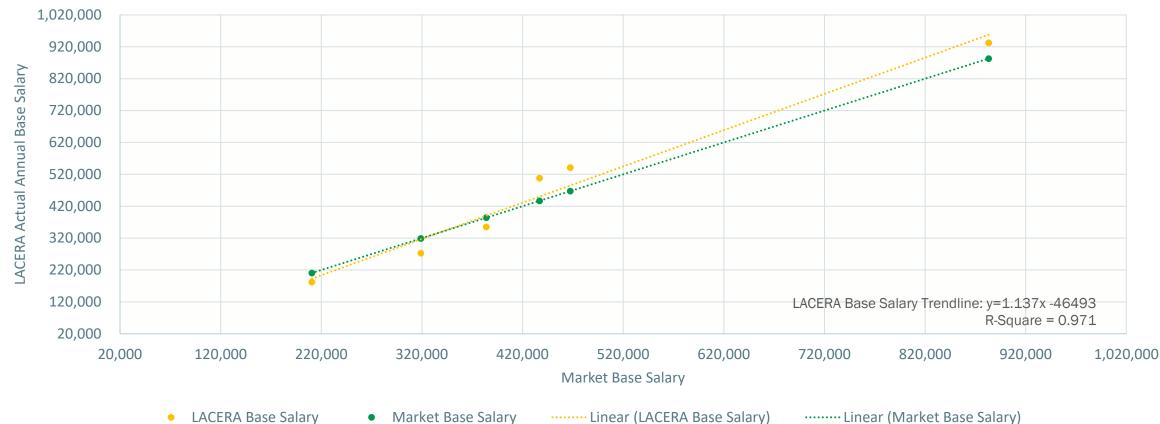
### PAY DISTRIBUTION – SAMPLE JOB BASE 50<sup>TH</sup> PERCENTILE **TCC 50<sup>TH</sup>** PERCENTILE 3 **TCC** 75<sup>TH</sup> 1 PERCENTILE BASE 75<sup>TH</sup> PERCENTILE RANGE RANGE RANGE

PAY PERCENTILES: LOW TO HIGH PAY

- Position base pay higher in the base pay range to strengthen pay position.
  - May be strained in matching market base and bonus opportunity.
- Position base pay to match base + bonus expectations.
  - Does not provide as much upside and guarantees higher base pay even with poor results.
- Structure incentive opportunities to achieve TCC 75th pay—or higher—when incentive payout is maximized.
  - Base pay range is determined according to the incentive opportunity and how much pay is at risk.



## Current Pay Compared to Market 75<sup>th</sup> Percentile Base Pay



..... Linear (Market Base Salary)



•

## Current Total Cash Compensation Compared to Market 75<sup>th</sup> Percentile Total Cash Compensation



..... Linear (LACERA Total Cash) ..... Linear (Market Total Cash Compensation)



## Designed Salary Structure

Grade	Minimum	Midpoint	Maximum	Range Spread	Midpoint Differential
1	\$96,000	\$120,000	\$144,000	50%	
2	\$110,400	\$138,000	\$165,600	50%	15.0%
3	\$126,960	\$158,700	\$190,440	50%	15.0%
4	\$146,004	\$182,505	\$219,006	50%	15.0%
5	\$167,905	\$209,881	\$251,857	50%	15.0%
6	\$193,090	\$241,363	\$289,635	50%	15.0%
7	\$222,054	\$277,567	\$333,081	50%	15.0%
8	\$255,362	\$319,202	\$383,043	50%	15.0%
9	\$293,666	\$367,083	\$440,499	50%	15.0%
10	\$337,716	\$422,145	\$506,574	50%	15.0%
11	\$388,374	\$485,467	\$582,560	50%	15.0%
12	\$446,630	\$558,287	\$669,944	50%	15.0%
13	\$513,624	\$642,030	\$770,436	50%	15.0%
14	\$590,668	\$738,335	\$886,001	50%	15.0%
15	\$679,268	\$849,085	\$1,018,902	50%	15.0%
16	\$815,121	\$1,018,902	\$1,222,682	50%	20.0%
17	\$978,146	\$1,222,682	\$1,467,218	50%	20.0%

- Structures simplify ongoing compensation administration
- Integrate market and internal equity
- Consists of a series of grades, each with a minimum and maximum level of pay
- Job classified into the structure based on relationship of market 50<sup>th</sup> to range midpoint
  - Rounding process
  - Grades are comprised of jobs with similar market value



## Pay Grade Classification

	Base Salary Market 75th Percentile		Total Cash Compensation Market 50th Percentile		Incentive Base Salary Market Reference Point **			
Proposed Job Title	Value	Proposed Pay Grade	Value	Proposed Pay Grade	TCC Market 75th	Incentive Maximum	MRP	Proposed Pay Grade
Chief Investment Officer	758,510	14	857,865	15	1,114,946	100%	557,473	12
Deputy Chief Investment Officer	401,411	10	494,320	11	914,420	80%	508,011	11
Principal Investment Officer	375,198	9	478,881	11	787,470	80%	437,484	10
Senior Investment Officer	329,820	8	401,590	10	630,642	60%	394,151	9
Financial Analyst III	273,980	7	370,852	9	502,317	50%	334,878	8
Financial Analyst II	180,884	4	212,254	5	263,391	40%	188,136	4
Financial Analyst I	119,518	1	140,056	2	154,319	20%	128,599	1

## \*\* Market Reference Point (MRP) Approach

- Base pay ranges are built around a market comparison point
- This is typically pinned to a specific base pay market percentile (i.e., total cash compensation 75th percentile)



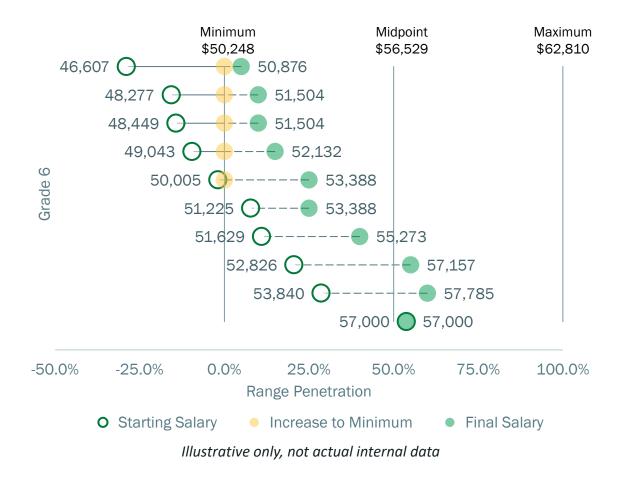
## Financial Impact Analysis

- Integration of structure with employee data
  - Identify below min/above max of base pay ranges
  - The average overall compa-ratio as compared to the market 50th percentile is 92.9%



## **Compression Analysis**

- Compression exists when inexperienced employees within a grade are paid an identical or similar rate as those with greater tenure
- Evaluated the degree to which compression is a problem
- Modeled target range placement based on factors like time in job and performance
- See Pay Compression Exhibits 8A-8F





## Implementation Cost Summary

Scenario	Below Min	Compression	Incentive Maximum	Total Implementation	Above Max
Market Base 75th	97,502	109,874	0	207,376	81,823
Market TCC 50th	1,163,923	476,975	0	1,640,898	0
Bonus & MRP	373,594	263,036	6,700,042	636,630 to 7,336,672	155,800



## Annual Salary Planning

- Budget for market competitive salary increases
- Adjust structures annually to ensure:
  - The new compensation system remains competitive for years to come
  - Minimums stay competitive to the market
  - Maximums stay appropriate
- CBIZ will provide salary structure update factors for up to five years
- CBIZ tracks data associated with cost of labor, not cost of living, changes

CBIZ	CBIZ Compensation Consulting 721 Emerson Rd., Suite 400 St. Louis, Missouri 63141	
August 18, 2022		
		t. For this reason, it's important to
Ms. Jane Doe		
Human Resources Director		ent Cost Index (ECI), which sing board wage movement in the
Abo Co 555 Main Street		sed.
St. Louis, MO 63141		ies data for civilian workers (i.e., all
Dear Jane:		
This letter documents our annual recommendations regarding The current labor market is leading to accelerated wage growt		competitive to the market. Individual
market and then address the sources and rationale for our an below table	nual recommendations, which are highlighted in the	a receive increases in sugest of the o it. This is especially true for
		ized.
Recommen		nts or 157% above structure
Structure Update: Salary Increase Budget:	5.3% 6.5% - 6.3%	s should be in the range of 6.5% to
		I free to call.
Market Commentary		
The US Bureau of Labor Statistics provides insightful data regr	rding the current labor market. The following economic	
indicators help document the current conditions:		
Job Openings*: 10.7 million		
Unemployed Persons?: 5.9 million		
Voluntary Exits (Quits)4: 4.2 million Consumer Price Index <sup>2</sup> : 9.1%		uding compensation consulting.
Consumer Price Index-: 9.256 The number of job opening in the labor market is at an all-time		lified to provide such.
unemployed persons shows that there are 1.8 jobs available t	each unemployed person. The voluntary exits or "Quits"	
data is near record levels and well above pre-pandemic trends These data points taken together indicate a labor market in wi		
likely result in accelerated wage growth. Finally, significant infl driver of rising salary increases.		
Structure Update		
Structure opdate Adjusting your salary structure annually will help ensure that y	ur salan randa minimums ramain romnatitiva to tha	
market and that your salary range maximums remain appropri	ate. This is an annual best practice, but is only a short	
term fix as jobs move in the labor market differently from the o	verall labor market. Some jobs might be considered "hot	
Job Openings and Labor Turnover Summary; June 2022. Job	Openings and Labor Turnover Summary - Results	
(bls.gov). <sup>2</sup> Employment Situation Summary; June 2022. Employment Situation	tuation Summany - Results (bls.gov).	
<sup>2</sup> Consumer Price Index Summary; June 2022. Consumer Price	Index Summary - Results (bls.gov)	
		2022 Results (bls.gov)



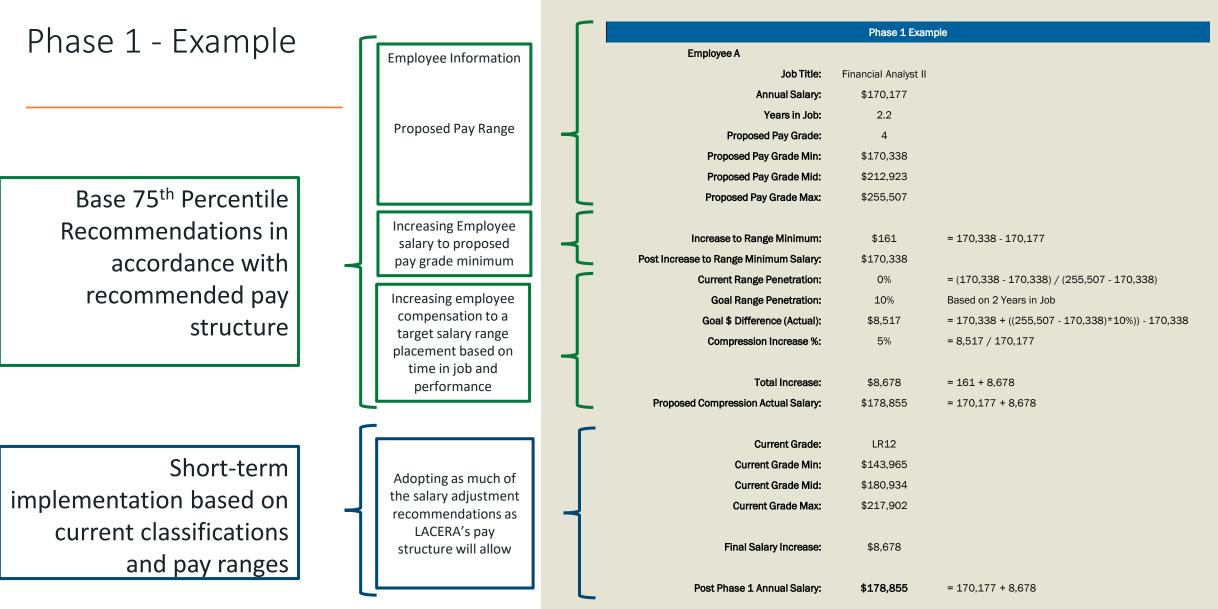
### Phase 1

- Work within LACERA's existing classification structure and pay plan
   CBIZ
  - Increased employee compensation in consideration of the Base Pay 75<sup>th</sup> Approach
  - Increased employee compensation to a target salary range placement based on time in job and performance

		Current Pay Structure				Proposed Pay Grade Market Base 75th				
Proposed Job Title	Current Pay Grade	Minimum	Midpoint	Maximum	Range Spread	Proposed Pay Grade	Minimum	Midpoint	Maximum	Range Spread
Chief Investment Officer	LR28	444,585	568,843	693,102	55.9%	14	689,112	861,390	1,033,668	50.0%
Deputy Chief Investment Officer	LR24	342,893	430,944	518,995	51.4%	10	394,002	492,503	591,003	50.0%
Principal Investment Officer	LR23	318,970	400,878	482,786	51.4%	9	342,611	428,263	513,916	50.0%
Senior Investment Officer	LR20	256,758	322,691	388,624	51.4%	8	297,922	372,403	446,883	50.0%
Financial Analyst III	LR16	192,261	241,631	291,002	51.4%	7	259,063	323,829	388,594	50.0%
Financial Analyst II	LR12	143,965	180,934	217,902	51.4%	4	170,338	212,923	255,507	50.0%
Financial Analyst I	109A	99,486	115,109	130,732	31.4%	1	112,000	140,000	168,000	50.0%

- Adopt as much of the salary adjustment recommendations as LACERA's pay structure will allow
- All costs derived from FA II and FA III (no employees in FA I)

Count:	16
Grand Total of Increases:	\$206,932
Total Adjustment as a Percent of Total Payroll:	2.0%





### Phase 2



- Bonus recommendation approach to be presented and discussed with the Boards at a later date
- Incentive considerations:
  - Plan design considerations like metrics, performance expectations (e.g., threshold, target, and maximum results), measurement/performance period, and weighting)
  - Base pay and bonus levels
  - Navigate civil service opt in/opt out
  - Evaluate conversion process/rebalance compensation for high base pay
- Other considerations if LACERA does not adopt a bonus plan at a future date
  - Explore Base Pay 75<sup>th</sup> or Total Cash Compensation 50<sup>th</sup> approach as new pay structure
  - Consider adopting a standalone investments division compensation structure

## Sample Incentive Design

REPORT 2019 ADDII \$672.18 \$212.50 \$170.00 \$215,05 \$1 114,24 \$352,25 \$281,80 \$309,98 \$256.49 \$484.81 \$928,31 \$1 513,15 \$484.10 \$478,36 \$382,69 \$420.96 \$2 076.45 \$664,32 \$903.47 \$577.67 \$656,44 \$525,15 \$1 661,97 \$1 019,62 \$723.13 \$525,41 \$420,33 \$462,36 \$531,71 \$1 319,40 \$809,45 \$422.12 \$574,08 \$333,69 \$367,06 \$417,11 \$1 484,33 \$645,84 \$910,63 \$474,88 \$375,40 \$412,94 \$469.25 \$748,16 Share value \$458,99 \$239,36 \$325,53 \$236,52 \$189,22 \$208.14 \$1 491,70 \$915,15 \$649,04 \$414,99 \$477.24 \$471,58 \$377.26 \$2 518,92 \$1 545,35 \$1 095,99 \$700,76 \$805,88 \$637.06 \$796,32 \$672,18 \$412,38 \$292.47 \$215,05 \$187,00 \$170.00 \$212,50 \$1 114,24 \$683,58 \$356,48 \$309,98 \$281,80 \$352,25 \$1 513,15 \$928,31 \$484.10 5000 \$420,98 \$382,69 \$478,36 \$2.076,45 \$1 273,89 \$664,32 \$903,47 \$577,67 \$525,15 \$1 661,97 4000 \$656,44 \$1 019,62 16 \$723,13 \$531,71 \$462.36 \$420,33 \$1 319,40 \$525,41 \$809,45 \$574,08 \$367,06 \$422.12 \$1 484,33 \$333.69 \$417,11 \$910,63 \$645.84 16 \$474,88 \$412.94 \$748,16 \$375,40 \$458,99 \$469,25 \$325,53 \$239.36 \$208,14 \$1 491,70 \$189,22 \$915,15 \$236,52 0.044 18 \$477,2 \$414,99 \$2 518,92 \$377,26 \$1 545,35 \$471,58 \$1.095.99 \$805,8 19 \$1 114,24 2011 2012 2013 \$700,76 \$637,08 \$683.58 \$796,32 \$484.8 20 \$1 513,15 \$309.9 \$281,80 \$928,31 \$352,25 21 \$420,96 \$382.69 \$478,36 TASK NOTES



## Existing Objectives of the Investment Program

- I. Produce the promised benefits for LACERA members and beneficiaries by <u>achieving the Fund's assumed</u> 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 <u>mitigating investment</u> <u>risks through Fund diversification and other means</u>, 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



## Investment Compensation Program Pros & Cons

Approach	Pros	Cons
Base and Bonus	<ul> <li>Motivation and performance</li> <li>Alignment with goals</li> <li>Attractive to top talent</li> <li>Pay will vary based on performance</li> </ul>	<ul> <li>Negative member and media perception</li> <li>Potential for risk-taking and short- term behavior</li> <li>Complex to administer</li> <li>Potential for entitlement mindset</li> </ul>
Higher pay approach (e.g., Base Pay 75 <sup>th</sup> or TCC 50 <sup>th</sup> )	-	<ul> <li>Guaranteed higher pay even in years with poor performance</li> </ul>



## Metrics

Overall	Description	Goal Setting	Timeframe
Total Fund Benchmark	Measure total fund performance relative to benchmark.	Significant differentiation based on reasonable ability to significantly beat the benchmark	3-Years
Actuarial	Measure absolute performance to actuarial rate of return.	Modest differentiation from threshold to stretch given the importance and unpredictability	5-Years
Asset Class	Measure various asset class (e.g., growth, credit, real assets, and risk) performance relative to benchmarks.	Varying levels of differentiation based on volatility—e.g., risk should be relatively narrow while growth wider.	3-Years



## Potential Metrics Weighting

	Recommended Bonus Payout (as % of Base Salary)			Ν	Į.	
Grade	Threshold	Target	Maximum	Total Fund	Asset Class	Annual Hurdle
Chief Investment Officer	25.0%	50.0%	100.0%	100.0%	0.0%	0.0%
Deputy Chief Investment Officer	20.0%	40.0%	80.0%	100.0%	0.0%	0.0%
Principal Investment Officer	20.0%	40.0%	80.0%	20.0%	80.0%	0.0%
Senior Investment Officer	15.0%	30.0%	60.0%	20.0%	80.0%	0.0%
Financial Analyst III	12.5%	25.0%	50.0%	50.0%	50.0%	0.0%
Financial Analyst II	10.0%	20.0%	40.0%	50.0%	50.0%	0.0%
Financial Analyst I	5.0%	10.0%	20.0%	50.0%	50.0%	0.0%



## Sample Incentive Framework

	Annual	Incentive	Incentive	Incentive	Incentive Payout at	Incentive Payout at	Incentive Payout at
Proposed Job Title	Salary	Threshold	Target	Maximum	Threshold	Target	Maximum
Financial Analyst III	\$320,000	13%	25%	50%	\$40,000	\$80,000	\$160,000

Measures	Weight	Threshold (bps):	Target (bps):	Maximum (bps):	Actual (bps):	Level Achieved of Target:	Metric Payout
3-Year Total Fund	50%	0.0	25.0	50.0	40.0	160%	\$64,000
Real Assets	50%	0.0	20.0	40.0	5.0	63%	\$25,000

Total Payout\$89,000Payout as % of Target111%

Payout as % of Maximum 56%





## Questions



## Definitions

- Market Pricing: Valuation of pay for jobs in the external labor markets
  - Base Salary: The annual fixed rate that an individual is paid for performing a job
  - Annual Incentive: Any short-term variable compensation paid within a year
  - Total Cash Compensation (Actual): Cash compensation, typically earned as base salary plus annual incentive received during the year
  - Total Cash Compensation (Maximum): Sum of current base salary and maximum annual incentive
- Market Percentiles:
  - 25th percentile The point at which 75% of organizations pay more and only 25% pay less
  - 50th percentile Also known as the median, this is the middle point of the market. By definition, half of organizations pay more, and half pay less
  - **75th percentile** The point at which only 25% of organizations pay more and 75% pay less

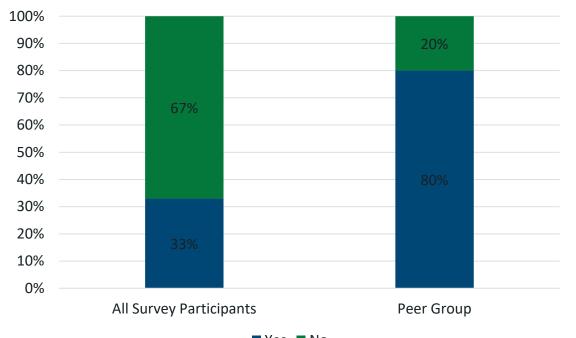


## Incentive Practices





## Incentive Eligibility



### CIO Incentive Eligibility

■ Yes ■ No

• Incentive eligibility is largely correlated to size, with most larger funds offering incentives

## **Common Metrics**

METRIC	Use Case	
Total Return	Total Return measures the overall performance of the pension fund's investments by calculating the sum of capital gains and income (e.g., dividends, interest) generated over a specified period. This comprehensive metric captures both the growth of asset values and the income generated from assets, providing a clear picture of the investment's effectiveness.	
Benchmarks	Benchmarks are used to set performance targets to relevant comparisons. For instance, they must aim to outperform the relevant pension fund benchmark indices to qualify for incentives.	
Actuarial Metrics are critical for ensuring that the pension fund's investments are aligned with its long-term payout obligations. Assess the expected in on investments against the projected liabilities, and incentives the investments team to maintain an optimal balance.		
Standard Deviation		
Peer Comparisons	By comparing performance to peers, the fund can gauge its competitiveness. Incentives could be linked to the fund's ranking within a peer group, rewarding for top performance.	
R-squared	R-squared measures how closely the fund's returns follow the market movements. A high R-squared could indicate market-like performance, which may be desirable for a passively managed pension fund. Managers could be incentivized based on achieving an R-squared within a target range.	
Sharpe Ratio	This ratio is used to understand the return of an investment compared to its risk. A higher Sharpe ratio indicates better risk-adjusted returns. Reward for achieving a Sharpe ratio that exceeds a predefined threshold.	
Individual Performance	Refers to the qualitative assessment of a fund manager's competencies and contribution to the fund's performance. Incentives can be tied to performance ratings from evaluations, recognizing and rewarding managerial skill, decision-making, and adherence to investment mandates.	



## Performance Period (Timeframe)

Performance Timeframe	Pros	Cons
1-Year	<ul> <li>Reflects "short-term/annual" incentive plans utilized in the broader market</li> </ul>	<ul> <li>Incentivizes short-term performance and risk taking</li> </ul>
3-Years	<ul> <li>High prevalence among other funds</li> <li>Aligns and rewards short and long-term performance</li> </ul>	<ul> <li>Doesn't fully reward current year contributions</li> </ul>
5-Years	<ul><li>Some prevalence among other funds</li><li>Reflects long-term performance</li></ul>	<ul><li>Less prevalent in market</li><li>Difficult to track</li><li>Less retentive value</li></ul>
10-Years	Reflects long-term performance	<ul><li>Extremely rare in competitive market</li><li>Difficult to track</li><li>Less retentive value</li></ul>

- Can weight between periods (e.g., 50% 1-year and 50% 3-year)
- Metric level considerations (e.g., longer term actuarial period vs shorter term policy benchmark)

## Incentive Metric Prevalence

### Data based on 20 bonus-paying funds

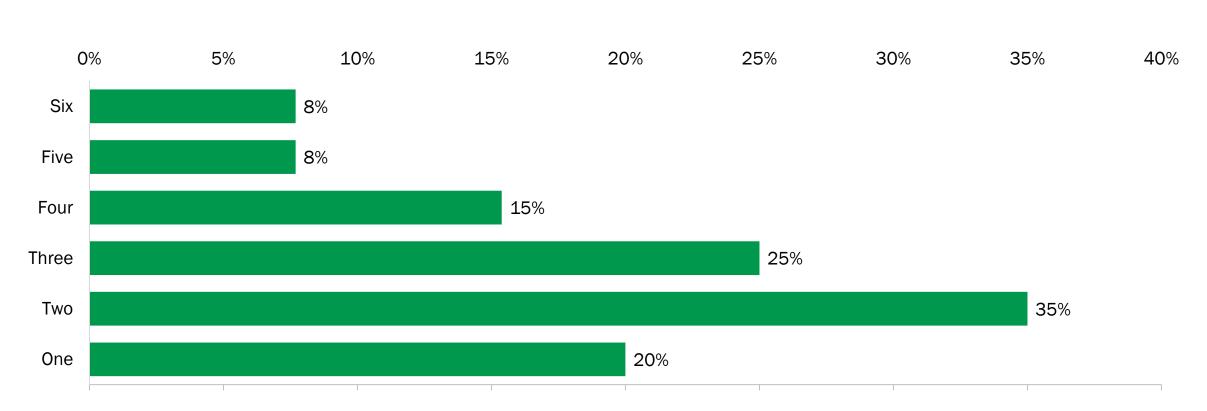
Metric	Prevalence	Median Weight**	Avg. Weight**
Benchmark	40%	40%	51%
Total Return	30%	60%	63%
Asset Class	25%	25%	31%
Other*	25%	30%	43%
Individual performance	20%	25%	26%
Actuarial	20%	80%	78%

\* Other metrics include operational effectiveness, discretionary, stakeholder engagement, sharpe ratio, inflation, customer satisfaction, and global public equity.

\*\* Median and Avg. weight are based on weighting for CIO only if plans differentiated weighting by position



## Number of Incentive Metrics Prevalence









#### FOR INFORMATION ONLY

April 15, 2025

TO: Trustees – Board of Retirement

FROM: Jean J. Kim WK-Senior Staff Counsel Zack Meth ZM

Staff Counsel

DATE: Board of Retirement Meeting of May 7, 2025

### SUBJECT: REPORT OF REVISED PAY ITEM

#### INTRODUCTION

This memorandum addresses the Critical Shortage Range Bonus (Item No. 209), for which the Board of Retirement (the "Board") previously made a pensionability determination.

As this pay item has been modified, staff has reviewed the revised pay item to ensure that the prior legal analysis and pensionability determination are still applicable. For the reasons discussed below, the original pensionability determination remains applicable to the revised pay item. Therefore, no additional Board determination is necessary.

A summary of the revised pay code is attached as Attachment A, and the analysis presented in support of the Board's prior pensionability determination is attached as Attachment B.

### BOARD AUTHORITY TO MAKE PENSIONABILITY DETERMINATIONS

The Board is charged with determining whether a pay item qualifies as pensionable under the County Employees Retirement Law of 1937 ("CERL") and the California Public Employees' Pension Reform Act of 2013 ("PEPRA") and is therefore includable as final compensation in calculating a member's retirement benefit. California Government Code ("Cal. Govt. Code") §31461(a)(1) and §7522.34.

Items of compensation are analyzed as pensionable:

Trustees – Board of Retirement April 15, 2025 Re: Report of Revised Pay Item Page 2

- for legacy members under the definition of "compensation earnable" in Cal. Govt. Code §31461; and
- for PEPRA members under the definition of "pensionable compensation" in Cal. Govt. Code §7522.34.

A "legacy member" refers to any individual who became a member of LACERA, or a reciprocal system, prior to January 1, 2013. A "PEPRA member" refers to anyone who first became a member of LACERA on or after January 1, 2013 and was not previously a member of another public retirement system prior to that date. Cal. Govt. Code §7522.04(f).

### LEGAL ANALYSIS OF REVISED PAY ITEM

### Critical Shortage Range Bonus (Item No. 209)

The Critical Shortage Range Bonus (Item No. 209) provides a per pay period bonus of base salary for certain classifications that the County of Los Angeles Chief Executive Office has determined are experiencing critical shortages of personnel.

The original pensionability analysis of this pay item was as follows:

- (1) Determined to be compensation earnable for legacy members pursuant to Cal. Govt. Code §31461(a) because this pay item is remuneration that is paid in cash and as such, qualifies as compensation under Cal. Govt. Code §31460, and it is not otherwise excludable from compensation earnable under Cal. Govt. Code §31461(b); and
- (2) Determined to not qualify as pensionable compensation for PEPRA members because it consists of ad-hoc payments to members and is therefore excluded under Cal. Govt. Code §7522.34(c)(3), and because it is not considered to be paid to similarly situated members of the same group or class, it is therefore excluded under Cal. Govt. Code §7522.34(c)(11).

This pay item has now been modified to:

(1) expand the eligible classifications of employees that qualify for the bonus to include new and existing employees in the Youth Educator (Item No. 4857) and Youth Educator Supervisor (Item No. 4859) classifications; and

Trustees – Board of Retirement April 15, 2025 Re: Report of Revised Pay Item Page 3

(2) specify a bonus percentage amount of 20% of base salary for those two new eligible classifications.

These changes do not impact the original pensionability determination for this pay item. Since the presentation of the original analysis on November 8, 2012 for Item No. 209, legal counsel has determined that because Item No. 209 is in fact paid to similarly situated members of the same group or class, the exclusion under Cal. Govt. Code §7522.34(c)(11) for PEPRA members is inapplicable. However, the pay item is still excluded from pensionable compensation because it is an ad-hoc payment as it is only paid if and when it is determined that there is a critical shortage of personnel. Therefore, the revised pay item remains (i) pensionable as compensation earnable for legacy members and (ii) not pensionable for PEPRA members, as it does not qualify as pensionable compensation.

The complete list of pay codes that have been determined by the Board to be pensionable or not pensionable under CERL (for legacy members) and under PEPRA (for PEPRA members) is located at <u>https://www.lacera.com/active-service/cerl-pay-codes</u> (for legacy members) and <u>https://www.lacera.com/active-service/pepra-pay-codes</u> (for PEPRA members).

**Reviewed and Approved** 

Inver 8. Pris

Steven P. Rice Chief Counsel

JJK/ZM/et Attachments

# Attachment A

Pay Event Code	Pay Event Title	Pay Event Description	Original Analysi (BOR Date)
NCLUD	ED under Sectio	n 31461 and EXCLUDED under 7522.34	
209	CRITICAL SHORTAGE RANGE	<ul> <li>This pay event is being revised to add a Critical Shortage Range bonus on top of the Critical Shortage Recruitment Rate that was authorized by the Chief Executive Office (CEO) on July 9, 2024.</li> <li>To address recruitment and retention issues, the Chief Executive Office authorized a Critical Shortage Recruitment Rate for the classifications of Youth Educator (Item No. 4857) and Youth Educator Supervisor (Item No. 4859) pursuant to County Code Section 6.10.050. Effective July 9, 2024, employees hired into these positions will start at Step 8 of the applicable salary range. All incumbents who are below Step 8 as of July 9, 2024, will advance to Step 8.</li> <li>Effective March 1, 2025, the CEO also authorized a recruitment shortage range bonus of 20% for new and existing employees pursuant to County Code Section 6.10.060. The 20% bonus is paid on top of the Step 8 salary rate.</li> <li>The 20% recruitment shortage range authorization expires on June 30, 2025, but may be extended by the CEO if a critical shortage still exists.</li> </ul>	11/8/2012

# **Attachment B**

### Original Analysis of Pay Code 209 (Reviewed by BOR on 11/8/2012)

	Attachment B: Pensionable Compensation EXCLUDED Resolution No. 12.002 Under Government Code Section 7522.34					
Event	Description	Interpretive Manual Description	7522.34 Reference	ANALYSIS		
	MANPOWER SHORTAGE RANGE	This bonus provides a special hiring range which is at least one level, but not more than four schedules above the regular salary schedule established for a class. Upon the recommendation of the CAO because of recruitment difficulties, the Board approves the range and authorizes the appointment of persons to positions for which the range is to apply.	(c)(3)	This salary-range extension bonus as defined by <b>County Code Sect. 6.20.060</b> "provides a special hiring range because of recruitment difficulties." In addition, "the CAO may discontinue the authority to appoint persons to a manpower shortage range if he finds that a critical manpower shortage no longer exists." (Reference: Sect. 6.20.060.G). As such, it would meet the definition of subdivision (c)(3) based on being "any one-time or ad hoc payments made to a member" since It would be dependent upon events such as a <u>temporary manpower shortage</u> . In addition, it would meet the definition of subdivision (c)(11) since It is a "form of compensation inconsistent with the requirements of subdivision (a)" (i.e. NOT "paid to <u>similarly situated members</u> of the same group of class of employment"). Thus, it would be classified as <b>EXCLUDE from pensionable income</b> for new members as of 1/1/2013.		



### FOR INFORMATION ONLY

April 28, 2025

- TO: Each Trustee Board of Retirement
- **FROM:** Ricki Contreras Administrative Services Division Manager

Elsy Gutierrez<sup>0</sup> Supervising Administrative Assistant II

FOR: May 7, 2025, Board of Retirement Meeting

### SUBJECT: Contracting Activity Report – March 2025

The Board of Retirement (BOR) adopted the <u>Policy for the Procurement of Goods and Services</u> (<u>PGS</u>) on September 4, 2024. The PGS requires the Vendor Management Group to provide the BOR a monthly report on all contracting activity. Below is a summary of the contracting activity for the month of March 2025.

Category	Total	Approximate Dollar Amount
New Contracts	4	\$218,424
Renewals	4	\$68,365
Total	8	\$286,789

### Attachment

### EG: eg

C: Santos H. Kreimann, Chief Executive Officer Luis Lugo, Deputy Chief Executive Officer JJ Popowich, Assistant Executive Officer Jon Grabel, Chief Investments Officer Steven P. Rice, Chief Counsel Richard Bendall, Chief Internal Audit Carly Ntoya, Director of Human Resources

### Summary of Contracting Activity: March 2025

Vendor	Division	Туре	Term (Months)	New/Renewals	Total Contract Value	
Taxonomy Strategies	Executive Office	Consulting Services	60	Ν	\$190,224	
SWG Associates -SOW 2025 Supervisors Peer	•					
Mentoring Program	Human Resources	Consulting Services	12	Ν	\$18,700	
CarahSoft -Udemy	Human Resources	Software Subscription	12	R	\$45,116	
Spark Hire	Human Resources	Software Subscription	12	R	\$3,227	
Oppenheimer Investigations Group**	Legal Office	Legal Services	N/A	Ν	\$0	
Team Solutions BMC Agreement - HP Printer						
Service	Systems	Maintenance Agreement	60	Ν	\$9,500	
Nth Generation -HPE Server Tech Care Basic	Systems	Maintenance Agreement	12	R	\$13,911	
Duthie Power Service* - Generator Service	Systems	Maintenance Agreement	12	R	\$6,111	
Total	\$286,789					

Legend

\*Sole Source Procurements

\*\* Engagement Letter executed by Business Owner.

### FOR INFORMATION ONLY

April 28, 2025

- TO: Each Trustee Board of Retirement Board of Investments
- FROM: Barry W. Lew BM 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

#### LACERA Legislative Report 2025-26 Legislative Session Status as of April 28, 2025

				BOR	
CATEGORY	BILL	AUTHOR	TITLE	POSITION	PAGE
BROWN ACT	AB 259	Blanca E. Rubio (D)	. Open Meetings: Local Agencies: Teleconferences		2
BROWN ACT	AB 409	Joaquin Arambula (D)	. Open Meetings: Teleconferences: Community College		6
BROWN_ACT	AB 467	Mike Fong (D)	. Open Meetings: Teleconferences: Neighborhood Councils		7
BROWN_ACT	SB 239	Jesse Arreguin (D)	Open Meetings: Teleconferencing: Subsidiary Body		19
BROWN_ACT	SB 707	Maria Elena Durazo (D)	. Open Meetings: Meeting and Teleconference Requirements		23
PUBLIC_EMPLOYMENT		Tina McKinnor (D)	1 5 5		3
PUBLIC_EMPLOYMENT			. Local Public Employee Organizations: Notice Requirement		4
PUBLIC_EMPLOYMENT		Patrick Ahrens (D)			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		Sharon Quirk-Silva (D)			12
PUBLIC RETIREMENT		Phillip Chen (R)			13
PUBLIC RETIREMENT		Tina McKinnor (D)			14
PUBLIC RETIREMENT	AB 1451	Al Muratsuchi (D)	. State Teachers' Retirement System		16
PUBLIC_RETIREMENT	AB 26	Carl DeMaio (R)	Eliminate the Politicians Perks Act of 2025		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



State Net<sup>®</sup> Search Results

#### 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.

### DUBLIC\_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

No tags, commentary, or attachment applied

# 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

DUBLIC\_EMPLOYMENT

No tags, commentary, or attachment applied

# 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

DUBLIC\_EMPLOYMENT

No tags, commentary, or attachment applied

# 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

### DUBLIC\_EMPLOYMENT

No tags, commentary, or attachment applied

# 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

No tags, commentary, or attachment applied

# 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:

7.

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

DUBLIC\_RETIREMENT

No tags, commentary, or attachment applied

# 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

No tags, commentary, or attachment applied

## 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

### DUBLIC\_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 state	us history

### DUBLIC\_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

DUBLIC\_RETIREMENT

## 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 state	us history

## DUBLIC\_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 Section 7522.10 of Sections 7522.10, 7522.25, and 7522.30 of, and to add Sections 7522.19 and 7522.26 to, 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

E		
	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 statu	us history

### DUBLIC\_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.

# 16. 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.

### DUBLIC\_RETIREMENT

## 17. 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.

DUBLIC\_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)

CAS239 | 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<u>and repeal</u> Section 54953.05<u>of</u> 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)

CAS443 | 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

DUBLIC\_RETIREMENT

## California Senate Bill 538 (2025-2026)

CAS538 | 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



# 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:

23.

An act to amend Sections <u>54952, 54952, 7</u>, 54953, <u>54953, 54953, 7</u>, 54954.2, <u>and 54954.3</u> <u>54954,3</u>, <u>54956, 54956.5, 54957.1, 54957.6, 54960</u>, and <u>54960.2</u> of, to amend and repeal Section <u>54952.2</u> <u>of</u>, 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)

CAS853 | 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	
	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
- 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

Atten	dee	Purpose of Travel - Location	Event Dates	Travel Status
Nano	cy I	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	Attendec
	-	Edu - National University: Public Personnel Policy (Weekly Course) - VIRTUAL	02/03/2025 - 02/24/2025	Attended
Trev	or	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
Mike	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
Eliza	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
Vivia	an (	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



### TRUSTEE TRAVEL AND EDUCATION REPORT FOR FISCAL YEAR 2024 - 2025 MARCH 2025

Atte	endee	Purpose of Travel - Location	Event Dates	Travel Status
Jas	son (	Green		
A	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		
А	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
Х	-	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	obie	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



### TRUSTEE TRAVEL AND EDUCATION REPORT FOR FISCAL YEAR 2024 - 2025 MARCH 2025

Atter	ndee	Purpose of Travel - Location	Event Dates	Travel Status
Nico	ole I	Мі		
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	Attendec
	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
Way	/ne	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
С	-	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
Dav	id R	lyu		
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

#### 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.



### FOR INFORMATION ONLY

April 15, 2025

- TO: Each Trustee Board of Retirement
- FROM: Tamara Caldwell, Manager *C* Disability Retirement Services Division
- FOR: May 7, 2025 Board of Retirement Meeting
- SUBJECT: 2025 Quarterly Reports of Paid Invoices 3<sup>rd</sup> Quarter – January 1, 2025 to March 31, 2025

On January 1, 2015, the Board of Retirement adopted a policy whereby staff is authorized to approve and pay Disability Retirement Services (DRS) vendor invoices up to a cumulative amount of \$15,000 per vendor. Invoices from vendors exceeding \$15,000 per case shall be submitted to the Board of Retirement for approval prior to payment. Additionally, DRS is responsible for submitting quarterly reports on paid invoices under the threshold for the Board of Retirement's review and comment (attached).

Noted and Reviewed:

Assistant Executive Officer

**Confidential Attachments** 

Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

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