

IN PERSON & VIRTUAL BOARD MEETING

**JANUARY 14, 2026 AT 9:00 AM
BOARD OF INVESTMENTS MEETING**



TO VIEW VIA WEB

<https://lacera.com/leadership/board-meetings>



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.gov.

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

AGENDA

A REGULAR MEETING OF THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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

9:00 A.M., WEDNESDAY, JANUARY 14, 2026

This meeting will be conducted by the Board of Investments both in person and by teleconference under California Government Code Section 54953.8.3.

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

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

NOTICE: Pursuant to FPPC Regulation 18702.5, this statement provides notice, before elections take place, that appointed trustees, the retired trustee, and the alternate retired trustees when elected or appointed to a committee will receive a stipend of \$100 per meeting attended, up to a total of \$500 per month for all Board of Investments and committee meetings attended during the term of their appointment. Upon completion of today's election and the Chair's appointment of other committee members, LACERA will post Form 806 on lacera.com to provide public notice of the fees to be received by such trustees. Active general and safety member elected trustees, the ex-officio trustee, and the alternate ex-officio do not receive compensation for attending LACERA Board and committee meetings, other than their regular salary as County employees. All trustees receive reasonable and necessary expenses.

Appointed trustees to the Board of Investments are Patrick Jones, Trevor Fay, Mike Gatto, and Alma K. Martinez. The retired trustee is Debbie Martin. The active general and safety member elected trustees are Aleen Langton, Shawn R. Kehoe, and Nicole Mi. The ex-officio member is Elizabeth Ginsberg, and the alternate ex-officio position is Lisa Proft.

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER SB707

- A. Just Cause (Section 54953.8.3)
- B. Statement of Persons Present at SB707 Teleconference Locations

IV. RATIFICATION OF OFFICERS

A. **Board of Investments Board Officers – 2026 Calendar Year**

Recommendation as submitted by Luis A. Lugo, Acting Chief Executive Officer: That the Board ratify its slate of board officers who will serve their term in the 2026 calendar year under the Board's Board Officer Rotation Policy: Shawn R. Kehoe as Chair, Nicole Mi as Vice Chair, and Mike Gatto as Secretary. (Memo dated December 14, 2025)

V. ELECTIONS OF COMMITTEE MEMBERS

Election of Trustees to Joint Organizational Governance Committee (1 Trustee) and Audit, Compliance, Risk, and Ethics Committee (3 Trustees)

VI. APPROVAL OF MINUTES

- A. Approval of the Minutes of the Regular Meeting of December 10, 2025

VII. PUBLIC COMMENT

(Members of the public may address the Board orally and in writing. To provide Public Comment, you should visit <https://LACERA.com/leadership/board-meetings> and complete the request form by selecting whether you will provide oral or written comment from the options located under Options next to the Board meeting.

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 request will be accepted up to the close of the Public Comment item on the agenda.

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

VIII. EXECUTIVE UPDATE

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

IX. NON-CONSENT ITEM

A. **2026 Strategic Framework and Initiatives: Towards Best-in-Class Investor**

Recommendation as submitted by Jonathan Grabel, Chief Investment Officer: That the Board approve the 2026 Strategic Framework and Initiatives, Initiate planning for a Strategic Framework refresh and Collaborate with Meketa to review governance practices. (Memo dated December 23, 2025)

B. **Council of Institutional Investors Board Nomination**

Recommendation as submitted by Jonathan Grabel, Chief Investment Officer: That the Board approve the nomination of Jonathan Grabel, Chief Investment Officer, as a candidate for the Council of Institutional Investors (CII) 2026 board elections. (Memo dated December 19, 2025)

X. REPORTS

A. **2025 Investigation of Experience for Retirement Benefit Assumptions**

Luis A. Lugo, Acting Chief Executive Officer

Ted Granger, Chief Financial Officer

Nick Collier, Milliman

Craig Glyde, Milliman

Brent Banister, CavMac

(Presentation) (Memo dated December 22, 2025)

B. **SB707 Amendments to the Brown Act**

Steven P. Rice, Chief Counsel

(For Information Only) (Memo dated December 30, 2025)

X. REPORTS (Continued)

C. **Meketa Investment Group Self-Evaluation**

Tim Filla, Aysun Kilic, Alex Khorsandian, Imran Zahid

Meketa Investment Group

(For Information Only) (Memo dated December 12, 2025)

D. **Albourne America LLC Credit Self-Evaluation**

James Walsh, Stephen Kennedy, Tom Cawkwell, Mark White

(For Information Only) (Memo dated December 15, 2025)

E. **Albourne America LLC Real Assets Self-Evaluation**

James Walsh, Stephen Kennedy, Mark White

(For Information Only) (Memo dated December 11, 2025)

F. **Albourne America LLC Hedge Fund Self-Evaluation**

James Walsh, Stephen Kennedy, Tom Cawkwell, Mark White

(For Information Only) (Memo dated December 15, 2025)

G. **StepStone Real Estate Self-Evaluation**

Margaret McKnight, Thomas Hester, Kristen Moore, James Maina

(For Information Only) (Memo dated January 14, 2026)

H. **StepStone Private Equity Self-Evaluation**

Jose Fernandez, Natalie Walker, Daniel Krikorian

(For Information Only) (Memo dated December 6, 2024)

I. **Legal Projects**

Christine Roseland, Senior Staff Counsel

(For Information Only) (Memo dated January 6, 2026)

J. **Monthly Trustee Travel & Education Report – November 2025**

Ted Granger, Chief Financial Officer

(For Information Only) (Memo dated December 22, 2025)

X. REPORTS (Continued)

K. **December 2025 Fiduciary Counsel Contact and Billing Report**

Steven P. Rice, Chief Counsel

(For Information Only) (Memo dated December 29, 2025)

(Privileged and Confidential/Attorney-Client Communication/Attorney Work Product and Exempt from Disclosure under California Government Code Sections 7927.705, 54957.5(a))

L. **Fiduciary Counsel Annual Self-Assessments**

Steven P. Rice, Chief Counsel

(For Information Only) (Memo dated December 29, 2025)

(Attachments are Privileged and Confidential/Attorney-Client Communication/Attorney Work Product and Exempt from Disclosure under California Government Code Sections 7927.705, 54957.5(a))

XI. 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 agenda item at a future meeting.)

XII. 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.)

XIII. GOOD OF THE ORDER

(For Information Purposes Only)

XIV. EXECUTIVE SESSION

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

1. **Real Assets Investment Update**

Cheryl Lu, Senior Investment Officer

Terra Elijah, Senior Investment Analyst

Stephanie Xia, Senior Investment Analyst

(For Information Only) (Memo dated December 12, 2025)

XIV. EXECUTIVE SESSION (Continued)

2. **Private Equity Investment Update**

Didier Acevedo, Senior Investment Officer

Adrian Gonzalez, Senior Investment Analyst

(For Information Only) (Memo dated December 19, 2025)

B. Conference with Labor Negotiators

(Pursuant to California Government Code Section 54957.6)

1. **Agency Designated Representatives**

Chief Negotiator Irma Rodriguez Moisa, Carly Ntoya, Luis Lugo, Laura Guglielmo, JJ Popowich, Annette Cleary, and Jasmine Bath

Employee Organization: SEIU Local 721

Bargaining Units 850 and 851

XV. ADJOURNMENT

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

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

December 14, 2025

TO: Each Trustee
Board of Investments

FROM: Luis A. Lugo
Acting Chief Executive Officer

FOR: January 14, 2026 Board of Investments Meeting

SUBJECT: **Board of Investments Board Officers: 2026 Calendar Year**

RECOMMENDATION

That the Board of Investments ratify its slate of board officers who will serve their term in the 2026 calendar year under the Board's Board Officer Rotation Policy: Shawn R. Kehoe as Chair, Nicole Mi as Vice Chair, and Mike Gatto as Secretary.

LEGAL AUTHORITY

The Board of Investments (BOI) Regulations provide that each January the BOI shall elect from its members a Chair, Vice Chair, and Secretary to serve for a term of one year or until his or her successor is duly elected and qualified.

The [BOI Board Officer Rotation Policy](#) provides that the process of selecting board officers will be a seniority-based system. At the first regular meeting in January, the BOI shall hold a vote to ratify the slate of board officers determined by the Executive Board Assistant.

DISCUSSION

The BOI Board Officer Rotation Policy provides that with reasonable and sufficient time before the first regular meeting in January, the Executive Board Assistant shall verify the seniority of each trustee on the seniority list for each board officer position who would be in office during the calendar year commencing in January and ascertain in order of seniority which trustee opts to serve as a board officer for the upcoming year.

According to the Executive Board Assistant, the following trustees opted to serve as BOI Chair, Vice Chair, and Secretary for the 2026 calendar year.

Chair: Shawn R. Kehoe
Vice Chair: Nicole Mi
Secretary: Mike Gatto

IT IS THEREFORE RECOMMENDED THAT THE BOARD ratify its slate of board officers who will serve their term in the 2026 calendar year.

Board Officers: 2026 Calendar Year
Board of Investments
December 14, 2025
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cc: Board of Retirement
Jonathan Grabel
Jude Perez
Steven P. Rice
JJ Popowich
Laura Guglielmo

MINUTES OF A REGULAR MEETING OF THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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

9:00 A.M., WEDNESDAY, DECEMBER 10, 2025

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

TRUSTEES PRESENT

Jason Green, Chair

Patrick Jones, Vice Chair

David Ryu, Secretary

Mike Gatto

Elizabeth Ginsberg

Aleen Langton

Debbie Martin

Alma Martinez (Joined the meeting at 10:16 a.m.)

Nicole Mi (Teleconference Due to Just Cause under Section 54953(f))

STAFF, ADVISORS, PARTICIPANTS:

Jonathan Grabel, Chief Investment Officer

Jude Pérez, Deputy Chief Investment Officer

Luis Lugo, Acting Chief Executive Officer

Steven P. Rice, Chief Counsel

JJ Popowich, Assistant Executive Officer

STAFF, ADVISORS, PARTICIPANTS (Continued)

Ted Granger, Chief Financial Officer

Vache Mahseredjian, Principal Investment Officer

Esmeralda del Bosque, Principal Investment Officer

Scott Zdrazil, Principal Investment Officer

Terri Herubin, Senior Investment Officer

Cheryl Lu, Senior Investment Officer

Quoc Nguyen, Senior Investment Officer

John Kim, Investment Officer

Kathryn Ton, Senior Investment Analyst

Derek Kong, Investment Officer

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

StepStone Group LP (Real Assets Equity Consultant)
Margaret McKnight, Partner

Albourne (Illiquid Credit, Real Assets and Hedge Funds Consultants)
Steven Kennedy, Partner

I. CALL TO ORDER

The meeting was called to order by Chair Green at 9:02 a.m. in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

Trustee Gatto 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

A physical quorum was present at the noticed meeting location. There was a request received from Trustee Mi to participate by teleconference for Just Cause (B) contagious illness. Trustee Mi confirmed that there were no individuals 18 years or older present at the teleconference location.

IV. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of November 12, 2025

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

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

Abstain: Langton

Absent: Martinez

V. PUBLIC COMMENT

Jordan Fein addressed the Board regarding private equity investments.

VI. EXECUTIVE UPDATE

A. Chief Investment Officer's Report

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

B. Member Spotlight

Mr. Popowich recognized LACERA member, Kurt Keller.

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. CONSENT ITEM

A. **2026 Infrastructure Investor Global Summit in Berlin, Germany
March 24 - 27, 2026**

Recommendation as submitted to approve attendance of Trustees at the 2026 Infrastructure Investor Global Summit in Berlin, Germany on March 24 - 27, 2026, and approve reimbursement of all travel costs incurred in accordance with LACERA's Trustee Education and Trustee Travel Policies. (Memo dated November 20, 2025)

A motion was made by Trustee Ryu, seconded by Trustee Langton, to approve staff's recommendation. The motion passed by the following roll call vote:

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

Absent: Martinez

VIII. NON-CONSENT ITEM

A. **FY 2025-2026 Proposed Mid-Year Budget Adjustments**

Recommendation as submitted by Patrick Jones, Chair, Joint Organizational Governance Committee: That the Board of Investments approve and adopt the Fiscal Year 2025-2026 Mid-Year Budget Adjustments to the LACERA Administrative Budget, including the addition of one Senior Investment Officer position. No changes are recommended for the Retiree Health Care Benefits Program Budget. (Memo dated November 24, 2025)

A motion was made by Trustee Jones, seconded by Trustee Martin, to approve staff's recommendation. The motion passed by the following roll call vote:

VIII. NON-CONSENT ITEM (Continued)

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

Absent: Martinez

IX. REPORTS

A. **Annual Review of LACERA TIDE (Towards Inclusion, Diversity, and Equity)**

Jonathan Grabel, Chief Investment Officer

(Presentation) (Memo dated November 20, 2025)

Messrs. Zdrazil and Kong and Ms. Ton provided a presentation and answered questions from the Board. This item was received and filed.

B. **Total Fund Correlation and Scenario Analysis Update**

Esmeralda del Bosque, Principal Investment Officer

Timothy Filla, Managing Principal, Meketa

(Presentation) (Memo dated December 1, 2025)

Ms. del Bosque and Mr. Filla of Meketa provided a presentation and answered questions from the Board. This item was received and filed.

C. **Total Fund & OPEB Master Trust Investment Fee Report – Fiscal Year 2025**

Esmeralda del Bosque, Principal Investment Officer

John Kim, Investment Officer

(Presentation) (Memo dated December 1, 2025)

Ms. del Bosque and Mr. Kim provided a presentation and answered questions from the Board. This item was received and filed.

D. **LACERA Total Fund Quarterly Board Book**

Esmeralda del Bosque, Principal Investment Officer

(For Information Only) (Memo dated December 1, 2025)

This item was received and filed.

IX. REPORTS (Continued)

E. **OPEB Master Trust Quarterly Board Book**

Esmeralda del Bosque, Principal Investment Officer
(For Information Only) (Memo dated December 1, 2025)

This item was received and filed.

F. **Principles For Responsible Investment Signatory Ballot**

Scott Zdrazil, Principal Investment Officer
(For Information Only) (Memo dated November 20, 2025)

This item was received and filed.

G. **Legal Projects**

Christine Roseland, Senior Staff Counsel
(For Information Only) (Memo dated December 2, 2025)

This item was received and filed.

H. **Monthly Trustee Travel & Education Report – October 2025
Fiscal Year 2025-2026 - 1st Quarter Trustee Travel and Education
Expenditure Reports**

Fiscal Year 2025-2026 – 1st Quarter Staff Travel Report
Ted Granger, Chief Financial Officer
(For Information Only) (Memo dated November 20, 2025)

This item was received and filed.

I. **Board of Investments 2026 Meeting Calendar**

Linda El-Farra, Executive Board Assistant
(For Information Only) (Memo dated November 28, 2025)

This item was received and filed.

J. **November 2025 Fiduciary Counsel Contact and Billing Report**

Steven P. Rice, Chief Counsel
(For Information Only) (Memo dated November 24, 2025)
(Privileged and Confidential/Attorney-Client Communication/Attorney
Work Product and Exempt from Disclosure under California
Government Code Sections 7927.705, 54957.5(a))

IX. REPORTS (Continued)

This item was received and filed.

X. ITEMS FOR STAFF REVIEW

There were no items for staff review.

XI. ITEMS FOR FUTURE AGENDAS

There was nothing to report.

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

The Board and Staff thanked Trustee Green and Ryu, whose term expires on December 31, 2025, for their service on the Board. Mr. Grabel announced Quoc Nguyen promotion to Senior Investment Officer.

XIII. EXECUTIVE SESSION

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

1. **Real Assets Emerging Manager Program Selection Notice**

Terri Herubin, Senior Investment Officer
Cheryl Lu, Senior Investment Officer
(Presentation) (Memo dated December 2, 2025)

The Board received a presentation that LACERA's Chief Investment Officer, acting within his Board-approved authority, approved to hire GCM Grosvenor to implement an emerging manager program for up to \$400 million for Real Estate and BlackRock, Inc. to implement an emerging manager program for up to \$400 million for Real Assets.

2. **Real Assets Investment Update**

Cheryl Lu, Senior Investment Officer
Terra Elijah, Senior Investment Analyst
Stephanie Xia, Senior Investment Analyst
(For Information Only) (Memo dated November 19, 2025)

XIII. EXECUTIVE SESSION (Continued)

The Board received a presentation that LACERA's Chief Investment Officer, acting within his Board-approved authority, approved reallocation of \$100 million from Orion Mine Finance Co-Fund IV LP to Orion Mine Finance Fund IV LP. LACERA's original investments in both funds were previously reported out from the April 10, 2024 Board meeting.

3. **Hedge Fund Investment Update**

Vache Mahseredjian, Principal Investment Officer

Chad Timko, Senior Investment Officer

Quoc Nguyen, Senior Investment Officer

(For Information Only) (Memo dated November 14, 2025)

The Board received a presentation that LACERA's Chief Investment Officer, acting within his Board-approved authority, approved an investment of \$300 million in Aequim Arbitrage, a multi-strategy hedge fund managed through a dedicated managed account for LACERA.

XIV. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned in memory of Principal Investment Officer, James Rice at 12:54 p.m.

DAVID RYU, SECRETARY

JASON GREEN, CHAIR



Chief Investment Officer Monthly Report

Jonathan Grabel – Chief Investment Officer 

Board of Investments Meeting
January 14, 2026

Table of Contents



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- 02** Total Fund Performance & Risk
- 03** OPEB Trust Performance & Risk
- 04** Portfolio & Structural Updates
- 05** Appendix



Complete list of slide footnotes are included in the Appendix.



01



Market Environment

Notable Items and Market Themes to Watch



Notable Items



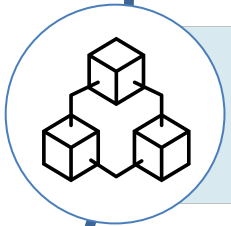
Interest rates and central bank actions

- The Federal Reserve approved its third 25 basis point interest rate cut in 2025 amid labor market softening



Economic data and trends

- Inflation, tariffs, elevated trade tensions, & labor developments



Artificial intelligence

- Research developments, applications, infrastructure investment, market impact, risk oversight and governance



Stewardship and ESG-related developments

- Regulatory policy debates on investor rights, proxy research regulation, and corporate reporting requirements
- Reduced accounting and crypto currency regulatory enforcement actions

Market Themes

- **Tariff Impacts:** U.S. trade policy uncertainty from broad tariff implementations continued to affect business sentiment, supply chains, inflation expectations, and economic growth forecasts
- **Inflation:** Inflation remained elevated but softened, with recent CPI data indicating a year-over-year rate of approximately 2.7%, below consensus expectations
- **Federal Reserve Policy:** On December 10th, the Federal Reserve cut the federal funds rate by another 25 basis points. The third cut of 2025, the new range is 3.50-3.75%. The reduction was intended to support labor market stability and mitigate downside economic risks
- **Geopolitical Uncertainty:** Geopolitical uncertainty remained elevated amid ongoing conflicts in the Middle East, continued U.S.–China strategic competition, and persistent trade and industrial policy fragmentation. These dynamics continued to weigh on risk appetite among investors
- **Corporate Earnings:** Corporate earnings momentum remained resilient despite ongoing macro and policy headwinds. Strong results in technology and AI-related sectors contributed to earnings stability, while earnings growth was more mixed in trade-sensitive and cyclical industries, supporting modest positive revisions overall

Global Market Performance

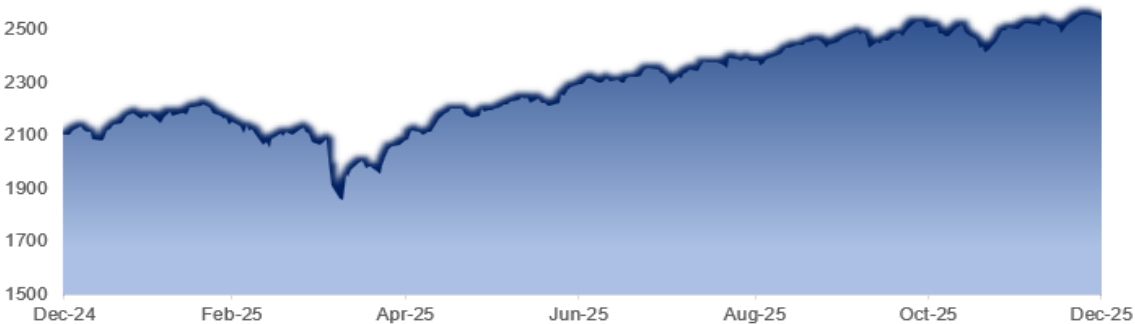
As of December 31, 2025



MSCI ACWI IMI Index (Global Equity Market)*

Trailing Returns (%)				Annualized Returns (%)			
1-Month	3-Month	FYTD	YTD	1Y	3Y	5Y	10Y
1.0	3.2	11.1	22.1	22.1	20.0	10.7	11.4

1 Year

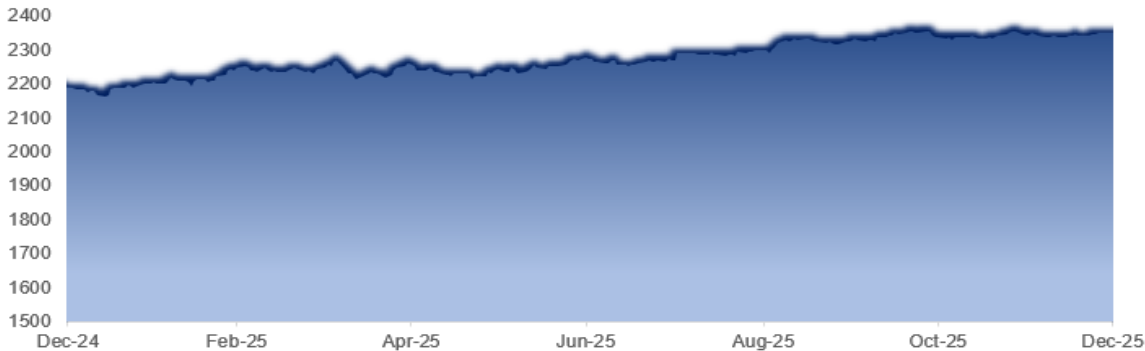


*Global Equity Policy Benchmark - MSCI ACWIIMI Index

Bloomberg U.S. Aggregate Bond Index**

Trailing Returns (%)				Annualized Returns (%)			
1-Month	3-Month	FYTD	YTD	1Y	3Y	5Y	10Y
-0.1	1.1	3.2	7.3	7.3	4.7	-0.4	2.0

1 Year



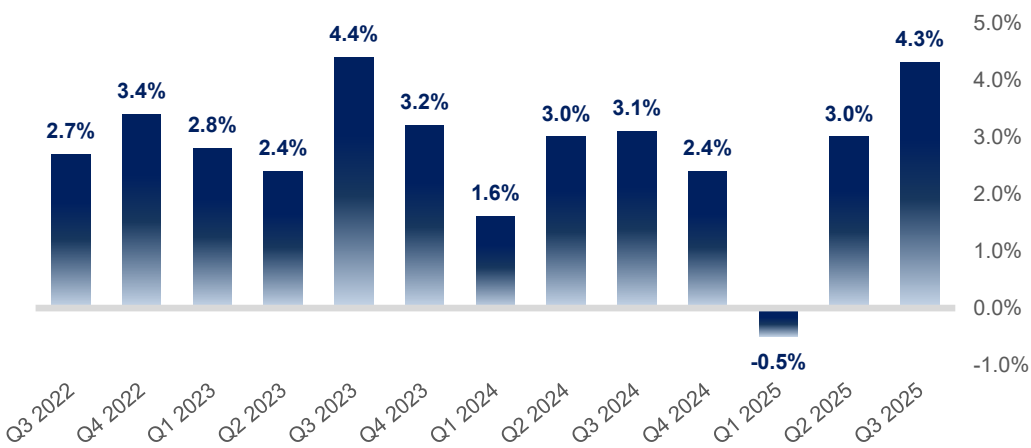
**Investment Grade Bonds Policy Benchmark - Barclays U.S. Aggregate Bond Index

Market	Sub-Category	Index Name	1 M	3 M	FYTD	YTD	1 Y	3 Y	5 Y	10 Y
Reference Portfolio	60:40 Equity:Bond Portfolio	60% MSCI ACWI IMI/ 40% Bloomberg U.S. Aggregate Index	0.6	2.4	7.9	16.1	16.1	13.7	6.3	7.8
Global Equity	U.S. Large Cap	S&P 500 Total Return	0.1	2.7	11.0	17.9	17.9	23.0	14.4	14.8
	U.S. Small Cap	Russell 2000 Total Return	-0.6	2.2	14.9	12.8	12.8	13.7	6.1	9.6
	Non-U.S. All Cap	MSCI ACWI-ex U.S. IMI Total Return	2.9	4.8	11.9	32.0	32.0	17.1	7.8	8.4
	Emerging Markets	MSCI Emerging Markets Total Return	3.0	4.7	15.9	33.6	33.6	16.4	4.2	8.4
Private Equity	Private Equity Buyout	Thomson Reuters PE Buyout Index	1.1	3.6	13.6	26.2	26.2	20.0	9.1	12.9
Fixed Income	U.S. Corporate High Yield Bonds	Bloomberg U.S. Corporate High Yield Total Return	0.6	1.3	3.9	8.6	8.6	10.1	4.5	6.5
	U.S. Long Term Treasury Bonds	Bloomberg Long Term U.S. Treasury Total Return Index	-1.7	0.0	2.4	5.6	5.6	0.6	-7.2	0.0
	Developed Markets Leveraged Loans	Credit Suisse Leveraged Loan Total Return	0.7	1.2	2.9	5.9	5.9	9.3	6.4	5.8
Real Assets & Inflation Hedges	Natural Resources	S&P Global Natural Resources Total Return Index	3.5	6.9	17.0	29.7	29.7	7.4	11.3	11.1
	Global Infrastructure	Dow Jones Brookfield Global Infrastructure Composite Index	-1.0	0.4	2.0	14.0	14.0	10.5	9.0	7.3
	Treasury Inflation-Protected Securities	Bloomberg U.S. Treasury TIPS 0-5 Years Total Return	0.1	0.4	2.0	6.1	6.1	5.1	3.5	3.2
	Real Estate	NCREIF Fund Index - ODCE (Net) ¹	—	0.5	0.5	2.2	3.2	-6.1	2.6	4.1

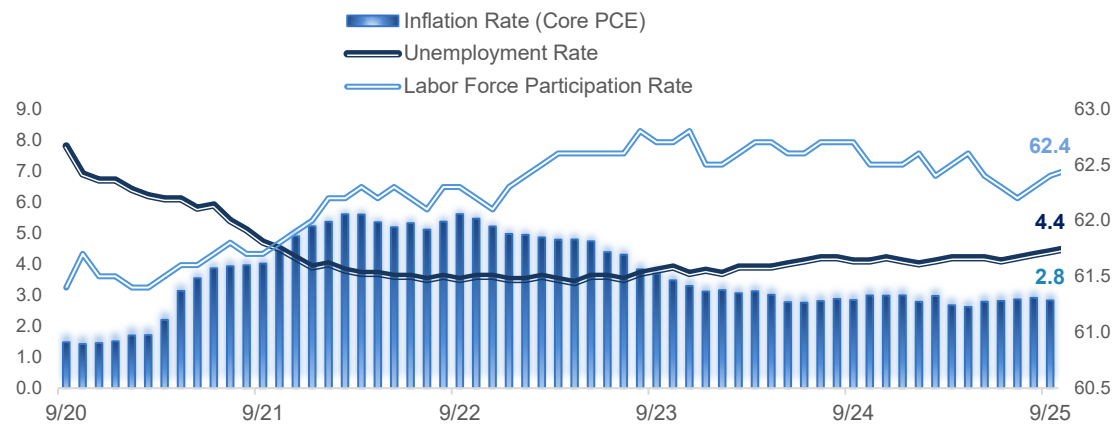
Key Macro Indicators²



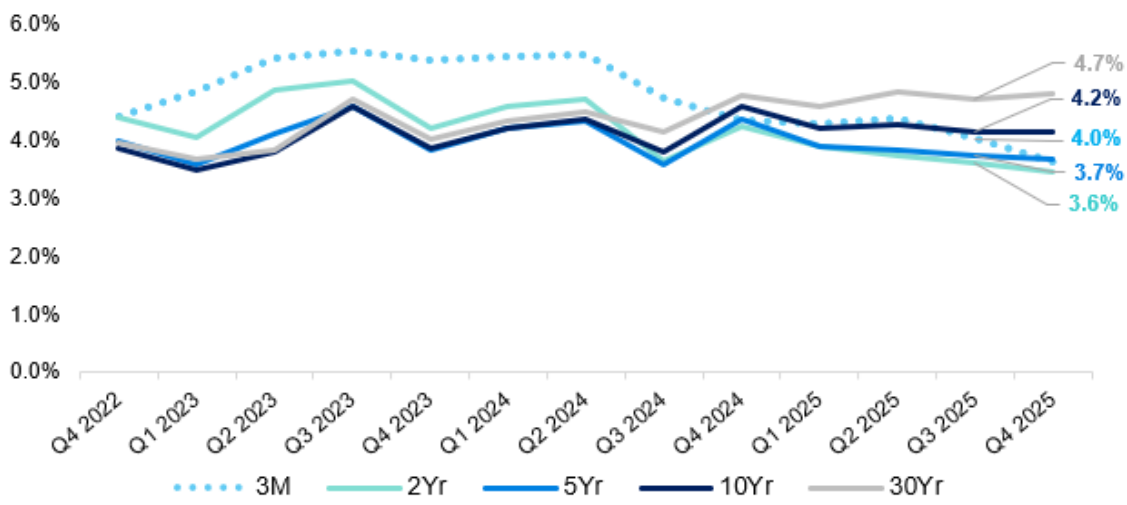
Quarterly Real GDP Growth



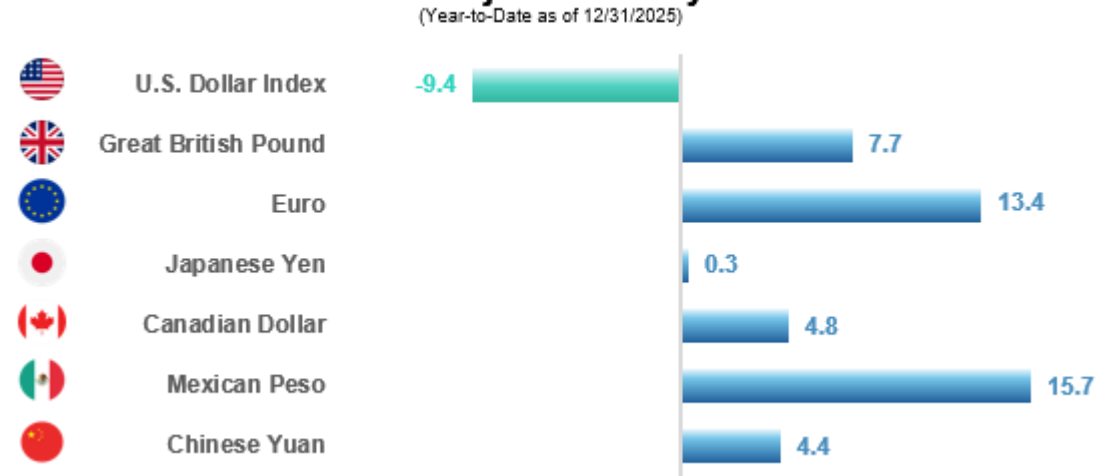
Inflation, Unemployment, and Labor Participation



Market Yields on U.S. Treasury Securities



U.S. Dollar and Major Currency Performance



Sources: Bloomberg, St. Louis Federal Reserve



02



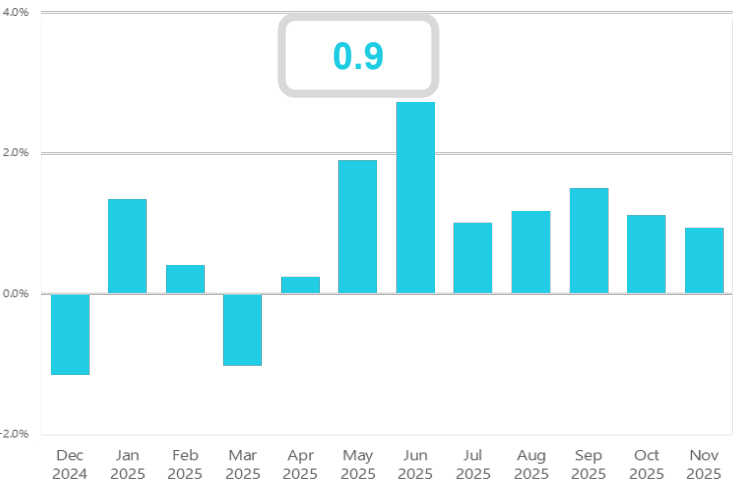
Total Fund Performance & Risk

Total Fund

Performance Summary as of November 2025



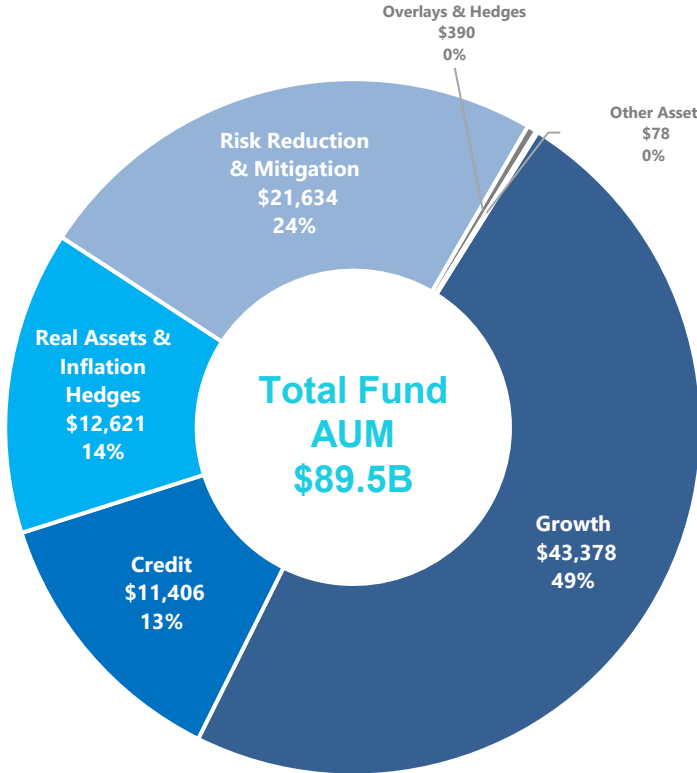
Monthly Return (net)



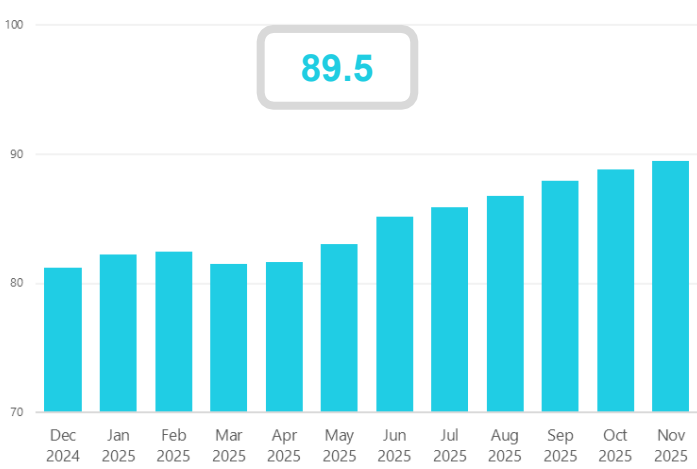
Growth of a Dollar (trailing 5Y)³



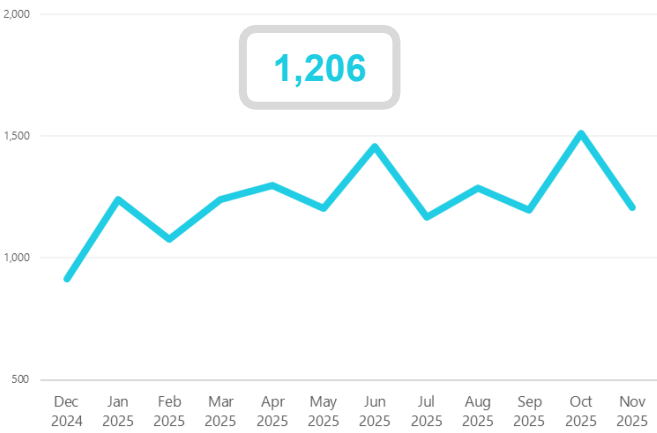
Asset Allocation (in millions)⁴



Total Market Value (in billions)



Cash Equivalents (in millions)

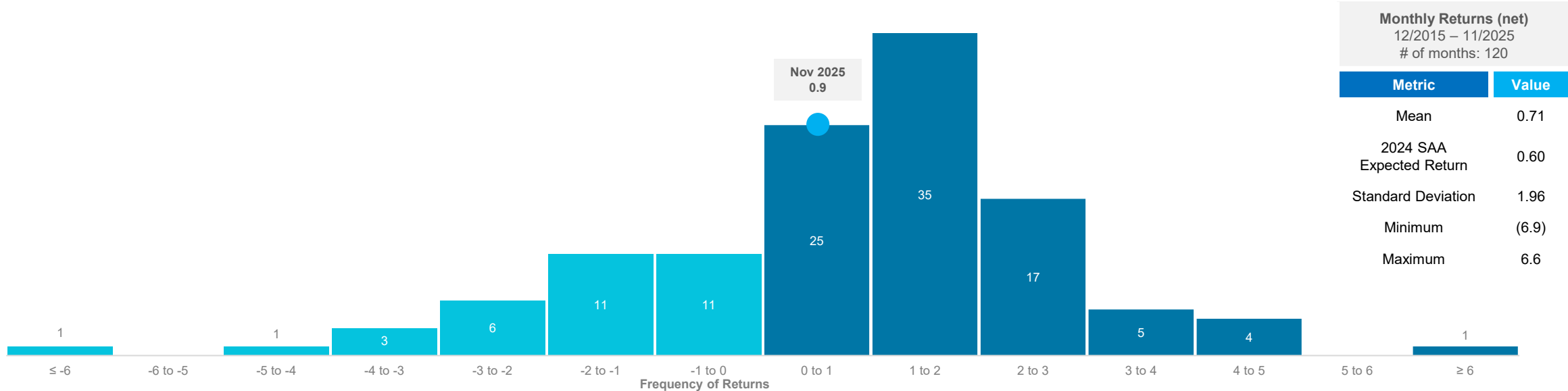


Total Fund

Historical Net Performance as of November 2025



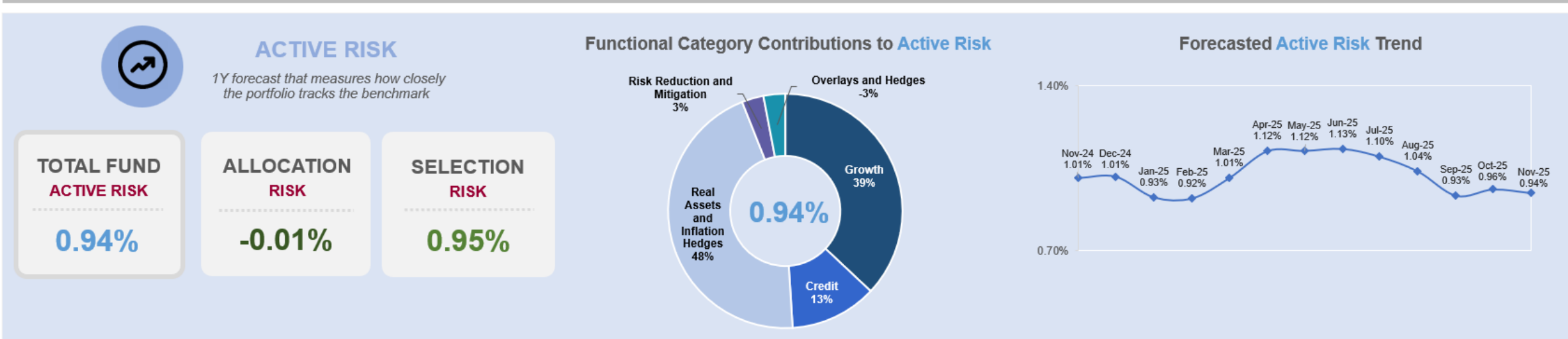
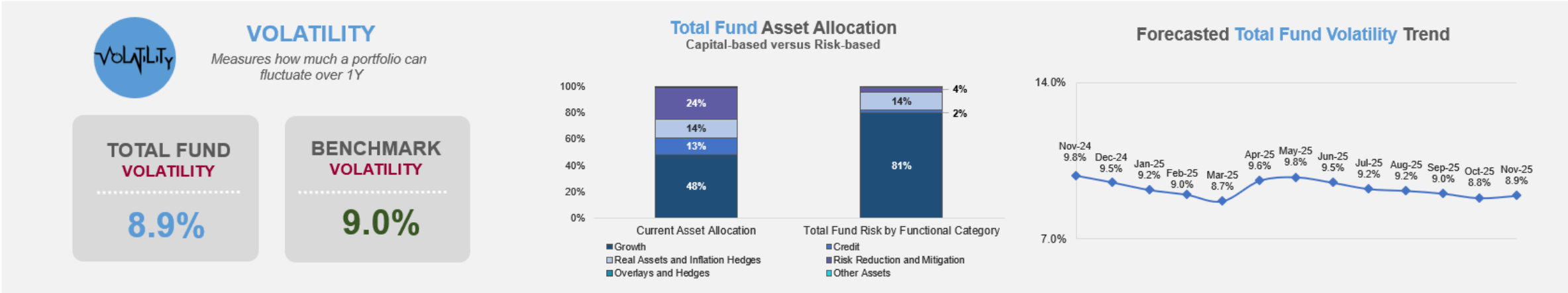
LACERA Pension Fund⁵



	Market Value (\$ mm)	% of Total Fund	Target	1 Month	3 Month	FYTD	YTD	1 Year	3 Year	5 Year	10 Year
Total Fund	89,508	100.0%	100.0%	0.9%	3.6%	5.9%	11.9%	10.6%	9.8%	8.8%	8.6%
Total Fund Policy Benchmark				0.9%	4.3%	7.5%	12.1%	11.6%	11.1%	7.7%	8.2%
Total Fund Actuarial Hurdle				0.6%	1.7%	2.9%	6.4%	7.0%	7.0%	7.0%	7.0%
Growth	43,378	48.5%	48.0%	0.9%	4.3%	7.8%	15.4%	13.3%	13.1%	12.1%	
Growth Policy Benchmark				1.1%	6.8%	12.2%	18.3%	17.4%	17.2%	12.0%	
Credit	11,406	12.7%	13.0%	0.5%	3.6%	4.1%	13.7%	14.3%	14.1%	9.5%	
Credit Policy Benchmark				0.3%	1.7%	3.8%	7.0%	8.1%	10.6%	5.1%	
Real Assets & Inflation Hedges	12,621	14.1%	15.0%	1.9%	1.9%	3.8%	8.9%	7.0%	2.1%	6.6%	
RA & IH Policy Benchmark				1.4%	2.0%	3.4%	5.5%	6.4%	1.1%	5.9%	
Risk Reduction & Mitigation	21,634	24.2%	24.0%	0.7%	2.7%	3.6%	7.2%	6.2%	4.9%	0.9%	
RR & M Policy Benchmark				0.6%	2.3%	3.1%	6.9%	5.3%	4.7%	0.4%	
Overlays & Hedges	390	0.4%									
Other Asset	78	0.1%									

Total Fund

Forecast Volatility as of November 2025⁶



Source: MSCI BarraOne

Total Fund

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

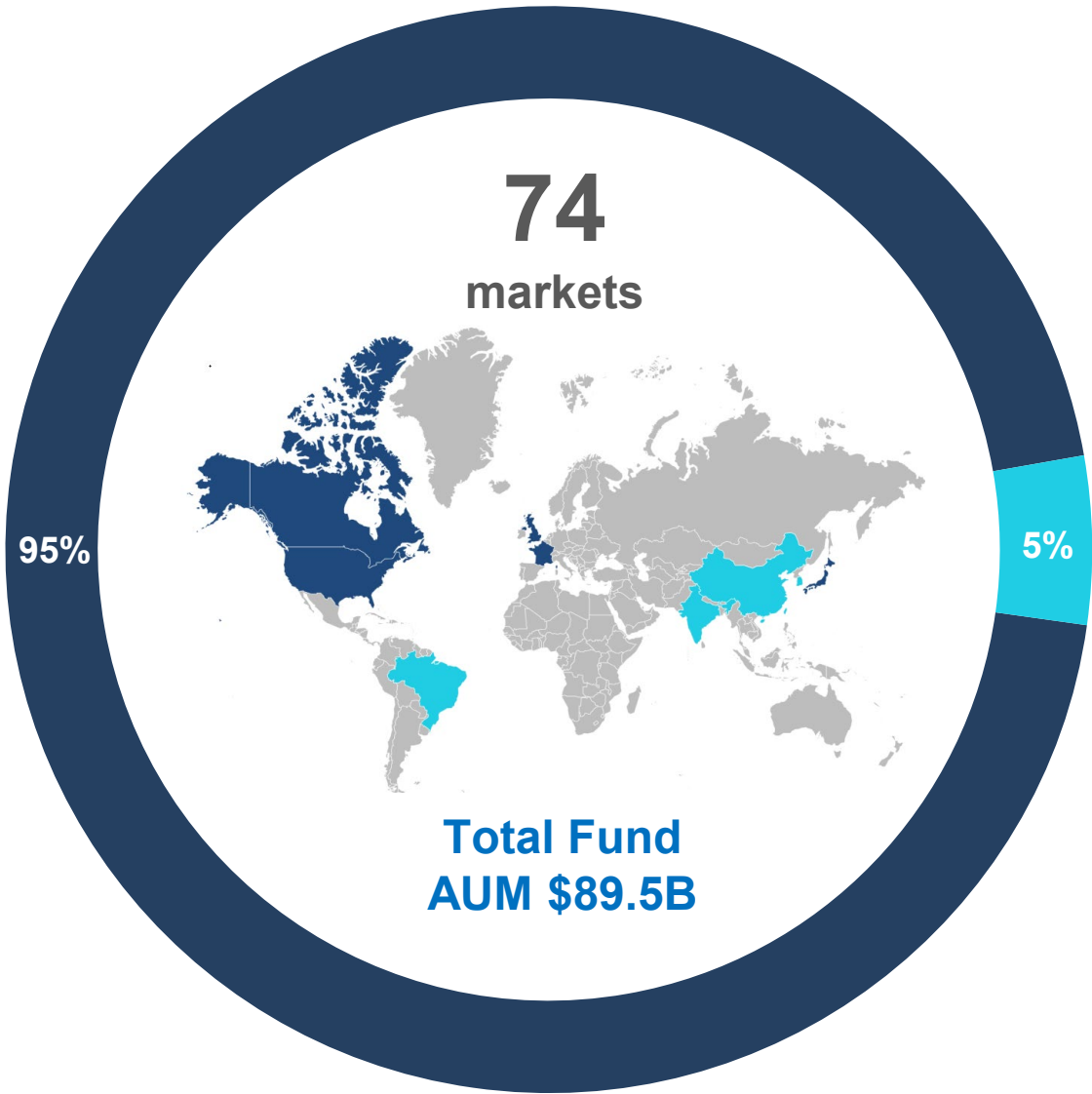


26

developed
markets

Top 5 Countries		Portfolio
	United States	75.8%
	United Kingdom	4.6%
	Canada	2.5%
	Japan	1.8%
	France	1.6%

74
markets



48

emerging &
frontier markets

Top 5 Countries		Portfolio
	China	1.8%
	Taiwan	0.7%
	South Korea	0.5%
	Brazil	0.5%
	India	0.4%



03



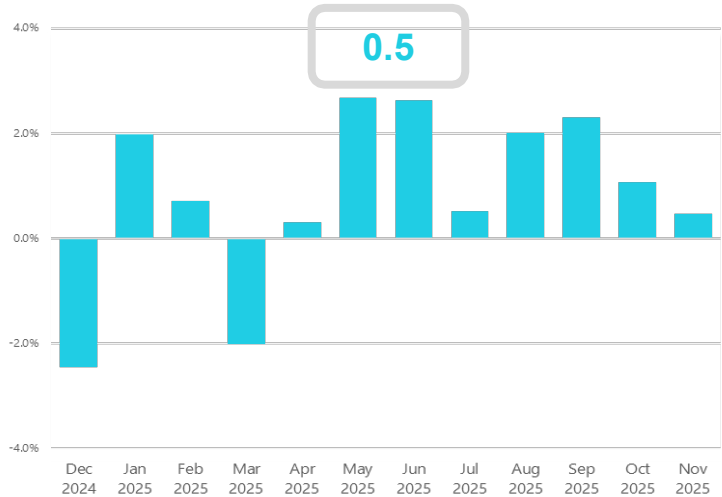
OPEB Trust Performance & Risk

OPEB Trust

Performance Summary as of November 2025



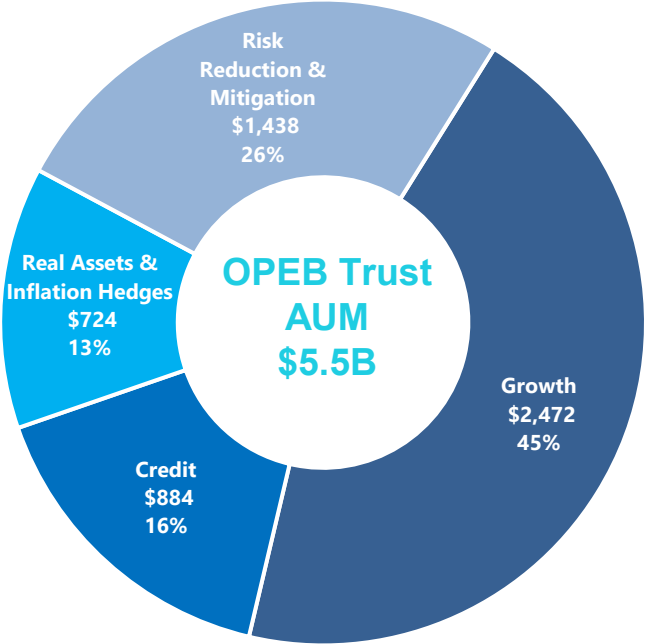
Monthly Return (net)



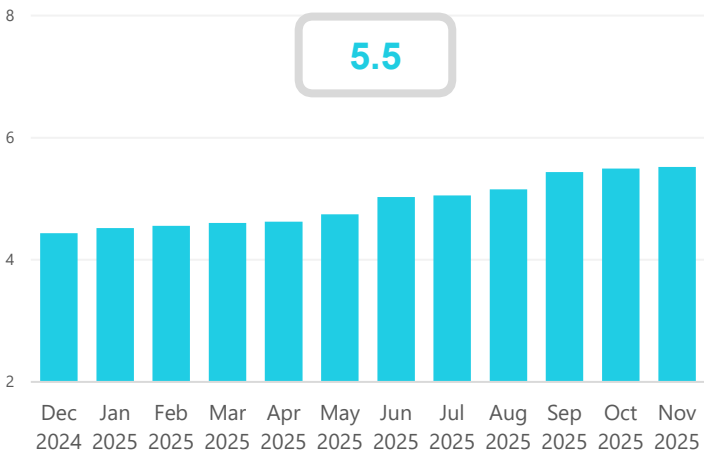
Growth of a Dollar (trailing 5Y)⁹



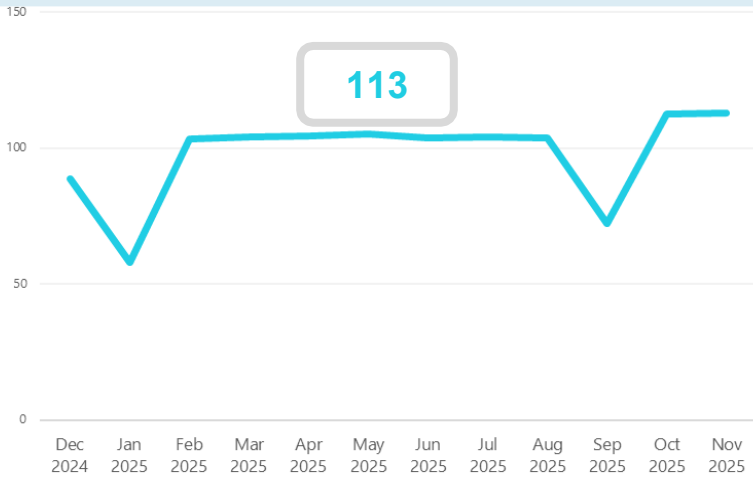
Asset Allocation (in millions)



Total Market Value (in billions)



Cash Equivalents (in millions)

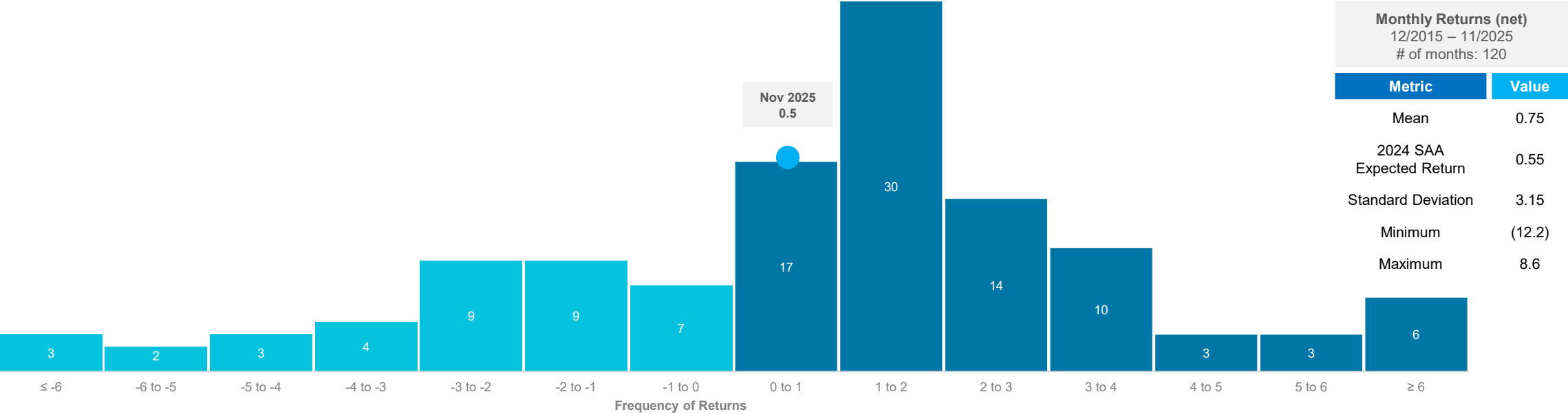


OPEB Trust

Historical Net Performance as of November 2025



OPEB Trust



Monthly Returns (net) 12/2015 – 11/2025 # of months: 120	
Metric	Value
Mean	0.75
2024 SAA Expected Return	0.55
Standard Deviation	3.15
Minimum	(12.2)
Maximum	8.6

	Market Value (\$ mm)	% of Master Trust	Target	1 Month	3 Month	FYTD	YTD	1 Year	3 Year	5 Year	10 Year
OPEB Master Trust	5,520			0.5%	3.9%	6.5%	13.3%	10.5%	11.5%	7.7%	8.8%
OPEB Master Trust Policy Benchmark				0.5%	3.9%	6.8%	13.1%	11.6%	10.9%	7.3%	7.7%
OPEB Actuarial Hurdle				0.5%	1.0%	2.6%	5.7%	6.2%	6.1%	6.1%	6.0%
LACERA Master OPEB Trust Fund	5,518		100.0%	0.5%	3.9%	6.6%	13.4%	10.6%	11.5%	7.7%	
OPEB Growth	2,472	44.8%	45.0%	0.2%	6.0%	10.3%	21.4%	18.0%	18.4%	11.9%	
OPEB Growth Policy Benchmark				0.4%	6.1%	10.8%	20.3%	17.7%	18.4%	11.6%	
OPEB Credit	884	16.0%	16.0%	0.4%	2.0%	3.4%	7.0%	6.9%	8.9%	4.6%	
OPEB Credit Policy Benchmark				0.3%	1.7%	3.8%	7.0%	8.1%	10.0%	5.1%	
OPEB Real Assets & Inflation Hedges	724	13.1%	13.0%	1.4%	1.5%	4.0%	6.1%	1.6%	4.8%	6.4%	
OPEB RA & IH Policy Benchmark				1.0%	1.3%	3.7%	8.2%	7.6%	1.3%	4.9%	
OPEB Risk Reduction & Mitigation	1,438	26.1%	26.0%	0.6%	2.8%	3.5%	7.4%	5.0%	3.9%	0.0%	
OPEB RR & M Policy Benchmark				0.6%	2.7%	3.4%	7.2%	4.7%	3.6%	-0.4%	
OPEB HL PM Cash	0	0.0%									

OPEB Trust

Forecast Volatility as of November 2025¹⁰



VOLATILITY

Measures how much a portfolio can fluctuate over 1Y

OPEB TRUST
VOLATILITY

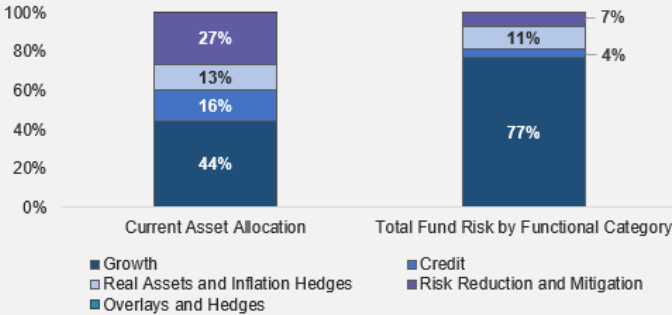
8.1%

BENCHMARK
VOLATILITY

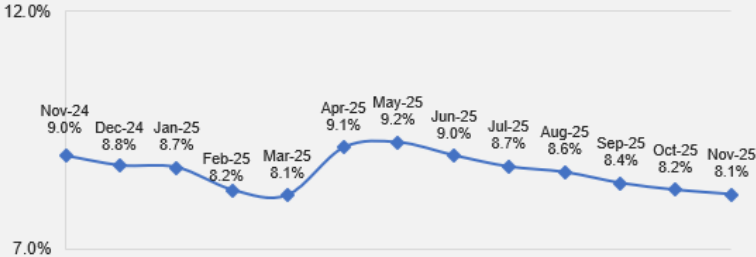
8.3%

OPEB Trust Asset Allocation

Capital-based versus Risk-based



Forecasted OPEB Trust Volatility Trend



ACTIVE RISK

1Y forecast that measures how closely the portfolio tracks the benchmark

OPEB TRUST
ACTIVE RISK

0.70%

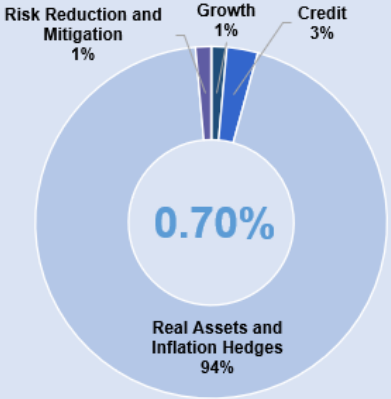
ALLOCATION
RISK

0.03%

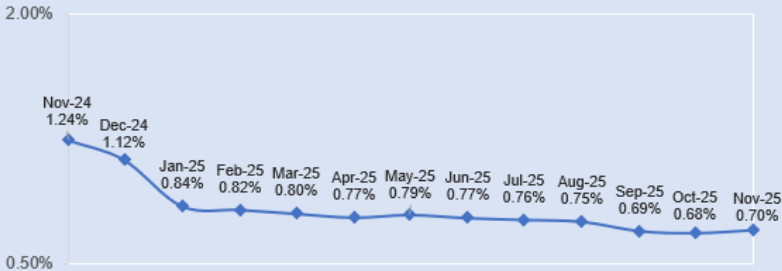
SELECTION
RISK

0.67%

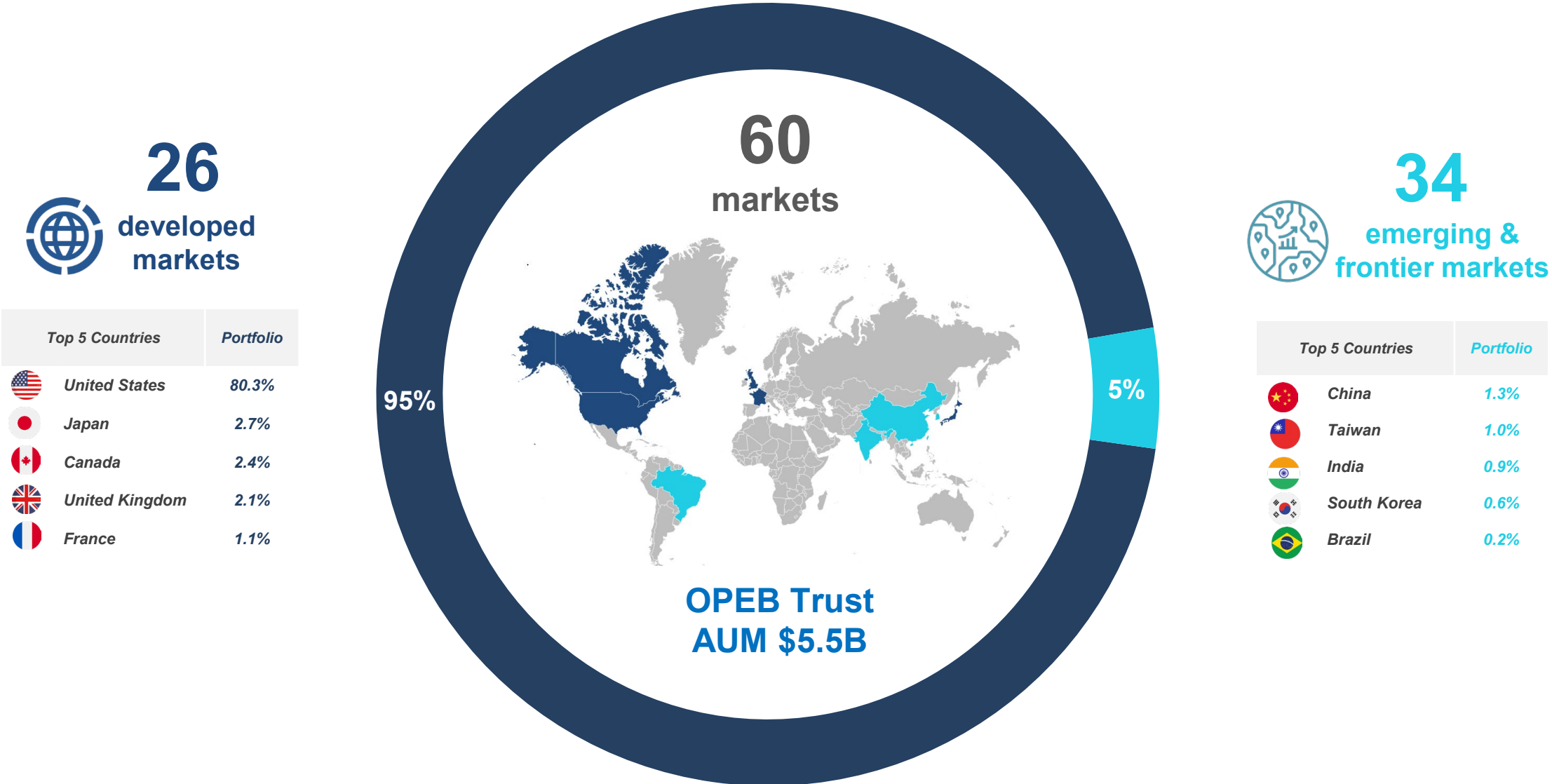
Functional Category Contributions to Active Risk



Forecasted Active Risk Trend



Source: MSCI BarraOne





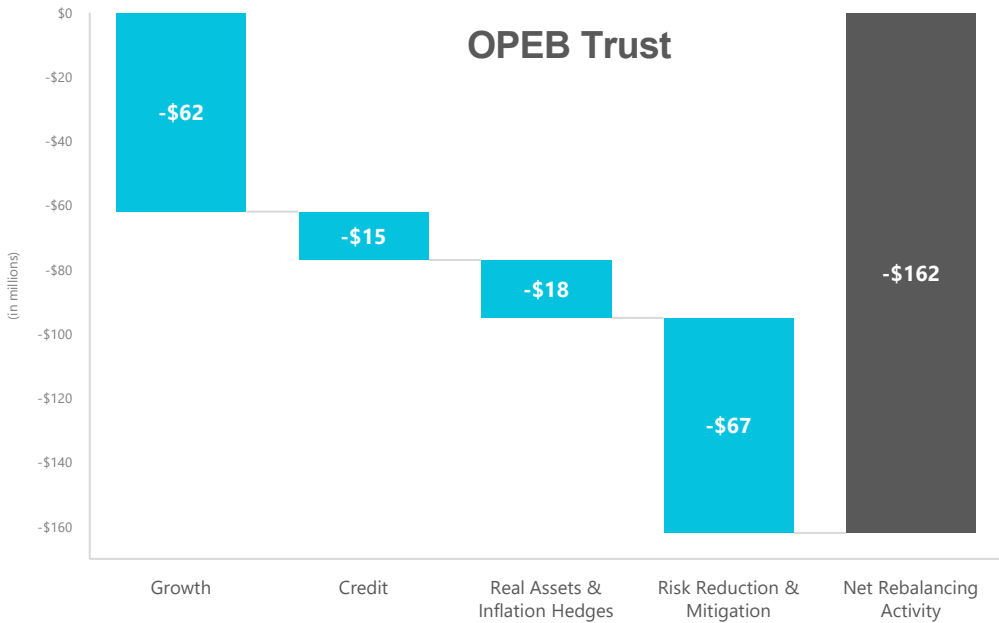
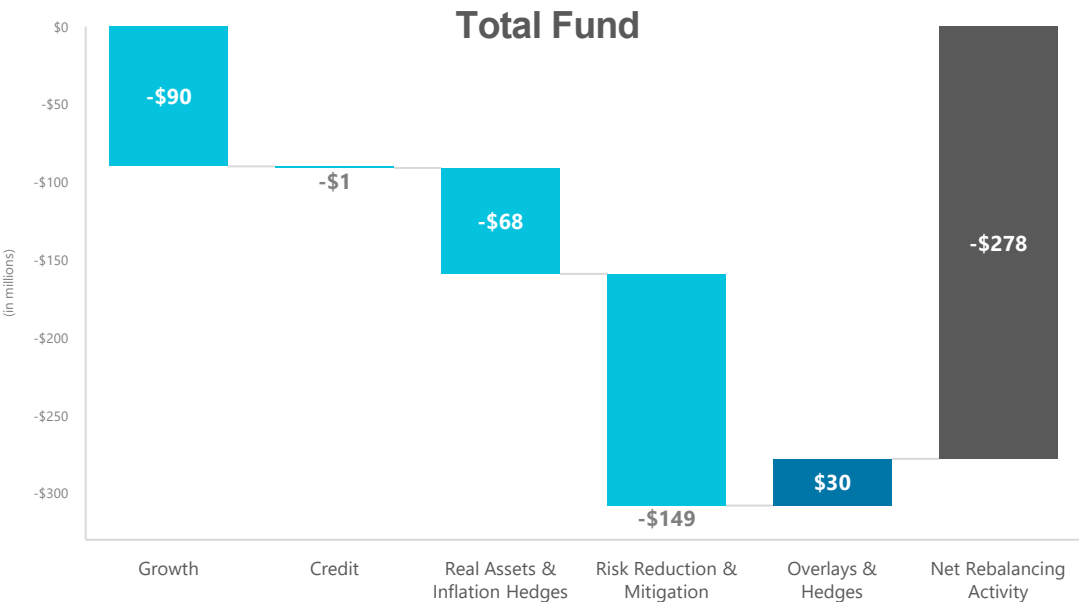
04

Portfolio & Structural Updates





Rebalancing Activity



Overlays & Hedges

Program	November Gain / (Loss) in \$ millions	Since Inception Gain / (Loss) in \$ millions
Currency Hedge	30.4	1,494.6
Cash / Rebalance Overlay	5.6	622.8

Key Initiatives and Operational Updates



Key Initiatives & Operational Updates

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



Open Personnel Searches

	Status
Investments Division	
Principal Investment Officer – 1 position	In Development
Senior Investment Officer – 1 position	Completed
Finance Analyst III – 6 positions	In Development
Finance Analyst II – 3 positions	In Progress

Key Initiatives and Operational Updates



Strategic Updates

Organization	Appointee	New Role	Start Date	Update
Best Practices Principles Oversight Committee	Scott Zdrazil, Principal Investment Officer	Appointed Member, Oversight Committee	January 2026	Scott Zdrazil was appointed to the Oversight Committee of the Best Practices Principles, a global entity guiding best practice among corporate governance and proxy research firms

Manager / Consultant Updates

Firm	Mandate	Asset Class	LACERA AUM (prior month end, in millions)	Update
Lazard Asset Management	Separate Account	Global Equities	\$661	Rosalie Berman has been appointed Chief Operating Officer effective January 1, 2026, succeeding Nathan Paul, who stepped down at the end of 2025. Ms. Berman will oversee global operations, and Mr. Nathan will remain as Vice Chair and Senior Advisor through the first half of 2026 to assist with the transition
Leading Edge Investment Advisors	Separate Account	Global Equities	\$635	Carolyn Diaz Roberts, Managing Director, will retire on January 31, 2026, after 15 years at Leading Edge. Her responsibilities will be transitioned to the investment team. Diallo Johnson, Senior Vice President, will serve as the primary contact for managers

Change In Fiduciary Net Position¹³



FIDUCIARY NET POSITION

Additions

+

Deductions



ADDITIONS

Employer and Employee Contributions

Net Investment Income/(Loss)



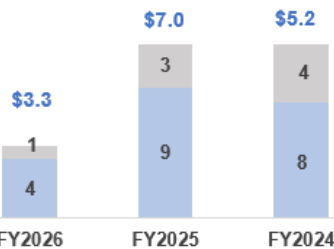
DEDUCTIONS

Benefits and Refunds

Administrative Expenses

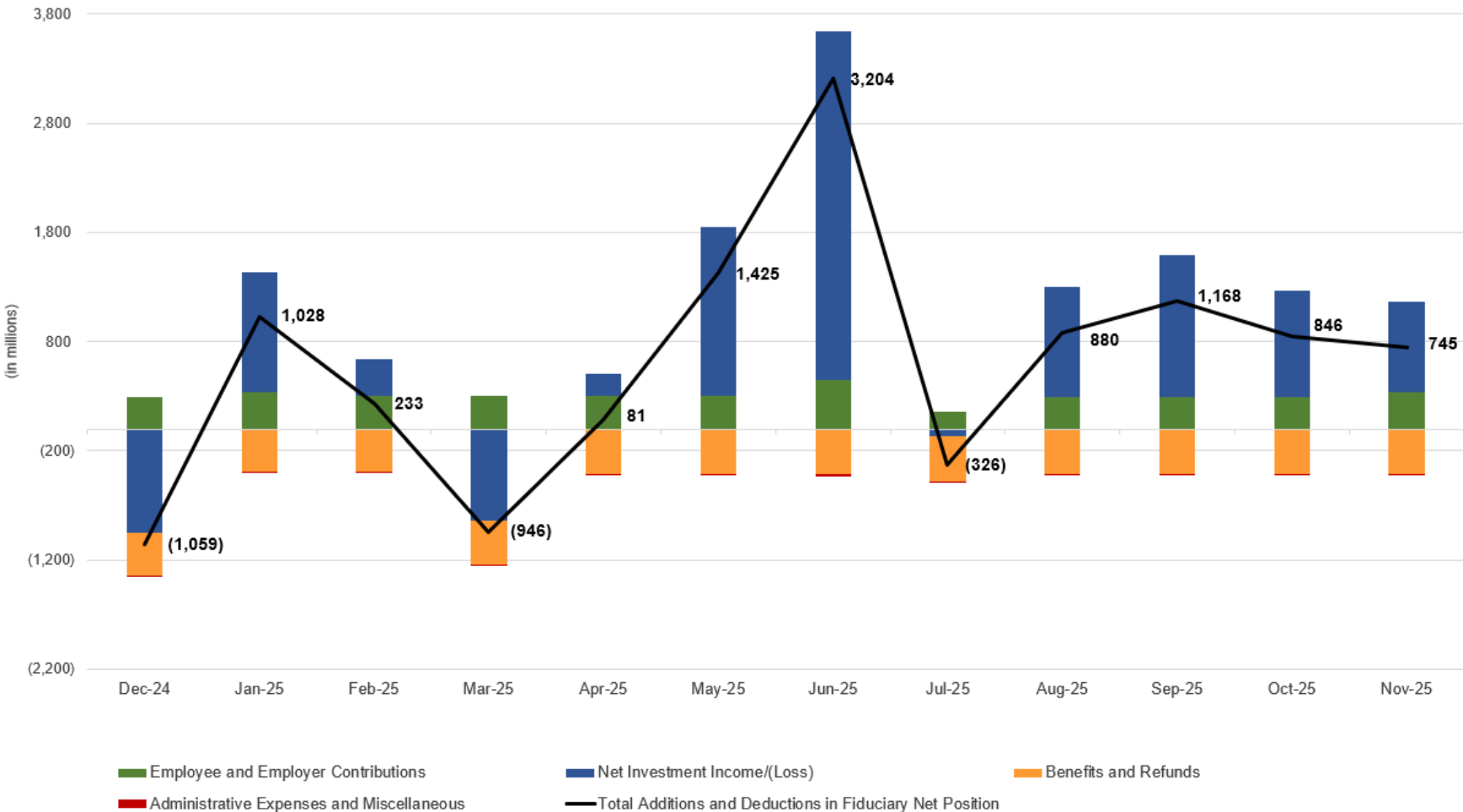
Total Net Position Change Trend

(in billions)



■ Positive Months ■ Negative Months

Additions and Deductions in Net Fiduciary Position (Unaudited)





05



Appendix

Staff Chart of the Month

Dollar Has Its Worst Performance Against Other Currencies Since 2017



Disclosures & Definitions



Page / Footnote	Disclosure
Page 5 / Footnote 1	NCREIF Fund Index – ODCE (Net) returns represent the latest available quarterly performance.
Page 6 / Footnote 2	The information on the “Key Macro Indicators” charts is the best available data and may not reflect the current market and economic environment. The Quarterly Real GDP Growth and the Inflation, Unemployment, and Labor Participation charts have not been updated due to the unavailability of source data resulting from the recent federal government shutdown.
Page 8, 13 / Footnote 3, 9	Reference portfolio = 60% MSCI ACWI IMI / 40% Bloomberg US Aggregate Bond Index.
Page 8, 9 / Footnote 4, 5	Other Assets include receivables due to deferred sales and rebalancing activity pending settlement and an operational asset.
Page 10, 15 / Footnote 6, 10	Real estate and private equity data is based on best available cash flow adjusted market values. Exposure data is based on security level holdings and/or proxies.
Page 11, 16 / Footnote 7, 11	Geographic exposure ex-overlays and hedges is based on the domicile country of a given security/asset.
Page 11, 16 / Footnote 8, 12	Information displayed represents best available holdings level transparency. Based on MSCI Market Classification Framework.
Page 21 / Footnote 13	Includes unrealized and realized net investment income.
Term	Definition
Active risk	Risk that a managed portfolio creates to outperform the benchmark returns.
Allocation risk	Investment manager’s decision to overweight or underweight sector weights in the portfolio versus the benchmark.
Mean	Expected return of an asset over a specified period.
Selection risk	Investment manager’s selection of securities within the portfolio versus the benchmark.
Standard deviation	Statistical measure of dispersion around the mean.
Volatility	Statistical measure of dispersion of returns for a portfolio.



Recognizing Our Members' Service and Accomplishments

LACERA has over 120,000 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 who is on the road to retirement.



MEMBER SPOTLIGHT

Retiring Member

Adiel Vasquez

Program Specialist IV, CEO, Board of Supervisors

Years of Service: 40

Notable Contributions: Adiel Vasquez plans to retire in February 2026 after 40 years of dedicated service to L.A. County. He currently serves as a Program Specialist IV, CEO for the Board of Supervisors, on loan to the Sheriff's Department. There, he works in the County's Workplace Violence Authority Unit, where he manages about 2,500 workplace violence cases a year and oversees the reporting and mitigation efforts that support the 100,000 County employees and clients they serve.

Proudest Accomplishment: He is most proud of the unique career path he's taken—advancing and building relationships in the Sheriff's Department while being the only civilian in his unit.

Retirement Plans: In his retirement, Adiel and his wife plan to take a trip to New York City to visit their two daughters. He's also looking forward to traveling the world with his wife and getting a chance to revisit his hobbies, including collecting cards, painting figurines, and watching Dodgers, Lakers, and Rams games.





Chief Executive Officer's Report

January 2026



Organizational Updates

2025 By the Numbers



\$4.85 Billion*
Retiree Payroll

3,619
New Retirees

319,248
Pieces of Mail Processed

15,579
**One-on-One
Counseling Sessions**

175,994
**Member Services and Retiree
Healthcare Phone Inquiries**

291
**Workshops/Benefit Fairs
(14,993 attendees)**

653,323
**Member Documents
Scanned & Indexed**

*Estimate as of December 29, 2025

LACERA Highlights



ANNUAL FINANCIAL REPORTS FOR FISCAL YEAR ENDED JUNE 30, 2025 AND 2024

- Guided by Values, Driven by Innovation

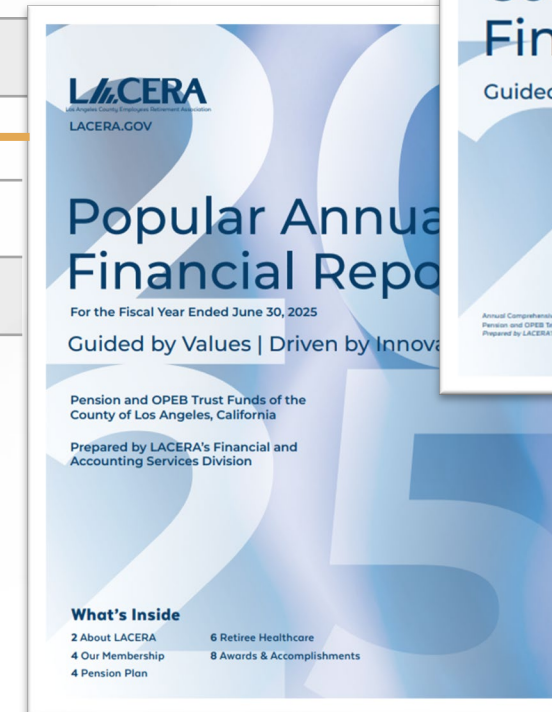


LACERA CONNECTION

- LinkedIn, Facebook, Instagram, and YouTube

2026 MARKET GROUP'S ELITE INSTITUTIONAL CIOs LIST

- Chief Investment Officer, Jonathan Grabel



Retiree Healthcare Updates



UNITED HEALTHARE (UHC) MEDICARE ADVANTAGE PLAN PROVIDER TERMINATION NOTICES

- Erroneous Termination Letters Sent to LACERA Administered UHC Plan
- LACERA retiree members will continue to have their same Primary Care Provider

SENATE BILL 40 (SB 40) | AFFORDABLE ACCESS TO INSULIN AND ESSENTIAL SUPPLIES

- Requires compliance for health plans renewing on or after January 1, 2026
- Impacts large group fully insured health plans in California
- Insulin Cost Cap: Limits copays, coinsurance, and deductibles for a 30-day insulin supply to no more than \$35
- Step Therapy Ban: Prohibits health plans from requiring patients to try less expensive medications before covering insulin
- Mandated Coverage: Requires health plans to cover necessary diabetes supplies such as glucose monitors, pumps, strings, syringes, and ketone strips without extra cost-sharing
- LACERA staff and Segal are working with LACERA carriers to confirm applicability of SB 40 to LACERA plans

Hiring Update

Reporting Period November 16, 2025 – December 15, 2025



Promotions & Additions to the Team

Financial & Accounting Services

Serineh Davis, Accountant II (Promotion)

Investments

Quoc Nguyen, Sr. Investment Officer (Promotion)

Systems

Joseph Shiuan, IT Manager II

Recruitments Underway

Executive Office

Assistant Executive Officer

Financial & Accounting Services

Accountant I
(General & Investment Accounting)
Investment Accountant

Internal Audit

Chief Internal Audit

Investments

Finance Analyst II & III

Legal

Legal Analyst
Senior Staff Counsel

Various Divisions

Retirement Benefits Specialist I
(Trainees)

Retirement Benefits Specialist III
(Promotional)

Sr. Retirement Benefits Specialist
(Promotional)



CEO DASHBOARD

Service Metrics

Disability Retirement | January Agenda Snapshot



Reporting as of December 26, 2025



Total Cases on
January Agenda
59

Processed in 12
Months or Less
23%

Average Processing
in Months
15



TARGET
12 Months

PENDING APPLICATIONS (TOP 5 BY DEPARTMENT)

Reporting as of December 21, 2025

Sheriff	503
Probation	189
Fire	183
Children & Family Services	26
Public Social Services	23

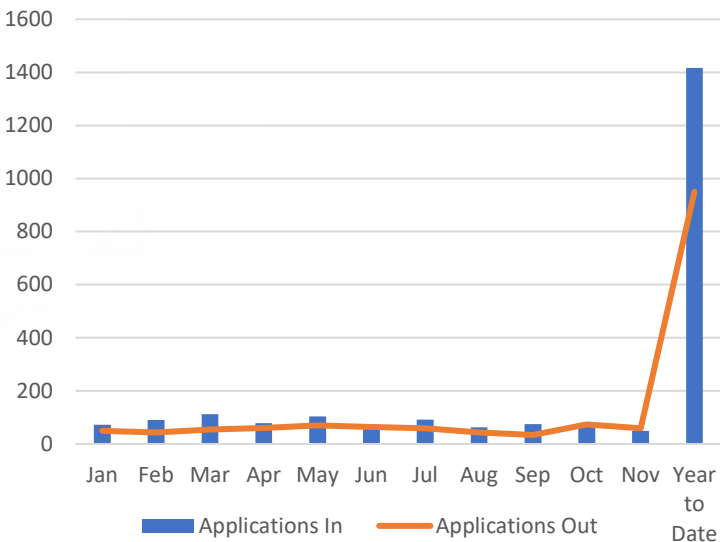
PENDING APPLICATIONS BY MILESTONE

Reporting as of December 21, 2025

Milestone	Applications	Percentage
Intake Review	55	5%
Records Request	142	13%
File Indexing	359	33%
Pending Interview	213	20%
Drafting Report	119	11%
Medical Review	137	13%
Post Medical Review	15	1%
Board Prep	26	3%
Final Case Review	14	1%
Total	1,080	100%

APPLICATIONS IN VS. OUT

July to November 30, 2025 - FY to Date



Disability Retirement & Disability Litigation Snapshot

Reporting as of November 30, 2025



APPLICATIONS

Pending Applications
in Process
1,081

APPEALS

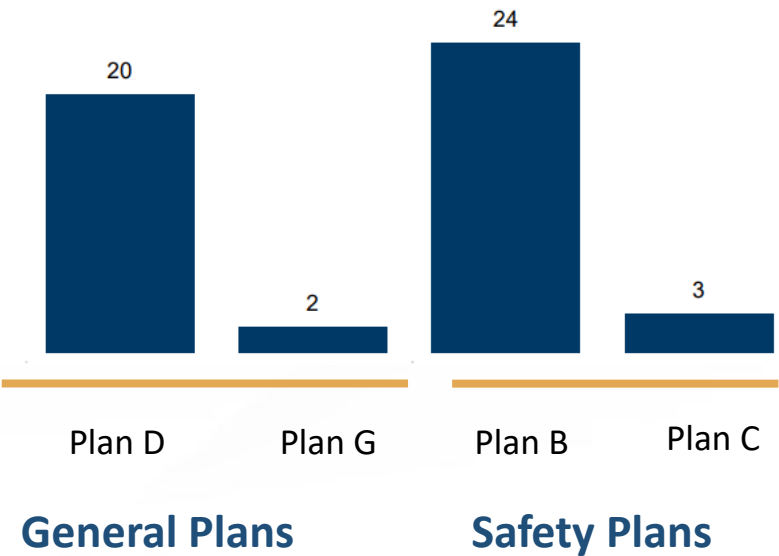
Pending Appeals
in Process
61

New Applications | 49
Applications Received Fiscal Year to Date (FYTD) | 357
Applications Presented to Board (Month) | 72
Applications Presented to Board (FYTD) | 251
New Appeals | 0
Appeals Received Fiscal Year to Date (FYTD) | 4

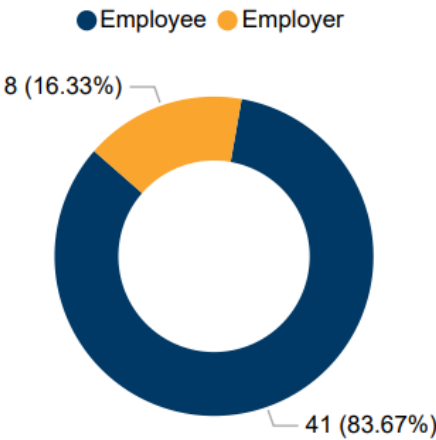
APPLICATIONS FILED BY TYPE

Service-Connected Disability (SCD) | 62
SCD Supplemental Allowance | 8
Pending Acceptance | 4
Nonservice-Connected Disability (NSCD) | 3
NSCD Supplemental Allowance | 1

APPLICATIONS FILED BY PLAN



APPLICATIONS FILED BY SOURCE

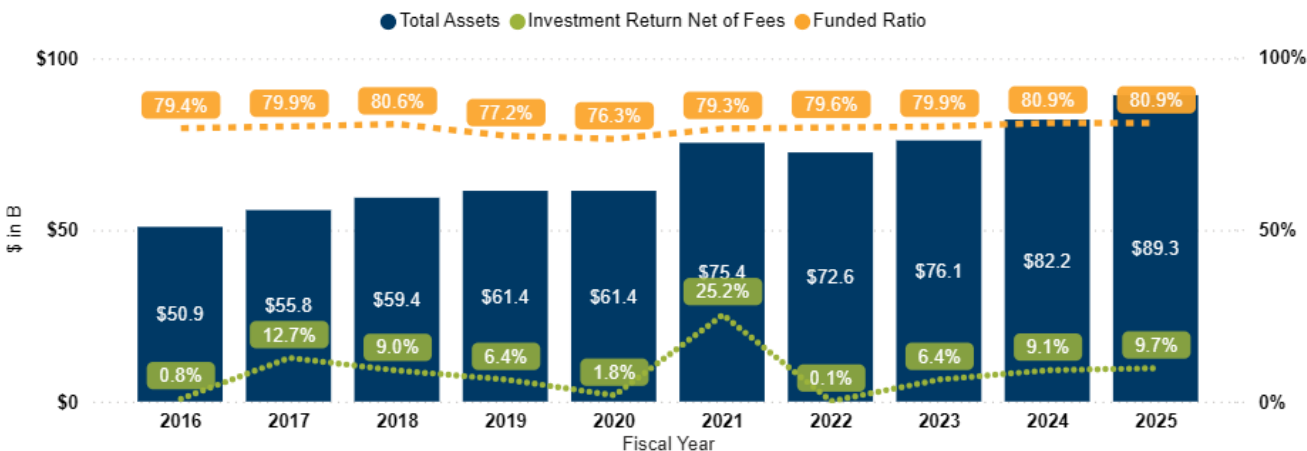


Key Financial Information

Fiscal Year End June 30, 2025



FISCAL YEAR END FINANCIAL UPDATE



Funding Metrics

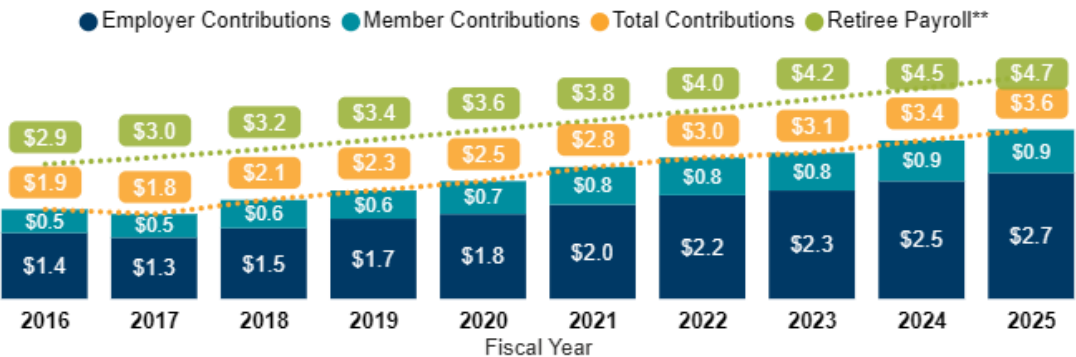
UAAL | 14.73%
Assumed Rate | 7.00%
Star Reserve | \$607.M
Total Net Assets | 86.2B

Annualized Investment Returns | Net of Fees

1-Year	3-Years	5-Years	10-Years
9.7%	8.4%	9.8%	7.9%

CONTRIBUTIONS AND RETIREE PAYROLL BY YEAR

(Dollars in Billions)



*Based on the latest actuarial valuation data available, as of June 30, 2024

**Retiree Payroll includes pension benefits and excludes retiree healthcare benefits.

Contributions

Employer Annual Contribution | \$2.7B
Employer % of Payroll | 25.61%
Member Annual Contribution | \$919.1M
Member % of Payroll | 8.46%

LACERA PENSION DOLLAR



Human Resource Snapshot

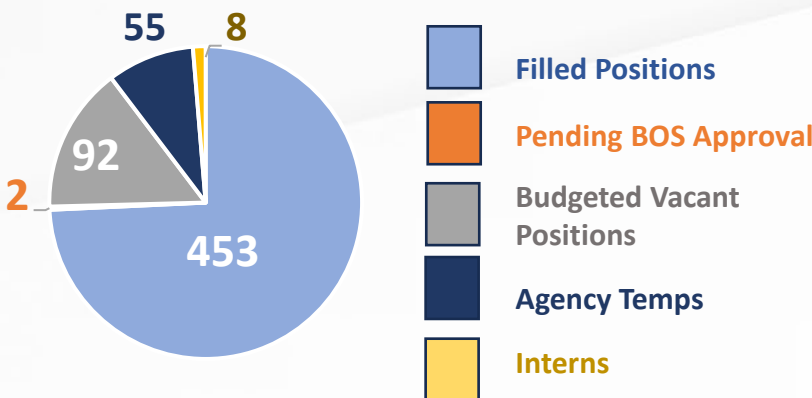
Reporting Period November 16, 2025 – December 15, 2025



VACANCY RATE

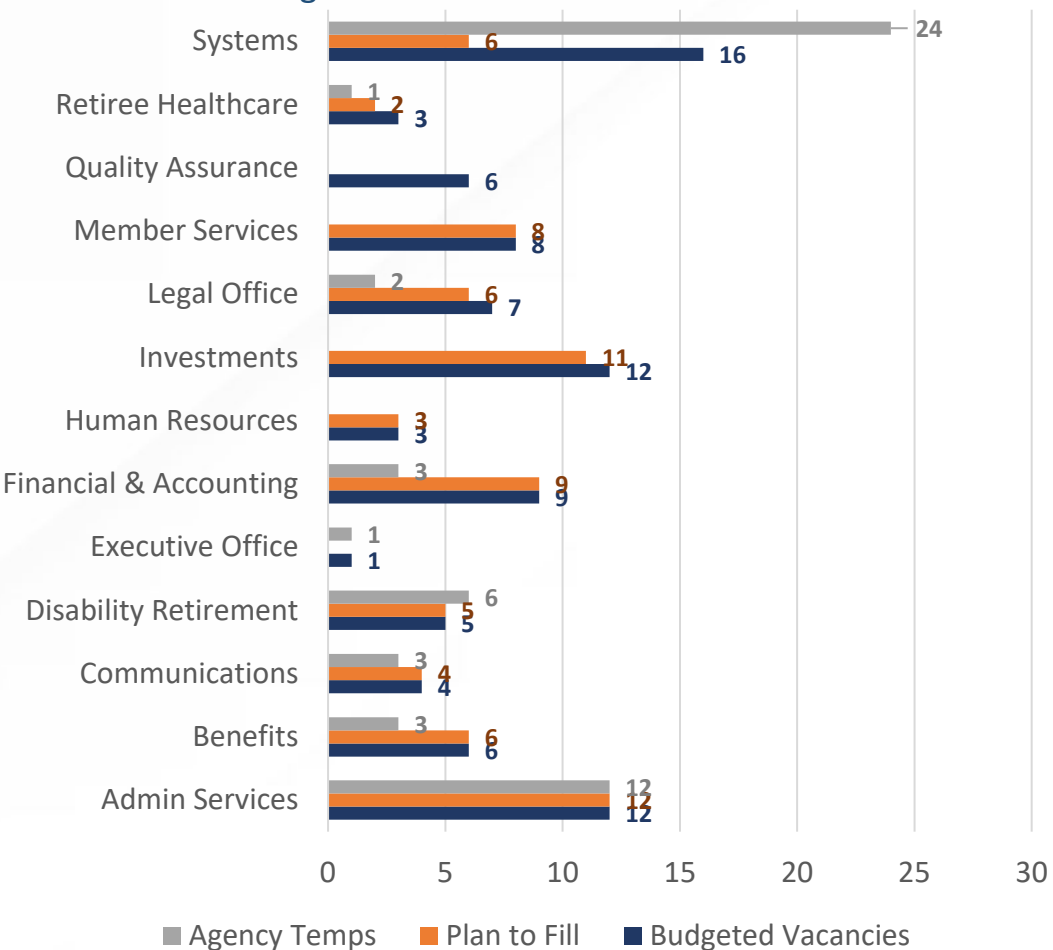
Positions
Planned to Fill **14%**

All Budgeted
Positions **17%**

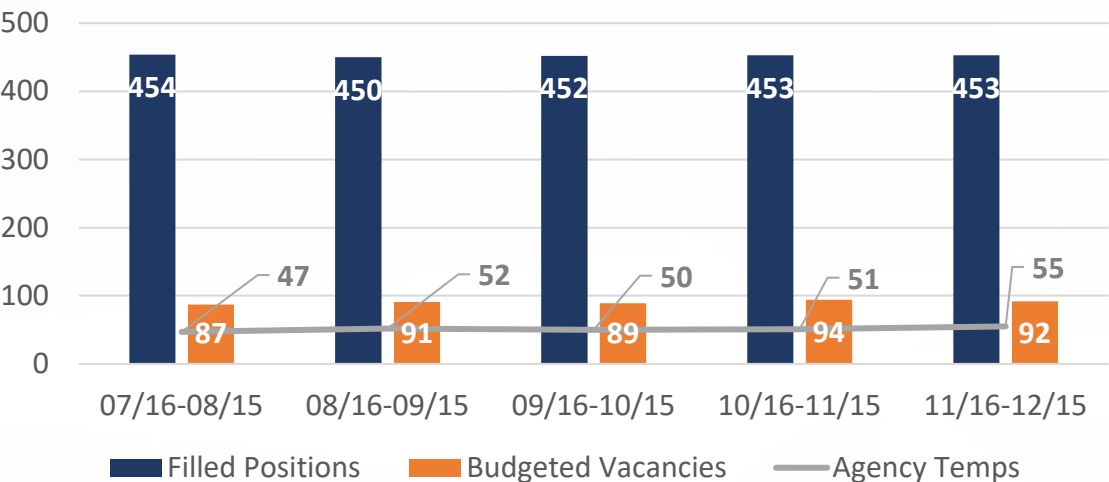


VACANCIES BY DIVISION*

Budgeted Positions vs. Plan to Fill Positions



MONTH TO MONTH PERFORMANCE



*Does not include intern vacancy

Membership Snapshot

Reporting Period November 16, 2025 – December 15, 2025



MEMBERSHIP COUNT

	Active		Inactive		Service Retirement	Retired		Survivors	Total
	Active Vested	Active Non-Vested	Inactive Vested	Inactive Non-Vested		SCD-Disability Retirement	NSCD-Disability Retirement		
☐ General Plans	65,270	23,132	7,900	12,789	50,161	3,171	579	8,479	171,481
AG	31		7	30	10,194	760	122	4,051	15,195
BG	6		5	3	538	33	5	81	671
CG	6		4	7	339	35	4	68	463
DG	29,457	112	3,651	3,597	22,030	2,256	434	2,340	63,877
EG	10,839	4	2,157	323	16,546			1,896	31,765
GG	24,931	23,016	2,076	8,829	514	87	14	44	59,511
☐ Safety Plans	10,311	1,980	562	1,025	5,164	7,626	76	2,240	28,984
AS			1	2	1,623	2,142	21	1,714	5,503
BS	6,339	12	378	341	3,521	5,430	54	521	16,596
CS	3,972	1,968	183	682	20	54	1	5	6,885
Total	75,581	25,112	8,462	13,814	55,325	10,797	655	10,719	200,465

Membership Count vesting status excludes reciprocal service credit.

MEMBER GROSS AVERAGE MONTHLY BENEFIT

General & Safety Plan Average

\$5,526

General Plans

\$4,486

Safety Plans

\$9,883

SURVIVOR GROSS AVERAGE MONTHLY BENEFIT

\$3,849

Excludes active deaths and replacement benefit plan benefits

NOVEMBER 2025 PAYROLL

New Retired Payees | 251

Monthly Payroll | \$409.19M

Payroll Fiscal Year to Date | \$2.04B

Monthly Payroll by Direct Deposit | 98.60%

Monthly Payroll by Check | 1.40%

MONTHLY BENEFIT ALLOWANCE DISTRIBUTION

Members and Survivors

Gross Benefit Range	General Plans	Safety Plans	Total
\$0 to \$3,999	36,174	1,432	37,606
\$4,000 to \$7,999	17,801	4,506	22,307
\$8,000 to \$11,999	5,504	4,690	10,194
\$12,000 to \$15,999	1,619	3,180	4,799
\$16,000 to \$19,999	562	869	1,431
\$20,000 to \$23,999	192	255	447
\$24,000 to \$27,999	40	50	90
> \$28,000	29	17	46
Total	61,921	14,999	76,920

Member Services (MS) Snapshot

Reporting Period Month End | November 30, 2025



EVENT/WEBINARS

Current Month | Year to Date

15 | 153

ATTENDANCE

Current Month | Year to Date

642 | 8,798

Webinar Satisfaction | 1-5 Scale

4.6

(35% Response Rate)

EMA
RHC M



MS CENTER (MSC) APPOINTMENTS

Current Month | Fiscal Year to Date

888 | 5,470

MSC Satisfaction | % Scale

(22% Response Rate)

97%

November

In-Person | 472

Virtual | 393

Phone | 23

**Fiscal Year
Monthly Average**

In-Person | 560

Virtual | 503

Phone | 30



MS CALL CENTER

96% Answered | 4% Abandoned

6,575 | 266

Average Speed of Answer: 1 Min, 21 Sec.

Average Duration: 16 Min, 33 Sec.

Total Calls 6,841

CALL BACK QUEUE

99% Answered | 1% Abandoned

386 | 3

Average Speed of Answer: 4 Min, 30 Sec.

Average Duration: 12 Min, 36 Sec.

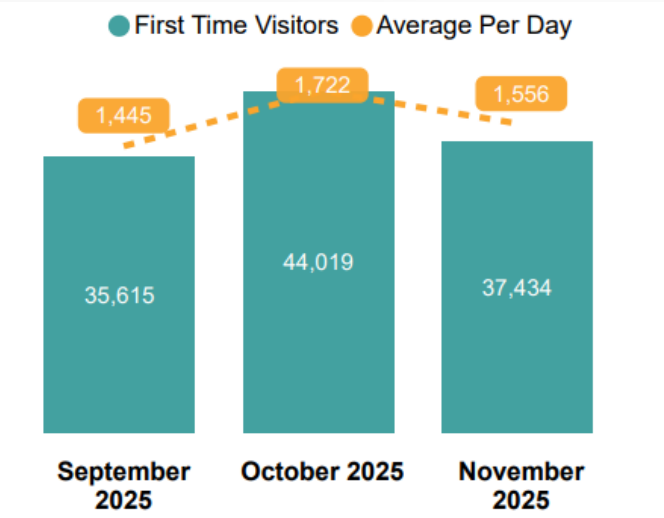
Total Calls 389

Online Services | LACERA.gov & My LACERA

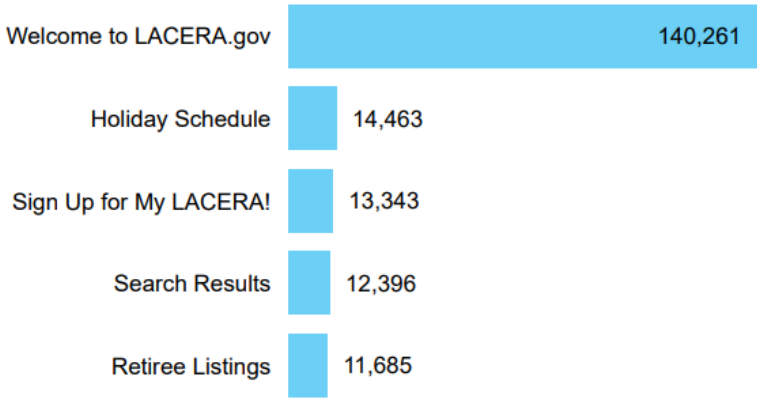


Reporting Period Month End | November 30, 2025

LACERA.GOV USER TRAFFIC



TOP FIVE LACERA.GOV PAGE VIEWS



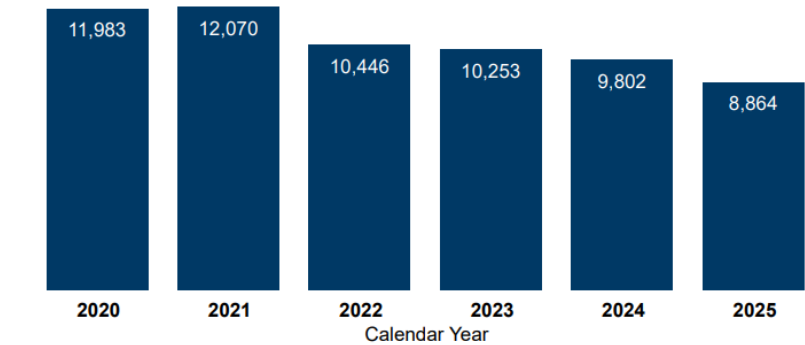
Total Member Accounts

Percentage of
Total Members

63%

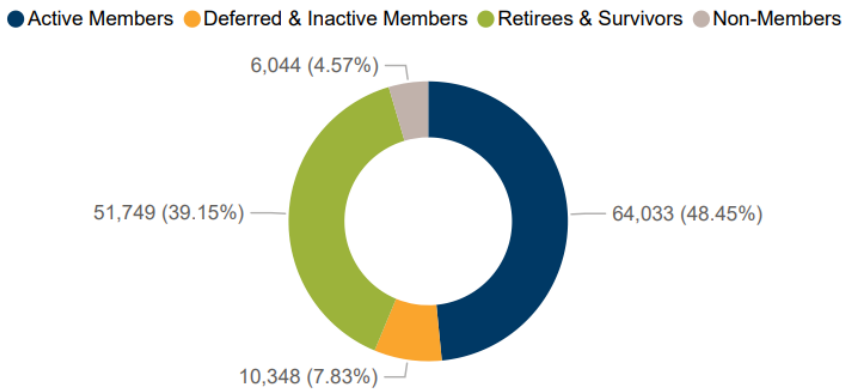
Excludes Non-Members

ANNUAL NEW MYLACERA ACCOUNTS



Data labels may not appear for all values

TOTAL ACCOUNTS BY MEMBER TYPE*



*Data as of
December 15, 2025

Non-Members include legal split payees and withdrawn members.

Retiree Healthcare (RHC)

Reporting Period Month End | November 30, 2025



EMAILS
healthcare@lacera.gov
238



SECURE MESSAGE
MyLACERA
491

SERVICE LEVEL
24 Business Hours

Retiree Healthcare Program Enrollments			
Benefit	Employer	Member	Enrollments
Medical	\$316.8	\$22.3	57,910
Dental	\$23.1	\$2.1	60,259
Part B	\$45.6	\$0.0	40,290
Long Term Care	-	-	56
Total	\$385.5	\$24.4	158,515



RHC CALL CENTER | MAIN QUEUE

92% Answered | 8% Abandoned
3,646 | 303

Average Speed of Answer
4 Minutes, 42 Seconds

Average Duration
13 Minutes, 29 Seconds

Total Calls **3,997**

RHC CALL CENTER | CALL BACK QUEUE

100% Answered | 0% Abandoned
349 | 2

Average Speed of Answer
19 Minutes, 51 Seconds

Average Duration
10 Minutes, 02 Seconds

Total Calls **351**

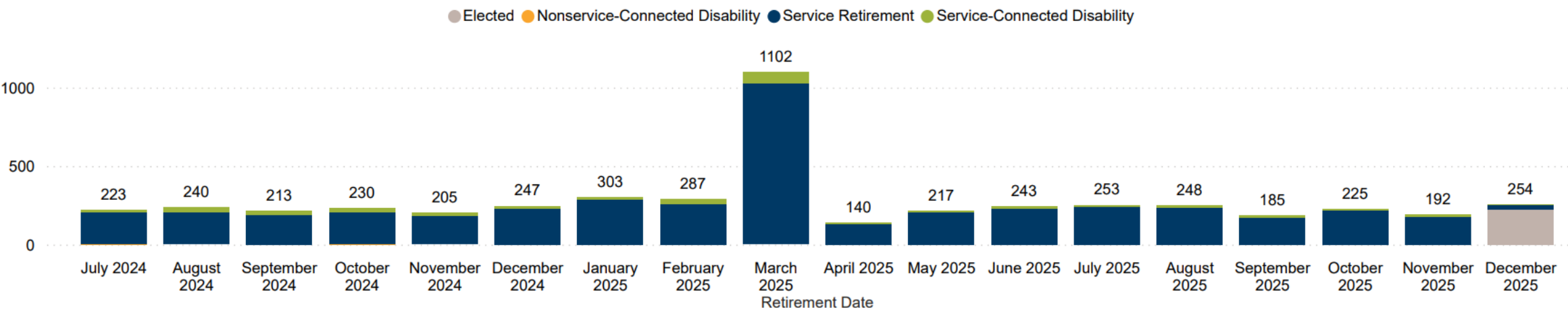
TOP CALL TOPICS | Medicare Part B, Medical/Dental Enrollments, General Benefit Inquiries

Retirements | Member Snapshot

Reporting Period November 16, 2025 – December 15, 2025



MONTHLY RETIREMENTS

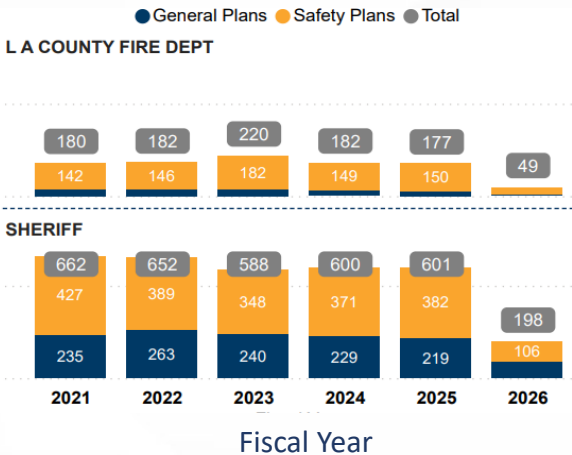


Elected retirements are members placed on the BOR Agenda, but not yet retired as of reporting date

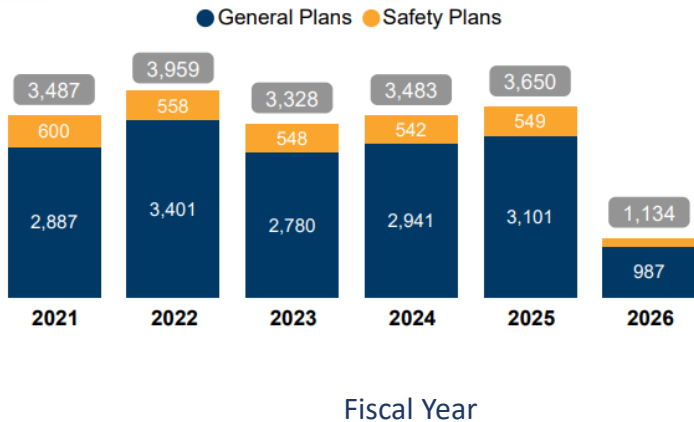
MONTHLY RETIREMENT TYPES

Retirement Type	December 2025
Elected	223
Service Retirement	30
Service-Connected Disability	1
Total	254

FIRE AND SHERIFF RETIREMENTS



TOTAL RETIREMENTS BY TYPE





APPENDIX

Additional Reports and Information

Quiet List



A quiet period is a period during which LACERA is prohibited from communicating with vendors about a specific procurement. This is typically done to avoid any conflicts of interest.

The quiet period typically begins when LACERA releases a solicitation (i.e., Request for Proposal – RFP, Request for Quote – RFQ, etc.) and ends when the contract is awarded. During this time, trustees and staff are not allowed to have any contact with vendors, including phone calls, emails, or in-person meetings.

There are a few exceptions to the quiet period rule. For example, trustees and staff may still communicate with vendors if they are:

- Responding to a question or clarification that was asked in writing to authorized staff pursuant to the solicitation.

- Participating in a pre-bid conference with authorized LACERA personnel that was scheduled before the quiet period began.

- Negotiating a contract after the award has been made.

- Conducting other existing business.

- Conducting Proof of Concept studies

If you are unsure whether or not you are allowed to communicate with a vendor during a quiet period, it is always best to err on the side of caution and avoid any contact or seek advice from the LACERA Legal Office.

Quiet List | Administrative/Operations

Reporting as of December 23, 2025



Solicitation Name	Issuing Division	Public Release Date	Solicitation Stage*	Bid Respondents*
Auditing and Consulting Services Pool	Internal Audit	2/13/2025	Contract Development	Eide Bailly, Grant Thornton, Tap International Inc.
Economic Impact Analysis	Executive Office	08/08/25	Contract Development	Beacon Economics LLC, Berkely Economic Advising and Research
eDiscovery	Legal/InfoSec	12/1/2023	Contract Development	GlobalRelay
Fiduciary Counsel Legal Services	Legal Office	10/30/2025	Bid Review	Foley & Lardner LLP, Groom Law Group, Klausner Kaufman Jensen & Levinson, Nossaman LLP Olson Remcho LLP, Reed Smith LLP
Financial Auditor Search	Internal Audit	4/30/2025	Contract Execution	CLA (Clifton, Larson, Allen), CPAs
Knowledge Management Solution	Disability Litigation	10/31/2025	Bid Review	Americas, Oxcyon Inc., Eccentex, Enterprise Knowledge LLC, Progress Federal Solutions, Quisitive LLC, Speridian Technologies LLC., Squirro, Top Quadrant Inc., Work Methods Solutions Inc.
Quality Assurance and Process Management Group Classification and Compensation Study	Human Resources	07/21/2025	Contract Development	CBIZ Benefits & Insurance Services, Inc., CPS HR Consulting, Gallagher Benefits Services, Inc., Segal Western States, Transformance Consulting
SAAS Provider: Drupal Hosting	Systems	08/11/2025	Bid Review	AIM Technical Group LLC, Amaze.io, ATZ Solutions LLC, Datanetiix Solutions, Dynamics Federal Technologies, Exemplifai LLC, Pantheon Systems, Inc., Smashing Infolabs Private Limited

*Subject to Change

Quiet List | Investments

*Subject to Change



Solicitation Name	Issuing Division	Public Release Date	Solicitation Stage*	Bid Respondents*
Passive Cash Overlay Investment Manager Search	Investments	6/13/2025	Contract Development	Legal & General Asset Management, NISA Investment Advisors, Parametric Portfolio Associates, Russell Investments, State Street Investment Management
Real Assets Emerging Manager Program Discretionary Separate Account Manager	Investments	3/29/2023	Contract Execution	BlackRock, GCM Grosvenor

Upcoming Conferences



Date	Conference Title
January 20-22	IFEBP (International Foundation of Employment Benefit Plans) Health Benefits Conference & Expo Ponte Vedra Beach, FL
January 26-28	NCPERS (National Conference on Public Employee Retirement Systems) Legislative Conference and Policy Day Washington D.C
February 25-27	PPI La Jolla Roundtable La Jolla, CA
March 2-4	NCPERS (National Conference on Public Employee Retirement Systems) Communications & Member Services Summit (formerly Pension Communications Summit) Washington D.C.
March 8-11	CALAPRS (California Association of Public Retirement Systems) General Assembly 2026 Carlsbad, CA
March 9-11	Council of Institutional Investors (CII) Spring Conference Washington D.C.
March 23-25	AHIP (America's Health Insurance Plans) Medicare, Medicaid, Duals and Commercial Markets Forum Washington D.C
March 24-27	2026 Infrastructure Investor Global Summit Berlin, Germany
March 26-27	PREA (Pension Real Estate Association) Spring Conference Nashville, TN
April 9-10	National Association of Corporate Directors (NACD) Master Class – Technology & Innovation Oversight Washington D.C.

Report of Felony Forfeiture Cases

As of December 22, 2025



Member's Last Name	Member's First Name	Dept.	Conviction Date	LACERA Notified	Initial Impact Notice Sent	Final Impact Notice Sent	Status*	Disability Status	Serv. Level
COBERG	MICHAEL D.	SHERIFF	9/29/2025	10/20/2025	N/A	N/A	PEND	N/A	N/A
CADMAN	CHRISTOPHER M.	SHERIFF	7/14/2025	9/11/2025	N/A	N/A	PEND	N/A	N/A
RODRIGUEZ	DAVID A.	SHERIFF	7/14/2025	9/11/2025	N/A	N/A	PEND	N/A	N/A
MEISER	MICHAEL	SHERIFF	7/10/2025	8/1/2025	N/A	N/A	PEND	N/A	N/A
KAMACK	DANNIE T.	PROBATION	3/3/2025	4/22/2025	N/A	N/A	DELAY – CD	N/A	N/A
BENZA	JOSEPH M.	SHERIFF	12/17/2024	2/11/2025	N/A	N/A	PEND	PEND	N/A
SAAVEDRA	ERIC C.	SHERIFF	1/16/2025	2/6/2025	N/A	N/A	PEND	N/A	N/A
PINEDA	REMIN	SHERIFF	11/19/2024	1/10/2025	10/15/2025	N/A	PEND	N/A	N/A
ESSEX	SEAN	SHERIFF	6/7/2024	7/22/2024	N/A	N/A	PEND	N/A	N/A
RIDLEY-THOMAS	MARK	BOS	3/31/2023	3/31/2023	10/23/2023	N/A	APPEAL	N/A	N/A

STATUS LEGEND:

APPEAL: Pending an appeal filed with LACERA

CLOSED: RET: Retired member, case is complete

CLOSED: DEF: Deferred member, case complete

CLOSED: INA: Inactive member – not eligible until age 70, case closed

DELAY-MI: Member input needed (i.e. pending a legal split decision)

DELAY-CD: Pending a court decision (reduction in charges pending conditions being met)

PEND: Case is currently in evaluation and notification stages

WITHDRAWN: Member withdrew prior to conviction – no impact

Public Records Requests

Reporting Period November 15, 2025 – December 14, 2025



Date Received	Requestor	Documents Requested and Submitted During Reporting Period
11-12-25 Rec'd in Quarantine 11-21-25	J. Brewen, Retireready.com	Request: Survivor benefit option factor tables for Unmodified Plus and Options 1, 2 and 3 for your Safety plans A, B, and C as well as your General Plans D, E, and G.
11-17-25	R. Inchody, Pitchbook Data Inc.	Request: Quarterly records from 3Q25 for alternative asset holdings.
11-21-25	L. Wilson Amosion	Request: List of investment holdings for calendar year-end for 2022-2023, 2024 and 2025.
11-25-25	FOIA Data Aggregation	Request: Q3 2025 Alternatives and Hedge Fund reports.
12-03-25	H. Ahaiwe, HR, LA County and 1 other Recipient	Per monthly request: Monthly Agenda.csv dated December 3, 2025.
12-03-25	Sheriffs Dept, LA County and 4 other Recipients	Per monthly request: Monthly Agenda Reports for Sheriff Department Listing and Fire Department listing, each dated December 3, 2025.
12-03-25	C. Siverson, Fire, LA County and 6 other Recipients	Monthly Response: Board of Retirement Meeting Benefit Approval List dated, December 3, 2025.pdf.
11-12-25 Rec'd in Quarantine 11-21-25	J. Brewen, Retireready.com	Request: Survivor benefit option factor tables for Unmodified Plus and Options 1, 2 and 3 for your Safety plans A, B, and C as well as your General Plans D, E, and G.



Thank You!

December 23, 2025

TO: Trustees – Board of Investments

FROM: Jonathan Grabel 
Chief Investment Officer

FOR: January 14, 2026 Board of Investments Meeting

SUBJECT: **2026 Strategic Framework and Initiatives:
Towards Best-in-Class Investor**

RECOMMENDATIONS

Approve the 2026 Strategic Framework and Initiatives, and

- Initiate planning for a Strategic Framework refresh
- Collaborate with Meketa to review governance practices

BACKGROUND

Attached (**Attachment 1**) is the 2026 Strategic Framework and Initiatives recommendation for approval by the Board of Investments. It reviews strategic initiatives, progress towards objectives, and aspirations. The presentation also outlines a proposed year-long plan to evaluate governance practices, in collaboration with Meketa, and refresh the strategic framework initiatives.

Also attached (**Attachment 2**) is a concurrence memo from LACERA's general consultant, Meketa.

Attachments

2026 Strategic Framework and Initiatives: Towards Best-In-Class Investor

Board of Investments Meeting
January 14, 2026



Recommendation

Approve the 2026 Strategic Framework and Initiatives, and

- Initiate planning for a Strategic Framework refresh
- Collaborate with Meketa to review governance practices

Overview

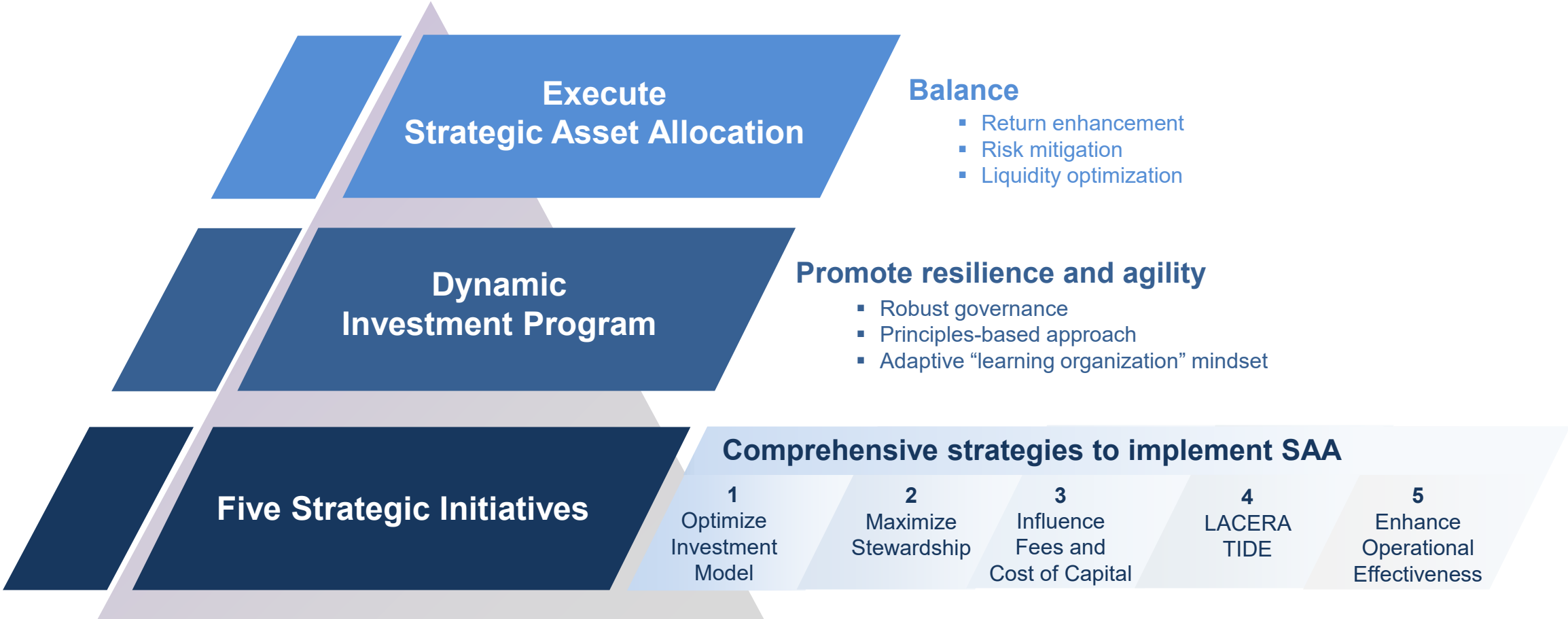
The 2026 Strategic Framework and Initiatives aim to:

1. Fulfill LACERA's mission to members by guiding implementation of the strategic asset allocation
2. Provide visibility into initiatives to facilitate oversight and governance
3. Build upon strong foundation to facilitate future success

Strategic Framework: Towards Best-In-Class Investor¹



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



¹Framework initially approved by the Board of Investments in 2020; subsequently modified and reapproved in 2021 and 2024.

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 [for the Fund and OPEB Trust], including receiving, reviewing, and engaging on investment performance and compliance information and reports”

Policy and Strategy

- IPS - Investment Policy Statement
- SAA - Strategic Asset Allocation
- Structure reviews and investment guidelines
- Strategic Framework and Initiatives
- Actuarial study and funding policy
- Consultants, actuaries, fiduciary counsel

Oversight

- Portfolio implementation
- Performance, risk, and compliance
- Proxy voting and stewardship
- Initiative updates (e.g., LACERA TIDE)
- Portfolio information (e.g., manager scorecard, fee analysis)
- CIO performance evaluation

Periodic Updates

- CIO monthly reports
- Notification of new investments and redemptions
- RFP updates and memorandums
- Material portfolio or market events
- Educational speakers

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

1. Optimize Investment Model



Objective

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



Progress

- Increased portfolio intentionality through secondary purchase and sale opportunities in private equity, real assets, and real estate while securing attractive pricing
- Significant transition of real estate assets from separate accounts to commingled funds to improve risk adjusted returns, diversification, and scalability
- Improved portfolio efficiency by raising OPEB Trust commitment sizes to enhance scalability
- Expanded implementation of dedicated managed accounts to another asset category (hedge funds)
- Deepened institutional knowledge by exploring novel investment approaches, including renegotiating IPO rights, and conducting rigorous post-investment reviews to guide investment decisions



Aspirations

- Advance adoption of innovative investment models and structures to strengthen long-term portfolio resilience and risk-adjusted returns
- Optimize rebalancing strategies across portfolio to strengthen returns and strategic impact, including private markets
- Continue to assess internal and external management approaches for optimal effectiveness

2. 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

- Voted proxies at over 6,000 global shareholder meetings, applying LACERA's custom corporate governance policy
- Supported initiatives to expand ESG data for investment analysis (e.g., joining ESG Data Convergence Initiative)
- Executed corporate engagement initiatives and policy advocacy
- Published LACERA Corporate Governance and Stewardship Report



Aspirations

- Onboard new analytics tools, including increasing private markets coverage
- Support investor associations to advocate prudent market policies (e.g., Council of Institutional Investors, International Corporate Governance Network)
- Amplify our strategic communications of LACERA stewardship efforts

3. 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

- Achieved better economics through strategic negotiations and structures (e.g., hard hurdle fees, tailored share classes, revenue sharing, co-investments, and selective negotiation pauses)
- Optimized implementation costs through account structure enhancements (e.g., expanding managed account platforms to new asset categories and overlays to OPEB)
- Proactively improved mandate terms and alignment (e.g., restructuring based on manager performance)
- Introduced new fee metrics to evaluate efficiency of total Fund cost and expenses



Aspirations

- Establish industry leadership as “term-makers” rather than “term-takers” on fees, legal provisions, and related terms
- Foster higher alignment of interest and improved incentivization structures with business partners
- Position liquidity as a strategic asset: harvest investments to build reserves and redeploy into high-conviction opportunities
- Expand ongoing evaluation of investor profit retention and fee efficiency measurements

4. LACERA Towards Inclusion, Diversity, and Equity



Objective

Enhance outcomes by encouraging constructive, inclusive, and equitable talent management at investment partners, service providers, industry, and internally



Progress

- Focused career development with 15 internal promotions in last 5 years (4 in 2025), active intern program, and new investment fellowship program with two inaugural hires
- 100% of investment mandates assessed with continued manager responsiveness and disclosure
- Established emerging manager programs in each asset class and increased target ranges
- Appointed to advisory boards, such as Girls Who Invest, ILPA Driving Inclusion in Alternatives, and CFA Institute
- Supported expansion of due diligence templates and tools to facilitate reporting in financial services industry



Aspirations

- Support and expand constructive and inclusive practices across investment industry
- Be an employer of choice at all levels from internships through management
- Use increased data and insights to inform and influence inclusive and equitable talent management with investment partners

5. Enhance Operational Effectiveness



Objective

Improve our resource efficiency (human, technological, internal, and external) while mitigating investment and enterprise risks to strengthen future outcomes



Progress

- Facilitated knowledge sharing through Trustee education sessions and staff town halls
- Aligned resources with Board and organizational priorities
- Revamped reporting, including CIO Monthly, Quarterly Performance and Annual TIDE reports
- Promoted diverse perspectives via internal investment committee rotations
- Standardized diligence frameworks to increase comprehensiveness of investment processes
- Expanded investment sourcing channels (e.g., newopportunities@lacera.gov, investment databases)



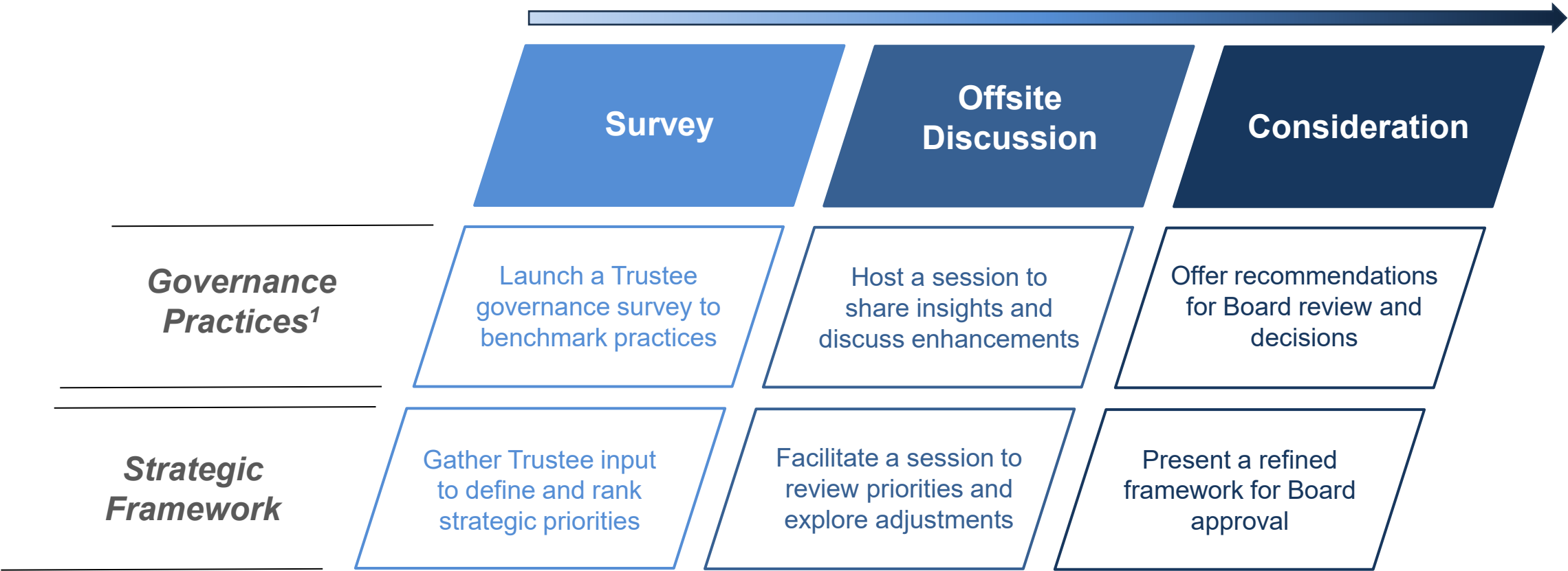
Aspirations

- Efficiently fill and onboard vacant positions
- Implement advanced technology, including artificial intelligence, to enhance total Fund management
- Identify opportunities to optimize investment onboarding process
- Advance data and analytics platforms to support portfolio oversight of performance and risk management

Next Steps



Outlined below is a proposed year-long plan to evaluate governance practices, in collaboration with Meketa, and refresh the strategic framework initiatives



¹Facilitated by Meketa.

2026 Strategic Framework and Initiatives Recommendation



Recommendation

Approve the 2026 Strategic Framework and Initiatives, and

- Initiate planning for a Strategic Framework refresh
- Collaborate with Meketa to review governance practices

Context (If Approved)

The 2026 Strategic Framework and Initiatives aim to:

1. Fulfill LACERA's mission to members by guiding implementation of the strategic asset allocation
2. Provide visibility into initiatives to facilitate oversight and governance
3. Build upon strong foundation to facilitate future success

ATTACHMENT 2

MEMORANDUM

TO: LACERA Board of Investments
FROM: Tim Filla, Aysun Kilic, Alex Khorsandian, Imran Zahid, Meketa
CC: Jon Grabel, CIO - LACERA
DATE: January 14, 2026
RE: 2026 Strategic Framework and Initiatives

Background

The purpose of this memo is for Meketa Investment Group to formalize its support for Staff's recommendation to approve the 2026 Strategic Framework and initiatives and 1) Initiate planning for a Strategic Framework refresh, and 2) Collaborate with Meketa for the purpose of reviewing governance practices.

Evaluation of Recommendation

In 2020, the Board of Investments approved the "Towards Best-In-Class Investor" Strategic Framework. The framework was developed by staff in collaboration with the Board and Meketa. The 2026 Strategic Framework builds on LACERA's existing strong foundation and provides a clear roadmap to advance its mission to produce, protect, and provide the promised benefits to its members. The initiatives reinforce disciplined implementation of the Strategic Asset Allocation (SAA), strengthen governance, and enhance transparency for the Board's oversight responsibilities.

The proposed framework directly supports LACERA's long-term mission by guiding implementation of the SAA through a balanced approach. The five strategic initiatives—Optimize Investment Model, Maximize Stewardship, Strengthen Influence on Fees and Cost of Capital, LACERA TIDE, and Enhance Operational Effectiveness—collectively promote return enhancement, risk mitigation, and liquidity optimization.

Each initiative reflects meaningful progress to date, including improvements in portfolio construction, stewardship practices, fee negotiations, inclusion and diversity efforts, and operational efficiency. The forward-looking aspirations appropriately position LACERA to remain adaptive, resilient, and aligned with industry best practices.

The framework enhances visibility into investment initiatives, supports informed Board oversight, and strengthens governance practices. Collaborating with Meketa on governance benchmarking will further ensure LACERA continues to operate at a best-in-class standard.

In our view, initiating a year-long refresh process is a prudent exercise. It allows LACERA to incorporate evolving market conditions, regulatory developments, and industry innovations into its long-term strategic direction.

In conclusion, the 2026 Strategic Framework and Initiatives provide a reasonable, mission-aligned structure that supports effective implementation of the SAA, enhances governance, and positions LACERA for continued success.

If you have any questions or would like additional information, please email or call us at (760) 795-3450.

TF/AK/AK/IZ/sf

December 19, 2025

TO: Trustees – Board of Investments

FROM: Jonathan Grabel 
Chief Investment Officer

FOR: January 14, 2026, Board of Investments Meeting

SUBJECT: **Council of Institutional Investors Board Nomination**

RECOMMENDATION

Approve the nomination of Jonathan Grabel, Chief Investment Officer, as a candidate for the Council of Institutional Investors (CII) 2026 board elections

BACKGROUND

Per the provisions outlined in LACERA's Corporate Governance and Stewardship Principles, the Board of Investments approves LACERA's nominations of candidates for governing bodies of corporate governance associations of which LACERA is a member.

LACERA is a member of CII, an association of asset owners representing \$4 trillion in assets and a range of asset managers that advocates effective investor rights, strong corporate governance, and sensible financial regulations. LACERA actively works with CII—both formally and informally—to advance governance practices that we believe mitigate investment risks and support durable value in our portfolio. LACERA staff recently chaired CII's board until 2023, after which Jonathan Grabel was appointed to CII's U.S. Asset Owner Advisory Committee, which he currently chairs.

CII is accepting nominations from public funds for its 2026 board elections to be held on March 9, 2026. Public funds elect nine of the fifteen CII board members. Directors serve one-year terms and are eligible for re-election to five consecutive one-year terms. Three of the nine incumbent directors are not eligible for re-election this year. Nominations are due February 9, 2026. LACERA believes the current election cycle is an opportunity to continue our strategic support of CII's advocacy for prudent governance and public policy, conducive to stable financial markets.



December 22, 2025

TO: Trustees – Board of Investments

FROM: Luis A. Lugo 
Acting Chief Executive Officer

Ted Granger 
Chief Financial Officer

FOR: January 14, 2026 Board of Investments Meeting

SUBJECT: **2025 INVESTIGATION OF EXPERIENCE FOR RETIREMENT BENEFIT ASSUMPTIONS**

RECOMMENDATION

It is recommended that the Board of Investments adopt the revised and retained retirement benefit actuarial assumptions as presented by the plan actuary, Milliman, based on their draft 2025 Experience Study (*Attachment I*). The recommended assumptions are summarized below and detailed in Appendix A beginning on Page 62 of the draft report.

1. Adopt no changes to the current actuarial methods, as follows:
 - a. Actuarial cost method is entry age,
 - b. Actuarial asset method is five-year smoothing,
 - c. Amortization method applied to the Unfunded Actuarial Accrued Liability (UAAL) is:
 - i. 20-year layered as a level percent of pay for assumption changes and actuarial gains / losses, and
 - ii. 10-year layered as a level percent of pay for plan design or benefit changes that increase the UAAL,
 - d. Administrative expenses are reflected in the valuation using the implicit method; the investment return assumption is net of assumed administrative expenses, and
 - e. STAR Reserve assets are excluded from valuation assets.
2. Adopt the following economic assumptions:
 - a. Retain investment return at 7.00% net of expenses,
 - b. Lower national price inflation from 2.75% to 2.50%,
 - c. Retain local price inflation at 2.75%,
 - d. Retain general wage growth at 3.25%,
 - e. Retain payroll growth at 3.25%, and
 - f. Retain future cost-of-living adjustments (COLAs) at 2.0–2.75% for all plans and 2.75–3.00% for Plan A.

3. Adopt the demographic assumptions:

- a. **Retiree Mortality (Healthy) and Active Member Mortality:** Update the base mortality tables to the Pub-2016 tables (with scaling adjustments) and continue use of the MP-2021 mortality improvement scale.
- b. **Merit Salary Increases:** Changes for both General and Safety members based on years of service. The recommended rates are shown numerically on Page 74, in Appendix A, Table A-5.
- c. **Service Retirement Rates:** Changes for General members (including increases for members with 25 or more years of service) and decreases for Safety members at most age/service levels.
- d. **Disability Retirement Rates:** Increase for General and Safety members (service-connected) and decrease for General members (nonservice-connected).
- e. **Termination Rates:** Increase across most service durations for all plans.
- f. **Probability of Refund:** Lower for General members with 5 to 15 years of service and increased for those with over 25 years of service. Lower for Safety members with 5 to 7 years of service and slightly higher for those with 13 or more years of service.
- g. **Retirement for Deferred Vested Members:** Retain current assumptions for General Plans A, B, C, and D, and Safety Plan A and increase for General Plans E and G, and Safety Plans B and C.
- h. **Beneficiary Age:** Retain the age difference of 2 years older for female retirees and retain the age difference of 3 years younger for male retirees.
- i. **Probability of Eligible Survivors:** Retain at 48% for female retirees and 77% for male retirees.
- j. **Reciprocity:** Increase probability of members establishing reciprocity, from 17% to 18% for General and from 36% to 37% for Safety members.

4. Delegate authority to LACERA's Acting Chief Executive Officer working in concert with the Chief Financial Officer, Chief Investment Officer, and Chief Counsel to ensure the actuarial assumptions adopted by the BOI, as stated above and as more fully detailed beginning on Page 63 in Appendix A of the 2025 Investigation of Experience for Retirement Benefit Assumptions report, are incorporated in Milliman's calculation of plan liabilities presented in the upcoming 2025 Actuarial Valuation of Retirement Benefits report.

EXECUTIVE SUMMARY

The experience study discussion began with the September 2025 Board of Investments Offsite where LACERA's consulting actuaries, Nick Collier, Craig Glyde, and Alan Perry from Milliman, provided an education session regarding the experience study process. At the October 8, 2025 Board of Investments meeting, Milliman discussed the pension plan

economic assumptions, including price inflation, general wage and payroll growth, and investment return, and presented a preview of their recommendations.

At the January 14, 2026 Board of Investments meeting, Milliman will discuss the results of their review of the economic and demographic assumptions, and present for the Board's consideration, the draft 2025 Investigation of Experience for Retirement Benefit Assumption Report (2025 Experience Study). LACERA staff and Milliman are requesting that the Board adopt the economic and demographic actuarial assumptions and methods so they can be applied in preparing the upcoming 2025 Actuarial Valuation of Retirement Benefits (2025 Actuarial Valuation). Cavanaugh Macdonald (CavMac), LACERA's reviewing actuary, completed their review of Milliman's draft 2025 Experience Study report, and will provide a verbal presentation at the January meeting.

Projected Impacts

While the 2025 Experience Study is used to set actuarial methods and assumptions, and the upcoming 2025 Actuarial Valuation report will provide the actual impacts to plan's contribution rates and funded status, Milliman prepared some preliminary estimates:

- **Member Contribution Rates:** Estimated increases ranging from 0.12% to 0.47% of pay and decreases of -0.03% to -0.10% of pay, which vary by retirement plan. *This reflects the difference between the estimated 2025 Valuation before and after the recommended assumption changes.*
- **Employer Contribution Rates:** Projected to increase by 0.80% of payroll, with a total estimated impact of \$86 million. *This reflects the difference between the estimated 2025 Valuation before and after the recommended assumption changes.*
- **Funded Ratio:** Projected to increase from 80.9% to 81.8% after adoption of all recommended assumption changes. *This comparison is based on the change from the 2024 Valuation to the 2025 valuation (after changes).*

These estimates are based on the retirement benefits provided to LACERA members as of June 30, 2025. Any future changes to those benefits (if considered as part of this analysis) would affect the estimated cost impact shown in the report and could lead to additional assumption and method changes.

EXPERIENCE STUDY SUMMARY AND RECOMENDATIONS

Milliman's 2025 Experience Study report includes a summary of the "recommended" or "proposed" assumptions beginning on Page 1. The economic and demographic assumptions are discussed in detail throughout the report and Milliman will provide a presentation to the Board of Investments at their January 14, 2026 meeting. A sample of projected member contribution rates is included on Page 2 noting that final member contributions rates will be calculated and included in the 2025 Actuarial Valuation report. On Page 7, the report provides Milliman projected impact to the plan's funded ratio and total employer contributions. New member and employer contribution rates are scheduled to become effective July 1, 2026. Milliman's recommendations are summarized below.

Economic Assumption

Price Inflation

The plan actuary recommends lowering the current national price inflation assumption from 2.75% to 2.50%. The current assumption of 2.75% for both national and local inflation is higher than most national inflation forecasts. As presented at the October 2025 BOI meeting, to better align with economic expectations, the actuary suggests considering a bifurcated approach: reduce the national inflation assumption (CPI-U) to 2.50% while maintaining the 2.75% local inflation assumption for salary increases and retiree COLA purposes. This approach will help recognize that inflation in the Los Angeles region is slightly higher which can impact LACERA active member wage growth and retiree COLA amounts.

Demographic Assumptions

Merit Salary Increases

Milliman recommends increasing the merit salary increase assumptions for both General and Safety members at most service levels.

Mortality Rates

Milliman recommends updating the base mortality tables to the Pub-2016 Public Retirement Plans Mortality Tables, with appropriate scaling adjustments, while retaining the current mortality improvement projection scale.

Service Retirement Rates

The study found that General members retired at somewhat higher rates than expected, while Safety members retired at significantly lower rates, largely due to the reclassification of some Safety member retirements as disability retirements. As a result, Milliman proposes changes to service retirement rates.

Disability Retirement Rates

Milliman recommends increasing the service-connected disability retirement assumptions for Safety members, as the study revealed higher rates than previously assumed as explained above. For General members, the recommendation is to decrease the nonservice-connected disability retirement assumptions, reflecting the lower observed rates.

Termination Rates

Milliman recommends increasing termination rates for General Plans D and G, as well as for Safety members, with only minor changes for General Plan E due to higher than expected actual termination rates.

Probability of Refund

Milliman recommends lowering the probability of refund for General members with 5 to 15 years of service and an increase for those with 25 or more years. For Safety members, the recommendation is to lower the probability for those with 5 to 7 years of service and

a small increase for those with 13 or more years. This is to better reflect the observed experience.

Retiree Mortality

Milliman recommends updating the retiree mortality assumptions to the Pub-2016 mortality tables with scaling adjustments, and no change to the most recent mortality improvement scale.

Retirement for Deferred Vested Members

Milliman recommends updating the assumed age at which deferred vested members retire and increasing the probability that a deferred vested member will establish reciprocity and retire with another system—from 17% to 18% for General members and from 36% to 37% for Safety members.

LEGAL AUTHORITY

Provisions contained in the County Employees Retirement Law (California Government Code, Sections 31450-31899.1) and the California Constitution (Article XVI, Section 17) govern the actuarial process at LACERA.

Section 31453 of the County Employees Retirement Law requires LACERA to obtain an actuarial valuation at least once every three years. The valuation shall be conducted under the supervision of an actuary, shall cover the mortality, service, and compensation experience of the members and beneficiaries, and shall evaluate the assets and liabilities of the retirement fund. Section 31453 provides that the Board is required to act based “upon the basis of the investigation, valuation, and recommendation of the actuary.” Government Code Section 7504(a) additionally provides, for all California public pension systems, not less than every three years, the fund actuary “shall perform a valuation of the system utilizing actuarial assumptions and techniques established by the agency that are, in the aggregate, reasonably related to the experience and the actuary’s best estimate of anticipated experience under the system. Any differences between the actuarial assumptions and techniques used by the actuary that differ significantly from those established by the agency shall be disclosed in the actuary’s report and the effect of the differences on the actuary’s statement of costs and obligations shall be shown.” Based on these requirements and in accordance with its own policy (as discussed below), LACERA conducts an actuarial valuation every year, which is more frequently than required, and an experience study every three years, as required by the law, or sooner if needed.

The California Constitution, Article XVI, Section 17(a) provides that public pension trustees “shall 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.” To comply with their fiduciary duty with respect to actuarial decisions, the Constitution requires that each of

these three elements be considered and evaluated, with the interests of members and beneficiaries being paramount.

Article XVI, Section 17(e) of the California Constitution assigns “the sole and exclusive power to provide for actuarial services” to the governing body of the public employees’ retirement system. Such power is given by the Constitution in order to “assure the competency of the assets of the public pension or retirement system.”

LACERA’s ACTUARIAL FUNDING POLICY

LACERA’s Actuarial Funding Policy (*Attachment IV*) provides guidance to the Board of Investments in making decisions about the funding of LACERA’s retirement benefits. The Policy also gives direction to LACERA’s consulting actuary in their work.

Revision

The Board of Investments adopted a revised Policy in October 2024, which became effective for the fiscal year beginning July 1, 2024. The Policy is scheduled for Board review every three years, immediately preceding a triennial experience study cycle. Since the Policy was recently updated, it was determined that this 2024 Policy remains effective and does not require the Board’s review prior to the 2025 Experience Study. Staff is planning the next Policy review to occur in 2027, ahead of the experience study scheduled for the fiscal year end June 30, 2028. This sequencing allows the Board the opportunity to review the Policy in an “off year” where there is no immediate experience study cycle.

Actuarial Cycles

The Policy requires annual actuarial valuations to review the retirement system’s funding progress to set the employer contribution rates and member contribution rates for the General Plan G and Safety Plan C tiers. In addition to the annual valuations, LACERA requires its actuary to review the reasonableness of the economic and demographic actuarial assumptions every three years on a triennial cycle. At that time, member contribution rates for those participating in the closed contributory plan tiers (General Plans A, B, C and D and Safety Plans A and B) are reviewed. Employer contribution rates are updated on an annual basis.

Actuarial Audits

The Policy requires that LACERA engage an independent actuarial consulting firm to perform an actuarial audit every three years coinciding with the experience study. The auditing actuary reviews the experience study process and recommendations put forth by the consulting actuary to determine if the actuarial standards were applied and if the proposed assumptions are reasonable.

For the current triennial project cycle, the consulting actuary will perform an experience study as of June 30, 2025, in preparation for the June 30, 2025 actuarial valuation. The auditing actuary will review the experience study process and audit the valuation results. The last triennial cycle was completed as of June 30, 2022.

INVESTIGATION PROCESS

The investigation of experience or experience study is accomplished by comparing actual experience during the preceding three years to what was expected to happen according to the actuarial assumptions. Based on this analysis, the actuary recommends whether any changes in the assumptions or methodologies would allow a more accurate projection of total benefit liabilities and asset growth.

Consulting Actuary

The plan actuary, Milliman, prefers to discuss the results of the 2025 Experience Study draft report with the Board of Investments trustees prior to performing the actuarial valuation. This study provides trustees with information to assist them in carrying out their fiduciary responsibilities by enabling them to discuss the reasonableness of the actuarial assumptions and methods Milliman is recommending, and an opportunity to review and provide feedback prior to completing the annual valuation of plan liabilities.

Auditing Actuary

CavMac, the plan's auditing actuary, prepared an independent Actuarial Review Report of the 2025 Investigation of Experience (Actuarial Review Report). CavMac's scope included validating Milliman's results, evaluating methodologies and recommendations, and preparing a report and presentation of any findings to the Board. CavMac completed its review and provided a draft report (*Attachment II*) and will present their findings at the January 14, 2026 Board of Investments meeting.

In CavMac's report, they concluded that the assumptions and methods proposed by Milliman are reflective of sound professional judgement and are appropriate for the systematic funding of LACERA's retirement benefit obligations. CavMac also determined that the actuarial methods, assumptions, processes, recommendations and information contained in Milliman's report are consistent with the applicable Actuarial Standards of Practice.

COUNTY OF LOS ANGELES – CHIEF EXECUTIVE OFFICE

For informational purposes, staff notes that the draft 2025 Experience Study report has been shared with the Los Angeles County Chief Executive Office for their review.

UPCOMING REPORTS AND PRESENTATIONS

At the March 2026 Board of Investments meeting, staff anticipates that Milliman will present the 2025 Actuarial Valuation of Retirement Benefits report to the Board for adoption. CavMac will present their 2025 Actuarial Audit of the Actuarial Valuation of Retirement Benefits report for the Board's consideration. For your reference, a roadmap outlining the 2025 actuarial projects is included in the Presentation Slides (*Attachment III*).

CONCLUSION

The Board of Investments Actuarial Funding Policy, effective July 1, 2024, requires LACERA to engage a consulting actuary every three years to conduct an investigation of experience to measure the effectiveness of the plan assumptions and valuation methodology and make recommendations to the Board as needed. In addition, per Policy, LACERA engages an independent actuarial firm to perform an actuarial audit every three years in conjunction with the investigation of experience.

LACERA staff recommends that the Board adopt the revised and retained retirement benefit actuarial assumptions and methods as presented in the 2025 Investigation of Experience for Retirement Benefit Assumptions report. Milliman will present their draft report, including the recommended changes to economic and demographic assumptions, and address any questions from the Board. This discussion enables the Board of Investment trustees to provide feedback to Milliman and will be requested to adopt the proposed actuarial assumptions and methods to be used in the upcoming 2025 Actuarial Valuation of Retirement Benefits. CavMac will discuss their actuarial review process and conclusions.

LACERA's consulting actuaries, Nick Collier and Craig Glyde with Milliman, will be attending the January 14, 2026 meeting to discuss the draft 2025 Experience Study report and answer any questions. Additionally, Brent Banister, LACERA's auditing actuary from CavMac will present their draft 2025 Actuarial Review of the Experience Study report.

Attachments

- I. Milliman's draft 2025 Investigation of Experience for Retirement Benefit Assumptions (Experience Study Report)
- II. CavMac's draft Actuarial Review Report on the 2025 Investigation of Experience (Actuarial Review Report)
- III. Presentation Slides dated January 14, 2026
- IV. 2024 Actuarial Funding Policy

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2025 ExperienceStudy.BOI Memo.Jan 2026_final.docx

c: Laura Guglielmo, LACERA	JJ Popowich, LACERA
Steven P. Rice, LACERA	Jonathan Grabel, LACERA
Richard Bendall, LACERA	Joe Nicchitta, Acting CEO, LA County



Note: At your request, we have provided this DRAFT Report prior to completion of our work. Because this is a draft Report, Milliman does not make any representation or warranty regarding the contents of the Report. Milliman advises any reader not to take any action in reliance on anything contained in the draft Report. All parts of this Report are subject to revision or correction prior to the release of the final Report, and such changes or corrections may be material. No distribution of this draft Report may be made without our express prior written consent.

Los Angeles County Employees Retirement Association

2025 Investigation of Experience for Retirement Benefit Assumptions

Prepared by:

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Consulting Actuary

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December 21, 2025

Board of Investments
Los Angeles County Employees Retirement Association
300 North Lake Avenue, Suite 820
Pasadena, CA 91101-4199

Re: Los Angeles County Employees Retirement Association

Dear Trustees of the Board:

It is a pleasure to submit this report of our investigation of the experience of the Los Angeles County Employees Retirement Association (LACERA) for the three-year period ending June 30, 2025. The results of this investigation are the basis for recommended changes in actuarial assumptions for the actuarial valuation of retirement benefits to be performed as of June 30, 2025.

The purpose of this report is to communicate the results of our review of the actuarial methods and the economic and demographic assumptions to be used in the completion of the upcoming valuation. Several of our recommendations represent changes from the prior methods or assumptions and are designed to better anticipate the emerging experience of LACERA.

We have provided financial information showing the estimated hypothetical impact of the recommended assumptions if they had been used in the June 30, 2024 actuarial valuation. We believe the recommended assumptions provide a reasonable estimate of anticipated experience affecting LACERA. Nevertheless, the emerging costs will vary from those presented in this report to the extent that actual experience differs from that projected by the actuarial assumptions. Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as the following:

- Plan experience differing from the actuarial assumptions,
- Future changes in the actuarial assumptions,
- Increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as potential additional contribution requirements due to changes in the plan's funded status), and
- Changes in the plan provisions or accounting standards.

Due to the scope of this assignment, we did not perform an analysis of the potential range of such measurements.

Reliance

In preparing this report, we relied without audit on information (some oral and some in writing) supplied by LACERA's staff. This information includes, but is not limited to, statutory provisions, employee data, and financial information. We used LACERA's benefit provisions as stated in our June 30, 2024 actuarial valuation report. In our examination, after discussion with LACERA and making certain adjustments, we have found the data to be reasonably consistent and comparable with data used for other purposes. The experience study results are dependent on the integrity of this information. If any of this information is inaccurate or incomplete, our determinations may need to be revised.

Actuarial assumptions

This investigation of experience report recommends assumptions to be used in the valuation to provide an estimate of the System's financial condition as of a single date. The valuation can neither predict the System's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of System benefits, only the timing of System contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

We certify that the assumptions developed in this report satisfy Actuarial Standard of Practice No. 27 (Selection of Assumptions for Measuring Pension Obligations).

No legal duty to third-party recipients

Milliman's work is prepared solely for the internal business use of LACERA. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exception(s):

- (a) The System may provide a copy of Milliman's work, in its entirety, to the System's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the System.
- (b) The System may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

Models

These results were developed using models employing standard actuarial techniques. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice. Reliance on other experts is reflected in Milliman's capital market assumptions, and in Milliman's expected return model maintained by Milliman investment consultants.

Qualifications and Certification

The consultants who worked on this assignment are retirement actuaries. Milliman's advice is not intended to be a substitute for qualified legal, investment, or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the *Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States*, published by the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

We would like to acknowledge the help in the preparation of the data for this investigation given by the LACERA staff. We look forward to our discussions and the opportunity to respond to your questions and comments at your next meeting.

Sincerely,

Nick Collier, ASA, EA, MAAA
Consulting Actuary

Craig Glyde, ASA, EA, MAAA
Consulting Actuary

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1. Executive Summary and Recommendations

Milliman has performed the triennial investigation of experience for the period ending June 30, 2025. Although new information is added to our investigation based on the study period, the analysis and accompanying recommendations encompass a longer period by reflecting results from prior investigations. This report contains the findings of this investigation and includes several recommended changes in assumptions.

Calculating appropriate contribution rates is dependent on the assumptions used to project the future benefit payments and then to discount the value of future benefits to determine the present values. Therefore, the assumptions are critical in assisting LACERA to determine adequate funding for future retirement benefits.

Summary

This section describes the key findings of this investigation of experience. We have recommended several changes to the assumptions. If adopted, these changes will impact the Funded Ratio as of June 30, 2025 and the member and employer contribution rates effective July 1, 2026. The potential impact on member rates is discussed on the next page. The potential impact on employer rates is discussed at the end of this section.

We will refer to our recommended assumptions as the “recommended” or “proposed” assumptions throughout this report. We have provided a summary of the proposed changes to the assumptions later in this section. The Board of Investments has the ultimate decision on the assumptions to be used in the actuarial valuation.

Study Period

In our review of demographic experience and assumptions, other than merit salary increases, we considered data from the period 2016 to 2025. For merit salary increases we considered data from 2010 to 2025. Including these longer periods in the study helps to lower the potential impact that short-term variance in actual experience may have on the selection of assumptions, and should result in smoother, more gradual changes in assumptions over time. However, it is also important to consider any trends in the data that have materialized over the duration of those longer periods. For that reason, we also considered the actual experience during the most recent three-year period (2022 to 2025). When recommending assumptions, our primary focus was on the longer-term period, but we also accounted for the most recent three-year period if it was inconsistent with the longer period. This means that any recommended assumption should be more consistent with actual experience over those periods than the current assumptions.

We also considered whether it was appropriate to include, with or without adjustment, experience from the years most affected by the COVID-19 pandemic. To do this, we considered whether our recommended assumptions would be materially different if we excluded data from the 2019 to 2022 study period entirely. In general, we did not believe our recommendations would be materially different and as a result we retained that experience. However, in certain cases, such as in our review of mortality experience, our recommended assumptions reflect that mortality experience for that period was higher than the other periods.

Actuarial Methods and Member Contribution Rates

Section 3 describes the actuarial methods used in performing our valuation and in assisting LACERA to administer the plan.

We are not recommending any changes in the actuarial methods used in the valuation.

An update to the operating tables LACERA uses in the calculation of optional forms of payment will be needed to reflect any changes in the general wage growth, merit salary, retiree COLA, retiree mortality, and investment return assumptions. There are recommended changes to the merit salary and mortality assumptions which will affect the operating tables.

New member contribution rates will be calculated using the assumptions adopted. We have estimated the new member rates based on the proposed assumptions. The actual member contribution rates cannot be determined until completion of the June 30, 2025 valuation. Sample member contribution rate increases are shown in the following table. Note that all estimated member contribution rates include the proposed demographic assumption changes and are the total member contribution rate (i.e., Normal + COLA).

	Change as a % of Pay	Average Monthly Pay	Estimated Increase in Monthly \$
<u>General Plan D:</u>			
- Entry Age 25	0.42%	\$ 9,500	\$40
- Entry Age 35	0.46%	\$ 9,500	\$44
- Entry Age 45	0.47%	\$ 9,500	\$45
<u>General Plan G:</u>			
General Plan G:	-0.10%	\$ 7,000	(\$7)
<u>Safety Plan B:</u>			
- Entry Age 25	0.35%	\$ 13,000	\$46
- Entry Age 35	0.12%	\$ 13,000	\$16
- Entry Age 45	-0.03%	\$ 13,000	(\$4)
<u>Safety Plan C:</u>			
Safety Plan C:	0.27%	\$ 9,200	\$25

Notes

1. Final member contribution rates will be determined when the June 30, 2025 actuarial valuation is completed.
2. Estimated changes are based on the estimated percent of pay change and the average monthly compensation for active members of the specified plan.

Economic Assumptions

Section 4 discusses the economic assumptions: price inflation (both local and national), general wage growth (which includes price inflation and productivity), payroll growth, investment return, and future retiree COLA increases.

We are recommending the following changes related to the price inflation assumption.

- We recommend the national price inflation be reduced from 2.75% to 2.50% to for consistency with long term forecasts. The national price inflation is directly reflected in the valuation in the projection of the PEPRA compensation limit and indirectly affects other assumptions such as local price inflation and the investment return assumption.
- We recommend the local price inflation assumption remains at 2.75%. This respects historical trends that show Los Angeles-area inflation has exceeded US inflation over a long period. The local price inflation assumption indirectly affects the general wage growth, payroll and COLA assumptions.
- We recommend the wage inflation assumption remain equal to the local price inflation plus 0.5%, for a total of 3.25%, as there is a high correlation in the long term between price and wage inflation. Similarly, we recommend the payroll growth assumption remain at 3.25% equal to the general wage assumption.
- We recommend no change in the assumed cost-of-living adjustment (COLA) for retiree benefits, which is equal to the price inflation assumption subject to plan maximum increases and COLA accumulation bank levels. Due to current COLA accumulation bank levels, the assumed COLA for current Plan A retirees is recommended to be 3.0%. For future Plan A retirees the assumed COLA is equal to local price inflation. For all other plans the assumed COLA is 2.0% (with pro-rata adjustment based on pre-2002 service for General Plan E).

Based on Milliman's mid-year 2025 capital market assumptions, the expected return net of investment and administrative expenses over the next 10 years is 6.7% and the expected return over the next 20 years is 7.2%. We recommend retaining the current investment return assumption of 7.0%. Combined with the recommended decrease in the national price inflation assumption this is roughly equivalent to an increase in the real rate of investment return assumption from 4.25% to 4.50%. This increase in the assumed real rate of return is consistent with changes in the capital market assumptions of many investment advisors over the last several years.

The following table shows our recommended economic assumptions.

	Economic Assumptions	
	Current	Proposed
Investment Return ⁽¹⁾	7.00%	7.00%
National Price Inflation	2.75%	2.50%
Local Price Inflation	2.75%	2.75%
General Wage Growth	3.25%	3.25%
Payroll Growth	3.25%	3.25%
COLAs for Retirees (Plan A / Other Plans) ⁽²⁾	2.75%/2.00%	2.75%/2.00%

1. Net of both investment and administration expenses. For GASB financial reporting, the recommended investment return assumption remains at 7.15%.
2. The Plan E COLA is a pro-rated percentage of 2.00% based on pre-2002 service. Due to Plan A COLA accumulation balances, current retirees and beneficiaries are assumed to receive 3.00% COLAs.

Demographic Assumptions

In our analysis of the active demographic assumptions, we reflect the impact of compensation levels by weighting the results by compensation. That is, a member with annual compensation of \$80,000 has twice the impact on the observed rates in comparison to a member with annual compensation of \$40,000. We observed some differences in member behavior based on compensation. For example, members with higher levels of compensation tended to have higher probabilities of retiring at a given age. These compensation-weighted probabilities are shown as the “Actual” bars in the graphs in Section 5 through Section 9. This approach is consistent with the previous experience study. For the analysis of retired mortality, we use a similar approach based on benefit weighting, so that the experience of retirees with larger benefits has a larger impact on the observed rates than the experience of those with smaller benefits. These benefit-weighted probabilities are shown as the “Actual” bars in the graphs in Section 11. Using this weighted approach better aligns the assumptions to the liabilities.

Merit Salary Increases

Section 5 discusses the individual salary increases due to promotion and longevity – the merit component of salaries. Merit salary increases were generally higher than the assumed increases. We are recommending increases in the assumption for both General and Safety members at most service levels to reflect actual experience.

Death from Active Status

Section 6 discusses the probability of a member dying while in active employment.

For nonservice-connected deaths, the actual rates were greater than what the current assumptions predicted. We recommend updating the base tables underlying the ordinary death assumption to reflect the most recent tables released by the Society of Actuaries (with scaling adjustments) and keeping the mortality improvement projection scale unchanged. These updated base tables are known as the Pub-2016 Public Retirement Plans Mortality Tables (Pub-2016) and contain separate tables for General and Safety members, which is a similar structure to the Pub-2010 tables currently in use by LACERA. LACERA participated in the development of the Pub-2016 mortality tables by providing mortality experience data to the Society of Actuaries (SOA).

For the service-connected death assumption, we are not recommending a change given the limited data for this assumption.

Service Retirement

Section 7 discusses the probability of an eligible active member taking a service retirement at a specific age and service level. The results of our study showed actual service retirement rates, weighted by compensation, that were somewhat higher than expected by the assumptions for General members, but significantly lower for Safety members. The main reason for this difference in the results for Safety members in this study is that we have adjusted for the relatively high number of Safety disability retirement awards that occur after service retirement commencement.

Safety members who initially commence a service retirement benefit are often subsequently awarded a service-connected disability retirement, and their retirement “status” is recharacterized accordingly. In our analysis, we have considered the ultimate retirement status as the reason the member retired from service. That is, we have treated as disability retirements those members who initially commenced a service retirement who were subsequently awarded a disability retirement. The result of this adjustment is that actual service retirements were significantly lower than expected by the current assumptions (which were based on analysis that did not fully reflect this adjustment) and actual disability retirements were significantly higher than expected.

Based on the above, we are recommending significant changes to the rates of service retirement, particularly for Safety members. These proposed changes are offset by proposed changes to the disability retirement rates.

Disability Retirement

Section 8 discusses the probability of an active member becoming disabled. We studied both service-connected disability and nonservice-connected disability.

As discussed above in the Service Retirement section, we observed significantly lower service retirements and significantly higher disability retirements. As a result, we are recommending higher service-connected disability retirement assumptions, particularly for Safety members.

Effectively all disability retirements among Safety members are service-connected disabilities. Therefore, we only study nonservice-connected disability experience of General members. As we have observed in prior experience studies the rates of nonservice-connected disability were lower than expected by the assumptions. We are recommending reductions to the nonservice-connected disability rates for General members to reflect this continuing pattern.

Termination

Section 9 summarizes the results of our study of terminations of employment for reasons other than death, service retirement, or disability. As used in the actuarial valuation, termination rates refer to both voluntary and involuntary terminations of employment.

The results of our study showed actual termination rates, weighted by compensation, that were higher than those expected by the assumptions. We are recommending increases to the termination rates at most service levels for General Plans D and G, and Safety members, with relatively minor changes for General Plan E.

Probability of Refund

In Section 10, we report the actual number of vested members electing a refund upon termination of employment.

We recommend lowering the probability of refund for General members who have between 5 and 15 years of service and increasing it for members with 25 or more years of service.

For Safety members we recommend lowering the probability of refund for members who have between 5 and 7 years of service and increasing it slightly for members who have 13 or more years of service to better reflect the actual experience of members at different service levels.

Retiree Mortality

We recommend updating the base tables underlying the retiree mortality assumptions to reflect the most recent tables released by the Society of Actuaries (with scaling adjustments) and keeping the mortality improvement projection scale (which is the most recently published scale) unchanged. These updated base tables are known as the Pub-2016 Public Retirement Plans Mortality Tables (Pub-2016) and contain separate tables for General and Safety members, which is a similar structure as the Pub-2010 tables currently in use by LACERA. LACERA participated in the development of the Pub-2016 mortality tables by providing mortality experience data to the Society of Actuaries (SOA).

Additional details are provided in Section 11.

Miscellaneous Assumptions

Section 12 discusses some other assumptions that are made. We are recommending the following:

- Updating the assumption for the age at which deferred vested members will commence their retirement benefit.
- Updating the current assumption for the probability of a deferred vested member establishing reciprocity and retiring with another system – from 17% to 18% for General members and from 36% to 37% for Safety members.

Estimated Financial Impact

The following exhibit is designed to give the reader an idea of how the proposed changes may affect LACERA as a whole. Note that these estimates represent the immediate impact. Ultimately, the long-term cost of any retirement system is based on the benefits provided by employers, and the actual experience of the system.

The financial impact was evaluated by performing additional valuations with the June 30, 2024 valuation data and benefits, and reflecting the proposed assumption changes. This allows us to evaluate the relative financial impact of the various proposed changes; however, it should be noted that these are just estimates and the actual impact may vary when the June 30, 2025 valuation is completed. We have projected these results forward to June 30, 2025. Note that the impact of the various assumption changes by component is somewhat dependent on the order in which they are evaluated.

Projected Results of June 30, 2025 Valuation (Proposed Assumptions)

	Funded Ratio	Total Employer Contribution	
		% of Payroll	\$ millions
June 30, 2024 Valuation	80.9%	25.61%	\$ 2,745
Estimated June 30, 2025 Valuation (before changes)	82.5%	24.90%	\$ 2,669
Recommended Economic Assumption Changes			
CPI-U Increase	0.0%	-0.06%	\$ (6)
Recommended Demographic Assumption Changes			
Merit Salary Increases	-0.2%	0.56%	\$ 60
Service Retirement / Disability	-0.1%	0.11%	12
Termination / Refund	-0.1%	-0.10%	(11)
Mortality	-0.3%	0.27%	29
Other	0.0%	0.02%	2
Demographic Assumption Changes	-0.7%	0.86%	\$ 92
Recommended Changes			
Total Recommended Changes	-0.7%	0.80%	\$ 86
Estimated June 30, 2025 Valuation (with all changes)	81.8%	25.70%	\$ 2,755

Notes

1. Impact estimated based on June 30, 2024 actuarial valuation. New assumptions will be implemented with the June 30, 2025 actuarial valuation and affect contribution rates effective July 1, 2026, so actual results will vary.
2. The estimated June 30, 2025 results (before changes) reflect the actual return for the prior year. Details are discussed in our Preliminary Funding Estimate letter, dated October 6, 2025.
3. Estimated employer contribution amount based on estimated fiscal year 2025 to 2026 Covered Payroll.
4. Impact of proposed changes will vary by plan; however, increase for the combined General plans is projected to be 0.71% and for the combined Safety plans is 1.20%.

Conclusion

We recommend that the Board adopt the proposed actuarial assumptions and methods shown in Appendix A. We believe these assumptions reasonably reflect future expectations.

2. Introduction

Funding and Valuation Principles

While our goal is to make the best possible estimate of future experience, it is important to recognize that the future will almost certainly differ from our current best estimates of it. Routine scheduled evaluations of the actuarial assumptions, such as through this experience investigation, are a sound methodology to identify where assumptions differ from emerging experience and to fine-tune the actuarial estimates to keep them as close as possible to emerging experience.

The actuarial assumptions are usually divided into two groups: economic and demographic. The economic assumptions must not only reflect LACERA's actual experience but also consider the long-term expectation of future economic growth for the nation as well as the global economy. The non-economic, or demographic assumptions, are based on LACERA's actual experience, adjusted to reflect trends and historical experience. Thus, economic assumptions are more subjective than demographic assumptions, and demographic assumptions are much more dependent on recent experience.

Overview

This report presents the results of an investigation of the economic and demographic experience and future expectations of LACERA. We will refer to this investigation as an experience study.

Throughout this report, we refer to "expected" and "proposed" actuarial assumptions. The "expected" assumptions are those used for our actuarial valuation of LACERA as of June 30, 2024. They may also be referred to as the "current" assumptions. The current assumptions and methods were adopted by the Board based on Milliman's 2022 experience study. The "proposed" or "recommended" assumptions are those we recommend for use in the valuation as of June 30, 2025 and for subsequent valuations until further changes are made.

The choice of economic assumptions (price inflation, investment return, general wage growth, payroll growth, and retiree COLA increase) is discussed in Section 4 of this report. These assumptions are generally chosen on the basis of expectations as to the effect of future economic conditions on the operation of LACERA.

Sections 5 through 12 of this report show the results of our study of demographic assumptions. These assumptions tend to be more objective than the economic assumptions. The exhibits are detailed comparisons between actual and expected decrements (members leaving active or retired status, for reasons such as retirement or death) on both the current and proposed bases. Each exhibit is identified by two numbers corresponding to the section of the report and the specific exhibit within that section. For example, Exhibit 7-1 is referenced in Section 7, retirement rates.

For each type of assumption, graphs show the actual, the expected and proposed rates, usually by some combination of gender, plan, years of service, and age. Ratios larger than 100% on the current basis generally indicate that the rates may need to be raised; ratios smaller than 100% generally indicate that rates may need to be lowered.

On most exhibits, the actual decrement rates for the periods 2016 to 2025 and 2022 to 2025 are shown as bar graphs on either a quinquennial-age basis, a years-of-service basis, or on an age basis. The current assumptions – the "expected" rates – used in the June 30, 2024 actuarial valuation, are shown, as well as the new proposed assumptions, as line graphs. Therefore, the assumption changes we are proposing are illustrated by the difference between the two lines in each exhibit. Note that in cases where no change is being proposed, only the proposed rate line is shown. On most graphs, we have also shown the actual results from the prior study period for comparison.

Actuarial Standard of Practice No. 27: Selection of Assumptions for Measuring Pension Obligations

Actuarial Standard of Practice No. 27 (ASOP 27) provides guidance to actuaries performing actuarial services that involve selecting assumptions, including for measuring defined benefit plan obligations.

Because no one knows what the future holds, the best an actuary can do is to use professional judgment to estimate possible future outcomes. These estimates are based on a mixture of past experience, future expectations, and professional judgment. The actuary should consider a number of factors, including the purpose and nature of the measurement, and appropriate recent and long-term historical data. The standard also advises the actuary not to give undue weight to experience that may not be relevant to future experience. This could include recent experience that is attributable to a specific event and it is unreasonable to assume that such experience will continue.

ASOP 27 states that each economic assumption selected by the actuary should be reasonable. The assumption is reasonable if it has the following characteristics:

- It is appropriate for the purpose of the measurement.
- It takes into account relevant historical and current economic data.
- It reflects the actuary's estimate of future experience and observation of the estimates in market data.
- It has no significant bias (i.e., it is not significantly optimistic or pessimistic), but may specifically make provision for adverse deviation.

Each assumption should individually satisfy this standard. Furthermore, with respect to any particular valuation, each assumption should be consistent with other assumptions.

In our opinion, the assumptions we are recommending for Board consideration in this report have been developed in accordance with ASOP 27.

Actuarial Standard of Practice No. 44: Selection and Use of Asset Valuation Methods for Pension Valuations

Actuarial Standard of Practice No. 44 (ASOP 44) governs the selection of asset valuation methods. For plans using an asset smoothing method, considerations include: 1) whether actuarial investment gains and losses are recognized over a reasonable period of time; 2) whether there is any significant bias toward the smoothed value overstating or understating compared to the market value; and 3) whether realized and unrealized actuarial investment gains and losses are treated similarly. In our opinion, the asset valuation method recommended in this report has been developed in accordance with ASOP 44.

3. Actuarial Methods

As part of the triennial investigation, we have reviewed the valuation methods and other issues related to the actuarial assumptions. Actuarial Standard of Practice No. 4 (ASOP 4), *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*, provides guidance to actuaries giving advice on selecting actuarial methods for defined benefit plans. Actuarial Standard of Practice No. 44 (ASOP 44), *Selection and Use of Asset Valuation Methods for Pension Valuations*, provides guidance on methods for recognizing investment gains and losses through the asset valuation method. As part of the current experience study, we reviewed the valuation methods and other issues related to the actuarial assumptions in the context of these ASOPs. This section contains a discussion of actuarial cost methods, the valuation of assets, and other miscellaneous assumptions used in the valuation.

Actuarial Cost Method

The actuarial valuation is prepared using the entry age actuarial cost method. We believe that this cost method is appropriate for LACERA's valuation. It is also the cost method that is required for financial reporting under GASB Statements 67 and 68. We recommend no change. Note that this is by far the most common method used for public sector retirement systems (used by about 90% of large public retirement systems), as it results in more stability in normal costs and provides a level allocation of costs as a percentage of pay over each individual's working lifetime. The entry age actuarial cost method satisfies the requirements of ASOP 4 for cost methods.

Valuation Assets

We believe that the current asset valuation method where actuarial asset gains and losses are smoothed over five years and any unrecognized gains/losses from prior years are offset against the current year loss/gain continues to be appropriate for LACERA's valuation. A five-year period is used by a majority of large public retirement systems. The asset valuation method satisfies the requirements of ASOP 44 that discusses the selection of asset valuation methods and is consistent with guidelines of the California Actuarial Advisory Panel (CAAP).

Amortization of UAAL

Under LACERA's current amortization policy, annual changes in the Unfunded Actuarial Accrued Liability (UAAL) are funded over separate 20-year periods as a level percentage of payroll. If there is an increase in the UAAL due to changes in the benefit provisions, a 10-year period is used. These annual payments are referred to as "layers." This approach of amortizing the changes in the UAAL due to assumption changes and actuarial gains and losses over 20 years is consistent with actuarial guidance and similar to most other California public sector retirement systems.

Treatment of STAR Reserve

Under LACERA's funding policy, the reserve value for STAR benefits is excluded from the Valuation Assets, and any potential future STAR benefits are excluded from the liability portion of the valuation. We recommend continuing to use this approach, as it keeps consistent the treatment of STAR benefits in the liabilities and the STAR Reserve in Valuation Assets.

Administrative Expense Treatment

Expenses are reflected in a valuation either implicitly or explicitly. Under the implicit method, an adjustment is made to the investment return assumption to reflect that administrative expenses are paid from investment earnings. Under the explicit method, the member and/or employer contribution rates are loaded by a percentage or amount to estimate the administrative expenses for the coming year. LACERA uses the implicit method. We believe this method is appropriate for LACERA and recommend continued usage.

Operating Tables

We are recommending changes in the mortality assumption and in the merit salary increase assumption. If either or both of these changes are adopted, the operating tables should be updated to reflect the change.

Blended Mortality Table

We have studied the following factors that apply to the blended mortality tables used in the operating factors:

- **Gender Proportion:** We found that males account for 36% of the total present value of benefits for current General members and 84% for current Safety members, compared to 37% and 85% respectively in the prior study.

We are recommending the General Unisex mortality table use a blending of 35% male and 65% female (no change) and the Safety Unisex mortality table use a blending of 85% male and 15% female (no change).

- **Assumed Retirement Year:** Since a generational mortality assumption is complex administratively to apply for operating tables, we recommend a static projection of mortality rates be used instead. To generate the static mortality table we recommend using the average retirement age of General (age 64) and Safety members (age 56) and project the base mortality table rate to 2029 for that age. Mortality rates at all other ages would then be projected to the corresponding year based on the average retirement age in 2029. For example, age 64 is the average retirement age for General members, so the mortality base table rate for age 64 is projected to 2029. The mortality rate at age 74 (10 years from age 64) would then be the base table rate for age 74 projected an additional 10 years to 2039. Note that we recommend that the projected mortality rates be limited such that the rates not be greater than the corresponding base mortality rate.
- **Retirement Type:** LACERA uses healthy mortality (i.e., the mortality table used for service retirees) in cases where a member retires as a disability, but the benefit is based on the service retirement formula. We believe this continues to be a reasonable approach.

Reflecting the proposed assumptions in the optional monthly annuities will result in changes in the modified (or Unmodified Plus) benefit amount for future retirees who elect optional forms of payment. It will not affect the unmodified benefit.

4. Economic Assumptions

This section discusses the economic assumptions.

The following table shows the current economic assumptions and our recommended assumptions, where the only change is to the national price inflation assumption.

	Economic Assumptions	
	Current	Proposed
Investment Return ⁽¹⁾	7.00%	7.00%
National Price Inflation	2.75%	2.50%
Local Price Inflation	2.75%	2.75%
General Wage Growth	3.25%	3.25%
Payroll Growth	3.25%	3.25%
COLAs for Retirees (Plan A / Other Plans) ⁽²⁾	2.75%/2.00%	2.75%/2.00%

1. Net of both investment and administration expenses. For GASB financial reporting, the recommended investment return assumption is 0.16% higher.
2. The first of the two numbers applies to Plan A; the second number applies to the remainder of the plans (although the Plan E COLA is pro-rated percentage of 2.00% based on pre-2002 service). To account for existing Plan A COLA balances, current retirees and beneficiaries are assumed to receive 3.00% annual COLAs.

We believe this proposed set of assumptions is reasonable and satisfies ASOP 27 (discussed in Section 3).

1. Price Inflation (National and Local)

Use in the Valuation

When we refer to inflation in this report, we are generally referring to price inflation, both on a local and national basis. The price inflation assumptions do not have a direct impact on the valuation results, except where it affects the assumed retiree COLA to be paid (local inflation) and the assumed increase in the PEPR wage limit (national inflation). The national inflation assumption has an indirect impact on the results of the actuarial valuation through the development of the investment return assumption, and the local price inflation assumption indirectly affects the general wage and payroll increase assumptions.

Historical Perspective

The data for inflation shown below is based on the national Consumer Price Index, US City Average, All Urban Consumers (CPI-U) as published by the Bureau of Labor Statistics.

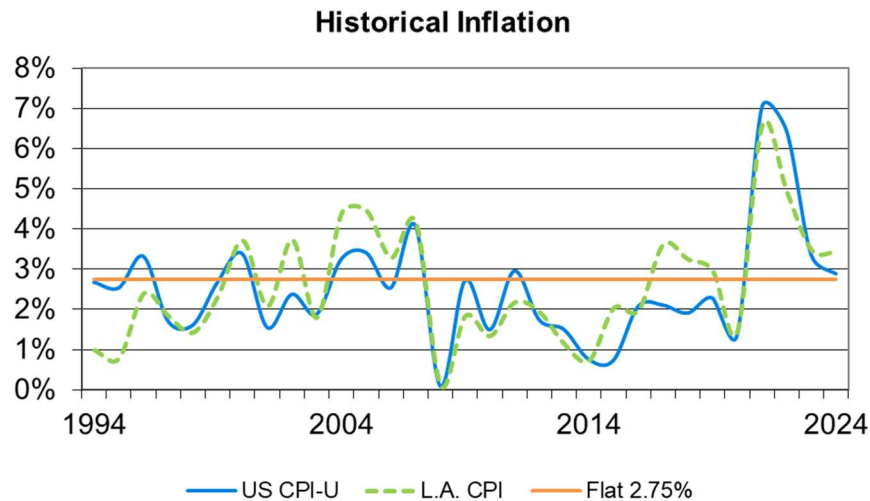
Although economic activities in general and inflation in particular do not lend themselves to prediction on the basis of historical analysis, historical patterns and long-term trends are a factor to be considered in developing the inflation assumption.

There are numerous ways to review historical data, with significantly differing results. The table below shows the compounded annual inflation rate for various 10-year and longer periods ending in December 2024. Note that the 50-year average is influenced by the inflation of the late 1970s and early 1980s. The last 30 years have averaged closer to 2.5% on both a local and national basis.

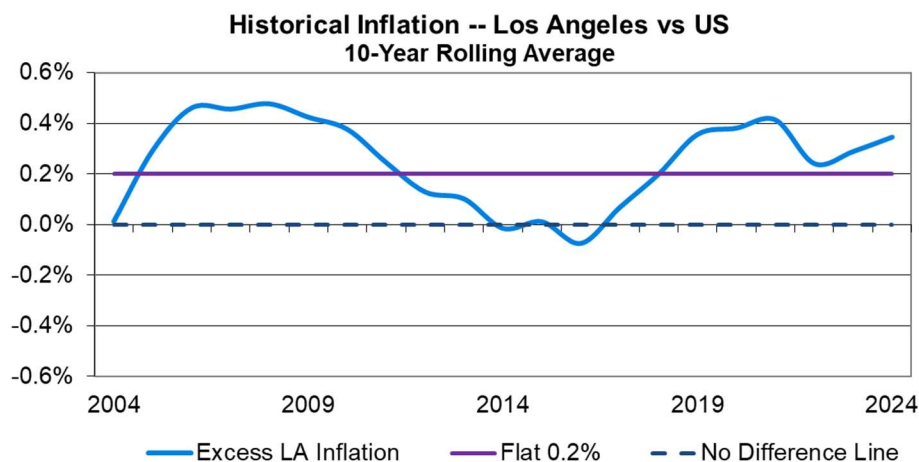
	CPI Increase	
	National	Local
10 Year Periods		
2015-2024	3.00%	3.36%
2005-2014	2.12%	2.11%
1995-2004	2.43%	2.44%
1985-1994	3.58%	3.83%
1975-1984	7.33%	7.56%
1995-2024 (30 Years)	2.52%	2.63%
1985-2024 (40 Years)	2.78%	2.93%
1975-2024 (50 Years)	3.68%	3.84%

The inflation assumption, as it relates to the investment return assumption should be based on national and even global inflation; whereas the inflation assumption used in the wage growth, payroll growth, and retiree COLA increase assumptions should be based on anticipated inflation in the Los Angeles-area. There have been some differences between U.S. and Los Angeles-area CPI changes over time. As shown in the above chart, local inflation has been equal to or greater than national inflation for each decade. For the 50-year period from 1975 to 2024 the CPI increase for the Los Angeles area has been on average 0.16% higher than national inflation.

The following graph shows historical CPI increases. The national CPI increase was less than 2.75% for almost all years from 2008 to 2020, bookended by higher inflation in the years before 2008 and after 2020. Post 2020 inflation has decreased after an initial jump in 2021 but still remains above the current assumption of 2.75%.



Also shown in the graph for comparison are CPI increases specific to the Los Angeles area, which has generally tracked national CPI but has been slightly greater. This can be better seen by displaying the same period but showing 10-year averages of the difference between local and national price inflation (below). For the 20-year period (actually 1994-2024 since 10-year averages are presented), Los Angeles-area inflation exceeded US national inflation by about 0.2% on average.



Forecasts of Inflation

Since the U.S. Treasury started issuing Treasury Inflation Protected Securities (TIPS), it is possible to determine the approximate rate of inflation anticipated by the financial markets by comparing the yields on inflation indexed bonds with traditional fixed income government bonds. Current market prices at the end of October 2025 suggest investors expect inflation to be about 2.4% over the next 20 years.

In the 2025 Social Security Administration Trustees Report, the projected average annual increase in CPI over the next 75 years under the intermediate cost assumptions is 2.4%.

Most long-term forecasts of future price inflation by economists and investment professionals are lower than 2.75%. For example, Milliman’s capital market assumptions project inflation of 2.3% over the next 20 years, Meketa projects inflation of 2.7% over the next 20 years, and the 2025 Horizon survey of capital market assumptions (which surveys about 40 investment advisors) includes 20-year assumed inflation of 2.4%.

Recommendation

Long-term forecasts are lower than the current 2.75% national price inflation assumption. Consistent with forecasts, we recommend lowering the national inflation assumption to 2.50%. However, we recommend keeping the local price inflation assumption at 2.75% to reflect that Los Angeles-area price inflation has exceeded national price inflation over an extended period.

Price Inflation	
National Price Inflation	
Current Assumption	2.75%
Recommended Assumption	2.50%
Local Price Inflation	
Current Assumption	2.75%
Recommended Assumption	2.75%

2. Wage and Payroll Growth

Use in the Valuation

General wage growth is the rate of wage growth for LACERA's continuing active employee population attributable to local price inflation and real wage growth. Real wage growth reflects increases in wages due to productivity and market adjustments. It is used to project future salaries of LACERA's employees.

Payroll wage growth is the growth rate of LACERA's total active employee population payroll. It is used to project the total payroll of LACERA over time and is primarily used in the calculation of the Unfunded Actuarial Accrued Liability (UAAL) employer contribution rate.

It is common among public retirement systems for the payroll growth rate and the general wage growth rate to be the same unless the population is expected to increase or decrease over time.

In addition to general wage growth, salaries of individual employees tend to increase due to promotion and longevity increase, which typically occur even in the absence of inflation. The promotion and longevity assumptions, referred to as the merit salary scale, will be reviewed with demographic assumptions (see Section 5).

The current assumptions are (a) general wage growth of 0.50% above the local price inflation assumption, and (b) general wage growth equal to payroll wage growth.

National Historical Perspective

We have used statistics from the Social Security Administration on the National Average Wage back to 1972. For consistency with our observations of other indices, the table below shows the compounded annual rates of wage growth for various 10-year periods and for the 50-year period ending in 2024. The excess of wage growth over price inflation represents "productivity" (or the increase in the standard of living, also called the real wage inflation rate).

Decade	Wage Growth	CPI Increase	Real Wage Inflation
2015-2024	4.0%	3.0%	1.0%
2005-2014	2.7%	2.1%	0.6%
1995-2004	4.1%	2.4%	1.7%
1985-1994	3.9%	3.6%	0.3%
1975-1984	7.2%	7.3%	-0.1%
Prior 50 Years			
1975-2024	4.4%	3.7%	0.7%

LACERA-Specific Experience

We reviewed the increase in the average compensation for LACERA members since 1999. Over that period, general wage growth averaged about 3.1% annually, compared to average annual local price inflation of about 2.9%. Therefore, for LACERA members we estimate real wage inflation has averaged 0.2% over that period. The chart below shows LACERA-specific experience over select time periods.

Period	General Wage Growth*	=	CPI Increase	+	Real Wage Inflation
2015-2024	3.5%		3.2%		0.3%
2005-2024	3.1%		2.8%		0.3%
1999-2024	3.1%		2.9%		0.2%

Period	Wage Growth		CPI Increase		Real Wage Inflation
2016-2025	3.6%		3.6%		0.0%

It can be difficult to accurately determine how much of general wage growth is directly attributable to local price inflation and how much is due to real wage growth as wage increases can be tied to overall budgets, bargaining agreements and other market pressures. In periods of high inflation, such as recently, it is possible that real wage growth is lower than it may be in periods of lower price inflation. We believe it is reasonable to assume that wages will continue to grow at a greater rate than price inflation over the long term.

Recommendations

1. Real wage growth / general wage growth

Nationally, over the last 30 years and each of the last three decades, actual average annual real wage growth has been higher than the current assumption. This is also true over the last 50 years but with the periods 1975 – 1995 experiencing lower actual average real wage growth than the current assumption. Conversely for LACERA members, actual average annual real wage growth has been lower than the current assumption over the last 25 years.

As mentioned above, we believe it is reasonable to assume that wages will continue to grow at a greater rate than price inflation over the long term and therefore are recommending that the long-term assumed real wage inflation rate remain at 0.50% per year.

Real Wage Inflation Rate	
Current assumption	0.50%
Recommended assumption	0.50%

The wage growth assumption is the total of the local price inflation assumption and the real wage inflation rate. If the real wage inflation assumption remains at 0.50% and the local price inflation assumption is set at 2.75%, this would result in a total wage growth assumption of 3.25%.

2. Payroll growth / growth in active membership

The aggregate payroll of LACERA is expected to increase, without accounting for the possibility of an increase (or decrease) in active membership.

We recommend continuing with the assumption that no future growth or decline in active membership will occur. This assumption affects the Unfunded Actuarial Accrued Liability (UAAL) amortization payment rate. With no assumed growth in membership, future salaries are assumed to grow due to wage growth increases only. If increases should occur because of additional members, there will be a larger pool of salaries over which to spread the UAAL, if any, resulting in an actuarial gain

The current payroll increase assumption is equal to the general wage growth assumption of 3.25%. It is our general recommendation to set these two assumptions to be equal, unless the active population is projected to decline or there is projected to be a material change in the make-up of the population. Over the past 20 years LACERA has experienced an overall increase in its active population, and we believe it is reasonable to assume the active population will remain at approximately the current level. We are not aware of any expected changes in the make-up of the population (such as an increased proportion of lower-paid employees) that would materially affect the payroll. Therefore, we are recommending that the payroll increase assumption continue to be set equal to total wage growth assumption.

3. Investment Return

Use in the Valuation

The investment return assumption is one of the primary determinants in the calculation of the expected cost of LACERA's benefits, providing a discount of future benefit payments that reflects the time value of money. This assumption has a direct impact on the calculation of liabilities, normal costs, member contribution rates, and the factors for optional forms of benefits (operating tables).

The current investment return assumption is 7.00% per year, net of all administrative and investment-related expenses.

2025 Expected Long-Term Investment Return

To estimate the expected long-term return we looked at capital market assumptions from three sources: Milliman, Meketa (LACERA's external investment consultant), and a survey of other investment consulting firms (Horizon Survey of Capital Market Assumptions, 2025 edition). We have combined these capital market assumptions with LACERA's target asset allocation. Note that most investment advisors provide 10-year expected return assumptions, and many provide 20-year or longer assumptions.

Combining capital market assumptions with the target asset allocation policy, we calculated both the 10 and 20-year expected returns using the Milliman and Horizon capital market assumptions. Meketa provided its expected returns. These expected returns have been reduced for administrative and investment expenses, as discussed later, and are the median expected return on a geometric basis for LACERA's target portfolio. We have also included the associated national price inflation assumptions for the capital market assumptions. A higher inflation assumption will generally lead to a higher expected return, although not necessarily on a one-to-one basis. Note that these inflation assumptions are close to the 2.5% recommended national price inflation previously discussed.

2025 CMAs	Meketa	Milliman	Horizon
Based on 10-Year Assumptions			
Median Annualized Return	7.2%	6.7%	7.3%
Assumed Inflation	2.3%	2.3%	2.4%
Based on 20-Year Assumptions			
Median Annualized Return	8.4%	7.2%	7.7%
Assumed Inflation	2.7%	2.3%	2.4%

Notes:

1. Returns are net of assumed expenses of 0.20% of assets.
2. Milliman expected returns reflect updated capital market assumptions as of June 30, 2025. Horizon and Meketa expected returns are as of January 2025.
3. The Horizon Survey reports a limited number of asset classes. In cases where there was not a corresponding asset class in the survey, Milliman's assumptions for the corresponding time horizon were used.
4. Horizon 10-year assumptions include some consultants with less than 10 years. Horizon 20-year assumptions include some consultants with more than 20 years and are based on a subset of the full group.

When actuaries recommend the investment return assumption, they generally consider a long-term time horizon. As shown in the above table, we have considered the 10-year and 20-year time horizons in making our recommendation, primarily because LACERA is a mature plan and over half the value of accrued liabilities are expected to be paid in the next 15 years. Over that period, we also expect significant cash inflows as contributions are made to amortize the UAAL. Net (negative) cashflows over that period are relatively smaller until the UAAL is fully amortized; thereafter, the level of contributions decreases and the negative cashflows increases. For context of a longer-term time horizon, based on Milliman's 2025 CMAs the median annualized expected return over 30 years is 10 basis points higher than the 20-year median annualized return, at 7.3% net of expenses.

Administrative and Investment-Related Expenses

The investment return used for the valuation is assumed to be net of all administrative and investment-related expenses.

Capital market assumptions are already effectively net of investment management expenses. We assume that there will be other fixed investment expenses of 0.05% of assets for investment-related expenses such as custodian bank fees and outside consultants.

The following table shows the ratio of administrative expenses to the LACERA Plan assets over the last 10 fiscal years ending June 30. The expense ratio is calculated as the expense amount divided by the beginning asset balance at fair market value.

Year Beginning	Beginning Market Assets	Admin. Expense	
		Amount	Ratio
2015	\$48,818	\$67	0.14%
2016	47,847	67	0.14
2017	52,743	78	0.15
2018	56,300	83	0.15
2019	58,295	85	0.15
2020	58,510	91	0.16
2021	73,012	100	0.14
2022	70,290	112	0.16
2023	73,852	118	0.16
2024	79,202	127	0.16

Note that administration expenses include LACERA investment staff salaries and other expenses.

For the administrative expenses, we have assumed no change in the assumption to 0.15% of market assets as the actual ratio has been close to this over the last 10-15 years. Accounting for this, combined with the 0.05% we have assumed for investment-related expenses, we have included a reduction of 0.20% in our calculation of the expected investment return. For example, Meketa calculated a 7.4% 10-year expected return, so we have used 7.2% in our analysis, reflecting this 0.20% reduction rounded to the nearest 0.10%.

The expense assumption does not have a direct impact on the actuarial valuation results, but it does provide a measure of gross return on investments that will be needed to meet the actuarial assumption used for the valuation. For example, our recommended investment return assumption is 7.00%, so LACERA would need to earn a gross return on its assets of 7.20% in order to net the 7.00% for funding purposes.

We recommend the 0.15% adjustment for administrative expenses be added to the investment return assumption adopted to determine the discount rate used in LACERA's GASB 67 and 68 valuations, as GASB requires the discount rate to be the long-term expected rate of return gross of administrative expenses, but net of investment expenses.

Excess Earnings

Section 31592.2 of the 1937 Act provides the Retirement Board with the authority to set aside earnings of the retirement fund during any year in excess of the total interest credited to contributions when such surplus exceeds 1.00% of the total assets of the retirement system.

Under LACERA's Actuarial Funding Policy, the Board of Investments may distribute excess earnings once the plan is fully funded and then only to provide limited benefits on the basis of excess earnings. Since it is expected to be quite some time before LACERA once again reaches full funding status, the likelihood of any excess earnings being distributed for discretionary benefits is quite low in the foreseeable future. Further, California Government Code Section 7522.44 may further restrict the Board's ability to distribute excess earnings. Therefore, for purposes of the 2025 experience study, we do not propose to recognize any additional excess earnings benefits for future years when setting the investment return assumption. This issue should be addressed again in 2028 as part of the 2028 experience study.

If the Board of Investments determines that the fund should share excess earnings with members when times are good, but the fund is not able to collect additional revenue when investment returns lag expectations, there is a cost to LACERA over time. Thus, if the Board changes its policy toward excess earnings, it must find some way to recognize an obligation for benefits attributable to excess earnings. An excess earnings policy would result in increased payments made by LACERA to members over the long term. If these potential future benefits are not recognized in setting the investment return assumption or in determining LACERA's future benefit payments, the total liabilities will be understated.

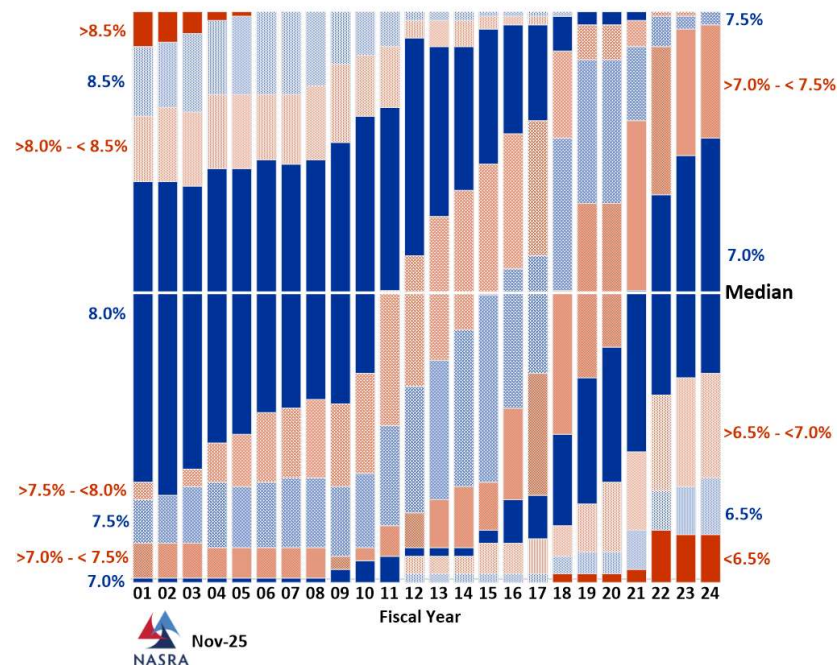
Real Rate of Return

Note that maintaining the current investment return assumption combined with the recommended decrease in the national price inflation assumption from 2.75% to 2.50% is roughly equivalent to an increase in the real rate of investment return assumption from 4.25% to 4.50% (based on a building block approach). This increase is consistent with the increase in expected real returns of many investment advisors over the last several years. In the 2022 experience study report, Milliman's 20-year capital market assumptions included an approximate 4.30% median real rate of investment return assumption, compared to the approximate 4.90% included in this year's 20-year capital market assumptions (based on a building block approach).

Peer System Comparison

According to the *Public Fund Survey*, the average investment return assumption for statewide systems steadily declined over the first two decades of this century. Over the last few years, this has somewhat levelled off. As of the most recent study, the median rate is 7.0%. The following chart shows a progression of the distribution of the investment return assumptions. In 2001, very few systems had an assumption of 7.0% or lower and over 80% had an assumption of 8.0% or greater. As of fiscal year 2025, over 70% have an assumption of 7.0% or lower.

Distribution of Investment Return Assumptions



Recommendation

We recommend LACERA retain its 7.0% investment return assumption. Based on our expected return analysis, we believe the current 7.0% assumption is reasonable.

Investment Return (net of all expenses)	
Current assumption	7.0%
Recommended Assumption	7.0%

4. Post-Retirement Cost-of-Living Adjustments (COLA)

Use in the Valuation

Estimates of future retiree COLAs affect the future benefits assumed to be paid to current and future retirees and beneficiaries and are directly related to the local price inflation assumption.

Recommendation

The current assumption is that retiree COLAs will be equal to local price inflation subject to plan maximum increases and COLA accumulation bank levels. Due to current COLA accumulation bank levels, the assumed COLA for current Plan A retirees (those retired before April 1, 2025) is 3.0%. For other Plan A retirees the assumed COLA is equal to local price inflation. For all other plans the assumed COLA is 2.0% (with pro-rata adjustment based on pre-2002 service for General Plan E). We recommend this assumption be continued.

5. Salary Increases Due to Promotion and Longevity (Merit Increases)

As discussed in Section 4, estimates of future salaries are based on assumptions for two types of increases:

1. Increases in each individual's salary due to promotion or longevity, which occur even in the absence of inflation; and
2. Increases in the general wage level of the membership, which are closely related to inflation and increases in productivity.

In section 4, we reviewed the general wage growth assumption. In this section, we will study increases due to promotion or longevity. We generally refer to these increases as merit increases.

Results

Merit increases are assumed to be related to two factors. We studied each of these factors to see if they were significant, and, if so, what the impact was. Our findings were as follows:

- **Service:** Members in the early stages of their careers tend to get larger merit increases. In studies of LACERA and other retirement systems, we have found years of service to have the most significant impact on merit increases, and we again found this to be true with LACERA.
- **Membership:** Safety members generally receive larger salary increases than General members, particularly later in their career.

For General members we observed higher than assumed increases at all service levels, with the largest differences being observed at lower service levels.

Similar to prior experience studies, we observed that Safety members received larger merit increases at certain service levels (19, 24 and 29 years of service), consistent with bargained contracts for deputy sheriffs which include longevity pay increases at those service levels. Other than those service levels, for Safety members we observed higher than assumed increases at 10 years of service and above and slightly lower than assumed increases at service intervals less than 10 years.

Methodology

In studying merit increases, we first calculated the increase in member salaries that was due to general wage growth. We then remove this from the total salary increase actually observed for each individual in successive years. The remaining portion of salary increase is the merit increase.

There can be significant year-to-year variations in salary growth for many reasons, and this can lead to disparities in the observed merit salary increases. To reduce these variations and to capture full economic cycles, we include 15 years of salary data in our studies of merit salary increases. We also reviewed the results for the prior three study periods (2016 to 2025) to identify any trends and ensure that any recommendations are consistent with both longer term and shorter-term experience. In general, the average merit increases over the last 9 years have been higher than the 15-year average; however, given the variations that can occur over shorter timeframes, we relied primarily on the 15-year analysis in making our recommendations. We believe this method provides a level of protection against over-adjusting based on shorter term experience that could reverse over upcoming economic cycles.

Recommendations

For General members, merit salary increases were higher than assumed for members at all service intervals. We recommend increases in the merit salary increase assumption for General members at all service levels to better reflect this experience.

For Safety members, our main observation was that merit salary increases were higher than assumed for members with at least 10 years of service. At some shorter service levels, we observed smaller merit salary increases than assumed. These observations were consistent with prior studies. We recommend decreases in the merit salary increase assumption at service years 2 to 8 and increases at most service levels starting at 9 years of service. The recommended rates are shown numerically in Appendix A.

For Safety members, we also recommend removing the “spikes” in the assumed salary increases at service levels 19, 24 and 29 years. While we did observe higher increases at those levels, their inclusion in the assumption can lead to discontinuities in the calculation of member contribution rates, particularly for legacy plans where members with higher entry ages are not expected to reach the higher service levels under the member contribution rate formula. Including these “spikes” will also result in member contribution rates that anticipate their continuation prospectively. Instead, we recommend including an implicit allowance for the effect of these “spikes” in the merit increase assumption at all years, so that the reliance on increases at specific service levels is reduced.

Exhibit 5-1
Salary Increases by Service – General Members

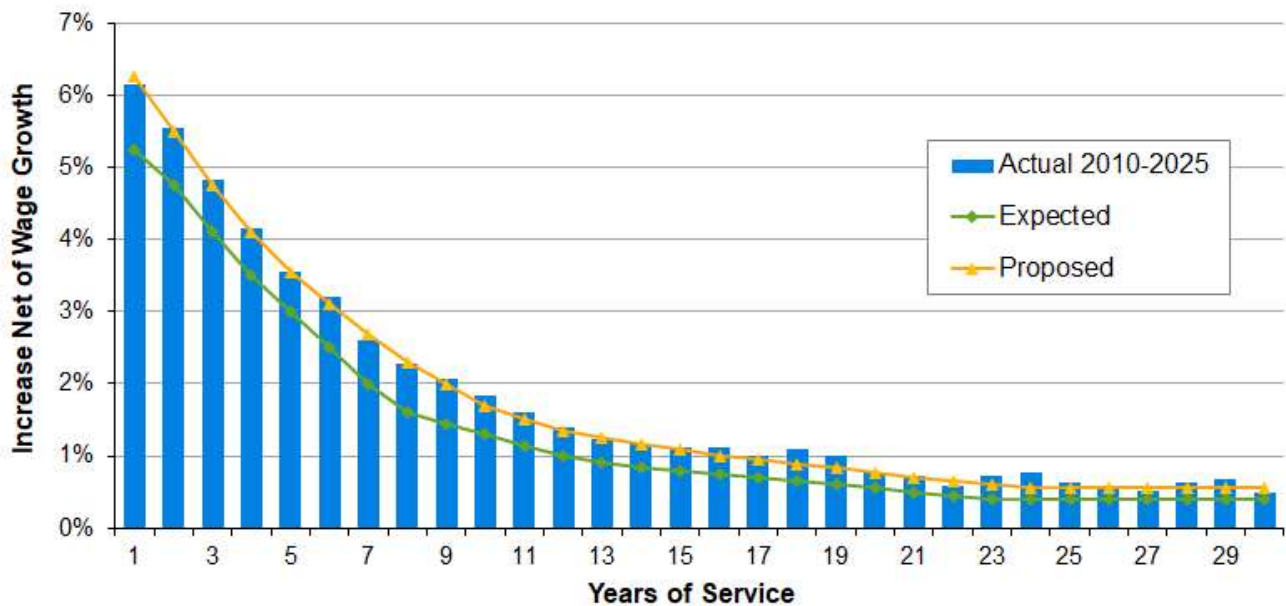
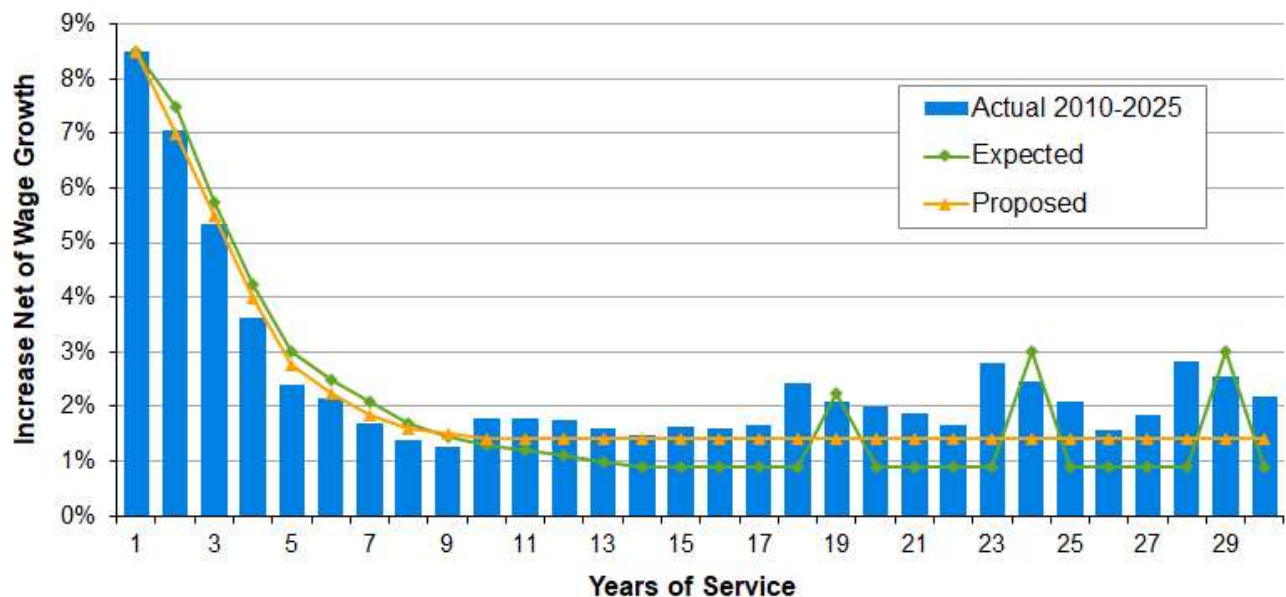


Exhibit 5-2
Salary Increases by Service – Safety Members



6. Death from Active Status

Under the current assumptions, at any given age the probability of death for an active member is lower than for a retired member. We continue to believe this is reasonable as a person who is actively working tends to be healthier on average, and therefore less likely to die than the general population.

Deaths from active service can be either “service-connected” or “nonservice-connected.” Nonservice-connected deaths are also called “ordinary deaths.”

In general, active member mortality is different based on the age and gender of the member, and their membership class (General or Safety) as described below. We separately studied the mortality experience of active members by each of these factors.

- **Age:** Members at older ages tend to have a greater probability of dying than younger members. This is almost universally true in mortality studies.
- **Gender:** Male members tend to have higher rates of mortality than females while in active status. This is generally true for all mortality studies.
- **Membership:** Safety members have comparatively lower rates of mortality while in active status than General members. These lower rates of death while still in active employment are most likely a result of the earlier retirement ages available to Safety members and their higher rates of disability while active. That is, Safety members who are less healthy than the rest of the population will tend to leave active employment sooner, and only the healthiest group remains in active Safety employment at ages 50 and above when there is a higher probability of active death.

Mortality assumptions generally include two components: a mortality base table, and a mortality improvement scale. The mortality base table reflects the experience of a set of studied lives over a fixed time period, and the mortality improvement scale adjusts those base mortality rates for people of different ages and birth years to reflect that over time an individual is expected to have a longer life expectancy than a person that was their same age with an earlier birth year, in the past.

The Society of Actuaries (SOA) publishes mortality improvement scales. These improvement scales are a complex matrix of rates that vary based on a member’s age and birth year and include projections for past and future years until reaching an “ultimate” rate of improvement for individual ages at a future year. LACERA’s current mortality assumptions use the ultimate rates of the MP-2021 mortality improvement scale which was issued in the fall of 2021 and remains the most recent mortality improvement scale published by the SOA.

Results: Service-Connected Deaths

The current assumptions for service-connected deaths are zero for General members and 0.01% per year for Safety members. Since the actual experience is extremely limited, we recommend retaining the current service-connected death assumption for active members. The data is not statistically significant enough to merit studying it separately.

Results: Nonservice-Connected Deaths (Ordinary Deaths)

The table below shows a comparison of the actual-to-expected deaths of active members by plan and gender for this study period, weighted by compensation. The study period of July 1, 2016 to June 30, 2025 overlaps with the COVID-19 pandemic and this at least partially explains the higher number of deaths compared to expected, and the elevated levels of active mortality over this period may not reasonably be expected to continue.

The table below summarizes the annual compensation-weighted actual active member mortality experience for both periods 2016 to 2025 and 2022 to 2025. An Actual / Expected (A/E) ratio greater than 100% indicates there was more compensation weighted mortality from active status than expected by the current assumptions and indicates that the mortality assumption may need to be adjusted so that the expected amount of mortality is closer to the actual amount. The lower Actual / Expected ratio for the period 2022 to 2025 indicates that annual compensation weighted mortality was lower over that period than over the entire nine-year period for General members.

Active mortality (weighted by compensation)							
Plan	Gender	2016 to 2025			2022 to 2025		
		Actual	Expected	Actual / Expected	Actual	Expected	Actual / Expected
General A-D & G	Male	38,950,644	32,465,165	120%	13,255,872	12,256,301	108%
General A-D & G	Female	40,400,748	35,488,192	114%	14,092,956	13,380,880	105%
Safety	Male	15,518,028	10,757,777	144%	6,626,268	3,743,531	177%
Safety	Female	1,545,852	1,145,365	135%	921,948	423,582	218%
Total		96,415,272	79,856,499	121%	34,897,044	29,804,294	117%

Note that Plan E has been excluded from this study as we believe that these deaths may be under-reported because Plan E does not provide a death benefit for active members.

Recommendation

We recommend updating the base tables underlying the ordinary death assumption to reflect the most recent tables released by the Society of Actuaries (with scaling adjustments) and keeping the mortality improvement projection scale unchanged. A summary of the active mortality assumption (current and proposed) is shown below:

Class	Gender	Current Table	Proposed Table
General	Male	PubG-2010 (120%) Employee Male	PubG-2016 (110%) Employee Male
General	Female	PubG-2010 (130%) Employee Female	PubG-2016 (120%) Employee Female
Safety	Male	PubS-2010 (100%) Employee Male	PubS-2016 (120%) Employee Male
Safety	Female	PubS-2010 (100%) Employee Female	PubS-2016 (120%) Employee Female

Both the current and proposed assumptions include the ultimate mortality improvement rates from the MP-2021 scale.

The table below summarizes the annual compensation-weighted actual active member mortality experience for both periods 2016 to 2025 and 2022 to 2025. The proposed assumption results in a larger amount of compensation-weighted mortality than the current assumption, as reflected in the Actual / Proposed (A/P) ratios which are lower than the corresponding A/E ratios based on the current assumption.

Active mortality (weighted by compensation)							
Plan	Gender	2016 to 2025			2022 to 2025		
		Actual	Proposed	Actual / Proposed	Actual	Proposed	Actual / Proposed
General A-D & G	Male	38,950,644	33,467,109	116%	13,255,872	12,956,642	102%
General A-D & G	Female	40,400,748	35,307,496	114%	14,092,956	13,693,776	103%
Safety	Male	15,518,028	13,757,640	113%	6,626,268	4,966,906	133%
Safety	Female	1,545,852	1,519,457	102%	921,948	577,801	160%
Total		96,415,272	84,051,702	115%	34,897,044	32,195,125	108%

The results of the study are shown graphically in Exhibits 6-1 to 6-4. The proposed rates are also shown numerically in Appendix A.

See Section 11 (Retiree Mortality) for additional discussion about mortality improvement.

Exhibit 6-1
Nonservice-Connected Death – General A-D & G Male Members

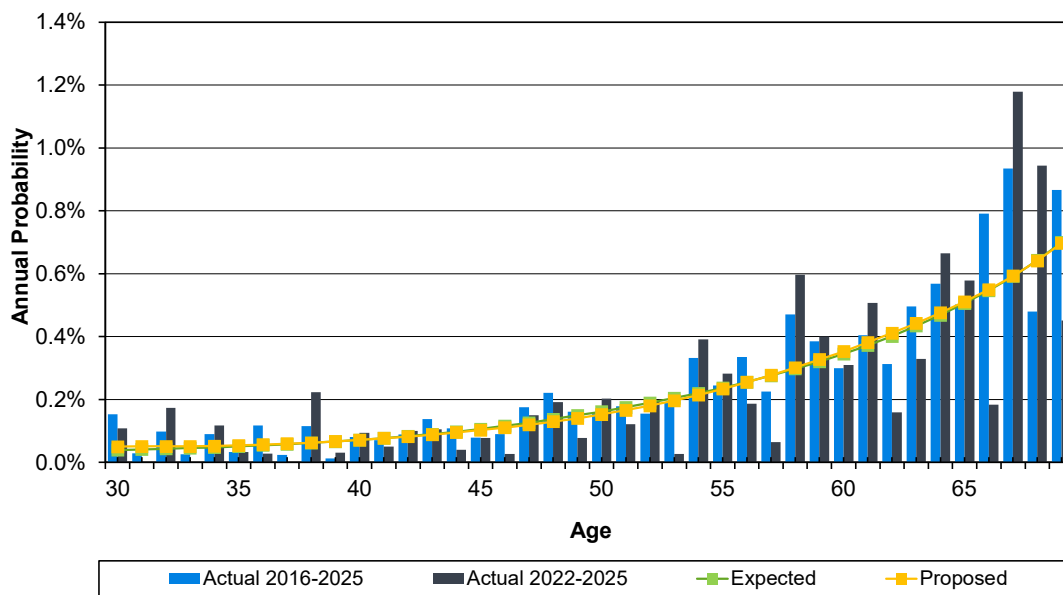


Exhibit 6-2
Nonservice-Connected Death – General A-D & G Female Members

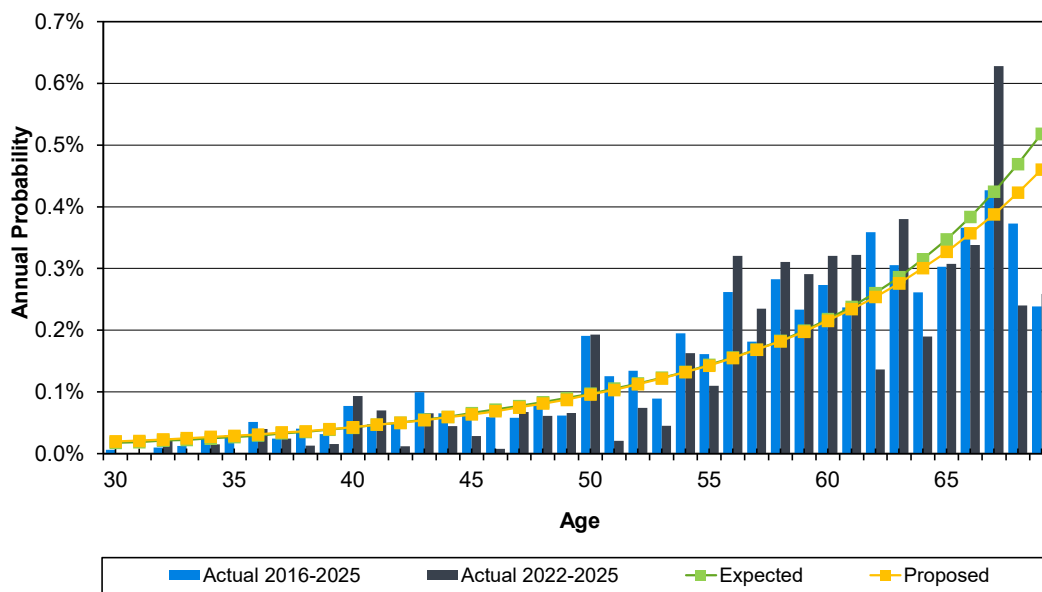


Exhibit 6-3
Nonservice-Connected Death – Safety Male Members

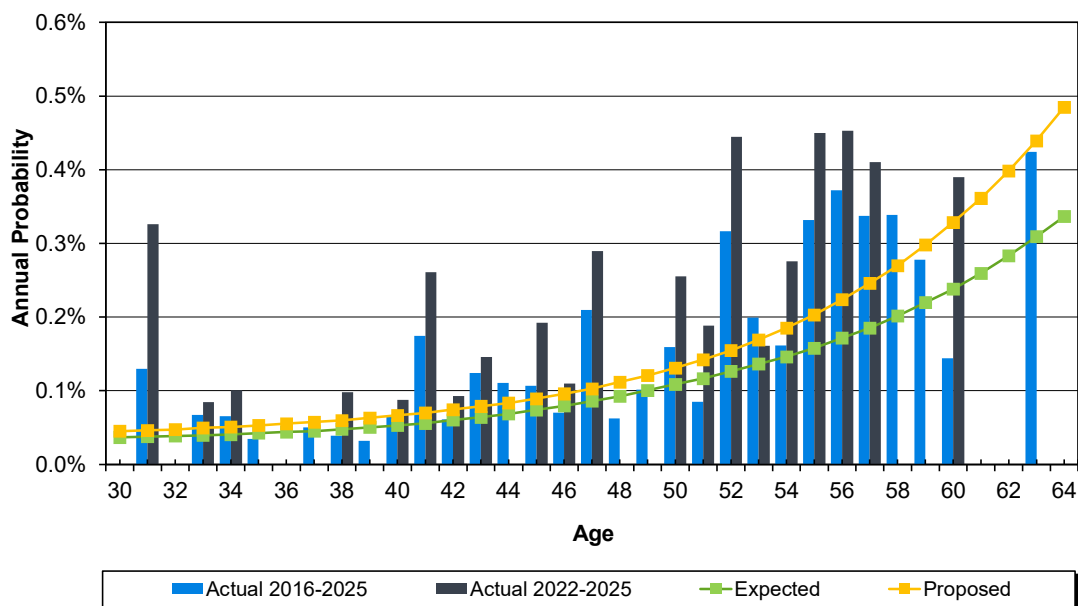
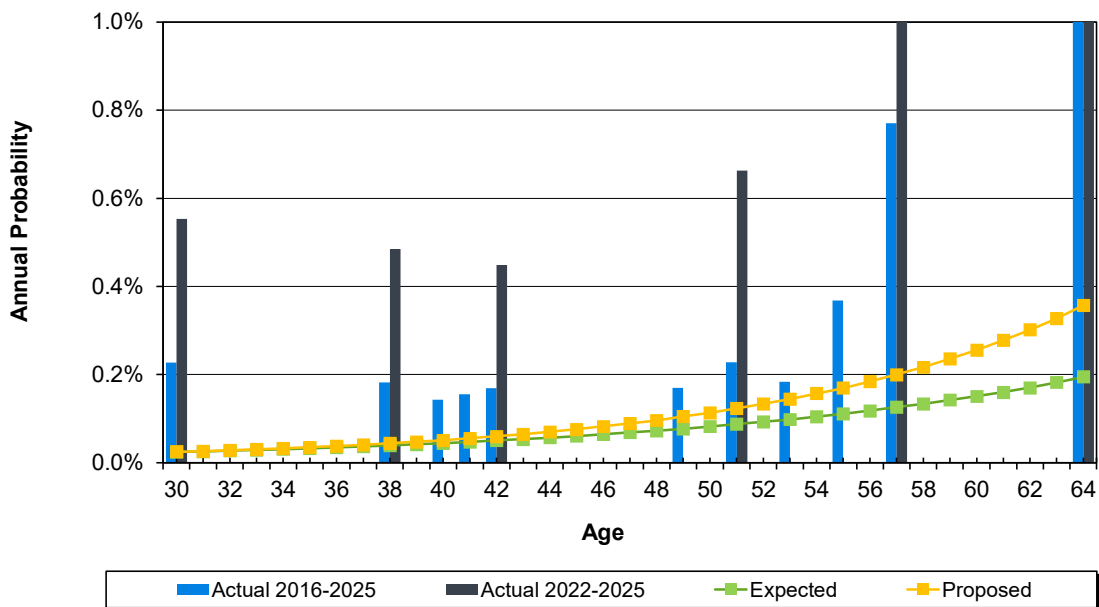


Exhibit 6-4
Nonservice-Connected Death – Safety Female Members



7. Service Retirements

Exhibits 7-1 through 7-3 show the actual and expected rates of service retirements, in aggregate, during the study period. These rates are weighted by compensation level.

General Plans A through C have about 50 combined active members as of June 30, 2025 and Safety Plan A has 0 active members. There were not enough service retirements in any of these plans to perform a meaningful statistical analysis of their experience. As such, our analysis relies primarily on the experience of General Plans D and E, and Safety Plan B although we include all legacy members in the analysis.

General Plan G and Safety Plan C have very few actual service retirements since most members in those plans entered LACERA within the last 12 years and therefore tend to be younger on average than the overall active population, and have fewer years of service, on average.

Overall Results

As can be seen in the following table, overall, the actual amount of annual compensation-weighted retirements for General Plans A-D (ages 50 – 74) was higher than expected by the assumptions and the actual amount of compensation-weighted retirements for Safety Plans A-B (ages less than 65) was significantly lower than expected. General Plan E (ages 55 – 74) actual retirements in total were in line with expectations.

Service Retirements (weighted by compensation)						
Plan	2016 to 2025			2022 to 2025		
	Actual	Expected	Actual / Expected	Actual	Expected	Actual / Expected
General A-D & G	1,312,859	1,170,648	112%	505,394	437,505	116%
General E	623,637	618,591	101%	212,846	213,092	100%
Safety	270,902	508,955	53%	107,386	180,579	59%
Total	2,207,399	2,298,194	96%	825,626	831,175	99%

Numbers in the table are compensation-weighted and in \$ thousands of annual compensation.

As shown in the table above, Safety members in Plans A-B experienced significantly lower service retirements than expected by the assumptions. The main reason for this is the relatively high number of Safety disability retirement awards that occurred after their service retirement commencement which we have classified as disability retirements not service retirements.

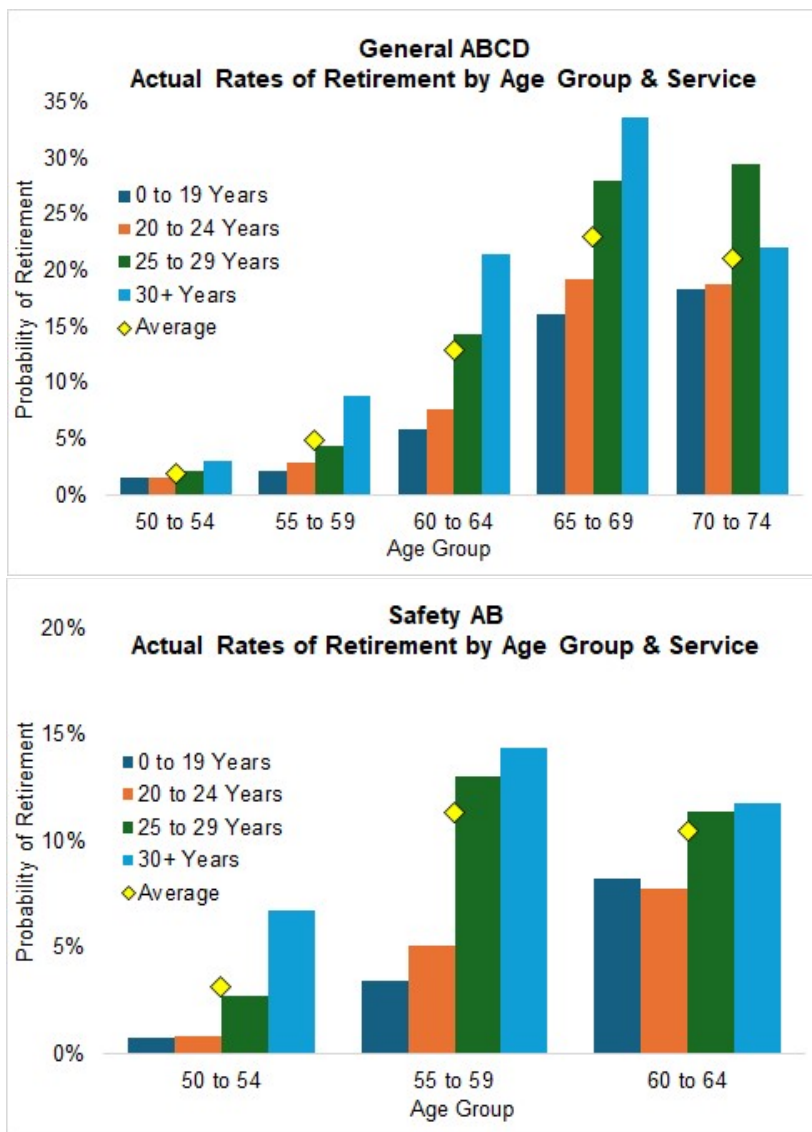
Safety members who initially commence a service retirement benefit are often subsequently awarded a service-connected disability retirement and have their retirement “status” recharacterized accordingly. In our analysis we have considered the ultimate retirement status as the reason the member retired from service. That is, we have treated as disability retirements those members who initially commenced a service retirement who were subsequently awarded a service-connected disability. The result of this is that actual service retirements were significantly lower than expected by the assumptions and actual disability retirements were significantly higher than expected.

Similarly, we recharacterized General members that were initially classified as a service retirement and subsequently had a post-commencement disability retirement award, but this had a much smaller impact than for Safety members, as a much lower percentage of General members were affected compared to Safety members.

Results by age and years of service

Retirement rates are based primarily on three factors – age, length of service and class of membership. Overall, active members retire at higher rates as they get older and those with more years of service have a higher probability of retiring at a given age than those with less years of service. Ages at which retirement benefits are “optimized” based on each Plan’s retirement formula also impacts rates of retirement at given ages and service levels.

The charts below show how service retirement rates vary by class of membership over the period 2016 to 2025 and generally increase with age and years of service. The yellow diamond is the average rate of retirement for each age group.



Recommendation

We are recommending the following changes in the rates of service retirement:

- Overall increases to General A-D service retirement rates, primarily affecting retirement rates for active members with 25 or more years of service. A summary of the relationship between actual amounts, expected amounts by the current assumptions, and expected amounts by the proposed assumptions, broken down by age group and years of service, over the period 2016 to 2025 is shown below:

General Plans A to D Retirement Summary by Age Group (50 to 74)						
0 to 19 Years of Service						
Age Group	Actual	Expected	Actual / Expected	Proposed	Actual / Proposed	Impact
50-54	34,585,512	25,935,066	133%	33,209,177	104%	Increase
55-59	35,225,112	45,441,900	78%	35,328,601	100%	Decrease
60-64	66,602,832	93,454,177	71%	70,134,810	95%	Decrease
65-69	86,839,584	87,228,751	100%	89,228,337	97%	Increase
70-74	31,148,352	28,172,369	111%	31,160,292	100%	Increase
Total	254,401,392	280,232,264	91%	259,061,218	98%	Decrease
20 to 24 Years of Service						
Age Group	Actual	Expected	Actual / Expected	Proposed	Actual / Proposed	Impact
50-54	23,577,864	20,687,875	114%	25,372,853	93%	Increase
55-59	30,836,448	34,796,685	89%	31,234,954	99%	Decrease
60-64	58,269,888	68,962,839	84%	61,187,295	95%	Decrease
65-69	64,380,540	61,009,821	106%	65,300,617	99%	Increase
70-74	20,199,204	20,123,407	100%	20,071,907	101%	Decrease
Total	197,263,944	205,580,627	96%	203,167,626	97%	Decrease
25 to 29 Years of Service						
Age Group	Actual	Expected	Actual / Expected	Proposed	Actual / Proposed	Impact
50-54	29,998,884	22,594,395	133%	29,834,355	101%	Increase
55-59	48,376,320	42,848,731	113%	46,943,932	103%	Increase
60-64	93,491,940	71,164,166	131%	89,857,999	104%	Increase
65-69	66,961,764	53,417,820	125%	66,406,049	101%	Increase
70-74	21,454,596	16,527,043	130%	20,055,337	107%	Increase
Total	260,283,504	206,552,155	126%	253,097,673	103%	Increase
30 or more Years of Service						
Age Group	Actual	Expected	Actual / Expected	Proposed	Actual / Proposed	Impact
50-54	24,776,340	20,588,487	120%	24,401,483	102%	Increase
55-59	153,287,460	101,096,038	152%	149,628,033	102%	Increase
60-64	279,303,468	209,217,718	133%	280,234,455	100%	Increase
65-69	118,072,428	112,270,465	105%	117,917,307	100%	Increase
70-74	25,470,744	35,110,134	73%	26,078,728	98%	Decrease
Total	600,910,440	478,282,841	126%	598,260,007	100%	Increase

2. Overall decreases to the Safety A-B service retirement rates at most age and service levels, primarily affecting retirement rates for active members age 54 and above regardless of years of service. A summary of the relationship between actual amounts, expected amounts by the current assumptions, and expected amounts by the proposed assumptions, broken down by age group and years of service, over the period 2016 to 2025 is shown below:

Safety Plans A to B Retirement Summary by Age Group (40 to 64)						
0 to 19 Years of Service						
Age Group	Actual	Expected	Actual / Expected	Proposed	Actual / Proposed	Impact
40-44	-	-	N/A	-	N/A	N/A
45-49	-	-	N/A	-	N/A	N/A
50-54	3,232,344	5,465,154	59%	5,024,452	64%	Decrease
55-59	4,691,784	9,541,841	49%	6,372,028	74%	Decrease
60-64	2,834,844	2,596,106	109%	2,881,170	98%	Increase
Total	10,758,972	17,603,101	61%	14,277,650	75%	Decrease
20 to 24 Years of Service						
Age Group	Actual	Expected	Actual / Expected	Proposed	Actual / Proposed	Impact
40-44	1,722,972	2,000,703	86%	1,905,431	90%	Decrease
45-49	5,573,340	4,787,861	116%	4,559,867	122%	Decrease
50-54	4,949,148	15,052,565	33%	7,251,775	68%	Decrease
55-59	10,128,000	26,277,589	39%	11,336,837	89%	Decrease
60-64	3,083,940	5,722,791	54%	4,183,547	74%	Decrease
Total	25,457,400	53,841,508	47%	29,237,457	87%	Decrease
25 to 29 Years of Service						
Age Group	Actual	Expected	Actual / Expected	Proposed	Actual / Proposed	Impact
40-44	256,980	205,618	125%	122,338	210%	Decrease
45-49	3,342,768	4,389,572	76%	2,660,347	126%	Decrease
50-54	29,236,440	45,229,785	65%	37,641,384	78%	Decrease
55-59	44,087,148	70,023,091	63%	46,154,098	96%	Decrease
60-64	5,772,132	11,531,937	50%	5,586,608	103%	Decrease
Total	82,695,468	131,380,004	63%	92,164,775	90%	Decrease
30 or more Years of Service						
Age Group	Actual	Expected	Actual / Expected	Proposed	Actual / Proposed	Impact
40-44	-	7,176	0%	2,814	0%	Decrease
45-49	166,632	542,965	31%	212,927	78%	Decrease
50-54	52,927,800	74,900,225	71%	49,353,160	107%	Decrease
55-59	86,421,960	193,537,471	45%	96,865,563	89%	Decrease
60-64	12,473,952	37,142,313	34%	13,231,246	94%	Decrease
Total	151,990,344	306,130,150	50%	159,665,710	95%	Decrease

3. Overall increases to the General E service retirement rates, with increases primarily affecting active members age 65 to 69 with 25 or more years of service and decreases for active members with less than 25 years of service. A summary of the relationship between actual amounts, expected amounts by the current assumptions, and expected amounts by the proposed assumptions, broken down by age group and years of service, over the period 2016 to 2025 is shown below:

General Plan E Retirement Summary by Age Group (55 to 74)						
0 to 19 Years of Service						
Age Group	Actual	Expected	Actual / Expected	Proposed	Actual / Proposed	Impact
55-59	9,234,612	8,571,094	108%	10,131,653	91%	Increase
60-64	17,847,660	28,162,295	63%	18,054,561	99%	Decrease
65-69	31,685,172	37,225,250	85%	33,803,388	94%	Decrease
70-74	12,132,384	12,238,666	99%	12,238,666	99%	No change
Total	70,899,828	86,197,305	82%	74,228,267	96%	Decrease
20 to 24 Years of Service						
Age Group	Actual	Expected	Actual / Expected	Proposed	Actual / Proposed	Impact
55-59	7,127,796	6,039,870	118%	7,744,746	92%	Increase
60-64	12,790,416	19,659,776	65%	14,172,721	90%	Decrease
65-69	26,910,948	29,281,628	92%	28,826,193	93%	Decrease
70-74	11,312,688	10,591,248	107%	10,591,248	107%	No change
Total	58,141,848	65,572,521	89%	61,334,907	95%	Decrease
25 to 29 Years of Service						
Age Group	Actual	Expected	Actual / Expected	Proposed	Actual / Proposed	Impact
55-59	14,648,256	11,932,749	123%	16,012,895	91%	Increase
60-64	28,974,240	31,078,256	93%	31,105,118	93%	Increase
65-69	38,544,900	35,803,170	108%	40,314,311	96%	Increase
70-74	12,463,344	10,528,404	118%	12,634,085	99%	Increase
Total	94,630,740	89,342,579	106%	100,066,408	95%	Increase
30 or more Years of Service						
Age Group	Actual	Expected	Actual / Expected	Proposed	Actual / Proposed	Impact
55-59	31,523,052	32,113,735	98%	32,596,275	97%	Increase
60-64	166,367,568	155,515,664	107%	166,331,330	100%	Increase
65-69	166,936,968	149,157,651	112%	167,645,604	100%	Increase
70-74	35,137,392	40,691,652	86%	35,250,811	100%	Decrease
Total	399,964,980	377,478,702	106%	401,824,020	100%	Increase

4. Revisions to service retirement rates for PEPRA members (General Plan G and Safety Plan C) that reflect the recommendations for the respective Legacy plans and also the specific retirement eligibility and benefit level differences between Legacy and PEPRA plans. Specifically, these PEPRA assumptions expect that members will remain in active employment until later ages than similarly situated Legacy members. Revisions to service retirement rates at less than 20 years of service also considers actual experience of each respective PEPRA plan.
5. Additionally, we recommend continuing the assumption of 100% probability of retirement at certain age and service combinations (shown in Appendix A) where the benefit is approximately 100% (or greater) of final average compensation.

Exhibit 7-1
Service Retirement – General A, B, C & D Members

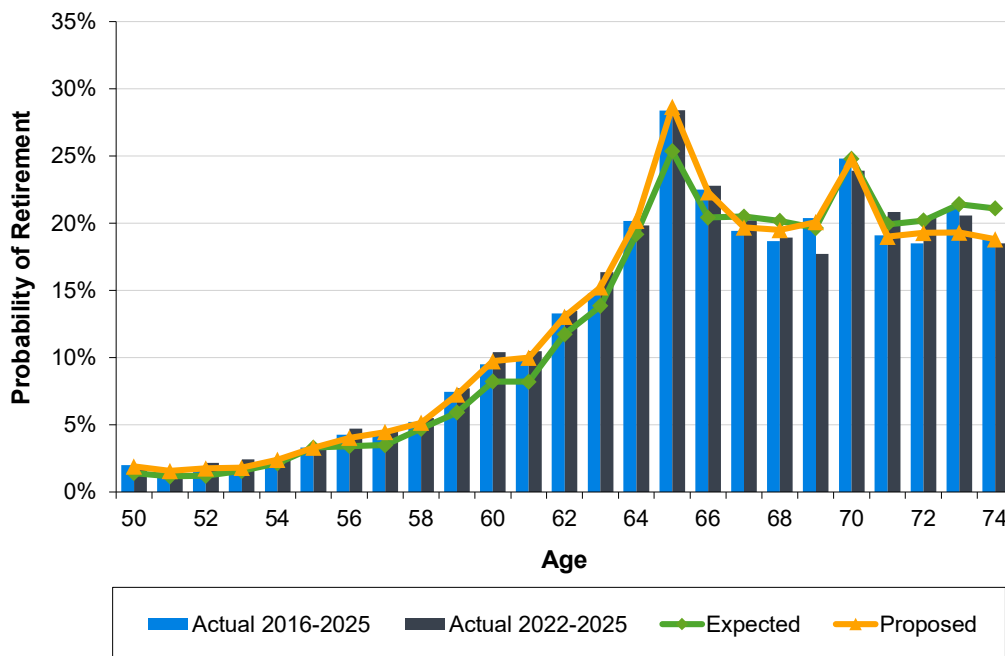


Exhibit 7-2
Service Retirement – General E Members

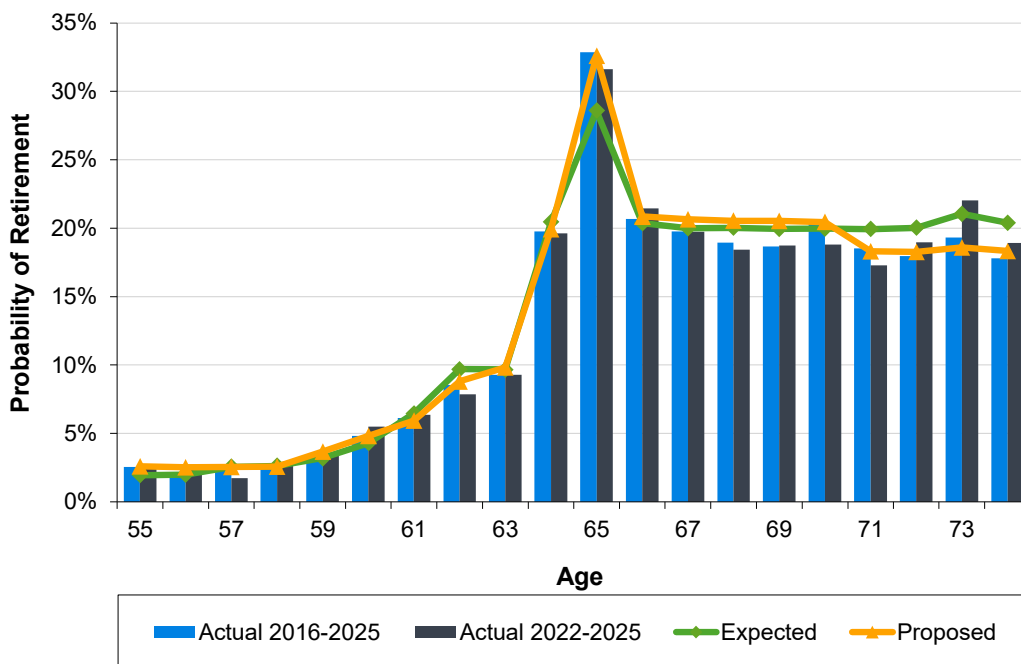
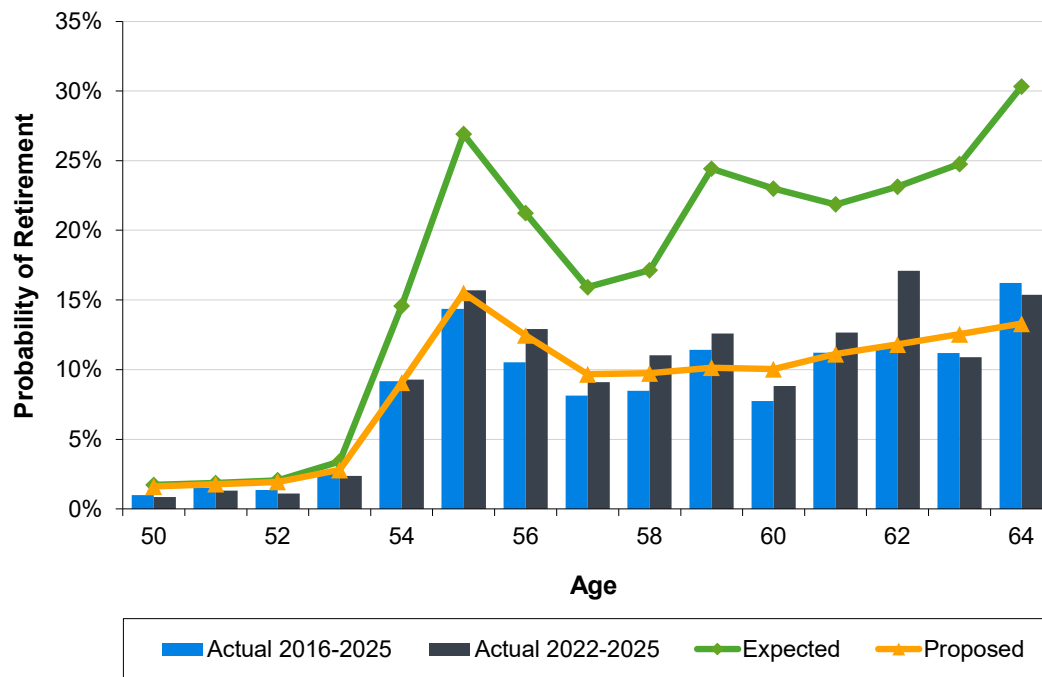


Exhibit 7-3
Service Retirement – Safety A & B Members



8. Disability Retirements

LACERA allows a member to start receiving benefits prior to eligibility for service retirement if the member becomes disabled. Additionally, a member who has met the service retirement eligibility conditions may be eligible for a disability retirement in lieu of a service retirement. There are two types of disability:

- **Service-Connected Disability:** This is available only to members who are disabled for the performance of duty. There is no service requirement for this benefit, and the service-connected disability benefit generally pays a larger benefit than nonservice-connected disability.
- **Nonservice-Connected Disability:** This is available to a disabled member upon satisfying the vesting requirement.

As discussed in Section 7, members who initially commence a service retirement benefit and are subsequently awarded a service-connected disability retirement have their retirement “status” recharacterized accordingly. In our analysis, we have considered the ultimate retirement status as the reason the member retired from service. That is, we have treated as disability retirements those members who initially commenced a service retirement who were subsequently awarded a disability retirement. The result of this is that actual service retirements, specifically of Safety members, were significantly lower than expected by the assumptions and actual disability retirements were significantly higher than expected.

This recharacterization of retirements is relatively common in public retirement systems. We have found that in many systems, including LACERA, there is generally at least a six-month lag between the actual occurrence of a disability retirement and the subsequent approval and reporting of that same retirement.

Results: Service-Connected Disability

Overall, the actual number of service-connected disabilities, weighted by annual compensation, was higher than expected by the current assumptions, with the largest differences for Safety members. The following is a comparison of the actual to expected service-connected disabilities for active members by gender and member class.

Service-Connected Disability Retirements (weighted by compensation)							
Plan	Gender	2016 to 2025			2022 to 2025		
		Actual	Expected	Actual / Expected	Actual	Expected	Actual / Expected
General A-D, G	Male	32,380,932	28,280,128	115%	11,472,804	10,976,920	105%
General A-D, G	Female	57,652,404	35,773,414	161%	19,767,048	13,848,357	143%
Safety	Male	424,733,004	173,953,176	244%	143,074,344	63,540,092	225%
Safety	Female	57,213,516	31,200,168	183%	24,618,480	12,083,935	204%
Total		571,979,856	269,206,886	212%	198,932,676	100,449,304	198%

Results: Nonservice-Connected Disability

Actual experience for nonservice-connected disabilities, weighted by annual compensation, was lower than the assumptions for General members predicted, which is consistent with prior studies and longer study periods. The following is a comparison of the actual-to-expected nonservice-connected disabilities for active General members for this study period, weighted by annual compensation.

Nonservice-Connected Disability Retirements (weighted by compensation)							
Plan	Gender	2016 to 2025			2022 to 2025		
		Actual	Expected	Actual / Expected	Actual	Expected	Actual / Expected
General A-D, G	Male	3,981,600	8,896,564	45%	313,884	3,443,651	9%
General A-D, G	Female	9,373,368	13,242,194	71%	2,085,828	5,125,743	41%
Total		13,354,968	22,138,758	60%	2,399,712	8,569,394	28%

Recommendation: Service-Connected Disability

After accounting for service retired members whose retirement type was reclassified to service-connected disability over the study period there were significantly more service-connected disability retirements than expected by the assumptions, particularly for Safety members. As a result, we are recommending updating the service-connected disability retirement assumptions.

Service-Connected Disability Retirements (weighted by compensation)							
Plan	Gender	2016 to 2025			2022 to 2025		
		Actual	Proposed	Actual / Proposed	Actual	Proposed	Actual / Proposed
General A-D, G	Male	32,380,932	29,742,901	109%	11,472,804	11,538,679	99%
General A-D, G	Female	57,652,404	49,943,829	115%	19,767,048	19,337,429	102%
Safety	Male	424,733,004	376,042,947	113%	143,074,344	138,476,073	103%
Safety	Female	57,213,516	55,908,508	102%	24,618,480	22,064,350	112%
Total		571,979,856	511,638,185	112%	198,932,676	191,416,531	104%

Note that for many members who retire due to service-connected disability, their benefit calculated under the service retirement provisions will be larger than that calculated under the disability retirement provisions. As a result, their monthly retirement allowance will be the same regardless of whether they retire for disability or service retirement. Consequently, the impact on plan liabilities is somewhat muted, except for differences between mortality assumptions and the unmodified continuance allowance provisions.

Exhibits 8-1 to 8-4, at the end of this section, show the results of the analysis graphically.

Recommendation: Nonservice-Connected Disability

Actual experience for nonservice-connected disabilities was lower than the assumptions for General members predicted, even after accounting for retired members whose retirement type was reclassified to nonservice-connected disability over the study period. We are recommending lowering the nonservice-connected disability retirement assumptions.

Nonservice-Connected Disability Retirements (weighted by compensation)							
Plan	Gender	2016 to 2025			2022 to 2025		
		Actual	Proposed	Actual / Proposed	Actual	Proposed	Actual / Proposed
General A-D, G	Male	3,981,600	4,862,020	82%	313,884	1,865,120	17%
General A-D, G	Female	9,373,368	8,412,626	111%	2,085,828	3,257,874	64%
Total		13,354,968	13,274,646	101%	2,399,712	5,122,994	47%

Exhibits 8-5 to 8-6, at the end of this section, show the results of the analysis graphically.

Exhibit 8-1
Service-Connected Disability Retirement – General A-D & G Male Members

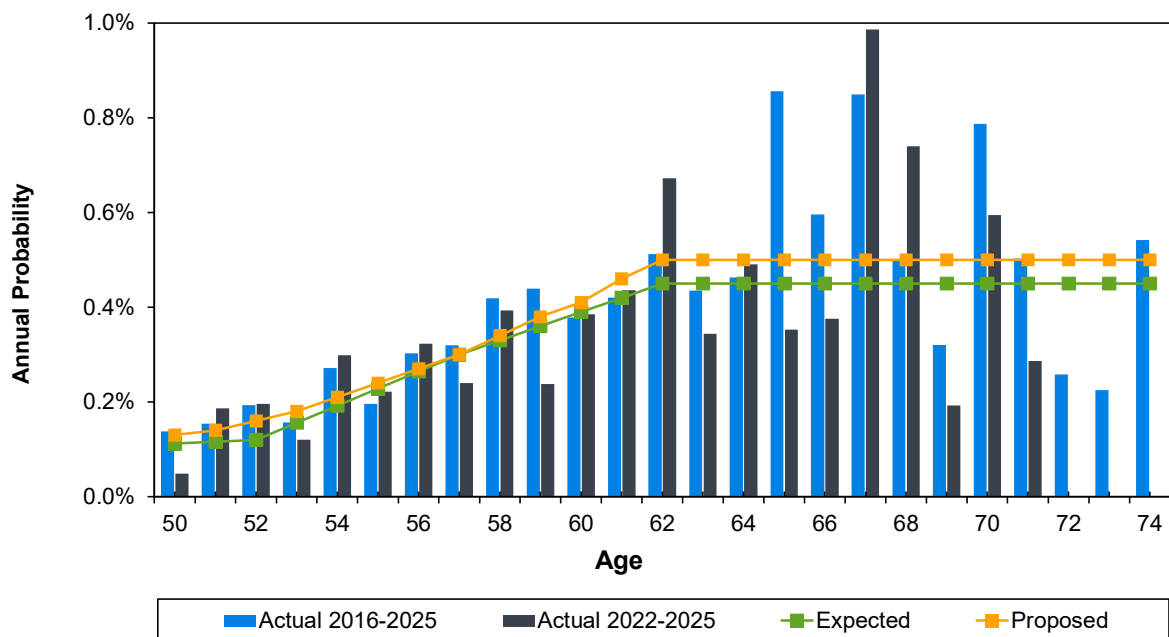


Exhibit 8-2
Service-Connected Disability Retirement – General A-D & G Female Members

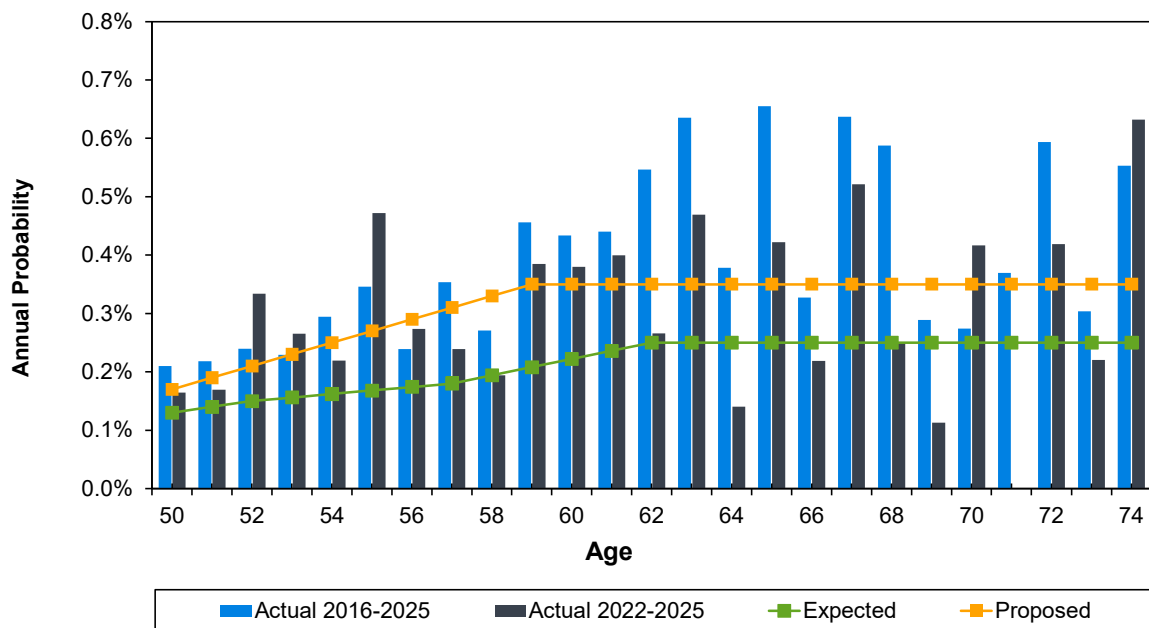


Exhibit 8-3
Service-Connected Disability Retirement – Safety Male Members

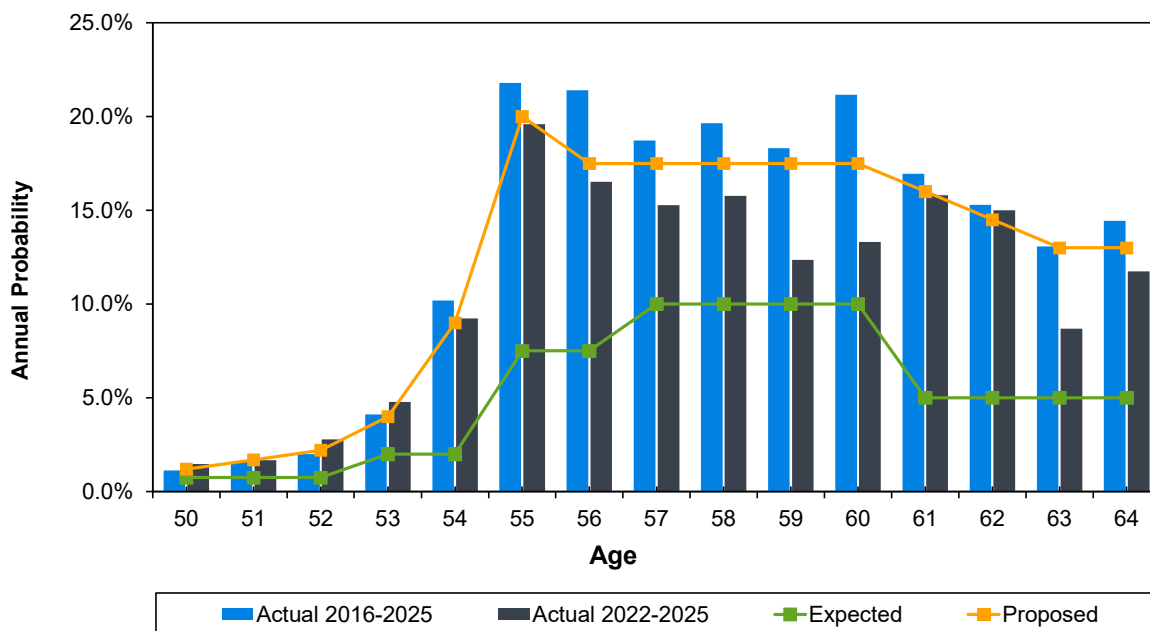


Exhibit 8-4
Service-Connected Disability Retirement – Safety Female Members

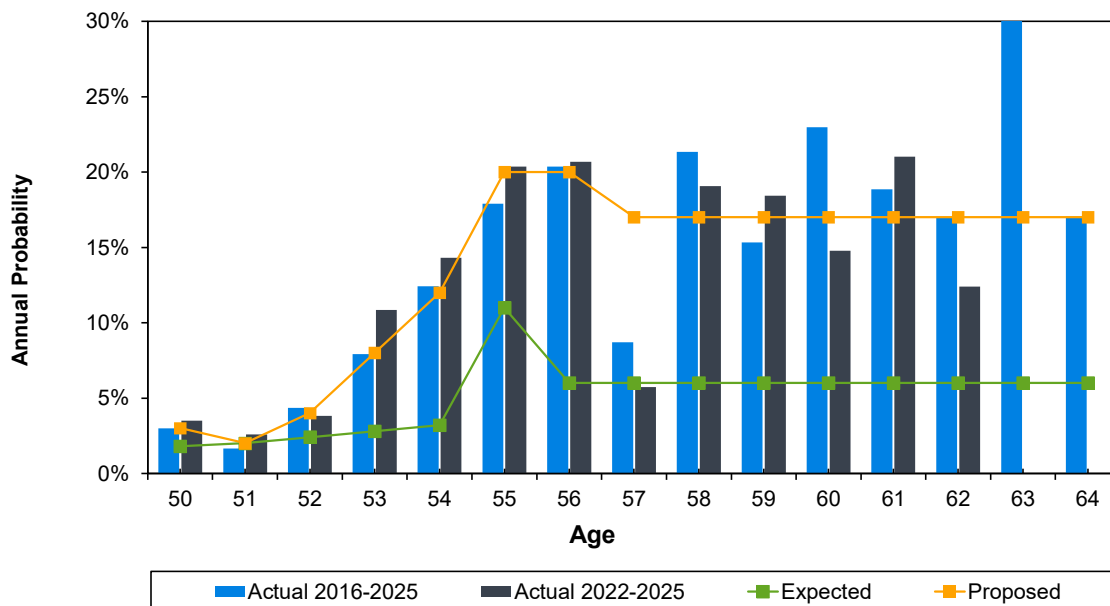


Exhibit 8-5
Nonservice-Connected Disability Retirement – General A-D & G Male Members

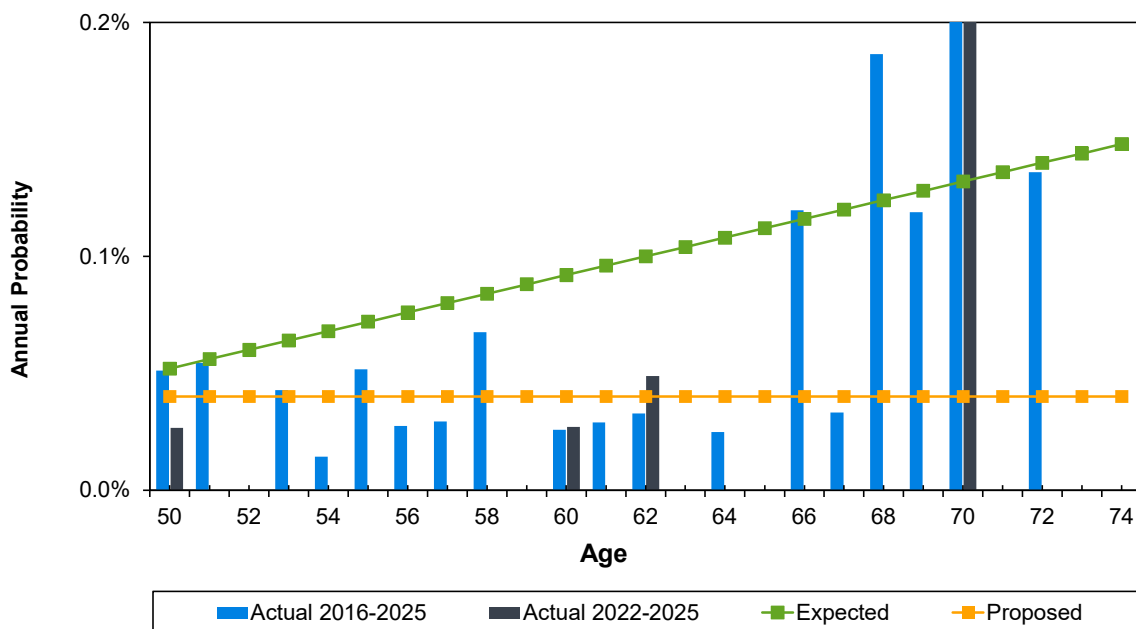
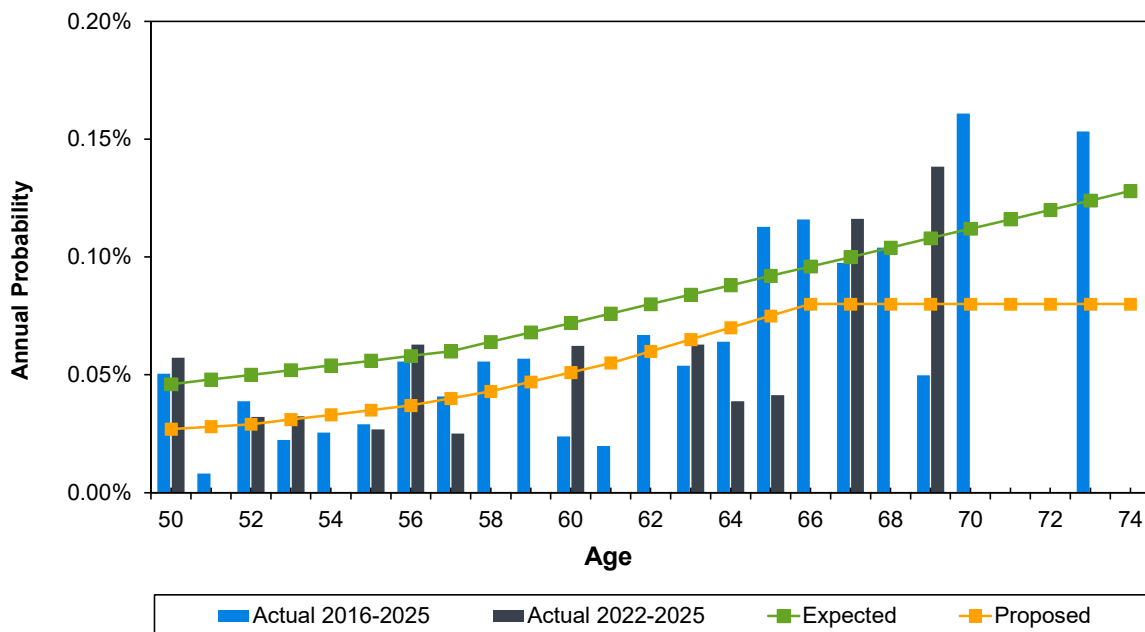


Exhibit 8-6
Nonservice-Connected Disability Retirement – General A-D & G Female Members



9. Terminations (Includes both Refunds and Vested Terminations)

This section of the report summarizes the results of our study of terminations of employment for reasons other than death, service retirement, or disability. As used in the actuarial valuation, termination rates refer to both voluntary and involuntary terminations of employment. A member who terminates, but does not retire, is assumed to either take a refund (a withdrawal) or to terminate employment but leave their member contributions on deposit at LACERA (a vested termination). We will refer to the combination of the two rates as the aggregate termination rate. This approach sets a probability that the member will terminate and then assumes a certain portion of the members terminating will elect a refund. The probability of refund is discussed in more detail in Section 10.

We have found in our analysis of LACERA experience that termination rates vary by member class and the stage of a member's career. That is, members in the early stages of their career generally have a higher probability of terminating. This is consistent with our findings from other studies. As such, we analyze termination rates separately for General and Safety members and based on a member's length of service with LACERA.

We studied General Plans (except Plan E) together, and all Safety Plans together. General Plans A through C and Safety Plan A no longer have many members impacted by the termination assumption so do not materially impact this analysis. (The total membership of those plans is aging and has at least 30 years of service in most cases. Under the current approach to applying termination rates, once a member is eligible for retirement, no termination is assumed.) General Plan D and Safety Plan B provide experience for members with longer service while General Plan G and Safety Plan C provide experience for members with shorter service. General Plan E has a different benefit structure than other General Plans so we study it separately from other General Plans.

Results: Aggregate Terminations (Refunds and Vested Terminations)

As shown in the table below, the overall number of terminations, weighted by annual compensation, was higher than expected for all plans over both periods 2016 to 2025 and 2022 to 2025.

Termination of Employment (weighted by compensation)						
Plan	2016 to 2025			2022 to 2025		
	Actual	Expected	Actual / Expected	Actual	Expected	Actual / Expected
General A-D & G	1,129,385,304	937,007,628	121%	451,225,428	352,144,147	128%
General E	82,544,544	72,443,830	114%	19,565,556	15,788,007	124%
Safety	124,417,080	85,272,974	146%	55,420,272	30,171,699	184%
Total	1,336,346,928	1,094,724,432	122%	526,211,256	398,103,853	132%

The Actual / Expected (A/E) ratio greater than 100% indicates there was more compensation weighted terminations of employment than expected by the current assumptions and indicates that the assumption may need to be adjusted so that the expected amount is closer to the actual amount. The higher Actual / Expected ratio for the period 2022 to 2025 indicates that compensation weighted termination of employment was higher over that period than over the entire nine-year period.

Exhibits 9-1 to 9-3 at the end of this section show the results of the study graphically.

Recommendation

For all Plans we recommend increasing termination rates across most service durations.

The table below summarizes the compensation-weighted actual termination from experience for both periods 2016 to 2025 and 2022 to 2025. The proposed assumption results in a larger amount of compensation-weighted terminations than the current assumption, as reflected in the Actual / Proposed (A/P) ratios which are lower than the corresponding A/E ratios based on the current assumption.

Termination of Employment (weighted by compensation)						
Plan	2016 to 2025			2022 to 2025		
	Actual	Proposed	Actual / Proposed	Actual	Proposed	Actual / Proposed
General A-D & G	1,129,385,304	1,048,550,571	108%	451,225,428	392,572,834	115%
General E	82,544,544	81,451,796	101%	19,565,556	16,256,585	120%
Safety	124,417,080	112,098,124	111%	55,420,272	40,754,124	136%
Total	1,336,346,928	1,242,100,492	108%	526,211,256	449,583,543	117%

Exhibit 9-1
Termination Rates – General Plan D & G Members

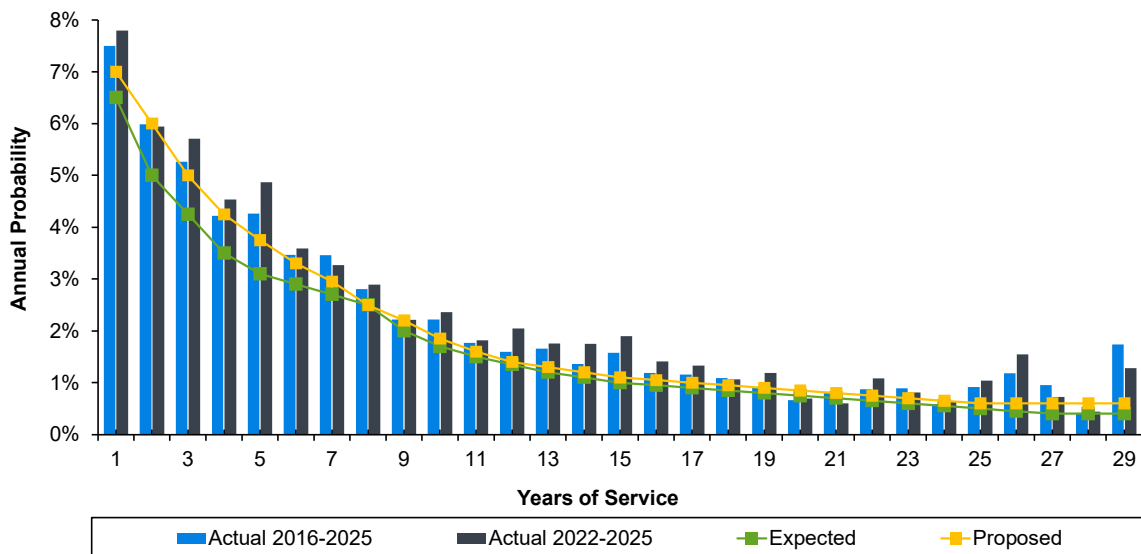


Exhibit 9-2
Termination Rates – General Plan E Members

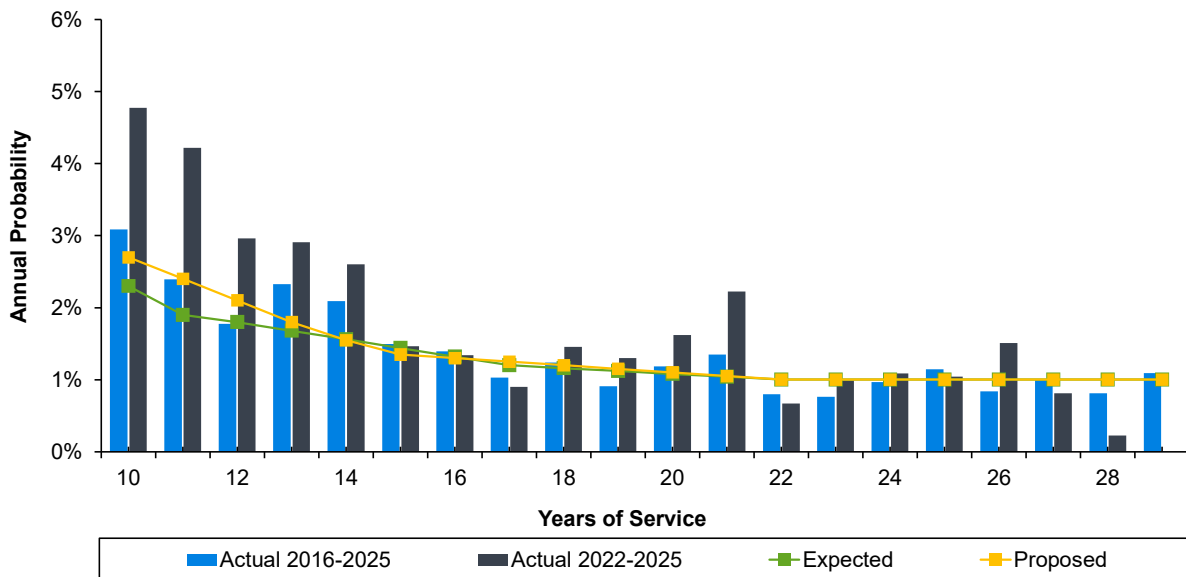
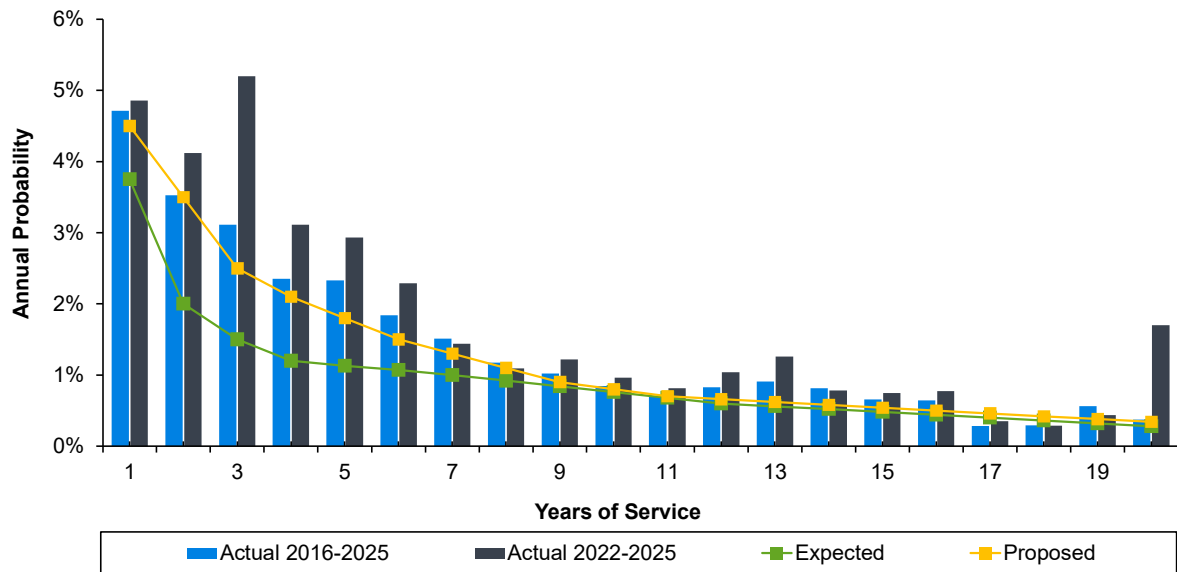


Exhibit 9-3
Termination Rates – Safety Members



10. Probability of Refund

As discussed in Section 9, the aggregate termination rates include both members who terminate and take a refund of their contributions and those who elect to keep their contributions with LACERA and receive a deferred vested benefit. The percentage of members who are expected take a refund of their contributions is the probability of refund assumption and is discussed in this section.

Results

The current assumptions project that a portion of vested members will take a refund of their contributions based on their years of service and classification.

For vested members, there were somewhat fewer refunds than the assumptions projected for General members and about the same number as projected for Safety members over the period 2016 to 2025, as shown in the following table.

Probability of Refund (at least 5 years of service, headcount weighted)					
Class	Actual	Expected	Actual / Expected	Proposed	Actual / Proposed
General	1,583	1,707	93%	1,562	101%
Safety	149	147	101%	145	103%
Total	1,732	1,854	93%	1,707	101%

Exhibits 10-1 to 10-2 on the following page show the results of the study graphically. Note that the probability of refund for Safety members with 20 or more years of service only applies to Safety Plan C members, since members of Safety Plans A and B are eligible for service retirement after 20 years of service.

Overall, we observed that members with shorter service are taking refunds at a lower rate than expected by the assumptions, and members with longer service are taking refunds at a higher rate than expected.

Recommendation

We recommend lowering the probability of refund for General members who have between 5 and 15 years of service and increasing it for members with 25 or more years of service.

For Safety members we recommend lowering the probability of refund for members who have between 5 and 7 years of service and increasing it slightly for members who have 13 or more years of service to better reflect the actual experience of members at different service durations.

Exhibit 10-1
Probability of Refund – General Members

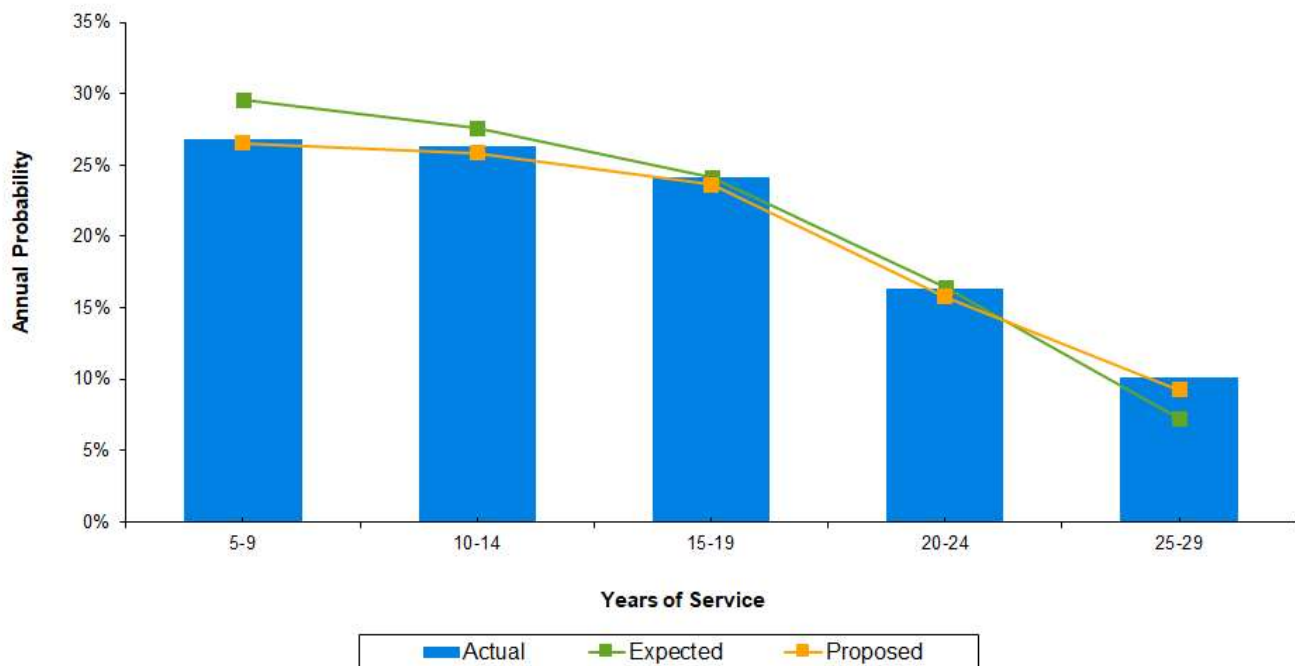
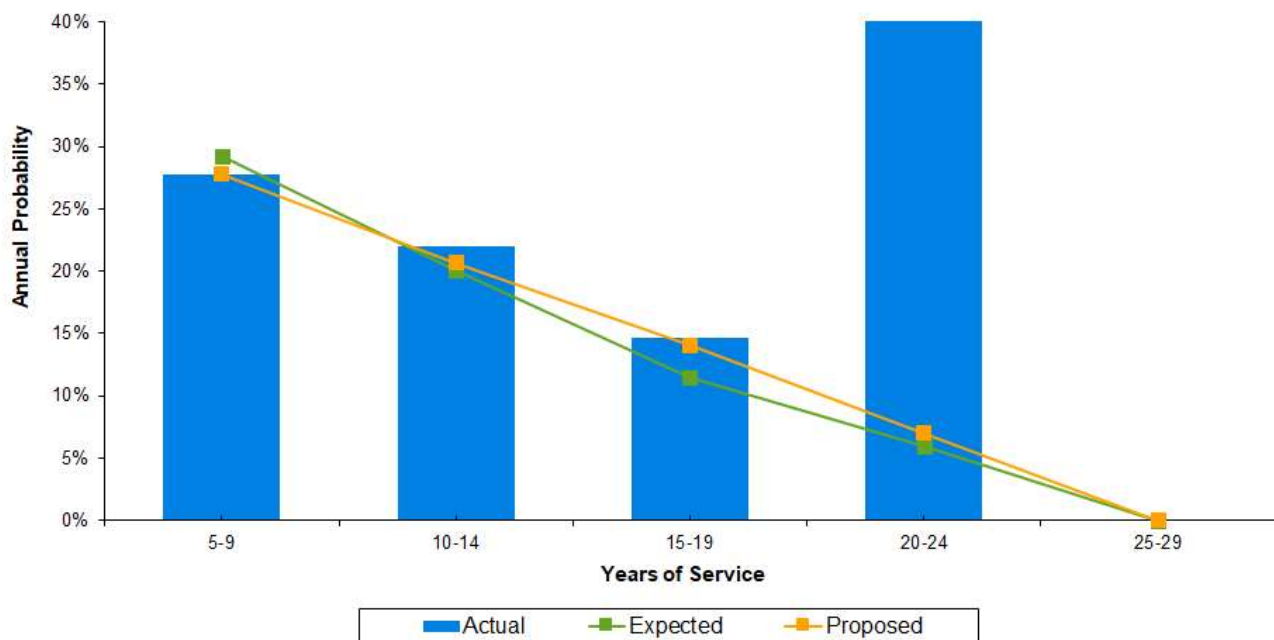


Exhibit 10-2
Probability of Refund – Safety Members



11. Retiree Mortality

In this section we look at the results of the study of actual and expected death rates of retired members. We studied rates of mortality among healthy and disabled retired members.

Although there has been a recent deviation due to the pandemic, mortality has been improving in this country and is expected to continue to improve. We recommend continuing use of generational mortality tables (see later discussion) to account for projected future improvements in mortality. Generational mortality is reflected by including a mortality improvement scale that projects annual decreases in mortality rates. Therefore, generational mortality explicitly assumes that members born more recently will live longer than the members born before them.

Results

Overall, we found that the benefit-weighted amount of service retirement deaths was close to that expected by the assumptions in both periods, with slightly higher benefit-weighted deaths in the 2016 to 2025 period than in the 2022 to 2025 period, relative to those expected.

The following table shows a comparison of the actual-to-expected deaths of retired members by gender, class, and type of retirement for the current study period, weighted by monthly benefit amounts.

Service Retirement Retiree Mortality (weighted by benefit amounts)						
Group	2016 to 2025			2022 to 2025		
	Actual	Expected	Actual / Expected	Actual	Expected	Actual / Expected
General Male	26,817,778	26,204,240	102%	9,761,227	9,829,637	99%
General Female	22,455,836	22,445,669	100%	8,904,947	9,036,539	99%
Safety Male	7,195,069	6,815,598	106%	2,904,495	2,621,537	111%
Safety Female	324,593	423,976	77%	85,500	184,805	46%
Total	56,793,276	55,889,483	102%	21,656,169	21,672,518	100%

Disability Retirement Retiree Mortality (weighted by benefit amounts)						
Group	2016 to 2025			2022 to 2025		
	Actual	Expected	Actual / Expected	Actual	Expected	Actual / Expected
General Male	2,129,525	2,005,403	106%	770,305	706,577	109%
General Female	2,065,175	1,870,488	110%	804,098	687,869	117%
Safety Male	9,056,042	8,995,298	101%	3,455,939	3,650,082	95%
Safety Female	430,195	487,822	88%	160,736	213,983	75%
Total	13,680,937	13,359,011	102%	5,191,078	5,258,511	99%

Mortality for Beneficiaries/Survivors

The previous analysis was focused on members who are currently receiving either service retirement or disability retirement benefits. An additional assumption must be made for beneficiaries of members who are currently receiving survivor benefits or may receive survivor benefits in the future. Analysis of this assumption is more difficult as the information on deaths of beneficiaries who are not in payment is generally not as well reported in most systems as members who are in payment. The information on beneficiaries currently receiving survivor benefits is more reliable; however, we do not believe it is appropriate to apply this experience to beneficiaries who are not in payment.

Studies have shown that: 1) beneficiaries have materially higher mortality rates after their spouse has died (“grieving widow effect”); and 2) married people live longer than single people. Since most beneficiaries who are not in payment are spouses of the members, we would expect on average they would live longer than the general retired population as they are married, and retirees are a mix of married and single. After the member has died, the expectation is the survivor will have higher mortality (and a shorter life expectancy), which is consistent with LACERA experience. To approximate this lower-than-average beneficiary mortality prior to the retiree’s death and higher-than-average beneficiary mortality following the retiree’s death, we recommend continuing the assumption of the beneficiary mortality being equal to the assumption for a healthy General retiree of the same gender.

Generational Mortality Tables

Most actuarial valuations for public sector retirement systems use generational mortality tables, which explicitly reflect expected improvements in mortality. Generational mortality tables include a base table and a projection table. The projection table reflects the expected annual reduction in mortality rates at each age. Therefore, each year in the future, the mortality at a specific age is expected to decline slightly (and people born in succeeding years are expected to live slightly longer).

For example, if the mortality rate at age 75 is 2.00% for a member currently aged 75 and the projected improvement is 1.00%, the mortality rate at age 75 for a member currently aged 74 will be 1.98% [$2.00\% \times (100.00\% - 1.00\%)$]. Therefore, the life expectancy for a 75-year old in the next year will be greater than a 75-year old in the current year. This can result in significant differences in life expectancies when projecting improvements 30-plus years into the future.

Beginning in 2014, the Society of Actuaries (SOA) began publishing a mortality improvement scale (MP-2014) that varies by age and birth year. This results in a complex matrix of rates that is projected forwards and backwards. Ultimately, in any mortality improvement table, the mortality improvement scale stops at a future year, and that year’s rate is used for all later years. It is referred to as the “ultimate rate.” Our general recommendation is to use a mortality projection scale based on the ultimate portion of the mortality improvement scale. We believe this approach reasonably reflects the long-term expectation of mortality improvement with less complexity than using a complete matrix of improvement rates.

One of the main benefits of generational mortality tables is that the valuation assumptions should effectively update each year to reflect improved mortality, and future changes to the mortality assumptions should be smaller and less significant.

LACERA has used a generational mortality assumption since 2016, and the current mortality rates are based on the PubG-2010 and PubS-2010 Healthy Retiree and Disabled Retiree mortality tables (with scaling adjustments) and all assume generational mortality improvement based on 100% of the MP-2021 Ultimate projection scale. Note that the MP-2021 table is the most recent mortality improvement table published by the SOA.

Recommendation

For retirees, we recommend updating the base mortality tables to the Pub-2016 suite of mortality tables (with scaling adjustments where appropriate) and continued use of the ultimate projection scale of the MP-2021 mortality improvement table. A summary of the retiree mortality assumption (current and proposed) is shown below:

Class	Type	Gender	Current Table	Proposed Table
General	Healthy	Male	PubG-2010 (100%) Healthy Retiree Male	PubG-2016 (100%) Healthy Retiree Male
General	Healthy	Female	PubG-2010 (110%) Healthy Retiree Female	PubG-2016 (100%) Healthy Retiree Female
Safety	Healthy	Male	PubS-2010 (85%) Healthy Retiree Male	PubS-2016 (90%) Healthy Retiree Male
Safety	Healthy	Female	PubS-2010 (100%) Healthy Retiree Female	PubS-2016 (90%) Healthy Retiree Female
General	Disabled	Male	Avg of: PubG-2010 (100%) Healthy Retiree Male PubG-2010 (100%) Disabled Retiree Male	PubG-2016 (95%) Disabled Retiree Male
General	Disabled	Female	Avg of: PubG-2010 (100%) Healthy Retiree Female PubG-2010 (100%) Disabled Retiree Female	PubG-2016 (140%) Healthy Retiree Female
Safety	Disabled	Male	PubS-2010 (100%) Disabled Retiree Male	PubS-2016 (100%) Healthy Retiree Male
Safety	Disalbed	Female	PubS-2010 (100%) Disabled Retiree Female	PubS-2016 (100%) Healthy Retiree Female

Both the current and proposed assumptions include the ultimate mortality improvement rates from the MP-2021 scale.

The tables below summarize the benefit-weighted actual retiree member mortality experience for both periods 2016 to 2025 and 2022 to 2025 under the proposed assumptions.

Service Retirement Retiree Mortality (weighted by benefit amounts)						
Group	2016 to 2025			2022 to 2025		
	Actual	Proposed	Actual / Proposed	Actual	Proposed	Actual / Proposed
General Male	26,817,778	27,041,340	99%	9,761,227	10,434,829	94%
General Female	22,455,836	21,269,857	106%	8,904,947	8,783,823	101%
Safety Male	7,195,069	6,944,556	104%	2,904,495	2,742,922	106%
Safety Female	324,593	378,917	86%	85,500	169,978	50%
Total	56,793,276	55,634,670	102%	21,656,169	22,131,552	98%

Disability Retirement Retiree Mortality (weighted by benefit amounts)						
Group	2016 to 2025			2022 to 2025		
	Actual	Proposed	Actual / Proposed	Actual	Proposed	Actual / Proposed
General Male	2,129,525	2,021,974	105%	770,305	733,039	105%
General Female	2,065,175	1,967,893	105%	804,098	744,869	108%
Safety Male	9,056,042	8,600,318	105%	3,455,939	3,588,028	96%
Safety Female	430,195	489,881	88%	160,736	221,513	73%
Total	13,680,937	13,080,066	105%	5,191,078	5,287,449	98%

For beneficiaries and survivors of LACERA retirees, we recommend continuing the assumption of the beneficiary mortality being equal to the assumption for a healthy General retiree of the same gender.

Exhibits 11-1 to 11-8 on the following pages show the results of the study graphically.

Exhibit 11-1
Healthy Mortality – Male General Members

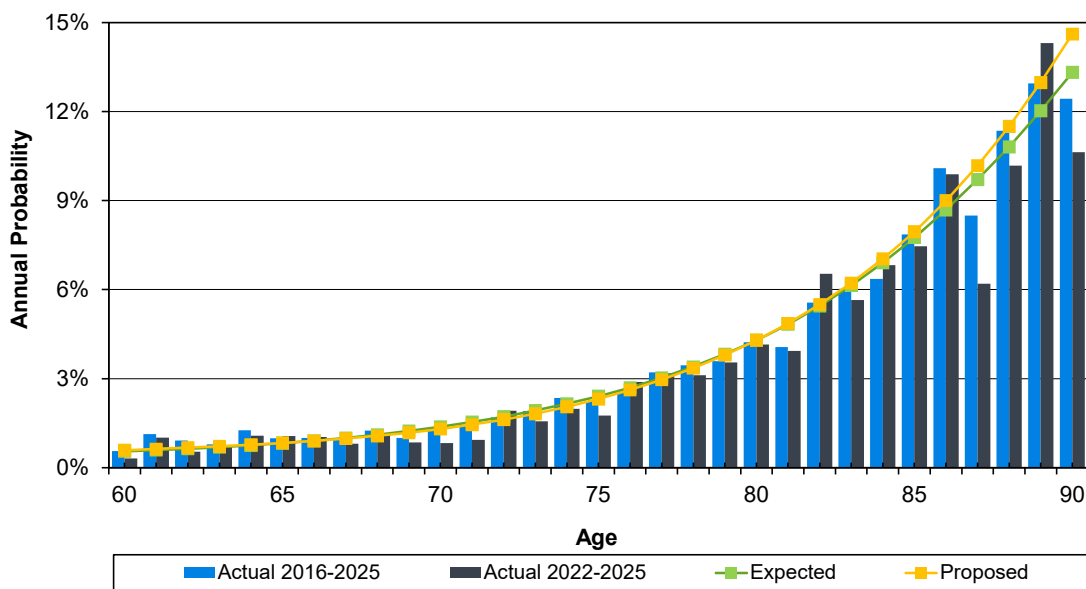


Exhibit 11-2
Healthy Mortality – Female General Members

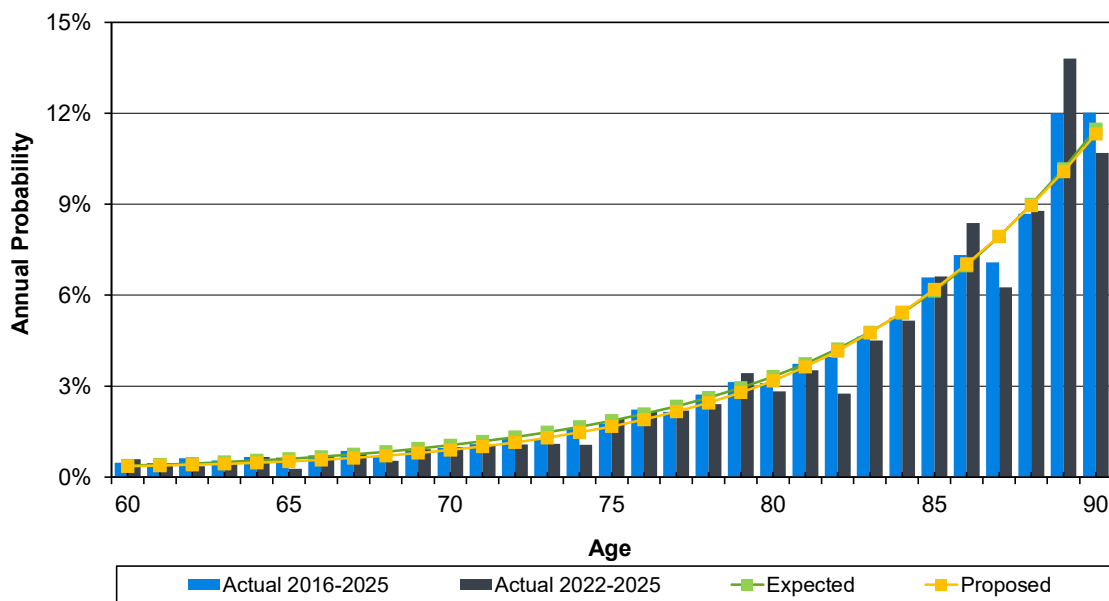


Exhibit 11-3
Healthy Mortality – Male Safety Members

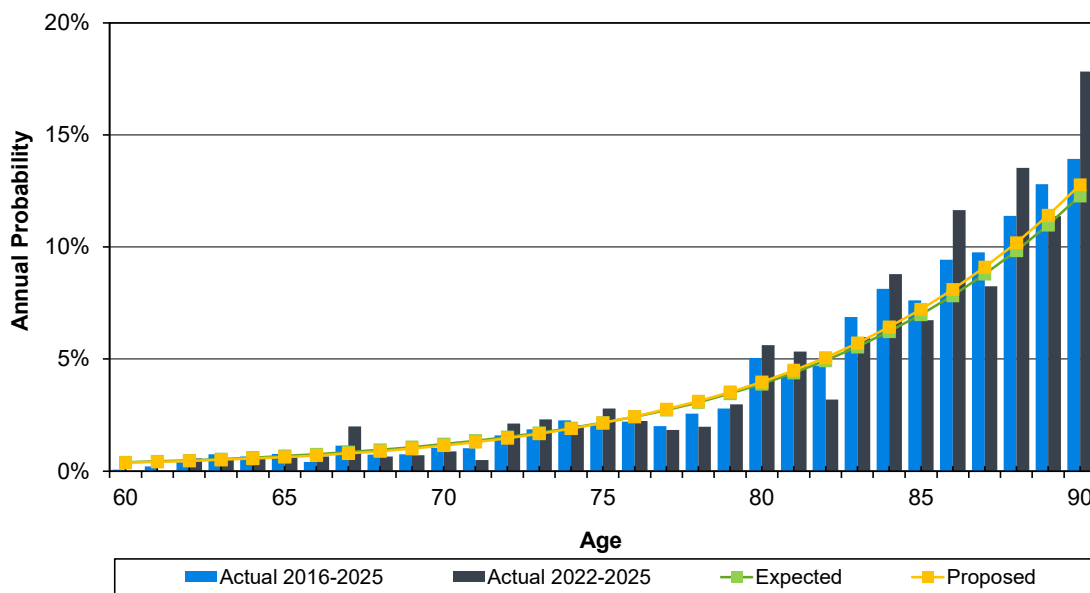


Exhibit 11-4
Healthy Mortality – Female Safety Members

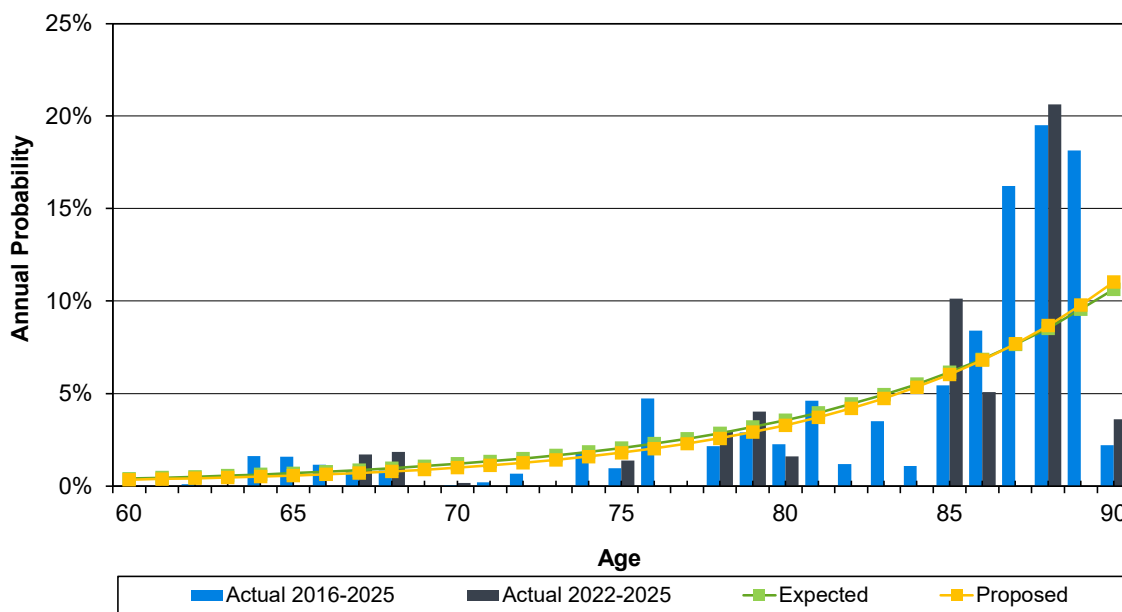


Exhibit 11-5
Disabled Mortality – Male General Members

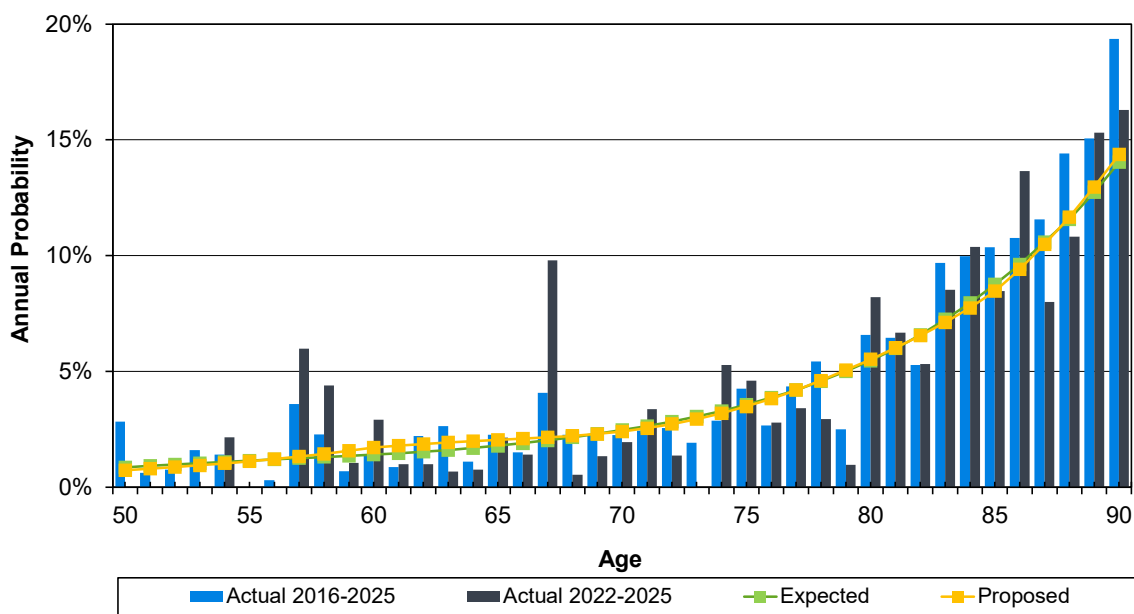


Exhibit 11-6
Disabled Mortality – Female General Members

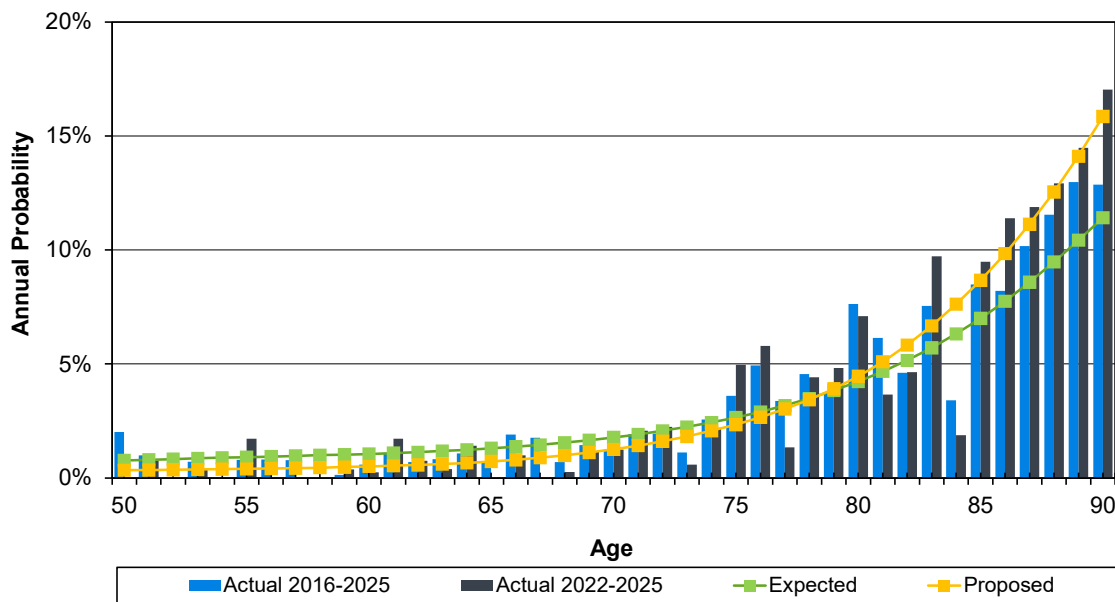


Exhibit 11-7
Disabled Mortality – Male Safety Members

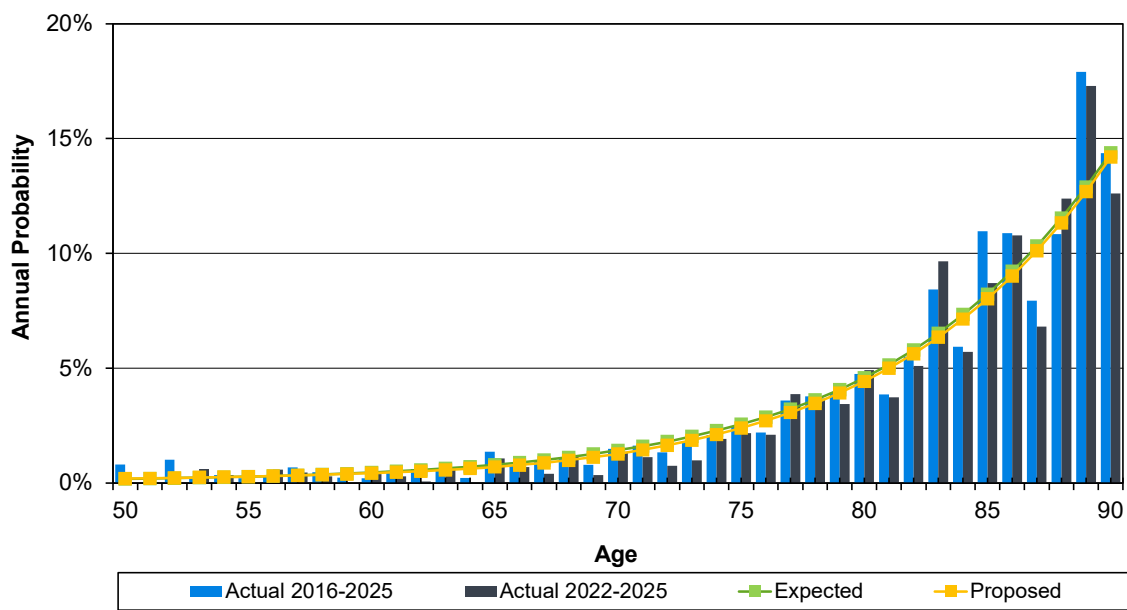
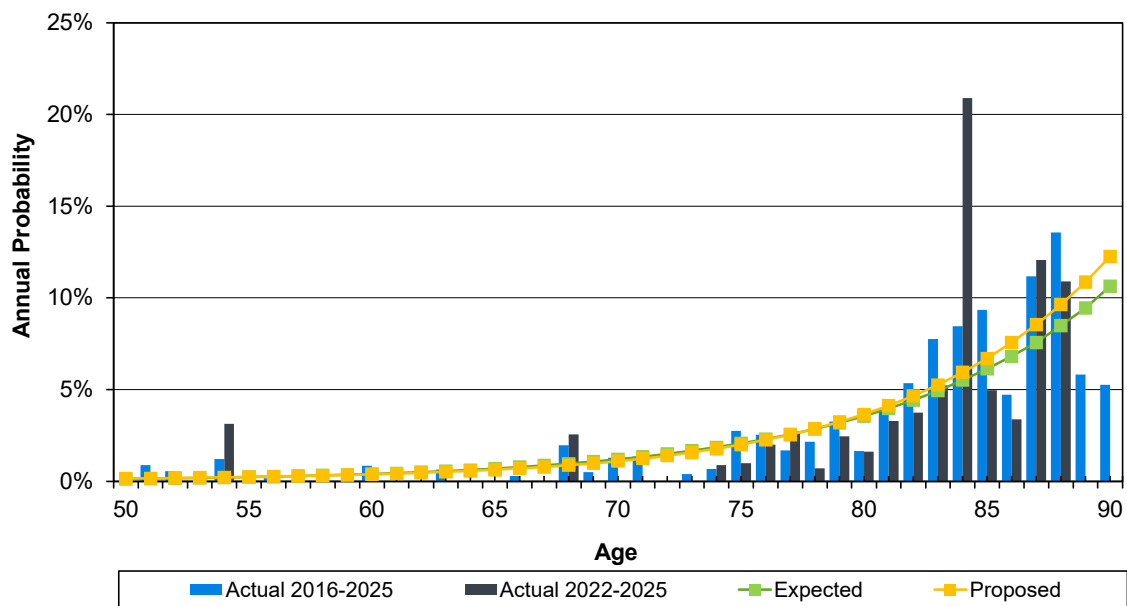


Exhibit 11-8
Disabled Mortality – Female Safety Members



12. Miscellaneous Assumptions

Probability of Eligible Survivor

All members are assumed to elect the unmodified retirement allowance. Surviving beneficiaries (spouses or qualified domestic partners of members) generally receive a 65% continuance of the member's benefit (100% continuance for service-connected disabilities and 55% for Plan E members). Thus, the probability a member has an eligible survivor impacts the value of the benefit.

Based on our analysis of retirements during the 2022 to 2025 period, we found that 77% of males and 46% of females received an unmodified (or unmodified plus) benefit with an eligible survivor. We recommend no changes to the assumption for probability of retiring with an Eligible Survivor.

Retiree Gender	Probability of Retiring with an Eligible Survivor		
	Current Assumption	Actual Experience	Recommended Assumption
Male	77%	77%	No change
Female	48%	46%	No change

Beneficiary Age

To determine the value of a member's retirement or death benefit, we must estimate the value of the portion payable to the surviving eligible beneficiary. Since the value of the survivor's benefit is dependent on their age, we must estimate the age. We studied the beneficiary age difference compared to the member based on retirements during the 2022 to 2025 period. Based on this analysis, we recommend no changes to the assumption for beneficiary age of male or female retirees.

Retiree Gender	Beneficiary's Age Relative to Member		
	Current Assumption	Actual Experience	Recommended Assumption
Male	3 years younger	3.0 years younger	No change
Female	2 years older	2.0 years older	No change

Since the majority of eligible survivors are the opposite gender, even with the inclusion of qualified domestic partners, we will continue to assume that the survivor's gender is the opposite of the member.

Retirement for Deferred Vested Members

The age when members who terminate (or have terminated) employment with a vested benefit are assumed to retire varies by plan. We have studied the actual retirement ages of deferred vested members during the study period, and we recommend changes as outlined below.

Assumption for Deferred Commencement			
Plan	Age at Commencement		
	Current Assumption	Actual Results (2022-2025)	Proposed Assumption
GA	62	N/A ⁽¹⁾	No Change
GB	62	N/A ⁽¹⁾	No Change
GC	62	N/A ⁽¹⁾	No Change
GD	59	57.8	No Change
GE	62	63.4	63
GG	57	61.2	59
SA	55	N/A ⁽¹⁾	No Change
SB	50	51.2	51
SC	50	N/A ⁽¹⁾	51

1. Insufficient data for analysis.

Deferred vested members in General Plan D had a lower retirement age in the period 2022 to 2025 than in prior periods. We recommend retaining the current assumption and monitoring if this experience continues.

General Plan G has little experience, but it did increase significantly during the 2022 to 2025 period compared to prior periods, with an average retirement age above age 61. We recommend setting this assumption equal to the General Plan D assumption.

General Plan E and Safety Plan B experience was consistent with prior periods, and we recommend small adjustments to those assumptions.

Safety Plan C has very little experience and we recommend setting this assumption equal to Safety Plan B.

General Plans A, B and C and Safety Plan A have very few deferred vested members. For these plans, we consider this assumption to not be material.

Reciprocity

Members who terminate in the future (or have already terminated) with a deferred vested benefit may go to work for a reciprocal employer. This can result in an increase in the member's final compensation used in the calculation of their LACERA benefit. Currently, 17% reciprocity is assumed for General members, and 36% is assumed for Safety members. Based on recent experience over multiple periods, we recommend increasing the reciprocity percentage by 1% for each group.

Retirements from Deferred Status (2022-2025)					
Plan	Total	Reciprocal Status	% with Reciprocity	Current Assump.	Proposed Assump.
General	1,245	227	18%	17%	18%
Safety	97	38	39%	36%	37%
Total	1,342	265	20%		

Appendix A: Proposed Actuarial Procedures and Assumptions

This section of the experience study report reflects how the Appendix A of the June 30, 2025 actuarial valuation would appear if the Board of Investments adopts all the recommended assumptions.

Appendix A Actuarial Procedures and Assumptions

The actuarial assumptions used in the valuations are intended to estimate the future experience of the members of LACERA and of LACERA itself in areas that affect the projected benefit flow and anticipated investment earnings. Any variations in future experience from that expected from these assumptions will result in corresponding changes in the estimated costs of LACERA's benefits.

Table A-1 summarizes the assumptions. The mortality probabilities are taken from the sources listed.

Tables A-2 and A-3 show how members are expected to leave retired status due to death.

Table A-4 presents the probability of refund of contributions upon termination of employment while vested.

Table A-5 presents the expected annual percentage increase in salaries.

Tables A-6 to A-14 were developed from the experience as measured by the 2025 Investigation of Experience Study. These are the probability that a member will leave the System for various reasons.

Actuarial Cost Method

The actuarial valuation is prepared using the entry age actuarial cost method (CERL 31453.5). Under the principles of this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated as a level percentage of the individual's projected compensation between entry age and assumed exit (until maximum retirement age).

The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the sum of (a) the actuarial value of the assets, and (b) the actuarial present value of future normal costs is called the Unfunded Actuarial Accrued Liability (UAAL).

For members who transferred between plans, entry age is based on original entry into the System.

For General Plan G and Safety Plan C, the normal cost rate is rounded up to the nearest 0.02%.

Amortization Method

The original UAAL as of June 30, 2009 is amortized as a level percentage of the projected salaries of present and future members of LACERA over a closed 30-year period. As of the June 30, 2019 valuation, all amortization layers with periods greater than 22 years as of July 1, 2020 were amortized over a 22-year period. Future changes in the UAAL due to actuarial gains and losses and assumption changes are amortized over new closed 20-year periods, beginning with the date the contribution is first expected to be made. This is referred to as "layered" amortization. For increases in the UAAL due to changes in benefit provisions, the increase is amortized over a 10-year period.

Records and Data

The data used in this valuation consists of financial information and the age, service, and income records for active and inactive members and their survivors. All of the data were supplied by LACERA and are accepted for valuation purposes without audit.

- Blank birth date (retirees and beneficiaries) – assumed to be age 61 at the valuation date.
- Undefined and non-binary gender – Members of General plans are assumed to be female, and members of Safety plans are assumed to be males. Beneficiaries of General plan members are assumed to be male, and beneficiaries of Safety plan members are assumed to be female.

Replacement of Active Employees

The ages and relative salaries at entry of future members are assumed to follow a new entrant distribution based on the pattern of current members. The normal cost rates for active members within an individual plan will remain fairly stable in future years unless there are changes in the governing law, the actuarial assumptions, or the pattern of the new entrants.

Growth in Membership

For benefit determination purposes, no growth in the membership of LACERA is assumed. For funding purposes, if amortization is required, the total payroll of covered members is assumed to grow due to the combined effects of future wage increases of current active members and the replacement of the current active members by new employees. No growth or decline in the total number of active members is assumed.

Payroll Growth

Total payroll is expected to grow at 3.25% per year.

Internal Revenue Code Section 415 Limit

The Internal Revenue Code (IRC) Section 415 maximum benefit limitation is not explicitly reflected in the valuation for funding purposes.

Internal Revenue Code Section 401(a)(17)

The Internal Revenue Code Section 401(a)(17) maximum compensation limitation is not reflected in the valuation for funding purposes.

Government Code Section 7522.10

The maximum compensation limit under Government Code Section 7522.10 is reflected in the valuation for funding purposes.

Employer Contributions

The employer contribution rate is set by the Board of Investments based on actuarial valuations.

Member Contributions

The member contribution rates of contributory legacy plans (all plans except General Plans E and G and Safety Plan C) vary by entry age and are described in the law. Code references are shown in Appendix B of the valuation report. The methods and assumptions used are detailed later in this section. The individual member rates by entry age, plan, and class are illustrated in Appendix D of the valuation report.

The member contribution rates of the two PEPRA plans are flat rates (i.e., they do not vary by entry age) based on whether they are in the General or Safety plan. This rate is set equal to one-half of the total Normal Cost rate for the respective plan. These rates are illustrated in Appendix D of the valuation report.

Valuation of Assets

The assets are valued using a five-year smoothed method based on the difference between the expected fair value and the actual fair value of the assets as of the valuation date. The expected fair value is the prior year's fair value increased with the net increase in the cash flow of funds, all increased with interest during the past fiscal year at the expected investment return rate assumption. To the extent that there is a loss for the year and there are unrecognized gains from previous years, or to the extent that there is a gain for the year and there are unrecognized losses from previous years, the gain or loss for the year shall be used to offset unrecognized gains or losses from previous years in the order of oldest to most recent. Any remaining gain or loss for the year is recognized over a five-year period. Valuation Assets exclude the statutory Contingency Reserve and the STAR

Reserve. The five-year smoothing valuation basis for all assets was adopted effective June 30, 2009, and the offsetting methodology and STAR Reserve treatment were adopted effective June 30, 2022.

National Price Inflation

The national price inflation assumption is used as the PEPRA compensation limit increase assumption. It is also used as a component in the determination of the investment return. The national price inflation assumption is 2.50% per year (effective June 30, 2025).

Local Price Inflation

The local price inflation assumption is used in the determination of assumptions for individual salary increases, overall wage growth, and postretirement benefit increases. The local price inflation assumption is 2.75% per year, adopted effective June 30, 2016.

Investment Earnings and Expenses

The future investment earnings of the assets of LACERA are assumed to accrue at an annual rate of 7.00% compounded annually, net of both investment and administrative expenses. This rate was adopted June 30, 2019.

Postretirement Benefit Increases

Postretirement increases are assumed for the valuation in accordance with the benefits provided as described in Appendix B. These adjustments vary by plan and are assumed payable each year in the future but are limited to not exceed the expected local inflation assumption, with the exception that any COLA accumulation banks for Plan A members are reflected in the valuation.

Interest on Member Contributions

The annual credited interest rate on member contributions is assumed to be 7.00% compounded semi-annually for an annualized rate of 7.12%. This rate was adopted effective June 30, 2019.

Future Salaries

The rates of annual salary increase assumed for the purpose of the valuation are illustrated in Table A-5. In addition to increases in salary due to promotions and longevity, this scale includes an assumed 3.25% per annum rate of increase in the general wage level of the membership. These rates were adopted June 30, 2025.

Increases are assumed to occur mid-year (i.e., January 1st) and only apply to scheduled base salary. The mid-year timing reflects that salary increases occur throughout the year, or on average mid-year.

Social Security Wage Base

Plan E members have their benefits offset by an assumed Social Security Benefit. For valuation funding purposes, we need to project the Social Security Benefit. We assume the current Social Security provisions will continue and the annual Wage Base will increase at the rate of 3.25% per year. Note that statutory provisions describe exactly how to compute the offset for purposes of determining a member's offset amount at time of termination or retirement. This rate was adopted June 30, 2016.

Note also, that it is assumed all Plan E members born after 1950 have less than 10 years of Social Security-covered service and, therefore, do not have their benefit offset.

General Plan G and Safety Plan C members have their compensation limited based on Government Code Section 7522.10 for members whose service is not included in the federal service. The limit for 2025 is \$186,096 (after applying the 120% factor) and is projected to increase at the national inflation rate.

Retirement

Members in General Plans A-D may retire at age 50 with 10 years of service, or any age with 30 years of service, or age 70 regardless of the number of years of service. General Plan G members are eligible to retire at age 52 with 5 years of service, or age 70 regardless of the number of years of service. Non-contributory Plan E members may retire at age 55 with 10 years of service. Members of Safety Plans A and B may retire at age 50 with 10 years of service, or any age with 20 years of service. Safety Plan C members are eligible to retire at age 50 with 5 years of County service. Retirement probabilities vary by age and are shown by plan in Tables A-6 through A-14.

All General members who attain or have attained age 75 in active service and all Safety members who attain or have attained age 65 in active service are assumed to retire immediately (except for Safety Plan C members who have not yet attained 5 years of service).

Vested former members are assumed to retire at the later of their current age and the assumed retirement age specified as follows:

Assumption for Deferred Commencement	
Plan	Age at Commencement
GA	62
GB	62
GC	62
GD	59
GE	63
GG	59
SA	55
SB	51
SC	51

The assumptions regarding termination of employment, early retirement, and unreduced service retirement are treated as a single set of decrements in regard to a particular member. For example, a General Plan D member hired at age 30 has a probability of withdrawing from LACERA due to death, disability or other termination of employment until age 50. After age 50, the member can withdraw due to death, disability, or retirement. Thus, in no year during the member's projected employment would the member be eligible for both a probability of other termination of employment and a probability of retirement.

The retirement probabilities were adopted June 30, 2025.

Disability

The probabilities of disability used in the valuation are also illustrated in Tables A-6 through A-14. These probabilities were adopted June 30, 2025.

Postretirement Mortality – Other Than Disabled Members

The same postretirement mortality probabilities are used in the valuation for members retired for service and beneficiaries. These probabilities are illustrated in Table A-2. Current beneficiary mortality is assumed to be the same as for healthy members of the same sex. Future beneficiaries are assumed to be of the opposite sex and have the same mortality as General members. The amount-weighted Pub-2016 mortality tables are used. These probabilities were adopted June 30, 2025.

Note that these assumptions include a projection for expected future mortality improvement. The projection scale was adopted June 30, 2022.

Males: General members: PubG-2016 Healthy Retiree Mortality Table for Males, with MP-2021 Ultimate Projection Scale.

Safety members: PubS-2016 Healthy Retiree Mortality Table for Males multiplied by 90%, with MP-2021 Ultimate Projection Scale.

Females: General members: PubG-2016 Healthy Retiree Mortality Table for Females, with MP-2021 Ultimate Projection Scale.

Safety members: PubS-2016 Healthy Retiree Mortality Table for Females multiplied by 90%, with MP-2021 Ultimate Projection Scale.

Postretirement Mortality – Disabled Members

For members retired for disability, the mortality probabilities used in the valuation are illustrated in Table A-3. The amount-weighted Pub-2016 mortality tables are used. These probabilities were adopted June 30, 2025.

Note that these assumptions include a projection for expected future mortality improvement. The new projection scale was adopted June 30, 2022.

Males: General members: PubG-2016 Disabled Retiree Mortality Table for Males multiplied by 90%, projected with MP-2021 Ultimate Projection Scale.

Safety members: PubS-2016 Healthy Retiree Mortality Table for Males, with MP-2021 Ultimate Projection Scale.

Females: General members: PubG-2016 Healthy Retiree Mortality Table for Females multiplied by 140%, projected with MP-2021 Ultimate Projection Scale.

Safety members: PubS-2016 Healthy Retiree Mortality Table for Females, with MP-2021 Ultimate Projection Scale.

Mortality while in Active Status

For active members, the mortality probabilities used in the valuation are illustrated in Tables A-6 through A-14. The amount-weighted Pub-2016 mortality tables are used. These probabilities were adopted June 30, 2025.

Class	Gender	Proposed Table
General	Male	PubG-2016 (110%) Employee Male
General	Female	PubG-2016 (120%) Employee Female
Safety	Male	PubS-2016 (120%) Employee Male
Safety	Female	PubS-2016 (120%) Employee Female

Projected using the MP-2021 Ultimate projection scale.

These assumptions include a projection for expected future mortality improvement, which was adopted June 30, 2022.

Note that Safety members have an additional service-connected mortality probability of 0.01% per year.

Other Employment Terminations

Tables A-6 to A-14 show, for all ages, the probabilities assumed in this valuation for future termination from active service other than for death, disability, or retirement. These probabilities do not apply to members eligible for service retirement. These probabilities were adopted June 30, 2025.

Terminating employees may withdraw their contributions immediately upon termination of employment and forfeit the right to further benefits, or they may leave their contributions with LACERA. Former contributing members whose contributions are on deposit may later elect to receive a refund, may return to work, or may remain inactive until becoming eligible to receive a retirement benefit under either LACERA or a reciprocal retirement system. All terminating members who are not eligible for vested benefits are assumed to withdraw their contributions immediately. It is assumed that all terminating members will not be rehired in the future.

Table A-4 gives the assumed probabilities that vested members will withdraw their contributions and elect a refund immediately upon termination and the probability that remaining members will elect a deferred vested benefit. All non-vested members are assumed to elect a refund and withdraw their contributions. These probabilities were adopted June 30, 2025.

Probability of Eligible Survivors

For members not currently in pay status, 77% of all males and 48% of all females are assumed to have eligible survivors (spouses or qualified domestic partners). Survivors are assumed to be three years younger than male members and two years older than female members. Survivors are assumed to be of the opposite gender as the member. There is no explicit assumption for children's benefits. We believe the survivor benefits based on this assumption are sufficient to cover children's benefits as they occur. These probabilities were adopted June 30, 2022.

Valuation of Vested Former Members

The deferred retirement benefit is calculated based on the member's final compensation and service at termination. The compensation amount is projected until the assumed retirement age for members who are assumed to be employed by a reciprocal agency. For members who are missing compensation data, Final Compensation is estimated as the average amount for all members who terminated during the same year and had a valid compensation amount. The greater of the present value of the calculated benefit and the employee's current contribution balance is valued for future deferred vested members.

Reciprocal Employment

18% of General and 37% of Safety current and future vested former members are assumed to work for a reciprocal employer. These probabilities were adopted June 30, 2025.

Current vested reciprocal members are assumed to receive annual salary increases of 4.25%. Future reciprocal vested members are assumed to receive the same salary increases they would have received if they had stayed in active employment with LACERA and retired at the assumed retirement age.

Other Technical Assumptions

Decrement rates are assumed to occur mid-year, except that if the retirement rate is 100% at a given age then the member is assumed to retire at the beginning of the year at that age.

Decrement rates shown are probabilities and are non-competing.

Termination rates are assumed to be 0% if the member is eligible for service retirement.

Valuation of Annuity Purchases

Over 30 years ago, LACERA purchased single life annuities from two insurance companies for some retired members (currently less than 1% of the retired population). The total liability for these members is calculated and then offset by the expected value of the benefit to be paid by the insurance companies.

For affected members, the insurance companies are responsible for:

1. Straight life annuity payments
2. Statutory COLAs

LACERA is responsible for:

1. Benefit payments payable to any beneficiary
2. STAR COLAs

Member Contribution Rate Assumptions

The following summarize the procedures used to compute member contribution rates based on entry age:

In general, the member rate is determined by the Present Value of the Future Benefit (PVFB) payable at retirement age, divided by the present value of all future salaries payable between age at entry and retirement age. For these purposes, per the CERL:

- A. The Annuity factor used for General members is based on a 35% / 65% blend of the male and female valuation mortality tables and projection scale, with a static projection to 2045. For Safety members, it is based on an 85% / 15% blend of the male and female annuity factors determined using the same mortality tables as used for service-retired members.
- B. The annuity factor used in determining the present value of future benefits (PVFB) at entry age is equal to the life only annuity factor at 7.00%.
- C. The Final Compensation is based on the salary paid in the year prior to attaining retirement age.
- D. Example: For a General Plan C Member who enters at age 59 or earlier, the Final Compensation at retirement (age 60) will be the monthly average of the annual salaries during age 59.
- E. Member Rates are assumed to increase with entry age. There are a few exceptions at the higher entry ages where the calculated rate is less than the previous entry age. In these cases the member contribution rate is adjusted so that it is no less than the value for the previous entry age.

Table A-1
Summary of Valuation Assumptions as of June 30, 2025

- I. Economic assumptions
 - A. Payroll / General wage increases 3.25%
 - B. Investment earnings 7.00%
 - C. Growth in membership 0.00%
 - D. Postretirement benefit increases (varies by plan) Maximum Plan COLA not greater than local price inflation assumption⁽¹⁾
 - E. National price inflation assumption 2.50%
 - F. Local price inflation assumption 2.75%
- II. Demographic assumptions
 - A. Salary increases due to service Table A-5
 - B. Retirement Tables A-6 to A-14
 - C. Disability Tables A-6 to A-14
 - D. Mortality during active employment Tables A-6 to A-14
 - E. Mortality for active members after termination and service retired members⁽²⁾ Table A-2

Class	Gender	
General	Male	PubG-2016 (100%) Healthy Retiree Male
General	Female	PubG-2016 (100%) Healthy Retiree Female
Safety	Male	PubS-2016 (90%) Healthy Retiree Male
Safety	Female	PubS-2016 (90%) Healthy Retiree Female

- F. Mortality among disabled members⁽²⁾ Table A-3

Class	Gender	
General	Male	Avg of: PubG-2016 (90%) Disabled Retiree Male
General	Female	Avg of: PubG-2016 (140%) Healthy Retiree Female
Safety	Male	PubS-2016 (100%) Healthy Retiree Male
Safety	Female	PubS-2016 (100%) Healthy Retiree Female

- G. Mortality for beneficiaries⁽¹⁾ Table A-2
Basis – Beneficiaries are assumed to have the same mortality as a General member of the opposite gender who has taken a service retirement.
- H. Other terminations of employment Tables A-6 to A-14
- I. Refund of contributions on vested termination Table A-4

1. To account for existing Plan A COLA accumulation balances, retirees and beneficiaries with a retirement date prior to April 1, 2025 are assumed to receive 3.00% annual COLAs.

2. All mortality probabilities are projected using the MP-2021 Ultimate projection scale.

Table A-2
Mortality for Members Retired for Service⁽¹⁾

Age	Safety Male	Safety Female	General Male	General Female
20	0.0390%	0.0150%	0.0540%	0.0280%
25	0.0500%	0.0220%	0.0810%	0.0360%
30	0.0590%	0.0300%	0.0920%	0.0530%
35	0.0700%	0.0420%	0.1000%	0.0780%
40	0.0880%	0.0620%	0.1330%	0.1140%
45	0.1180%	0.0920%	0.1910%	0.1700%
50	0.1780%	0.1450%	0.2830%	0.2560%
55	0.2660%	0.2280%	0.4220%	0.3030%
60	0.4070%	0.3640%	0.6250%	0.3840%
65	0.6670%	0.6020%	0.8860%	0.5490%
70	1.2060%	1.0490%	1.3800%	0.9490%
75	2.2690%	1.8950%	2.4410%	1.7650%
80	4.1830%	3.4540%	4.5160%	3.3440%
85	7.5100%	6.2700%	8.2710%	6.4410%
90	13.1440%	11.3480%	15.0270%	11.6480%

Age	All Groups
60 & Less	1.350%
61	1.350%
62	1.350%
63	1.340%
64	1.320%
65	1.310%
70	1.240%
75	1.170%
80	1.100%
85	0.870%
90	0.630%
95	0.400%
100	0.300%
105	0.200%
110	0.100%
115	0.000%

1. Mortality probabilities are those applicable for the fiscal year beginning in 2016. Annual projected improvements are assumed in the following years under the schedule shown. For example, the annual mortality probability for an 85-year old Safety male in fiscal year beginning in 2025 is 6.9420% calculated as follows:

$$\begin{aligned} \text{Age 85 probability in 2025} &= \text{Age 85 probability in 2016 with 9 years improvement} \\ &= 7.5100\% \times (100.0\% - 0.87\%)^9 = 6.9420\% \end{aligned}$$

Table A-3
Mortality for Members Retired for Disability⁽¹⁾

Age	Safety Male	Safety Female	General Male	General Female
20	0.0430%	0.0170%	0.1950%	0.0390%
25	0.0560%	0.0240%	0.3020%	0.0500%
30	0.0660%	0.0330%	0.2640%	0.0740%
35	0.0780%	0.0470%	0.2670%	0.1090%
40	0.0980%	0.0690%	0.3450%	0.1600%
45	0.1310%	0.1020%	0.5140%	0.2380%
50	0.1980%	0.1610%	0.7790%	0.3580%
55	0.2960%	0.2530%	1.1890%	0.4240%
60	0.4520%	0.4040%	1.8140%	0.5380%
65	0.7410%	0.6690%	2.1650%	0.7690%
70	1.3400%	1.1660%	2.5480%	1.3290%
75	2.5210%	2.1060%	3.6760%	2.4710%
80	4.6480%	3.8380%	5.8010%	4.6820%
85	8.3440%	6.9670%	8.8100%	9.0170%
90	14.6040%	12.6090%	14.7860%	16.3070%

1. Mortality probabilities are those applicable for the fiscal year beginning in 2016. Annual projected improvements are assumed in the following years under the schedule shown on the preceding page.

Table A-4
Immediate Refund of Contributions upon Termination of Employment
(Excludes Plan E)

Years of Service	General	Safety
0	100%	100%
1	100%	100%
2	100%	100%
3	100%	100%
4	100%	100%
5	27%	28%
6	27%	28%
7	26%	28%
8	26%	28%
9	26%	26%
10	26%	24%
11	26%	22%
12	26%	20%
13	26%	19%
14	25%	18%
15	25%	17%
16	25%	15%
17	23%	13%
18	22%	11%
19	21%	9%
20	19%	8%
21	17%	7%
22	15%	6%
23	13%	5%
24	12%	4%
25	11%	3%
26	10%	2%
27	9%	2%
28	7%	2%
29	5%	2%
30 & Up	0%	0%

Table A-5
Annual Increase in Salary⁽¹⁾

Years of Service	General	Safety
<1	7.00%	10.00%
1	6.25%	8.50%
2	5.50%	7.00%
3	4.75%	5.50%
4	4.10%	4.00%
5	3.55%	2.75%
6	3.10%	2.25%
7	2.70%	1.85%
8	2.30%	1.60%
9	2.00%	1.50%
10	1.70%	1.40%
11	1.50%	1.40%
12	1.35%	1.40%
13	1.25%	1.40%
14	1.17%	1.40%
15	1.09%	1.40%
16	1.01%	1.40%
17	0.95%	1.40%
18	0.89%	1.40%
19	0.83%	1.40%
20	0.77%	1.40%
21	0.71%	1.40%
22	0.65%	1.40%
23	0.60%	1.40%
24	0.55%	1.40%
25	0.55%	1.40%
26	0.55%	1.40%
27	0.55%	1.40%
28	0.55%	1.40%
29	0.55%	1.40%
30 or More	0.55%	1.40%

1. The total expected increase in salary includes both merit (shown above) and the general wage increase assumption of 3.25% per annum increase. The total result is compounded rather than additive. For example, the total assumed increase for General members for service less than one year is 10.48%.

Appendix A Probabilities of Separation from Active Service Tables A-6 to A-14

A schedule of the probabilities of termination of employment due to the following causes can be found on the following pages:

Service Retirement:	Member retires after meeting age and service requirements for reasons other than disability.
Withdrawal:	Member terminates and elects a refund of member contributions, or a deferred vested retirement benefit.
Service Disability:	Member receives disability retirement; disability is service related.
Ordinary Disability:	Member receives disability retirement; disability is not service related.
Service Death:	Member dies before retirement; death is service related.
Ordinary Death:	Member dies before retirement; death is not service related.

Each of these represents the probability that a member will separate from service at each age due to the particular cause. For example, a probability of 0.0300 for a member's service retirement at age 50 means we assume that 30 out of 1,000 members who are age 50 will retire at that age.

Each table represents the detailed probabilities needed for each LACERA plan:

Table	A-6: General Plan Death and Disability
	A-7: General Plan A, B, C & D Retirement
	A-8: General Plan E Retirement
	A-9: General Plan G Retirement
	A-10: General Plan Termination
	A-11: Safety Plan Death and Disability
	A-12: Safety Plan A & B Retirement
	A-13: Safety Plan C Retirement
	A-14: Safety Plan Termination

Table A-6
Probability of Death and Disability for Active General Members

Age	Disability rates (other than Plan E ¹)				Ordinary Death (Males)	Ordinary Death (Females)
	Service Disability (Males)	Service Disability (Females)	Ordinary Disability (Males)	Ordinary Disability (Females)		
18	0.00010	0.00015	0.00010	0.00002	0.00023	0.00010
19	0.00010	0.00015	0.00010	0.00002	0.00028	0.00011
20	0.00010	0.00015	0.00010	0.00002	0.00031	0.00012
21	0.00010	0.00015	0.00010	0.00002	0.00034	0.00012
22	0.00010	0.00015	0.00010	0.00002	0.00037	0.00013
23	0.00010	0.00015	0.00010	0.00002	0.00041	0.00013
24	0.00010	0.00015	0.00010	0.00002	0.00044	0.00014
25	0.00010	0.00015	0.00010	0.00002	0.00046	0.00016
26	0.00010	0.00015	0.00010	0.00002	0.00048	0.00017
27	0.00010	0.00015	0.00010	0.00002	0.00050	0.00018
28	0.00010	0.00015	0.00010	0.00002	0.00051	0.00019
29	0.00010	0.00015	0.00010	0.00002	0.00052	0.00020
30	0.00010	0.00015	0.00010	0.00002	0.00053	0.00023
31	0.00010	0.00015	0.00010	0.00002	0.00054	0.00024
32	0.00010	0.00015	0.00010	0.00002	0.00054	0.00026
33	0.00015	0.00020	0.00010	0.00002	0.00054	0.00029
34	0.00020	0.00025	0.00010	0.00002	0.00055	0.00031
35	0.00025	0.00030	0.00010	0.00003	0.00057	0.00034
36	0.00030	0.00035	0.00010	0.00005	0.00059	0.00036
37	0.00035	0.00040	0.00010	0.00007	0.00063	0.00040
38	0.00040	0.00045	0.00010	0.00009	0.00066	0.00042
39	0.00045	0.00050	0.00010	0.00011	0.00070	0.00046
40	0.00050	0.00055	0.00010	0.00013	0.00076	0.00049
41	0.00055	0.00060	0.00013	0.00015	0.00081	0.00054
42	0.00060	0.00065	0.00016	0.00017	0.00087	0.00058
43	0.00065	0.00070	0.00019	0.00019	0.00094	0.00062
44	0.00070	0.00075	0.00022	0.00021	0.00101	0.00068
45	0.00080	0.00085	0.00025	0.00022	0.00109	0.00073
46	0.00090	0.00095	0.00028	0.00023	0.00118	0.00079
47	0.00100	0.00110	0.00031	0.00024	0.00127	0.00086
48	0.00110	0.00130	0.00034	0.00025	0.00138	0.00094
49	0.00120	0.00150	0.00037	0.00026	0.00149	0.00101
50	0.00130	0.00170	0.00040	0.00027	0.00162	0.00110
51	0.00140	0.00190	0.00040	0.00028	0.00176	0.00119
52	0.00160	0.00210	0.00040	0.00029	0.00191	0.00130
53	0.00180	0.00230	0.00040	0.00031	0.00209	0.00140
54	0.00210	0.00250	0.00040	0.00033	0.00228	0.00152
55	0.00240	0.00270	0.00040	0.00035	0.00249	0.00164
56	0.00270	0.00290	0.00040	0.00037	0.00271	0.00179
57	0.00300	0.00310	0.00040	0.00040	0.00295	0.00194
58	0.00340	0.00330	0.00040	0.00043	0.00320	0.00210
59	0.00380	0.00350	0.00040	0.00047	0.00348	0.00228
60	0.00420	0.00350	0.00040	0.00051	0.00375	0.00248
61	0.00460	0.00350	0.00040	0.00055	0.00406	0.00270
62	0.00500	0.00350	0.00040	0.00060	0.00437	0.00293
63	0.00500	0.00350	0.00040	0.00065	0.00470	0.00318
64	0.00500	0.00350	0.00040	0.00070	0.00505	0.00346
65	0.00500	0.00350	0.00040	0.00075	0.00542	0.00376
66	0.00500	0.00350	0.00040	0.00080	0.00583	0.00409
67	0.00500	0.00350	0.00040	0.00080	0.00628	0.00444
68	0.00500	0.00350	0.00040	0.00080	0.00679	0.00484
69	0.00500	0.00350	0.00040	0.00080	0.00737	0.00526
70	0.00500	0.00350	0.00040	0.00080	0.00802	0.00571
71	0.00500	0.00350	0.00040	0.00080	0.00876	0.00622
72	0.00500	0.00350	0.00040	0.00080	0.00958	0.00676
73	0.00500	0.00350	0.00040	0.00080	0.01049	0.00734
74	0.00500	0.00350	0.00040	0.00080	0.01153	0.00798
75	0.00000	0.00000	0.00000	0.00000	0.01266	0.00869

1. General Plan E does not have a disability benefit. All deaths of in-service General members are assumed to be non-service connected.

Table A-7
Probability of Retirement from Active Service for General Members
Plans A, B,C & D

Age	Less than 20 Years of Service	20 to 24 Years of Service	25 to 29 Years of Service	30+ Years of Service
45	0.00000	0.00000	0.00000	0.01750
46	0.00000	0.00000	0.00000	0.01750
47	0.00000	0.00000	0.00000	0.01750
48	0.00000	0.00000	0.00000	0.01750
49	0.00000	0.00000	0.00000	0.01750
50	0.01500	0.02000	0.02250	0.03000
51	0.01500	0.01500	0.01500	0.02000
52	0.01500	0.01500	0.02000	0.02500
53	0.01500	0.01500	0.02000	0.02500
54	0.01500	0.01500	0.03000	0.04000
55	0.02100	0.02000	0.03000	0.06000
56	0.02100	0.03000	0.03500	0.07000
57	0.02100	0.03000	0.03500	0.08000
58	0.02100	0.03000	0.05000	0.09000
59	0.02700	0.03500	0.07000	0.13000
60	0.04000	0.05000	0.10000	0.17000
61	0.04000	0.06500	0.10000	0.17000
62	0.06500	0.08000	0.13000	0.21500
63	0.06500	0.10000	0.16000	0.26000
64	0.11000	0.13000	0.25000	0.32000
65	0.18000	0.21000	0.34000	0.45000
66	0.16000	0.21000	0.27000	0.31000
67	0.16000	0.18500	0.22500	0.25000
68	0.16000	0.17500	0.22500	0.25000
69	0.16000	0.17500	0.27000	0.25000
70	0.23000	0.21000	0.28500	0.29000
71	0.16000	0.17500	0.27000	0.20000
72	0.16000	0.17500	0.27000	0.20000
73	0.16000	0.17500	0.27000	0.20000
74	0.16000	0.17500	0.27000	0.20000
75	1.00000	1.00000	1.00000	1.00000

Table A-8
Probability of Retirement from Active Service for General Members
Plan E

Age	Less than 20 Years of Service	20 to 24 Years of Service	25 to 29 Years of Service	30+ Years of Service
55	0.02000	0.02000	0.03000	0.03000
56	0.01750	0.01750	0.03000	0.03000
57	0.01750	0.01750	0.03000	0.03000
58	0.01750	0.01750	0.03000	0.03000
59	0.02700	0.03500	0.04000	0.04000
60	0.02700	0.03500	0.04500	0.06000
61	0.03500	0.03500	0.05500	0.07500
62	0.04000	0.04000	0.09000	0.11500
63	0.04500	0.04500	0.09000	0.13000
64	0.06000	0.08000	0.19000	0.27500
65	0.14000	0.18000	0.27000	0.45000
66	0.14000	0.14000	0.24000	0.26000
67	0.14000	0.14000	0.24000	0.26000
68	0.14000	0.14000	0.24000	0.26000
69	0.14000	0.14000	0.24000	0.26000
70	0.14000	0.14000	0.24000	0.26000
71	0.14000	0.14000	0.24000	0.21000
72	0.14000	0.14000	0.24000	0.21000
73	0.14000	0.14000	0.24000	0.21000
74	0.14000	0.14000	0.24000	0.21000
75	1.00000	1.00000	1.00000	1.00000

Table A-9
Probability of Retirement from Active Service for General Members
Plan G

Age	Less than 20 Years of Service	20 to 24 Years of Service	25 to 29 Years of Service	30+ Years of Service
52	0.01200	0.01300	0.01600	0.02000
53	0.01200	0.01300	0.01600	0.02000
54	0.01500	0.01500	0.01800	0.02300
55	0.02000	0.02000	0.02400	0.03000
56	0.02000	0.02200	0.02600	0.03300
57	0.02100	0.02300	0.02800	0.03500
58	0.02400	0.02400	0.02900	0.03600
59	0.02700	0.02800	0.03400	0.04300
60	0.03000	0.03600	0.04300	0.05400
61	0.03000	0.03600	0.04300	0.05400
62	0.04000	0.04800	0.05800	0.07300
63	0.05000	0.06000	0.07200	0.09000
64	0.06000	0.07200	0.08600	0.10800
65	0.08000	0.08800	0.10600	0.13300
66	0.10000	0.11000	0.12100	0.15100
67	0.18000	0.21600	0.28100	0.36500
68	0.16000	0.16000	0.22000	0.25000
69	0.16000	0.16000	0.22000	0.25000
70	0.16000	0.16000	0.22000	0.25000
71	0.16000	0.16000	0.22000	0.25000
72	0.16000	0.16000	0.22000	0.25000
73	0.16000	0.16000	0.22000	0.25000
74	0.16000	0.16000	0.22000	0.25000
75	1.00000	1.00000	1.00000	1.00000

Table A-10
Probability of Termination from Active Service for General Members

Years of Service	All Plans except Plan E	Plan E
0	0.08000	0.08500
1	0.07000	0.07500
2	0.06000	0.06500
3	0.05000	0.05800
4	0.04250	0.05100
5	0.03750	0.04500
6	0.03300	0.04000
7	0.02950	0.03600
8	0.02500	0.03300
9	0.02200	0.03000
10	0.01850	0.02700
11	0.01600	0.02400
12	0.01400	0.02100
13	0.01300	0.01800
14	0.01200	0.01550
15	0.01100	0.01350
16	0.01050	0.01300
17	0.01000	0.01250
18	0.00950	0.01200
19	0.00900	0.01150
20	0.00850	0.01100
21	0.00800	0.01050
22	0.00750	0.01000
23	0.00700	0.01000
24	0.00650	0.01000
25	0.00600	0.01000
26	0.00600	0.01000
27	0.00600	0.01000
28	0.00600	0.01000
29	0.00600	0.01000
30 & Above	0.00000	0.01000

Table A-11
Probability of Death and Disability for Active Safety Members

Age	Service Disability (Males)	Service Disability (Females)	Ordinary Disability	Service Death	Ordinary Death (Males)	Ordinary Death (Females)
18	0.00200	0.00300	0.00000	0.00010	0.00024	0.00010
19	0.00200	0.00300	0.00000	0.00010	0.00028	0.00011
20	0.00200	0.00300	0.00000	0.00010	0.00031	0.00013
21	0.00200	0.00300	0.00000	0.00010	0.00034	0.00014
22	0.00200	0.00300	0.00000	0.00010	0.00036	0.00016
23	0.00200	0.00300	0.00000	0.00010	0.00038	0.00017
24	0.00200	0.00300	0.00000	0.00010	0.00040	0.00018
25	0.00200	0.00300	0.00000	0.00010	0.00041	0.00019
26	0.00200	0.00300	0.00000	0.00010	0.00042	0.00020
27	0.00200	0.00300	0.00000	0.00010	0.00043	0.00022
28	0.00200	0.00300	0.00000	0.00010	0.00044	0.00023
29	0.00200	0.00300	0.00000	0.00010	0.00046	0.00024
30	0.00200	0.00400	0.00000	0.00010	0.00048	0.00026
31	0.00200	0.00400	0.00000	0.00010	0.00049	0.00028
32	0.00200	0.00400	0.00000	0.00010	0.00050	0.00030
33	0.00210	0.00400	0.00000	0.00010	0.00053	0.00032
34	0.00220	0.00400	0.00000	0.00010	0.00054	0.00035
35	0.00230	0.00600	0.00000	0.00010	0.00056	0.00037
36	0.00240	0.00600	0.00000	0.00010	0.00059	0.00040
37	0.00250	0.00600	0.00000	0.00010	0.00061	0.00043
38	0.00260	0.00600	0.00000	0.00010	0.00064	0.00047
39	0.00270	0.00600	0.00000	0.00010	0.00067	0.00050
40	0.00500	0.01000	0.00000	0.00010	0.00071	0.00054
41	0.00520	0.01000	0.00000	0.00010	0.00074	0.00059
42	0.00540	0.01000	0.00000	0.00010	0.00079	0.00064
43	0.00560	0.01000	0.00000	0.00010	0.00084	0.00068
44	0.00580	0.01000	0.00000	0.00010	0.00089	0.00074
45	0.00600	0.01400	0.00000	0.00010	0.00095	0.00080
46	0.00620	0.01400	0.00000	0.00010	0.00102	0.00088
47	0.00640	0.01400	0.00000	0.00010	0.00109	0.00095
48	0.00660	0.01400	0.00000	0.00010	0.00119	0.00102
49	0.00680	0.01400	0.00000	0.00010	0.00128	0.00112
50	0.01200	0.03000	0.00000	0.00010	0.00139	0.00120
51	0.01700	0.02000	0.00000	0.00010	0.00151	0.00131
52	0.02200	0.04000	0.00000	0.00010	0.00164	0.00142
53	0.04000	0.08000	0.00000	0.00010	0.00180	0.00154
54	0.09000	0.12000	0.00000	0.00010	0.00197	0.00167
55	0.17500	0.20000	0.00000	0.00010	0.00216	0.00180
56	0.17500	0.20000	0.00000	0.00010	0.00238	0.00196
57	0.17500	0.17000	0.00000	0.00010	0.00262	0.00212
58	0.17500	0.17000	0.00000	0.00010	0.00287	0.00230
59	0.17500	0.17000	0.00000	0.00010	0.00317	0.00251
60	0.17500	0.17000	0.00000	0.00010	0.00349	0.00271
61	0.16000	0.17000	0.00000	0.00010	0.00384	0.00295
62	0.14500	0.17000	0.00000	0.00010	0.00424	0.00320
63	0.13000	0.17000	0.00000	0.00010	0.00467	0.00348
64	0.13000	0.17000	0.00000	0.00010	0.00515	0.00379
65	0.00000	0.00000	0.00000	0.00000	0.00566	0.00412

Table A-12
Probability of Retirement from Active Service for Safety Members
Plans A & B

Age	Less than 20 Years of Service	20 to 24 Years of Service	25 to 29 Years of Service	30+ Years of Service
40	0.00000	0.00500	0.00500	0.00500
41	0.00000	0.00500	0.00500	0.00500
42	0.00000	0.00500	0.00500	0.00500
43	0.00000	0.00500	0.00500	0.00500
44	0.00000	0.00500	0.00500	0.00500
45	0.00000	0.00500	0.00500	0.00500
46	0.00000	0.00500	0.00500	0.00500
47	0.00000	0.00500	0.00500	0.00500
48	0.00000	0.00500	0.00500	0.00500
49	0.00000	0.00500	0.00500	0.00500
50	0.01000	0.01000	0.02000	0.03000
51	0.01000	0.01000	0.02000	0.03000
52	0.01000	0.01000	0.02000	0.03000
53	0.01000	0.01000	0.03000	0.04000
54	0.02500	0.02500	0.10000	0.12000
55	0.05000	0.06000	0.16000	0.20000
56	0.04500	0.05000	0.14000	0.16000
57	0.04500	0.05000	0.11000	0.12000
58	0.04500	0.05000	0.11000	0.12000
59	0.04500	0.08000	0.11000	0.12000
60	0.04500	0.08000	0.11000	0.12000
61	0.07500	0.12000	0.11000	0.12000
62	0.12000	0.12000	0.11000	0.12000
63	0.12000	0.12000	0.11000	0.13500
64	0.12000	0.12000	0.11000	0.15000
65	1.00000	1.00000	1.00000	1.00000

Table A-13
Probability of Retirement from Active Service for Safety Members
Plan C

Age	Less than 20 Years of Service	20 to 24 Years of Service	25 to 29 Years of Service	30+ Years of Service
50	0.01000	0.01000	0.01600	0.02000
51	0.01000	0.01000	0.01600	0.02000
52	0.01000	0.01000	0.01600	0.02300
53	0.01000	0.01000	0.02400	0.03000
54	0.02000	0.02000	0.03000	0.04000
55	0.03000	0.03000	0.05000	0.06000
56	0.04500	0.06000	0.08000	0.10000
57	0.10000	0.12000	0.16000	0.20000
58	0.08000	0.10000	0.10000	0.10000
59	0.08000	0.08000	0.10000	0.10000
60	0.08000	0.08000	0.12000	0.12000
61	0.08000	0.12000	0.12000	0.12000
62	0.12000	0.12000	0.12000	0.12000
63	0.12000	0.12000	0.12000	0.12000
64	0.12000	0.12000	0.12000	0.12000
65	1.00000	1.00000	1.00000	1.00000

Table A-14
Probability of Termination from Active Service for Safety Members

Years of Service	All Plans
0	0.05000
1	0.04500
2	0.03500
3	0.02500
4	0.02100
5	0.01800
6	0.01500
7	0.01300
8	0.01100
9	0.00900
10	0.00800
11	0.00700
12	0.00660
13	0.00620
14	0.00580
15	0.00540
16	0.00500
17	0.00460
18	0.00420
19	0.00380
20	0.00340
21	0.00300
22	0.00260
23	0.00220
24	0.00200
25	0.00200
26	0.00200
27	0.00200
28	0.00200
29	0.00200
30 & Above	0.00000

**LOS ANGELES COUNTY
EMPLOYEES RETIREMENT
ASSOCIATION**



**ACTUARIAL REVIEW
REPORT ON THE 2025
INVESTIGATION OF
EXPERIENCE**

PREPARED DECEMBER 19, 2025

December 19, 2025
Mr. Richard Bendall
Chief, Internal Audit
Los Angeles County Employees Retirement Association
300 North Lake Avenue, Suite 840
Pasadena, California 91101

Dear Mr. Bendall:

Cavanaugh Macdonald Consulting, LLC has performed an independent review of the 2025 Investigation of Experience for Retirement Benefit Assumptions, prepared for the Los Angeles County Employees Retirement Association (LACERA). As an independent reviewing or auditing actuary, we have verified the numerical results and provided our professional opinion on the reasonableness and appropriateness of the actuarial assumptions and methods recommended in the report. We have also offered our comments on possible ways to improve the process in future experience investigations.

The retained actuary for LACERA is Milliman, Inc. We would like to thank them for their cooperation and assistance in providing the required information to us. **We find the proposed actuarial assumptions and methods to be reasonable. The Investigation of Experience was performed by qualified actuaries and was performed in accordance with the principles and practices prescribed by the Actuarial Standards Board.** This report documents the detailed results of our review.

The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report. We are happy to respond to any questions you may have.

Sincerely,



Brent A. Banister, Ph.D., FSA, EA, MAAA, FCA
Chief Actuary



Patrice A. Beckham, FSA, FCA, MAAA, EA
Consulting Actuary

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SECTION I – EXECUTIVE SUMMARY

LACERA engaged Cavanaugh Macdonald Consulting, LLC (CavMac) to prepare an independent review of the 2025 Investigation of Experience for the Retirement Benefits Assumptions Report prepared by LACERA's retained actuary, Milliman, Inc. The scope of the actuarial review requested by LACERA includes:

- independent verification of the results in the Study,
- evaluation of any recommendations in the Report,
- preparation of a report containing CavMac's findings and conclusions from the actuarial review, and
- presentation of any findings to the Board of Investments.

The process of setting actuarial assumptions brings together a blend of both numerical analysis and professional judgment. An experience study is not simply a mathematical exercise, but also draws on the experience and insight of the professionals conducting the study to interpret those results and develop assumptions that will appropriately model future experience. While our review included confirming certain data tabulations supporting the results in Milliman's report, we wish to stress that we also examined the bigger picture to determine if an assumption, or recommended change, is appropriate. We considered whether there are other ways to develop an assumption, whether an assumption may be simplified, and whether or not the assumption reflects trends that we have observed in other similar plans. The fact that we might prefer an alternate approach does not automatically mean that Milliman's approach is not reasonable. Rather, we offer some of these thoughts as a consideration for future studies, fully aware that there are multiple ways in which to appropriately model a dynamic retirement program like LACERA.

Overall, we find Milliman's work to be accurate and complete, and we have not identified any material findings.

We summarize our findings for each major review task as follows:

1. Review of Data Used in the 2025 Experience Study

The actuarial review of the 2025 Investigation of Experience for Retirement Benefit Assumptions Report is based on the experience study data provided to us by Milliman. We requested and received from Milliman the full valuation (processed) data files for the 2022, 2023, 2024, and 2025 valuations. These files allowed us to replicate certain portions of Milliman's analysis with regards to the observed experience for the demographic assumptions. In our opinion, the data used is sufficient for the purposes of the experience study, appears consistent with previous Retirement Plan valuations and, therefore, appropriately reflects the active and inactive membership of LACERA during the three-year study period ending on June 30, 2025.





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2. Review and Evaluate the Proposed Economic and Demographic Assumptions Contained in the 2025 Investigation of Experience for Retirement Benefits Assumptions Report

We find the work prepared by Milliman and reviewed within the scope of this assignment to be based on reasonable processes, to be technically sound, and to be fairly presented. Milliman's work related to LACERA's experience, selecting assumptions, and presenting the associated results is based on generally accepted actuarial practices and principles. Relevant details for each assumption reviewed are provided in Section 3 of our Report.

3. Present Any Recommendations to the Board of Investments Regarding the Work Completed by Milliman

We believe that the actuarial assumptions recommended by Milliman are reasonable and appropriate for use in the upcoming actuarial valuation for LACERA. We have no findings of material discrepancies with generally accepted actuarial principles or professional standards. In Section 4, we provide some minor considerations and suggestions for future studies.

While the Investigation of Experience is a triennial study, Milliman often considers more than the last three years of data so as to have greater confidence in its resulting conclusions. Because the three years before this study period (2019-2022) was during the COVID pandemic, Milliman considered results with and without these three years in order to make sure that their decisions were not unduly affected by something unique to COVID. In our opinion, this was an appropriate decision, and one followed by many actuaries working for public plans.

Milliman proposes changes to several demographic assumptions in its experience study report. We would classify many of these recommendations as typical on-going and fine-tuning changes. We believe that all the proposed changes are reasonable and appropriate.

In our review of the 2022 Investigation of Experience for Retirement Benefits Assumptions, we made some recommendations for Milliman's consideration, including making a specific assumption for inflation in the Los Angeles area. We note that this assumption was developed in the 2025 Investigation. We also suggested that some of the exhibits would be enhanced by showing each age rather than quinquennial groups and that the report might benefit by having some additional tables of experience. Milliman reflected these suggestions in this 2025 Investigation, resulting in what we believe is more helpful insight for the reader.

Conclusions

Because of the complexity of actuarial work and the impact of professional judgment on the selection of assumptions, we would not expect our opinions to be the same as those of Milliman. We do expect, however, that there would be sufficient explanation of their choices and decisions in the report to allow us to acknowledge the recommendations they propose are reasonable based upon the relevant factors. In our opinion, the assumptions and methods proposed by Milliman





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are reflective of sound professional judgment and are appropriate for the systematic funding of the pension obligations of LACERA.

We have determined that the actuarial methods, assumptions, processes, and the report are consistent with the applicable Actuarial Standards of Practice. Throughout this report, we have noted a few minor items for consideration that we believe may present opportunities for improvement, but none that we believe would have a material impact on the proposed assumptions.

The remainder of this report provides the basis for our findings and evaluation of the recommendations that appear in the 2025 Investigation of Experience for Retirement Benefits Assumptions Report and our conclusions.

We would like to thank LACERA's staff for their responsiveness in providing the information that we requested during the course of our review. Additionally, we would also like to thank Milliman for their cooperation and assistance in providing the requested information and answering our questions.





SECTION II – ACTUARIAL ASSUMPTIONS

BACKGROUND ON ACTUARIAL ASSUMPTIONS

The actuarial assumptions form the basis of any actuarial valuation or cost study. Since it is not possible to know in advance how each member's career will evolve in terms of salary growth, future service and cause of termination, the actuary must develop assumptions in an attempt to estimate future patterns. These assumptions enable the actuary to estimate the amount of benefits earned and to reasonably anticipate when and how long these benefits will be paid. Similarly, the actuary must make an assumption about future investment earnings of the trust fund. In developing the assumptions, the actuary examines the past experience, but more heavily considers future expectations to make the best estimate of the anticipated experience under the plan. The selection of assumptions should conform to ASOP No. 27 "*Selection of Assumptions for Measuring Pension Obligations*". (Note that prior to January 1, 2025 there were separate ASOPs for economic and demographic assumptions.)

There are two general types of actuarial assumptions:

- Economic assumptions – these include the investment return assumption (expected return on plan assets), assumed rates of salary increase, price inflation, wage inflation, and increases in total covered payroll.
- Demographic assumptions – these include the assumed rates of retirement, mortality, termination, and disability.

The discussion on the actuarial assumptions on the following pages is based on the data and recommendations found in Milliman's 2025 Investigation of Experience for Retirement Benefit Assumptions.





SECTION II – ACTUARIAL ASSUMPTIONS

ECONOMIC ASSUMPTIONS

Actuarial Standards of Practice (ASOPs) are issued by the Actuarial Standards Board to provide guidance to actuaries with respect to certain aspects of performing their work. As mentioned earlier, ASOP 27 is the actuarial standard that addresses the selection of or recommendations regarding assumptions for measuring pension obligations (liabilities) under defined benefit plans. There are two particular items from ASOP 27 that we believe are relevant to the discussion:

- (1) For a given assumption, there is a range of possible choices, and
- (2) An assumption may be made with a degree of conservatism, when appropriate and disclosed.

Milliman did not recommend any changes to the current set of economic assumptions other than to use separate assumptions for local and national inflation. The assumptions are summarized below:

Proposed Assumptions	
Price inflation (Los Angeles)	2.75%
Price inflation (US)	2.50%
Total wage growth	3.25%
Payroll Growth	3.25%
Investment return	7.00%
Cost-of-Living Adjustment	
Plan A	2.75%
Other Plans	2.00%

Each assumption is briefly discussed in the following narrative.

Price Inflation: Price inflation indirectly impacts the rates of future salary increase, the payroll growth assumption, and the investment return assumption, so the underlying price inflation component in each must be consistent in accordance with the guidance provided in ASOP 27. In addition, because the retirees receive a cost-of-living adjustment (COLA) linked to changes in the CPI-U, the inflation assumption also impacts the COLA assumption.

Inflation has varied significantly over time, with some notably high periods (well over 10%) in the 1970's influencing the long-term average. Until the least four years, inflation was below the long-term average for many years. In 2022, there was a significant upward spike in inflation to just over 9% that has since moderated. The financial markets' pricing of inflation (comparing





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Treasuries and TIPS) suggests that the markets expect inflation to remain relatively low, at around 2% to 3% for the next 30 years.

While the market pricing argument suggests long-term lower inflation, we note that inflation is not random. It can be significantly affected by monetary and fiscal policy, and those policies may change dramatically and rapidly. Consequently, there are also some reasonable arguments for assuming that inflation could be higher than it has been over the last 20 years for a sustained period.

In their report, Milliman provides supporting documentation for their recommendations for the inflation assumption. Until recently, there had been a trend among public retirement systems to lower this assumption, with many selecting an assumption in the range of 2.25% to 2.50%. LACERA bases their COLA on the Los Angeles area CPI, which has tended to be higher than the national CPI over the recent past. Wages are also likely to be affected by the local (Los Angeles) economy. The national CPI, however, serves as the basis for compensation limits and investment analysis. While using a single assumption in the past, Milliman now proposes assuming 2.75% for Los Angeles and 2.5% for the United States as a whole. As we noted last time, we believe that using separate assumptions can improve the estimation process. We find Milliman's analysis and proposed assumptions to be reasonable.

General Wage Growth: The general wage growth or wage inflation assumption consists of price inflation and a real wage growth component (also called productivity). These increases are affected by a variety of factors including price inflation, the policies of the employer, and the nature and extent of competition for employees in the relevant labor markets. Over time, however, the impact of wage increases in the broader economy will also have a strong influence as workers and competing employers respond to market forces.

Milliman considers several relevant sources in their analysis of this assumption including:

- (1) the National Average Wage Index (published by the Social Security Administration),
- (2) the assumption used by the Social Security Administration in their 75-year projections, and
- (3) actual LACERA data.

Based on these sources, Milliman recommends retaining the current 0.50% real wage growth assumption. While we find this assumption reasonable, we would note that over the last 30 years – following the high inflation period of the 70's and early 80's – the real wage growth in the general economy has been higher than the 50-year average of 0.50% that Milliman cites. We also realize that the National Average Wage Index has limitations in that it does not perfectly track wage inflation directly (although it is a reasonable proxy) and because it is a reflection of the entire U.S. Social Security covered population which may have different pay increase patterns from those of LACERA employees.





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Public-sector employees have also lagged the salary increases across the broader economy in more recent years, at least when the costs of benefits are excluded. Another source to consider is the State and Local Government Workers Employment Cost Index, produced by the Bureau of Labor Statistics. It provides evidence that real “across the board” salary increases have averaged about 0.2% annually during the last 10 to 20 years. Total compensation (with benefits) has increased at a real rate of about 0.8% over that same period. Whether these trends will continue or there will be a correction is an open question.

In Milliman’s analysis of merit salary increases, there is a persistent merit increase for general members of around 0.55% for service after 25 years. Typically, there is very little, if any, true merit increase after 30 years. One could argue that this assumed increase is more appropriately classified as part of the general wage increase rather than merit, although Milliman believes it truly is part of the merit salary increase arising from promotions. Since the total of the general wage growth and merit is the same regardless how of this persistent merit is classified, there is no effect on the liability measures either way.

Milliman also uses the general wage growth assumption as the basis for their recommended payroll increase assumption. The payroll growth assumption is used in the amortization of the Unfunded Actuarial Accrued Liability (UAAL) and is appropriate for developing costs that are intended to be reasonably stable as a percentage of covered payroll. Using the general wage inflation to estimate future payroll growth has been a common practice amongst public plan practitioners for many years, but we would point out that some retirement systems are choosing to amortize the UAAL with an assumed payroll growth that is somewhat lower than the wage inflation assumption or even setting the assumption equal to the expected growth in the revenue of the sponsoring organization.

One consideration in setting a lower assumption has been that as older employees retire, new employees are being hired with lower salaries. In theory, there are internal promotions to fill the vacated positions, but this expected payroll growth has not always been realized in the past, especially given the high proportion of baby boomers that were still in the work force. Because the youngest baby boomers are now more than 60-years old, this potential impact may be nearly finished. Of course, LACERA’s experience may vary from that of other public plans. We are not opposed to Milliman’s choice of using the wage inflation assumption as the payroll increase assumption, but we could also be comfortable with an assumption that was between price inflation and wage inflation which would provide a margin of conservatism for adverse deviations. Note the 3.25% payroll growth for amortization could be thought of as having some conservatism if the persistent merit described above were treated as part of wage growth.

Investment Return Assumption: In our opinion, the investment return assumption should represent the long-term compound rate of return expected on the plan assets, considering the asset allocation, the real rate of return on each asset class, and the underlying inflation rate, all net of investment (and possibly administrative) expenses paid from the Trust.





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The long-term relationship between price inflation and investment return has long been recognized by economists. The basic principle is that the investor demands a more or less level “real return” – the excess of actual investment return over price inflation. If inflation rates are expected to be high, investment return rates are also expected to be high, while low inflation rates will result in lower expected investment returns, at least in the long run.

The period considered for pension funding represents a very long horizon (30 to 50 years or more). In reviewing this assumption, the actuary should consider asset allocation policy, historical returns, and expectations of future returns. Frequently, asset advisors focus on no more than the next 5 to 10 years since they are most concerned with how to invest the funds currently to maximize returns. The longer term is less relevant to them, but it is, of course, paramount to actuaries who are projecting benefits to be paid for the next 50 to 100 years. This difference in perspective can significantly influence how investment advisors and actuaries derive an investment return assumption.

Our preferred approach to setting the investment return assumption is called the “building block” approach. This approach develops a “real” return, or the return net of inflation, and then adds it to the inflation assumption. One advantage of this approach is that it assures that the total or “nominal” return is consistent with the inflation assumption, since it is determined as the sum of the price inflation assumption and the real rate of return. A second advantage is that it is helpful when comparing various sources of expected returns by eliminating any differences related to price inflation expectations as a source of variation in the nominal return assumptions. While we find this approach helpful, we also acknowledge that there are other reasonable approaches that may be used and are compliant with actuarial standards of practice. Milliman does not directly use the building block approach, although they acknowledge the relationship between inflation and total return.

In Milliman’s analysis of the expected return, they considered three sets of capital market assumptions regarding future expected returns. They also considered the general trend observed with respect to the investment return assumptions used by other large public systems, but primarily relied on the expected future return arising from these capital market assumptions. We believe their approach is appropriate as the asset allocations and risk perspective of each board influences the investment return used by the system, so the median return assumption would not necessarily be an appropriate basis to use in setting LACERA’s assumption. The three sources of capital market assumptions are:

- (1) Meketa, LACERA’s investment advisor,
- (2) Milliman’s internal investment experts, and
- (3) the 2025 Horizon Actuarial Services Survey, which reviews the assumptions of about 40 investment consulting firms (including Meketa) who work with defined benefit plans, providing a median return for each common asset class.





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As was noted earlier, most investment advisors focus on a shorter timeframe than actuaries because they are using the assumptions for a different purpose. For instance, the 2025 Horizon Survey included 41 advisors with capital market assumptions for the next 10-year period, but only 27 advisors provided assumptions for periods of 20 years or more. Milliman's discussion states they have given consideration to both the 10-year and 20-year time horizons, which we believe to be appropriate. As Milliman notes, LACERA is a mature retirement plan. One consequence is that annual benefit payments exceed annual contributions, so the difference must be made up from investment income. For LACERA, this shortfall is currently about 2% of the total trust fund, an amount that could likely be covered by income cash flows such as interest payments and stock dividends, rather than by selling assets. However, this net negative outflow means that the expected lower returns over the next ten years (when lower returns are forecast) will diminish the corpus of the trust over this period so a comparatively lower trust fund balance will exist when the higher returns are earned. This will limit the ability of the higher returns on the LACERA trust fund in the long term to offset the impact of the lower returns in the next ten years, so we agree that it is appropriate to consider both the short and long horizons, as Milliman has done.

After considering the expected returns of these three sources, Milliman recommends leaving the investment return assumption unchanged at 7.00%. In their development of this assumption, they have developed results net of investment expenses (a standard approach) and also include a reduction for administrative expenses discussed more fully below.

In summary, there is a range of reasonable assumptions for the investment return assumption, and we believe the recommended assumption of 7.00% falls within that range. Other reasonable approaches could lead to different recommendations of which some might be lower than 7.00% and some might be higher. Because a stable investment return assumption is helpful in achieving contribution stability, we believe that choosing to leave this assumption unchanged is reasonable.

Use of Investment Return Assumption for GASB Discount Rate: The investment return assumption used in the funding valuation is net of both investment and administrative expenses. GASB requires the use of an assumption regarding the expected return on assets that is net of investment expenses, but not administrative expenses. Administrative expenses are directly modeled in the projection of the Fiduciary Net Position for purposes of determining whether there is a depletion date of the plan assets in the future (called the crossover test). This test determines whether the assumption for the expected return on assets may be used for the GASB discount rate.

As part of the experience investigation, Milliman reviewed the actual administrative expenses for the past 10 years and estimated that these expenses have averaged about 0.15% of the asset value. Consequently, their recommendation for GASB 67 and 68 reporting is to use an investment return assumption that is 0.15% higher than the investment return assumption used for funding purposes. This approach has been used in the past, and we believe it is reasonable and appropriate to continue its use.





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COLA: Closely related to the price inflation assumption is the Cost-of-Living Adjustment (COLA) assumption. The actual COLAs granted to LACERA members are based upon the change in the CPI-U for the Los Angeles metropolitan area. By law, there are upper limits on the COLA that may be granted each year (varying by plan), but to the extent that inflation exceeds the actual COLA granted in any year, there is a “carry-over” which future COLAs may use in years when inflation is lower than the cap. If inflation is less than 0% for a year, the member benefit may be reduced, but not below the original benefit. In these situations, it is also anticipated that the carry-over would be utilized to offset the negative inflation adjustment and perhaps even provide a positive COLA as well. Based on the design of the COLA, we believe Milliman’s recommendation to set the COLA assumption equal to the price inflation assumption (up to the capped level) is an appropriate model. Note that the assumption is higher for current Plan A retirees due to the COLA accumulation banks.

DEMOGRAPHIC ASSUMPTIONS

The major demographic assumptions used in the valuation process are the assumed rates of retirement, termination of employment (with or without a vested benefit), disability, and mortality (death before or after retirement). Other non-economic assumptions that are typically evaluated include salary merit increases, election of refunds in lieu of a deferred benefit, and family composition (where applicable for death and some disability benefits).

General Comments

The purpose of a study of demographic experience is to compare what actually happened to the individual members of LACERA during the study period (July 1, 2022 through June 30, 2025) with what was expected to happen based on the actuarial assumptions, using the results as an important tool to evaluate whether some adjustment to the current assumptions is necessary.

The basic steps performed by most actuaries include the following:

- First, the number of members changing membership status, called decrements, during the study is tabulated by age, duration, gender, group, and membership class as appropriate (active, retired, etc.).
- Next, the number of members expected to change status is calculated by multiplying certain membership statistics, called exposure, by the expected rates of decrement.
- Finally, the number of actual decrements is compared with the number of expected decrements. The comparison is called the actual to expected ratio (A/E Ratio), and is expressed as a percentage.

The A/E ratio is a key indicator as to the overall fit of actual experience to that expected based on the assumptions. While this metric is an important measurement, the fit of the assumption at





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each individual age or service duration is also critical because experience that is higher at certain ages/durations does not typically offset the impact of experience that is lower at other ages/durations. The fit of the actual experience to the assumption at each age or duration is important in order to more accurately value the liabilities (present value of future benefits). The A/E ratio also provides a good way to easily evaluate the impact of the recommended assumption in comparison to the current assumption to determine how much the assumption was adjusted.

For the most part, Milliman's analysis develops these A/E ratios with compensation-weighted exposures and decrements (for actives) or benefit-weighted exposures and decrements (for retirees) rather than using the counts of members. This means, for example, that the influence of the higher-paid members on retirement rates is greater than lower-paid members. Since the higher paid (and usually longer service) group also has greater liability, this aligns the assumptions better with actual experience of the plan liabilities and should reduce the dollar amount of actuarial gains and losses from year to year. We are very supportive of this approach, as we use it in our own practice.

As part of our review of the demographic assumptions, Milliman provided us with the processed valuation data files for the 2022 through 2025 valuations. They also provided us with their detailed experience study results, including the number of exposures and observed decrements, broken down by LACERA plan, sex, and age or service as appropriate for each assumption. We used the valuation data files to replicate the exposure and decrement summary for active and retired members over the study period and matched the total number of decrements almost exactly. We also attempted to validate Milliman's results at each age or service data point. Due to rounding issues, we did not always match each cell exactly, but we were able to satisfy ourselves that Milliman's processing was performed with a sufficient degree of accuracy and that the results are reliable for the assessment and development of actuarial assumptions.

In the following paragraphs, we make specific comments on the demographic assumptions.

Merit Salary Increases: In the economic assumptions section, we discussed Milliman's development of the general wage growth assumption. A second type of salary increase occurs at the individual level as a result of such things as promotion and longevity. Milliman examined these increases separately for General and Safety members, recognizing that the two groups have different patterns of salary increase through a typical member's career. They also studied the assumption as a function of years of service. We agree that these two factors are the most appropriate and commonly used approaches to model merit increases.

Total salaries are reported from year to year so, in order to isolate the merit component of the salary increases, Milliman compared the total salaries of each individual member in each consecutive year of employment, after removing the estimated general wage inflation observed in the actual LACERA data for each year. We find this approach a reasonable way in which to isolate the salary increases due to merit and longevity.





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For purposes of this analysis, Milliman used the last 15 years of actual salary increases. We note that this period is longer than that used by many actuaries. From our perspective, a period that is too long may not be sensitive to recent changes or trends. For instance, with nearly all of the active membership being employed by the County, a change in the longevity compensation structure could quickly affect the merit scale but might not be easily detected with Milliman's longer time frame. Milliman's report indicates this analysis was also performed for the most recent time periods to detect any significant recent change, but none was found, reducing our concern with their methodology.

Rates of Mortality: One of the most important demographic assumptions in the pension valuation is mortality because it projects how long benefit payments are expected to be made. The longer retirees live and receive benefits, the larger the liability of the system, thus increasing the contributions necessary to actuarially fund the system. In addition, if members live longer than anticipated by the assumption, the true cost of future benefit obligations will be understated, and contributions will increase as the unfavorable experience unfolds. Because there are also death benefits payable for active members, it is also relevant to consider the patterns of death for active members, although this assumption has comparatively little impact on the valuation results due to the low probability of active member deaths.

In early 2025, the Society of Actuaries (SOA) published an updated set of mortality tables (Pub-2016 Tables) that are based solely on the experience of public retirement systems rather than corporate pension plans. These tables include mortality rates for active members, healthy retirees, disabled retirees, and beneficiaries of retirees, and also vary by membership type (general government, teachers, and public safety). They represent the significant improvement in the universe of mortality tables available to value public retirement systems first made in 2019. Milliman proposes updating to these newer tables, with certain adjustments as appropriate, for their recommended mortality rates. We believe that Milliman's use of these tables is appropriate and reasonable.

In the past, mortality rates for those of retirement age have gradually declined each year. Because actuarial valuations are projecting many years into the future, it is reasonable to anticipate that mortality rates will continue to decline, so they will be lower in the future than they are now. In order to anticipate that improvement, Milliman uses an approach known as "generational mortality" in which the mortality rates at most ages are "improved" by a small amount each year in estimating an individual's future lifespan. The SOA publishes a projection scale each year which essentially grades recently observed mortality improvement into its long-term expected improvement over a short period of time. Milliman's assumption has been, and continues to be, a simplified version of the SOA-published mortality improvement scale that uses only the ultimate year of that projection scale. There is insufficient data from LACERA to statistically test this assumption, but we believe it is reasonable and have observed other systems using similar simplified mortality improvement assumptions. Because the SOA has not updated the improvement scale since the last study while waiting to see the ultimate impact of COVID, Milliman recommends the most recent scale, a recommendation that we find reasonable.





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Milliman uses separate mortality assumptions based on sex, membership type (General or Safety), and status (active, healthy retiree, and disabled retiree). For the most part, they use the corresponding table from the SOA Pub-2016 tables, sometimes scaled by a constant multiplier to achieve a better fit to actual experience. Overall, this approach to selecting mortality tables reflects common actuarial practice. Further, Milliman bases their analysis on benefit-weighted amounts for retirees and compensation-weighted amounts for actives. This weighting is an appropriate way in which to reflect the observed patterns of mortality rates varying by benefits/compensation.

While we do not disagree with Milliman's recommendations, we offer some observations. First, the SOA Pub-2016 Tables include beneficiary mortality tables. Milliman elected to use the General membership healthy retiree table for beneficiaries and provides a robust rationale for their approach. We note that there is not a uniform approach in the pension actuarial community and so we have no objection to Milliman's preference.

Second, in our experience we have found that the quality of the fit of a mortality table can sometimes be improved by applying one scaling factor at younger ages and a different factor at older ages (with a blending around the transition age). When they next make a change to the mortality assumption, we would suggest that Milliman consider whether or not such an approach might allow a better fit of the mortality assumption to observed experience across all ages. This approach is not as widely used in the pension actuarial profession, but for larger retirement systems, such as LACERA, may have some merit. Milliman's graphs do not indicate any significant fit issues.

Rates of Retirement: Retirement is a decision that is usually planned by an individual at a time that is perceived as most beneficial from a personal and financial perspective. One significant factor is the interaction of the retirement eligibility provisions with the potential retirement date. Because the different LACERA retirement plans have different eligibility requirements and benefit provisions, it is not surprising that retirement behavior varies by plan. Milliman develops retirement rates for General plans A-D, plan E, and plan G, and for Safety plans A&B and plan C. The newer plans (General G and Safety C) do not have any meaningful retirement experience yet, and so the proposed rates are based on applying professional judgment to the experience observed in the other plans. Likewise, General plans A-C and Safety plan A have been in existence long enough that there are few members left, and so there is no longer sufficient data to perform a meaningful analysis.

For each plan or group of plans, Milliman observed the actual and expected retirements, weighted by compensation, as described earlier. The assumption and analysis varies by age, a typical approach. In general, we believe that the proposed changes recommended by Milliman are an appropriate response to the observed retirement patterns. We also commend Milliman for a more thorough analysis to identify delayed disability retirements and remove those from the service retirement analysis.





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In some plans, particularly in the public safety arena, the provisions for the availability and amount of benefits lead to patterns that are more influenced by years of service than age. Milliman performed additional analysis beginning with the 2022 study to determine how retirement rates vary with service and modified their assumptions to now be effectively a function of age and service. We believe this was a useful enhancement.

Rates of Termination: The termination of employment assumption is a service-based assumption which is the most commonly used format for other public retirement systems. Milliman examined General members and Safety members separately, which is reasonable given the different jobs and termination patterns of the two groups. General plan E is valued separately from plans D and G because experience has shown a different behavior by those who elected this option.

Milliman proposes some minor adjustments to some of the termination rates to improve the quality of the fit to actual experience. Their analysis considered compensation-weighting in the development of the A/E ratios, and we concur with that.

For General plans A-C, the termination assumption has no significant effect on estimating future obligations since there are few members left who are not currently retirement eligible. Our preference would be to use the termination rates from the newer plans for General plans A-C because in calculating the normal cost, the Entry Age Normal cost method requires the use of retrospective termination rates. We note that Milliman changed to use this approach with this study.

Refund of Employee Contributions: In the valuation process, this assumption is applied to active members who are assumed to terminate employment after becoming vested. It anticipates the election of a refund of accumulated employee contributions by the member and the resulting forfeiture of any vested monthly benefit payable once the member is eligible for retirement. As would be expected, the probability of electing a refund declines as service increases, and so Milliman studies this assumption as a function of service, with separate rates for General and Safety membership.

We find Milliman's analysis and proposed changes reasonable. There are some retirement systems where the valuation assumes that the decision of whether or not a refund is elected is based on which option is most valuable (i.e., the higher present value) to the member from the system's perspective. Such an approach is designed to value the worst-case scenario to the system, regardless of how experience is expected to unfold. While we are not necessarily suggesting that Milliman change to this approach, they have indicated they have considered it and will continue to consider it in the future.

Rates of Disability: Disability is a relatively low occurrence event, and so the analysis of disability rates is generally challenging. Lack of data creates results with limited credibility. Milliman has considered disability separately for males and females and for General and Safety





SECTION II – ACTUARIAL ASSUMPTIONS

members, which is a very common and appropriate approach. (Because General plan E has no disability provision, those members are excluded.) Disability may be either service-connected or not-service-connected, so an analysis of both rates was conducted for General members. For Safety members, nearly all observed disabilities were service-connected, so the analysis focused on service-connected disability only.

In general, we believe that Milliman's analysis and proposed adjustments to the disability rates are reasonable and appropriate. As noted in the retirement section, Milliman performed additional work to identify delayed disability retirements, an exercise we believe will improve the quality of the assumptions.

Other Assumptions: There are some miscellaneous assumptions that were addressed in the experience study report. These assumptions do not have a major impact on the valuation results, and we believe the recommendations are all reasonable. The assumptions include:

- Probability of retiring with an eligible survivor
- Beneficiary age
- Deferred vested member retirement age
- Reciprocity employment rates for deferred vested members





SECTION III – ACTUARIAL METHODS

ACTUARIAL COST METHOD

For all retirement plans, whether defined benefit or defined contribution, the basic retirement funding equation is:

$$C + I = B + E$$

Where:

- C = employer and member contributions
- I = investment income
- B = benefits paid
- E = expenses paid from the fund, if any.

As can be seen from the formula, for a given level of benefits and expenses the greater “I” is, the smaller “C” is. This is the underlying reason for advance funding a pension plan, and historically investment income pays for 65% to 75% of the benefit dollars received by plan members. In other words, for every dollar paid to a member only 25 to 35 cents comes from contributions. To determine what pattern of contributions is needed, plan sponsors hire actuaries to estimate the cost of their plans and to create a budget for systematic contributions to meet that cost.

Different actuarial cost methods can provide for more rapid funding, more level funding over time, or more flexibility in funding. The choice of an actuarial cost method will determine the pattern or pace of the funding and, therefore, should be linked to the long-term financing objectives of the system and benefit security considerations.

The actuarial cost method used by LACERA is the individual Entry Age Normal method. This cost method determines the normal cost as a level percentage of pay which, if paid from entry into the plan to the last assumed retirement age, will accumulate to an amount sufficient to pay the expected benefit payments. Entry Age Normal tends to result in stable normal cost rates, a feature that has helped make it the most commonly used cost method for public plans. An additional cost is determined by amortizing the unfunded actuarial accrued liability (discussed later in this section).

In our opinion, the actuarial cost method employed by the LACERA is appropriate and will systematically fund the prospective pension benefits on an actuarially sound basis, if all of the actuarial assumptions are realized and the actuarially required contributions are made.





SECTION III – ACTUARIAL METHODS

ASSET VALUATION METHOD

Since the purpose of actuarial funding is to build up an asset pool (remember the importance of “I” in “ $C + I = B + E$ ”) actuaries need to value the current asset pool on each valuation date. The market value could be used, but it would tend to create too much volatility from valuation date to valuation date, and a single day’s measurement is not necessarily indicative of the true underlying value of the investments held by the plan. Thus, most actuaries use an asset valuation method which smooths out these fluctuations in pursuit of achieving more stable funding measures and (when relevant) developing more level contributions. A good asset valuation method places values on a plan’s assets which are related to current market value, but which will also produce a smooth pattern of costs.

The goal of the actuarial asset valuation method is thus to smooth or reduce investment market fluctuations. This is particularly important during periods of volatile capital markets in which abrupt changes in asset values, when factored into the funding valuation, produce sudden unnecessary changes in contribution levels. In this case, “unnecessary” implies that the change in asset values is not necessarily a true revaluing of the assets involved, but rather a fluctuation reflecting a current economic climate or a short-term reaction to specific news.

LACERA’s Asset Valuation Method: The asset valuation method used by Milliman in the valuation is a variant of methods commonly used by other public sector retirement systems. The smoothing method finds the difference between the actual investment return and the expected investment return on the market value of assets. The dollar amount of this difference is then recognized equally over five years. Additionally, the prior deferred gains or losses are first used to offset any current loss or gain respectively.

Compliance with ASOP 44

Actuarial Standard of Practice Number 44, “*Selection and Use of Asset Valuation Methods for Pension Valuations*”, provides guidance to the actuary when selecting an asset valuation method for purposes of a defined benefit pension plan actuarial valuation. Several of the terms in the criteria of ASOP 44 such as “reasonable” and “sufficiently narrow” are not specifically defined. As a result, actuaries can differ in their opinion on these matters. As we consider the current asset valuation method used by LACERA, we believe it satisfies the requirements of ASOP 44.

We find LACERA’s asset valuation method to be reasonable and appropriate and compliant with ASOP 44.





SECTION III – ACTUARIAL METHODS

AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY METHOD

Currently, the unfunded actuarial accrued liability is amortized using a layered base approach. Following the establishment of the initial UAAL base, each year actuarial gains or losses arising from asset and demographic experience or other factors such as assumption and benefit changes are amortized over a new 20-year period with payments that are determined as a level percentage of payroll. Further, future benefit improvements are amortized over 10 years.

The layered amortization approach has rapidly become the most common amortization method used by public retirement systems, and we believe this method is reasonable for amortizing LACERA's UAAL. It is also worth noting that, as LACERA does, most public retirement systems develop UAAL payments that are intended to be level, as a percentage of payroll, in the future. This general amortization methodology is very much in the mainstream with public retirement systems.

We believe Milliman's recommendation for the amortization method is appropriate.





SECTION IV – INVESTIGATION OF EXPERIENCE REPORT REVIEW

GENERAL OBSERVATIONS

Because of the diversity of public retirement systems and their actuaries, along with the scope and frequency of experience studies, the reports are also very diverse, ranging from extensive formal reports with many charts and tables to only a slide presentation. Actuarial Standards of Practice provide only minimal guidance on the contents of these reports, so much of the report depends upon the style and preference of both the retained actuary and the retirement system board and staff. Milliman's report is on the more comprehensive end of the spectrum, including some degree of numerical detail and graphical illustration along with narrative explanation.

In offering the following ideas, we are by no means suggesting that these are necessary or that the current report is inadequate. Rather, we are sharing some ideas from our years of experience that we believe might be useful to LACERA and Milliman. Ultimately, they will decide if any of these ideas are worth pursuing in future experience studies.

At the end of the report, Milliman includes an appendix that contains the proposed assumptions, with the assumption changes highlighted. While this approach makes it very easy to identify which rates were changed, it is not clear how they have changed. As an alternative, they could consider an additional appendix which includes the current assumptions, allowing an easy way to compare not only what rates were changed, but how they were changed.

EXAMINATION OF PRIOR REVIEW

CavMac prepared a review report of the 2022 Milliman Investigation of Experience which included a number of suggestions for future experience studies. Most of these suggestions were simply ideas for enhancements, many of which simply suggested consideration of an alternative approach. We note that Milliman modified their assumption regarding inflation to have separate assumptions for the Los Angeles area and national inflation. Milliman also made some adjustments to graphs and tables in the report that we suggested might improve the presentation.

We do not believe there any items identified last time which needed to be addressed that were not addressed this time.

SUMMARY OF CAVMAC SUGGESTIONS FOR FUTURE INVESTIGATIONS OF EXPERIENCE

CavMac performs a concurrent review of Milliman's work, allowing us to provide feedback in advance to Milliman regarding corrections or suggestions. As a result, we do not expect to have many suggestions beyond some stylistic preferences. We would categorize the suggestions we have made as optional and largely a matter of personal opinion.





2025 Experience Study

Retirement Benefit Assumptions Draft Report

January 14, 2026

Board of Investments Meeting

Ted Granger, LACERA
Nick Collier, Milliman
Craig Glyde, Milliman
Brent Banister, CavMac

Presentation Topics

LACERA

- Actuarial Projects 2025
 - Roadmap

Milliman

- 2025 Experience Study Draft Report
 - Approve Actuarial Assumptions

CavMac

- Actuarial Audit of the 2025 Experience Study
 - Review of Milliman's work

Purpose of an Experience Study

- An Experience Study reviews the actual experience of a pension plan compared to the expectations which are based on the actuarial assumptions used.
- Goal of the experience study is to identify differences in results and determine if changes to the actuarial assumption are required.
- LACERA's Actuarial Funding Policy requires that an Experience Study is performed every three years to help sustain the financial health of the pension plan.
- The Experience Study is performed in accordance with Actuarial Standards of Practice (ASOPs).

LACERA Roadmap



Pension Plan – Actuarial Projects 2025

BOI Offsite: Educational Session

Milliman presented an overview of the experience study process.

BOI: Experience Study Report & Demographic Assumptions

Milliman will review and may recommend changes in demographic assumptions such as retirement, disability and mortality rates.

The Board to approve Milliman's recommendations for economic and demographic assumptions.

BOI: Audit Reports

CavMac will discuss their actuarial review of the 2025 experience study report prepared by Milliman.

Board of Supervisors: Contribution Rates

CA State Law requires LACERA to transmit the recommended employer and employee contribution rates for adoption by the County Board of Supervisors prior to May 15.

September 2025

October 2025

January 2026

March 2026

May 2026

June 2026

BOI: Economic Assumptions

Milliman will review their preliminary analysis of economic assumptions such as price inflation, general wage and payroll growth, and investment return, to obtain Board input.

BOI: Valuation Report

Milliman will discuss the 2025 actuarial valuation results based on the Board's approved methods and assumptions from the experience study.

BOI: Audit Reports

CavMac will discuss their actuarial review of the 2025 valuation report prepared by Milliman.

BOI: Risk Assessment Report

Milliman will present the annual risk assessment report based on the June 30, 2025 valuation results.

LACERA

2025 Experience Study Actuarial Methods & Economic Assumptions

Nick Collier

Craig Glyde

JANUARY 14, 2026



Schedule of Pension Projects for Fiscal Year 2025 - 2026

September 2025 offsite: General education on experience study

October 2025 meeting:

- 1) Discussion and analysis of economic assumptions;
- 2) Reach general consensus on economic assumptions

January 2026 meeting:

- 1) Draft experience study report with estimated financial impact;
 - a. Economic and demographic assumptions, and methods
- 2) Adopt / approve assumptions and methods

Today's meeting

March 2026 meeting:

- 1) Valuation results;
- 2) Adopt contribution rates for fiscal year beginning July 1, 2026

June 2026 meeting: Risk assessment (for information only; no Board action)



Actuarial Methods

Actuarial Methods

LACERA's current actuarial methods – **No Changes Recommended**

Actuarial Methods	Current	Comment
Actuarial Cost Method	Entry Age	Current method results in relative stable Normal Cost and member contribution rates within each plan
Actuarial Asset Method	5-Year Smoothing with Offsets	Current methods results in relatively smooth employer contribution rates while not deviating too much from market value
Amortization Method	20-Year Layered Level % of Pay	Current method provides a good balance between progress toward 100% funding and stable employer rates.
Administrative Expenses	Implicit	Explicit approach may be viewed as more transparent, but in practice it makes little difference and can cause some shifting of costs between members and employers
STAR Reserve	Excluded from Valuation Assets	Current method excludes STAR Reserve per the Actuarial Funding Policy (AFP).

Economic Assumptions

Economic Assumptions – Overview

Investment Return (Discount Rate): Used in the valuation to “discount” future payment stream to present value. Generally, the most significant assumption in allocation of future contributions.

National Price Inflation: Directly used in the valuation to project PEPRA compensation limit. Indirectly considered as part of investment return assumption.

Local Price Inflation: A key component of assumptions for COLAs, wage and payroll. Indirect affect on the valuation.

General Wage Growth: Used in the valuation to project salaries used and therefore affects future benefit amounts. Equal to local price inflation plus an additional amount (if any) for real wage growth.

Payroll Growth: Used in the valuation to project payroll used in the Unfunded Actuarial Accrued Liability (UAAL) amortization calculation.

Future Retiree COLAs: Used in the valuation to project current and future retiree benefits. Generally equal to lesser of local price inflation and maximum COLA amount. Existing COLA banks are considered.

Summary of Economic Assumption and Recommendations

Economic Assumptions	Current	Recommended	Comment
National Price Inflation	2.75%	2.50%	Most long-term forecasts project lower than 2.75% national CPI.
Local Price Inflation	2.75%	No Change	Over the long-term Los Angeles inflation has averaged slightly above national CPI. Main impact on salary and payroll growth, and retiree COLA.
Future COLAs	Local Inflation not greater than cap with adjustment for COLA bank (Varies by Plan)	No Change	Plan A: Current assumption is 2.75%, but for current retirees with a COLA bank > 0%, assumption is 3.00%. Other Plans: 2.00% (pro-rated amount for Plan E).
Real Wage Growth	0.50%	No Change	0.50% is slightly higher than historical LACERA experience. However, merit & longevity assumptions have largely made up the difference in recent years. Retaining this assumption along with local price inflation will help to maintain contribution stability in the UAAL contribution rate.
General Wage Growth	Local Price Inflation + Real Wage Growth (3.25%)	No Change	In recent years, general wage growth has been higher than the assumption primarily due to local price inflation. With potential upward pressure on wages in the short-term retaining this assumption is reasonable.
Payroll Growth	Equal to General Wage Growth (3.25%)	No Change	See General Wage Growth.
Investment Return (Discount Rate)	7.00%	No Change	7.00% remains appropriate and contains a small margin for potential adverse future experience.

Demographic Assumptions

Demographic Assumptions – Overview

Mortality (Life Expectancy): Mortality tables are used to estimate current rates of death. Mortality tables are combined with the mortality projection scale to estimate how long current and future retirees will live.	Mortality Projection Scale: A scale that is used to project future changes in mortality rates. A scale that project declines in future mortality rates is expecting increased life expectancies for future retirees.
Merit Salary: Assumed increases in compensation for reasons other than general wage growth, such as promotion and longevity.	Service Retirement: Probability of taking a service retirement at a given age which affects projected benefit amount and length member is expected to receive benefit.
Disability Retirement: Probability of taking a disability retirement at a given age which affects projected benefit amount and length member is expected to receive benefit.	Termination: Probability of leaving active service for reasons other than death, disability or service retirement.

Demographic Assumptions - Rationale for Changes

Demographics except Merit Salary

- Reviewed experience over the periods July 1, 2016 to June 30, 2025 and July 1, 2022 to June 30, 2025
 - Reviewing experience over longer periods reduces potential overreliance on recent experience and should promote more stability in assumptions and contribution rates
 - Reviewing over both periods helps to identify changes / trends
- Recommended changes to the extent there was evidence to support it based on both periods
- No explicit adjustment for the pandemic-related experience
 - We reviewed whether making adjustments for experience during the period 2019 – 2022 would change our recommendation and determined it would not

Merit Salary

- July 1, 2010 to June 30, 2025 and July 1, 2016 to June 30, 2025 for merit salary
- Longer periods incorporate impact of short-term fluctuations in salary awards

Retiree Mortality (Healthy)

Mortality Base Tables

Class	Type	Gender	Current Table	Proposed Table
General	Healthy	Male	PubG-2010 (100%) Healthy Retiree Male	PubG-2016 (100%) Healthy Retiree Male
General	Healthy	Female	PubG-2010 (110%) Healthy Retiree Female	PubG-2016 (100%) Healthy Retiree Female
Safety	Healthy	Male	PubS-2010 (85%) Healthy Retiree Male	PubS-2016 (90%) Healthy Retiree Male
Safety	Healthy	Female	PubS-2010 (100%) Healthy Retiree Female	PubS-2016 (90%) Healthy Retiree Female

- Pub-2016 are the most recent mortality tables for public retirement systems published by the SOA
 - Includes LACERA-specific mortality experience
 - In general, less adjustment to base tables needed

Mortality Improvement Assumption

- Mortality under the current mortality base tables is projected to improve at the ultimate rate included in mortality improvement scale MP-2021, which is the most recent improvement scale published by the SOA
- Recommend no change to mortality improvement scale

Expected Lifetime for Age 65 Retiree in 2025			
	Current Assumption	Proposed Assumption	Difference
General Male	86.5	86.3	(0.2)
General Female	88.1	88.6	0.5
Safety Male	87.4	87.2	(0.2)
Safety Female	88.0	88.5	0.5

Active Member Mortality

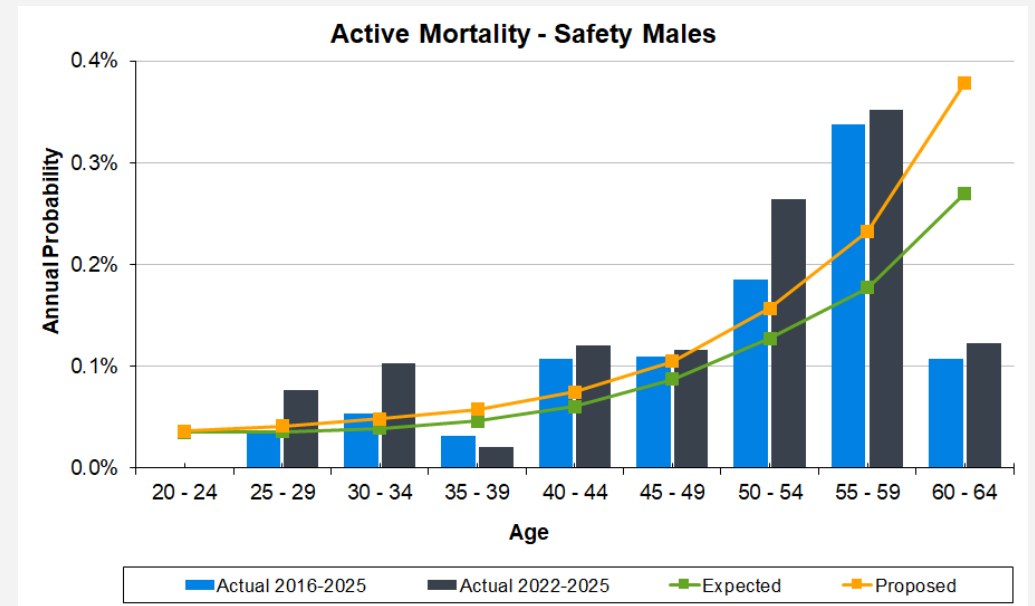
Mortality Base Tables

Class	Gender	Current Table	Proposed Table
General	Male	PubG-2010 (120%) Employee Male	PubG-2016 (110%) Employee Male
General	Female	PubG-2010 (130%) Employee Female	PubG-2016 (120%) Employee Female
Safety	Male	PubS-2010 (100%) Employee Male	PubS-2016 (120%) Employee Male
Safety	Female	PubS-2010 (100%) Employee Female	PubS-2016 (120%) Employee Female

- Pub-2016 are the most recent mortality tables for public retirement systems published by the SOA
 - Includes LACERA-specific mortality experience
 - Less adjustment to base tables needed for General members, more for Safety members

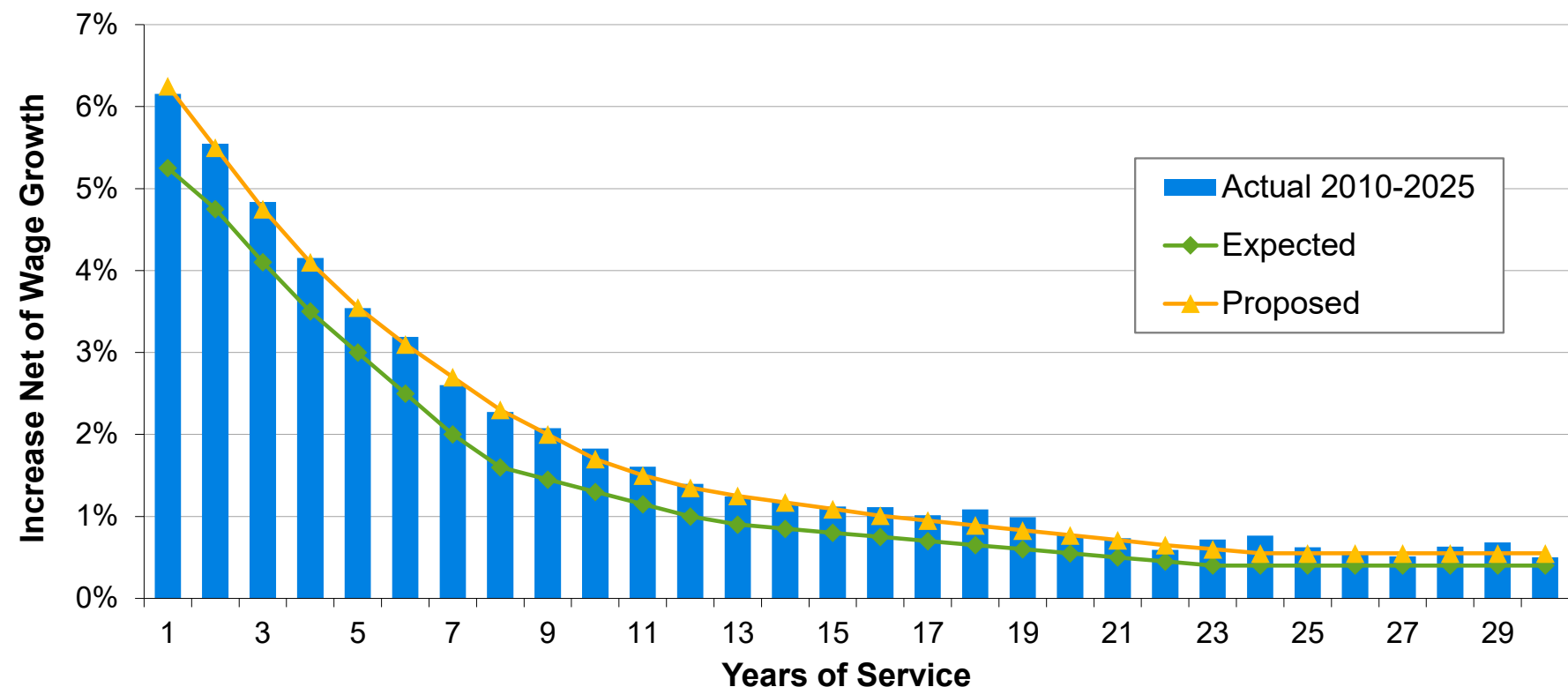
Mortality Improvement Assumption

- Mortality under the current mortality base tables is projected to improve at the ultimate rate included in mortality improvement scale MP-2021, which is the most recent improvement scale published by the SOA
- Recommend no change to mortality improvement scale



Merit Salary Increases - General

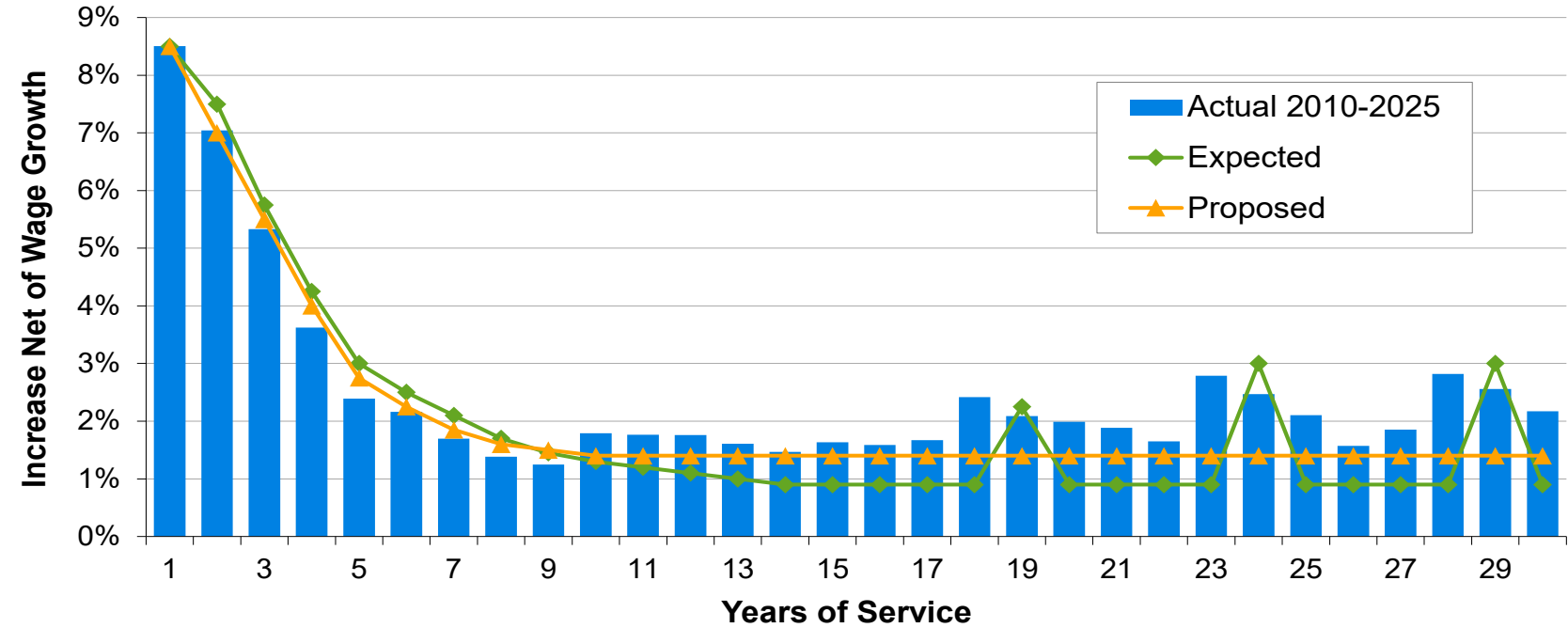
- Merit salary increases are in addition to general wage increases (recommended 3.25%)
- Proposed merit salary increases reflects the trend of larger increases on account of merit & longevity



□ Actual merit & longevity increases were generally higher over the period 2016 to 2025 than over the period 2010 to 2025

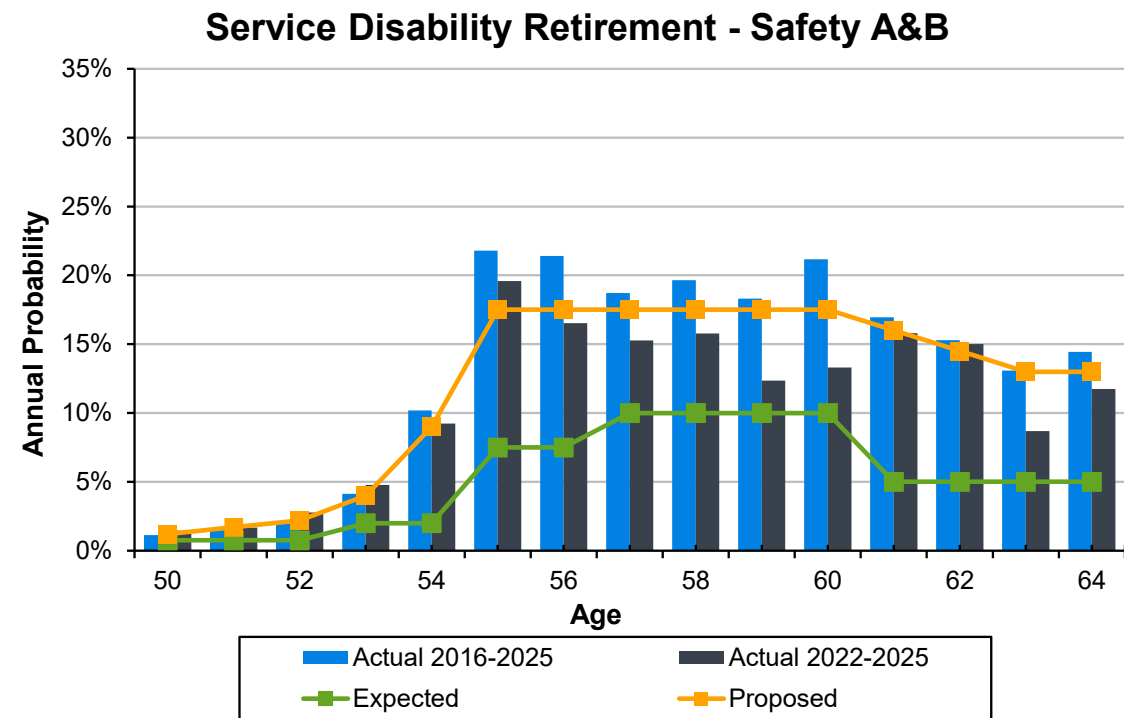
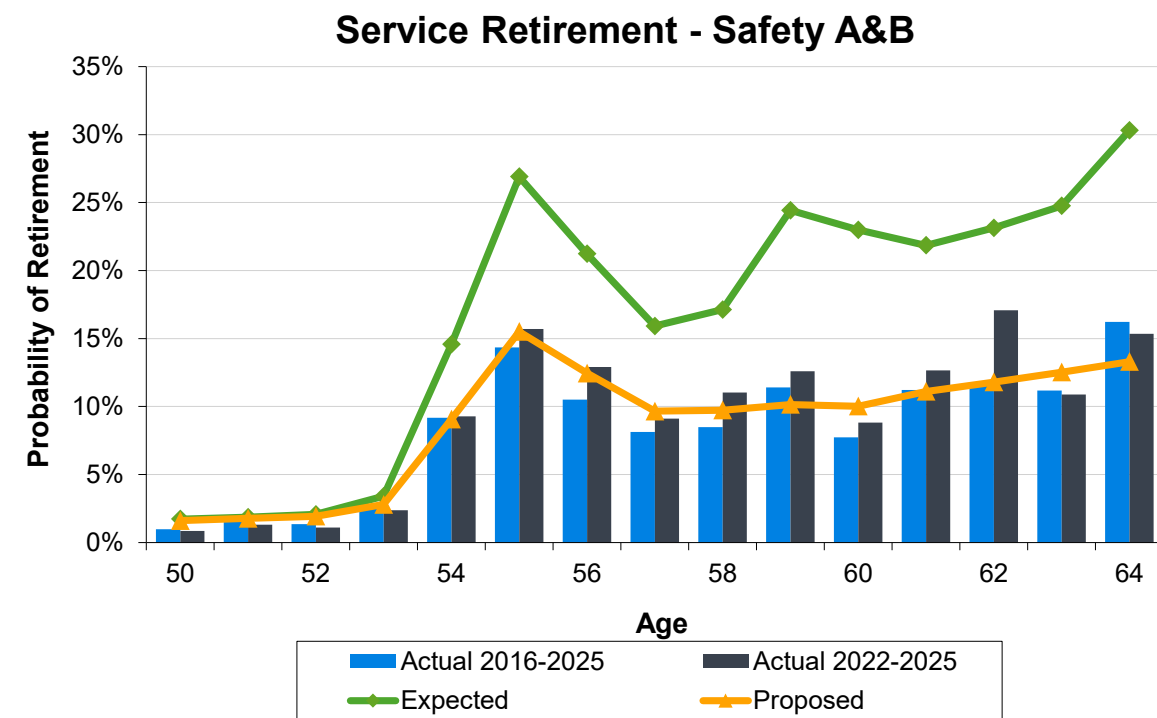
Merit Salary Increases - Safety

- Merit salary increases are in addition to general wage increases (recommended 3.25%)
- Proposed merit salary changes
 - Small decreases in service years 2 to 8; increases in most service years 10+
 - Smooth increases at 19, 24, and 29 years of service throughout all service to improve continuity of member rates for Legacy members with different entry ages



Actual merit & longevity increases were slightly higher at longer service periods over the period 2016 to 2025 than the period 2010 to 2025

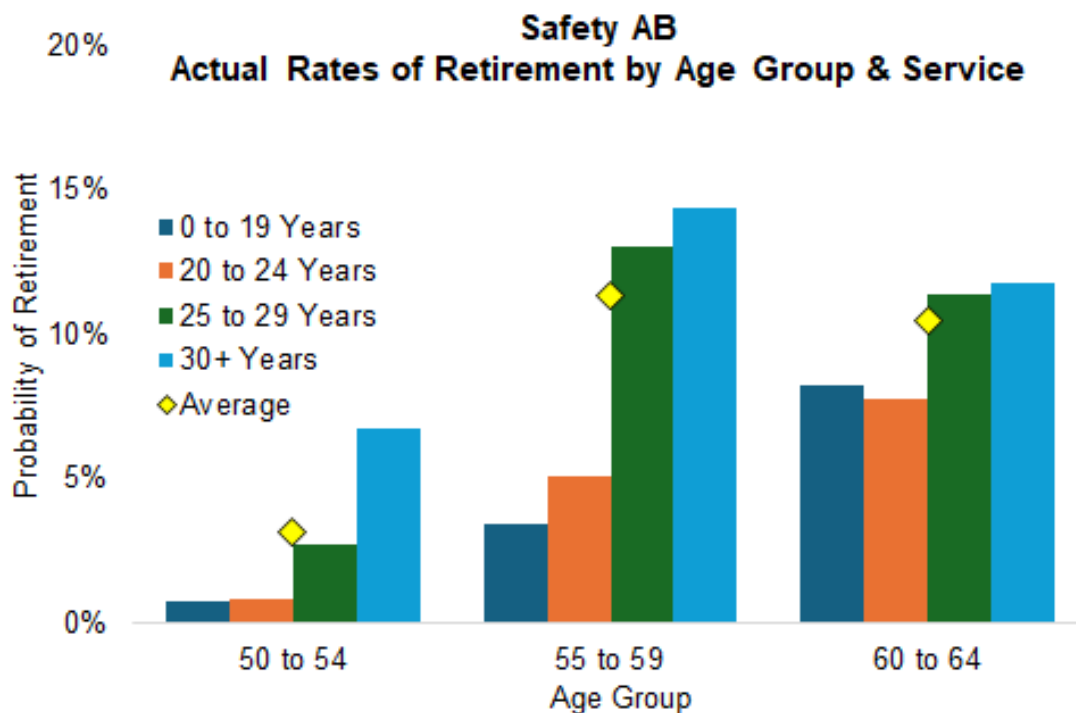
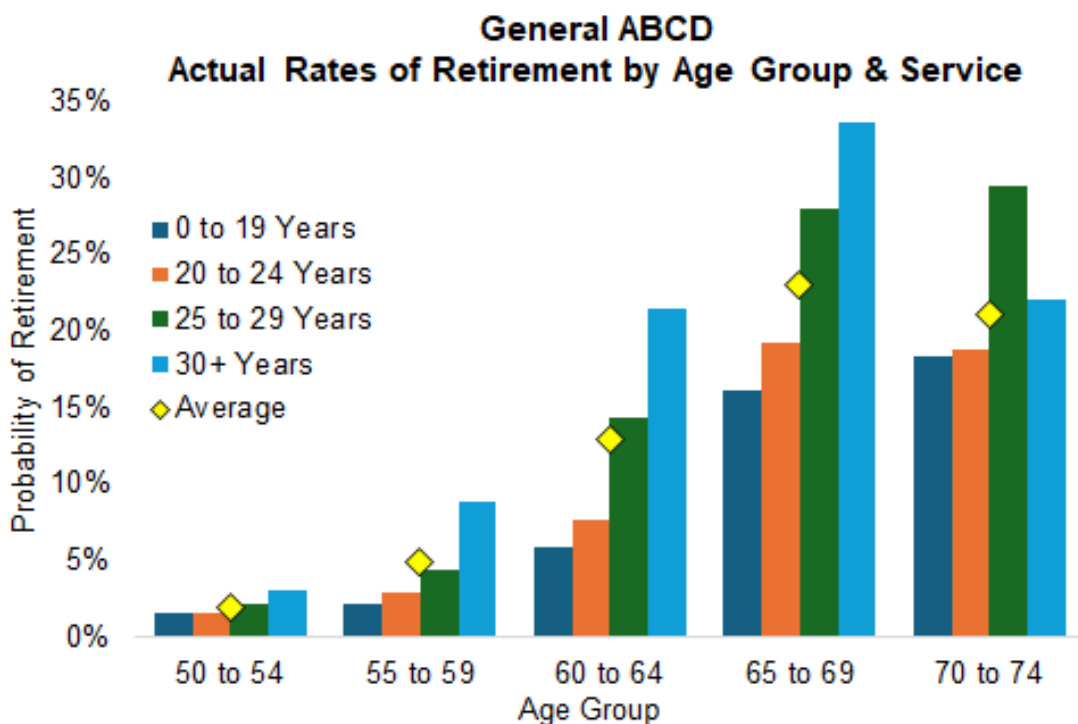
Service Retirement from Active Status – Safety A&B



- A higher percentage of retirements of Safety A&B members are service-connected disability retirements than expected by the current assumptions
- Many members who initially retire for service retirement are later approved for disability retirement
 - Methodology change to expand period studied more fully captures these reclassifications after initial retirement

Service Retirement from Active Status

- Service retirement rates are affected by a member's age and length of service
 - More service = Larger benefit = More likely to retire
 - Reflecting these factors provides a more accurate estimate of liabilities and cash flow than using only age-based rates



Financial Impact

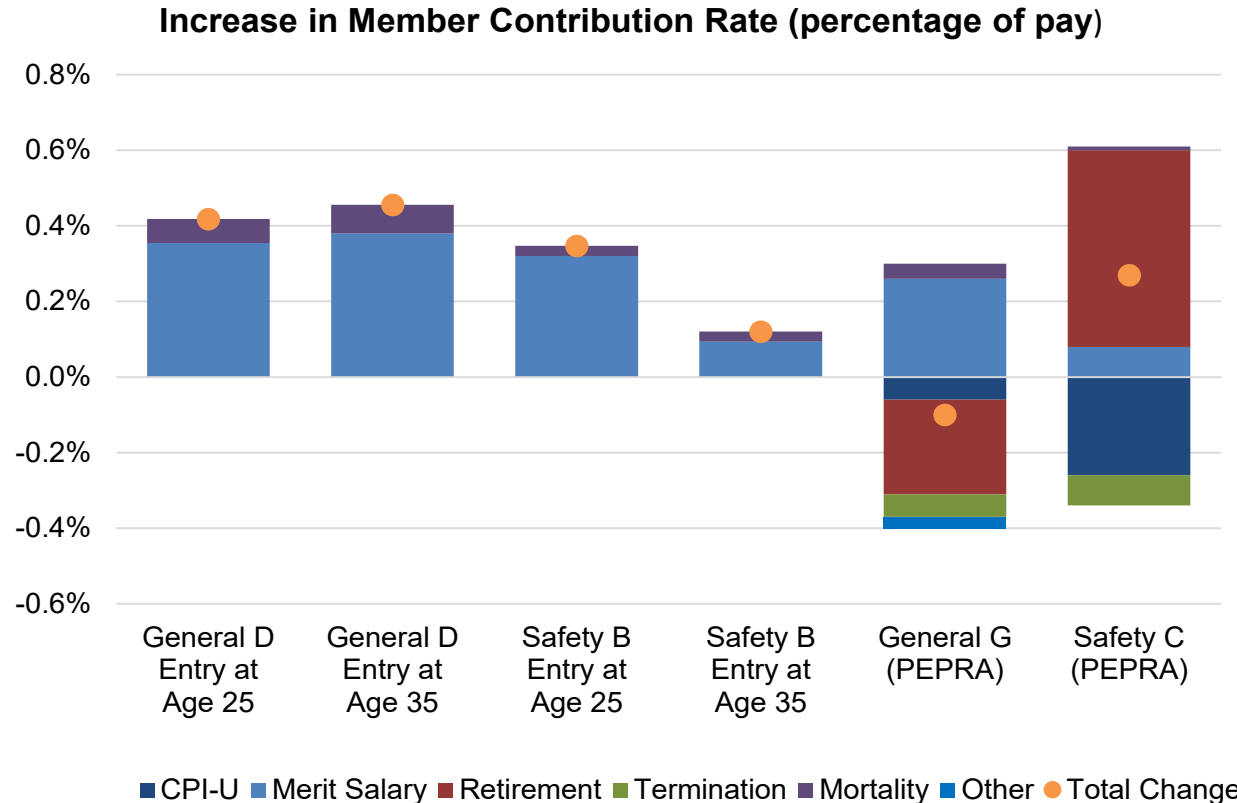
Estimated Financial Impact – Funded Ratio / Employer Contribution

- Estimated Employer contribution rate:
 - FYB 2026 rate is 0.7% of payroll lower than FYB 2025 rate (before changes)
 - FYB 2026 rate is 0.1% of payroll higher than FYB 2025 rate (after changes)
- Estimated Funded Ratio (FR):
 - 2025 FR is 1.6% higher than 2024 FR (before changes)
 - 2025 FR is 0.9% higher than 2024 FR (after changes)
- Values reflect estimated return for fiscal year ended June 30, 2025

	Funded Ratio	Total Employer Contribution	
		% of Payroll	\$ millions
June 30, 2024 Valuation	80.9%	25.61%	\$ 2,745
Estimated June 30, 2025 Valuation (before changes)	82.5%	24.90%	\$ 2,669
Recommended Economic Assumption Changes			
National Price Inflation	0.0%	-0.06%	\$ (6)
Recommended Demographic Assumption Changes			
Merit Salary	-0.2%	0.56%	\$ 60
Service Retirement / Disability	-0.1%	0.11%	12
Termination / Refund	-0.1%	-0.10%	(11)
Mortality	-0.3%	0.27%	29
Other	0.0%	0.02%	2
Demographic Assumption Changes	-0.7%	0.86%	\$ 92
Recommended Changes			
Total Recommended Changes	-0.7%	0.80%	\$ 86
Estimated June 30, 2025 Valuation (with all changes)	81.8%	25.70%	\$ 2,755

* All amounts and percentages shown on this page are estimates except June 30, 2024 values

Financial Impact – Member Contribution Rates



	Change in Member Rate	Average Monthly Salary	Change in Monthly Contribution
Legacy Members			
- General D (Entry Age 25)	0.42%	\$ 9,500	\$40
- General D (Entry Age 35)	0.46%	\$ 9,500	\$44
- Safety B (Entry Age 25)	0.35%	\$ 13,000	\$46
- Safety B (Entry Age 35)	0.12%	\$ 13,000	\$16
PEPRA Members			
- General	-0.10%	\$ 7,000	(\$7)
- Safety	0.27%	\$ 9,200	\$25

- Increase in member contribution rates for most members
- Amount of increase dependent on plan and entry age (for Legacy plan members)
 - Legacy Safety members with younger entry ages will see larger percentage increase than older entry ages

Thank you

Certification

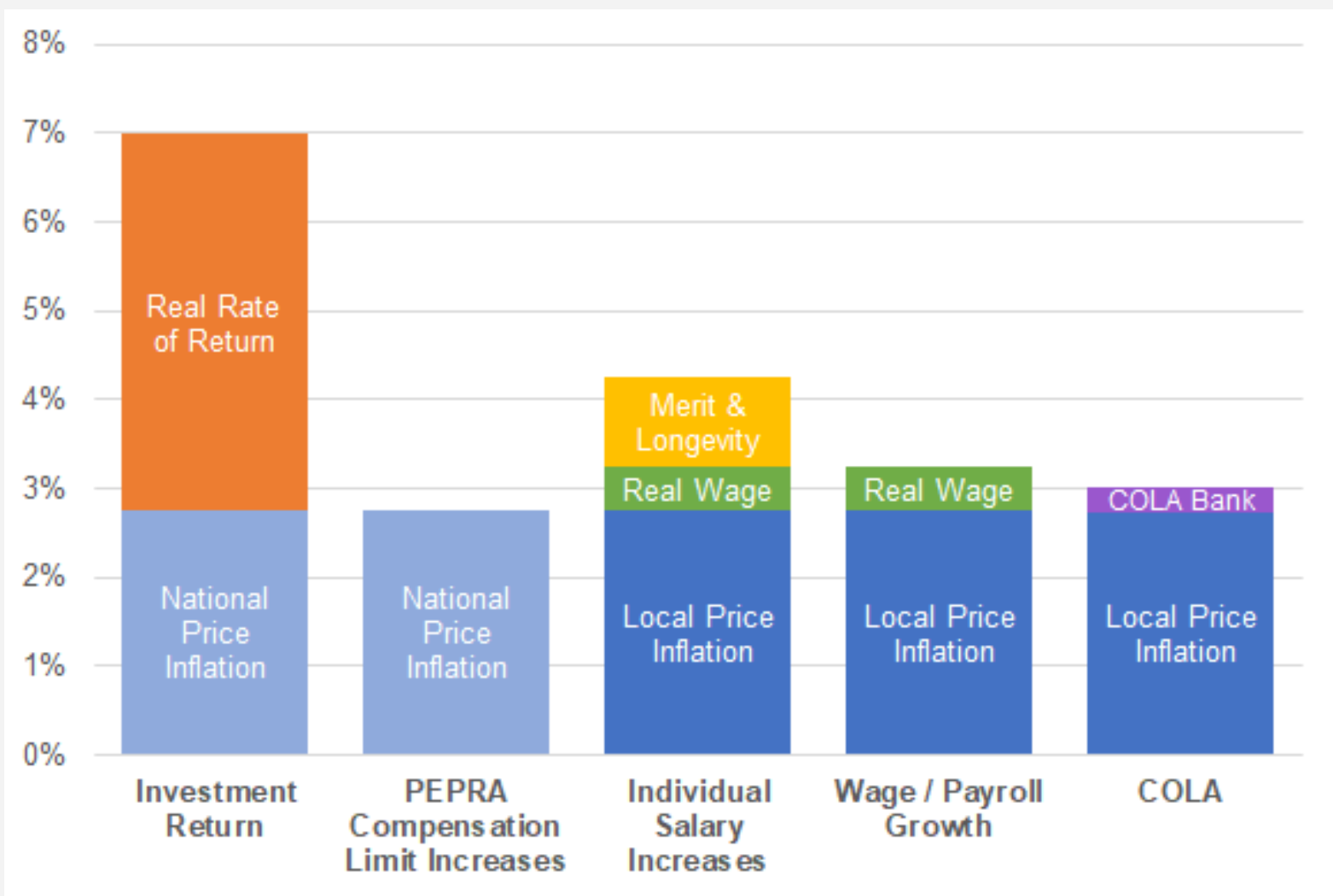
This presentation is intended as a high-level discussion of an actuarial experience study. The statements of reliance and limitations on the use of this material is reflected in our most recent actuarial report (June 30, 2024) and still apply to this presentation. These statements include reliance on data provided, on actuarial certification, and the purpose of the report.

Milliman's work product was prepared exclusively for LACERA for a specific and limited purpose. It is a complex, technical analysis that assumes a high level of knowledge concerning LACERA's operations, and uses LACERA's data, which Milliman has not audited. It is not for the use or benefit of any third party for any purpose. Any third-party recipient of Milliman's work product who desires professional guidance should not rely upon Milliman's work product but should engage qualified professionals for advice appropriate to its own specific needs.

The results of the actuarial valuation are based on one set of reasonable assumptions. However, it is almost certain that future experience will not exactly match the assumptions. As an example, investments may perform better or worse than assumed in any single year and over any longer time horizon. It is therefore important to consider the potential impacts of these potential differences when making decisions that may affect the future financial health of the Plan, or the Plan's participants. Please refer to the Risk Assessment report dated May 22, 2025 for a detailed analysis of the main risks applicable to LACERA.

Economic Assumption material from October 2025 BOI Presentation

Economic Assumptions - Components



Price Inflation / CPI

Forecasts for 20 years as of June 30, 2025

- Implied inflation from TIPS of 2.45%
- Cleveland Fed = 2.4%
- Milliman = 2.3% / Meketa = 2.7%
- Long-range Social Security projection is 2.4%

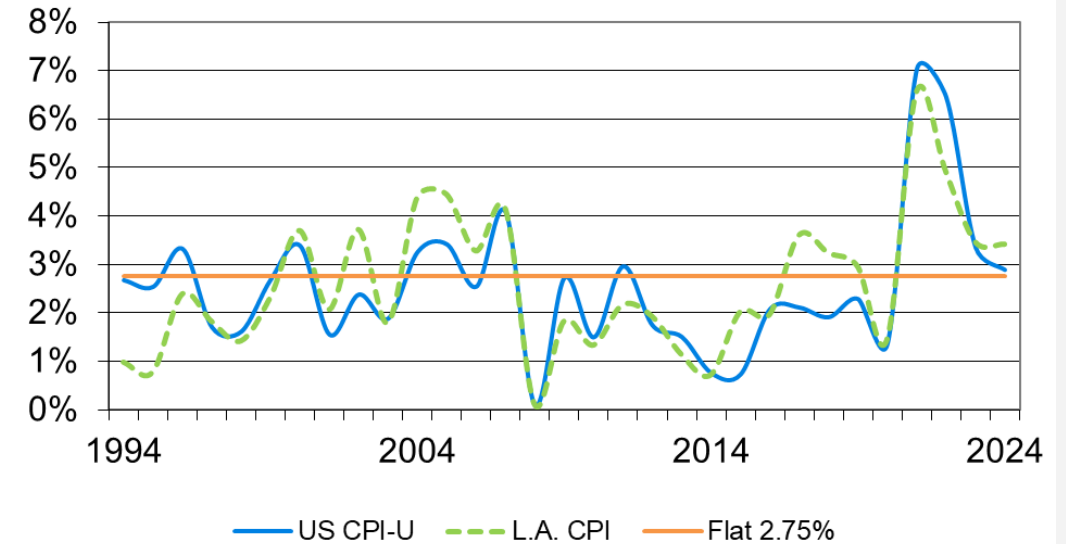
Inflation assumption for other systems

- CalPERS is at 2.30% and CalSTRS is at 2.75%
- 2.50% is median assumption for 100 largest systems

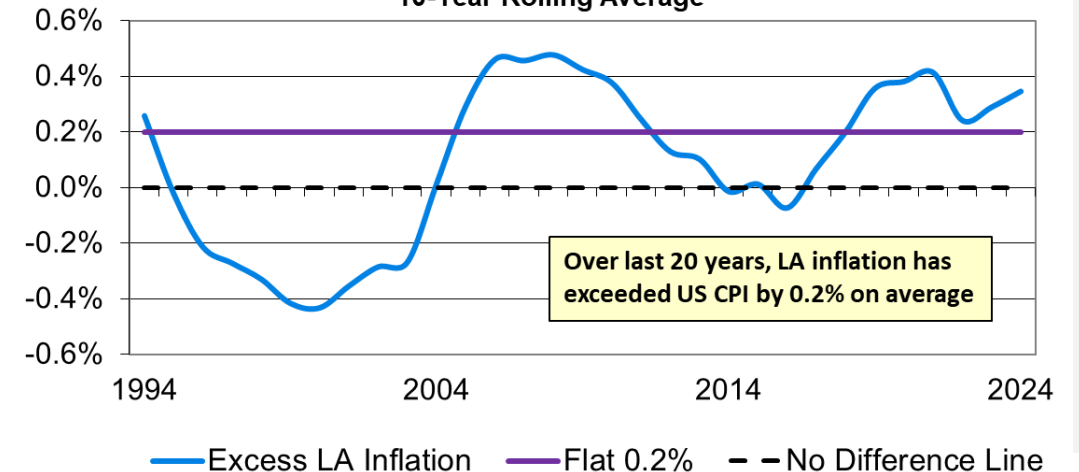
Current assumption is 2.75% for national and local

- Higher than most forecasts for national inflation
- Consider bifurcating inflation assumption into national and local inflation assumptions, and
 - Lowering assumption for national inflation (CPI-U) to 2.50%
 - Retaining 2.75% assumption for local inflation for salary increase and retiree COLA purposes

Historical Inflation



Historical Inflation -- Los Angeles vs US
10-Year Rolling Average



General Wage and Payroll Growth

- Valuation includes assumptions for:
 - Payroll Growth – the growth rate of LACERA's total active employee population payroll
 - General Wage growth – the growth rate of continuing active employee population wages due to local inflation and real wage growth
 - Real wage growth for continuing members reflects increases in salary levels on top of price inflation due to productivity and market adjustments
- The payroll growth assumption is used in the calculation of the UAAL contribution rate
- The general wage growth assumption is used to project active member wages and to determine their Final Average Compensation (FAC)
- Fairly standard among public retirement systems to have payroll growth equal to general wage growth
- Current assumption is 3.25% for payroll and general wage growth
 - 2.75% local inflation + 0.50% real wage growth

Payroll / Wage Growth

Average annual national statistics

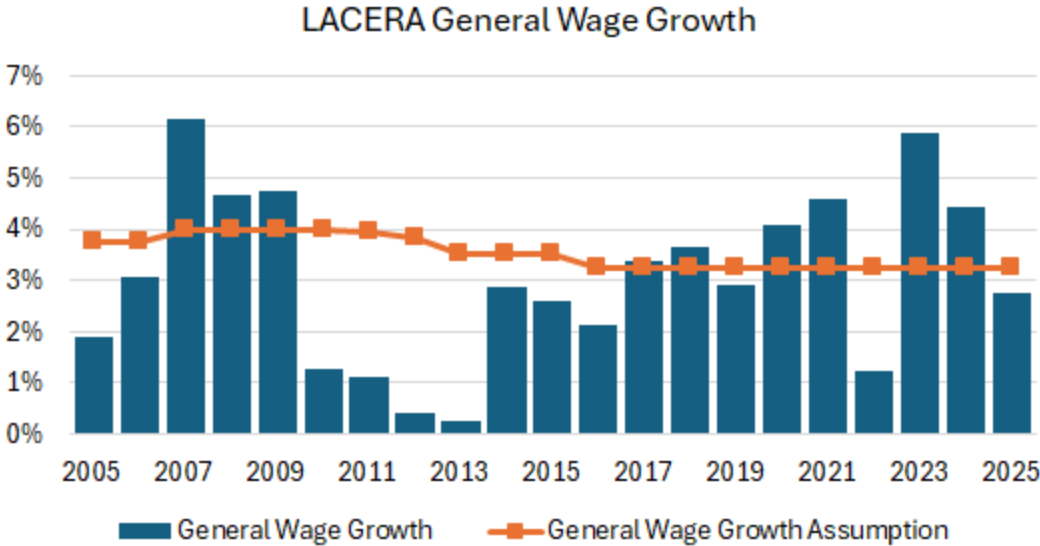
Period	Wage Growth	CPI Increase	Real Wage Inflation
2015-2024	4.0%	3.0%	1.0%
2005-2024	3.3%	2.6%	0.7%
1995-2024	3.6%	2.5%	1.1%
1985-2024	3.7%	2.8%	0.9%
1975-2024	4.4%	3.7%	0.7%

- Over last 20 years LACERA wage growth has been lower than, and CPI higher than, national average which implies lower real wage inflation
- Social Security intermediate long-term assumption for real wage growth is 1.13%
- LACERA’s active member population has been relatively stable over time
- Current assumption for real wage growth of LACERA’s total active population is 0.50%

Average annual LACERA statistics

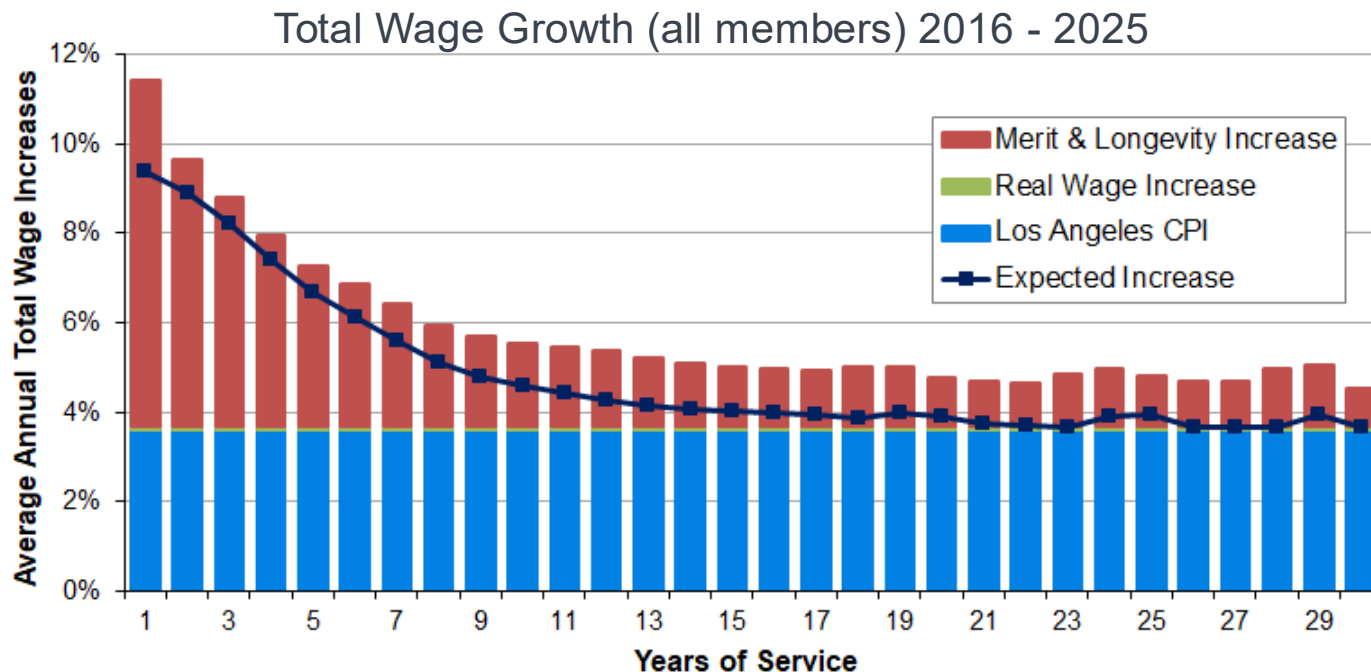
Period	General Wage Growth* =	CPI Increase +	Real Wage Inflation
2015-2024	3.5%	3.2%	0.3%
2005-2024	3.1%	2.8%	0.3%

* Does not include merit & longevity component



Total Wage Growth

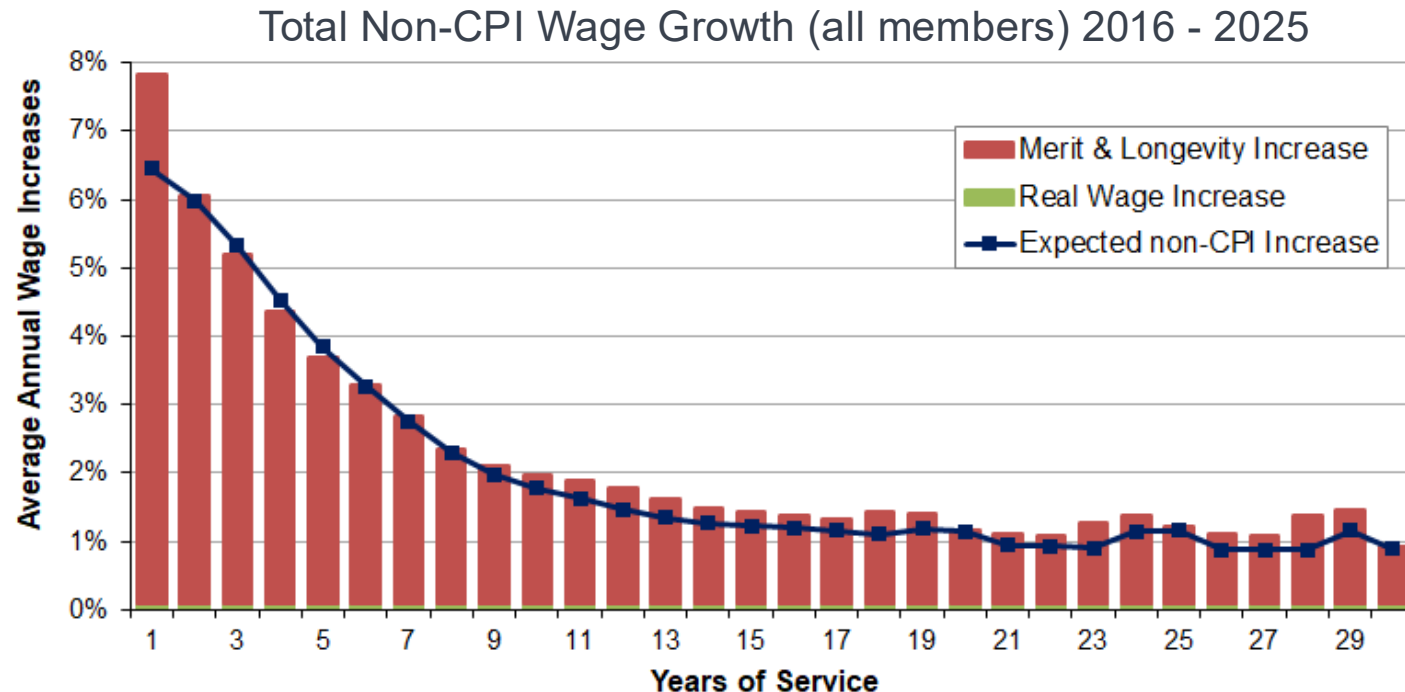
- An individual continuing active member's assumed annual salary increase is composed of:
 - Local inflation (current assumption is 2.75%)
 - Real wage growth (current assumption is 0.50%)
 - Additional increase due to productivity and market adjustments
 - Individual merit / longevity (demographic assumption) – typically varies based on length of service



- Average annual Los Angeles CPI of 3.6% has exceeded the assumed 2.75% increase
- Average annual Real Wage Growth of 0.1% has lagged the assumed 0.5% increase
- Over rolling 15-year periods since 2013 Real Wage Growth has been in the range 0.0% - 0.8%

Non-CPI related Wage Growth (i.e. Real Wage Growth + Merit & Longevity Increases)

- Non-CPI components of wage growth have followed the assumption reasonably well in aggregate
 - Average annual Real wage growth (current assumption is 0.50%) has lagged the assumption
 - Individual merit / longevity (demographic assumption) has largely made up the difference



- Propose retaining the 0.50% real wage growth assumption, and making adjustments to merit & longevity such that the total non-CPI wage growth increase continues to be appropriate
- Merit & longevity assumption will be studied separately for General and Safety member classes
- Propose retaining Payroll Growth & General Wage Growth at 3.25%
 - (2.75% CPI + 0.5% real wage growth)

Expected Return – 2025 Capital Market Assumptions

Current assumption for annual average investment return is 7.0%

Milliman calculated the median expected return for LACERA's target portfolio using the 2025 capital market outlook assumptions from three sources:

- Meketa (expected returns provided by Meketa)
- Milliman
- 2025 Horizon survey of capital market assumptions (survey of about 40 investment advisors)

All sources support the continuing use of a 7.0% investment return assumption

Based on the Milliman model and assumption there is a small margin for adverse experience for 20-year horizon

Retaining the 7.0% investment return assumption will help maintain the recent stability of contribution rates

2025 CMAs	Meketa	Milliman	Horizon
Based on 10-Year Assumptions			
Median Annualized Return	7.2%	6.7%	7.3%
Assumed Inflation	2.3%	2.3%	2.4%
Based on 20-Year Assumptions			
Median Annualized Return	8.4%	7.2%	7.7%
Assumed Inflation	2.7%	2.3%	2.4%

Notes:

1. Returns are net of assumed expenses of 0.20% of assets.
2. Milliman expected returns reflect updated capital market assumptions as of June 30, 2025. Horizon and Meketa are as of January 2025.
3. The Horizon Survey reports a limited number of asset classes. In cases where there was not a corresponding asset class in the survey, Milliman's assumptions for the corresponding time horizon were used.
4. Horizon 10-year assumptions include some consultants with less than 10 years. Horizon 20-year assumptions include some consultants with more than 20 years and are based on a subset of the full group.

Glossary of Actuarial Terms

Glossary

Accrued Liability / Actuarial Accrued Liability (AAL): That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of pension plan benefits and expenses which is not provided for by future Normal Costs.

Actuarial Asset Smoothing: A method used to determine the Actuarial Values of Assets that reduces the effect of short-term market volatility while still tracking the overall movement of the market value of assets.

Actuarial Assumptions: Assumptions as to the occurrence of future events affecting pension costs, such as: mortality, withdrawal, disability, and retirement; changes in compensation; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets. The Actuarial Assumptions fall into two main categories: Demographic and Economic Assumptions.

Actuarial Methods: Procedures used to determine the Actuarial Value of Assets; how the liabilities (value of promised benefit payments) are allocated to accrued and future; how the Unfunded Actuarial Accrued Liability is systematically paid down (amortization method); and other relevant items.

Actuarial Standards of Practice: The Actuarial Standards Board sets standards for appropriate actuarial practice in the United States through the development and promulgation of Actuarial Standards of Practice (ASOPs). These ASOPs describe the procedures an actuary should follow when performing actuarial services and identify what the actuary should disclose when communicating the results of those services.

Actuarial Valuation: The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a pension plan.

Actuarial Value of Assets: The value of cash, investments and other property belonging to a pension plan after reflection of Actuarial Asset Smoothing, as used by the actuary for the purpose of an Actuarial Valuation

Glossary (continued)

Alpha: Actual investment return, if any, above the benchmark return.

Amortization Payment: That portion of the pension plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.

Capital Market Assumptions (or Expectations): Capital Market Assumptions are numerical expectations about the future performance of available asset classes that incorporate theories, observations and experience. Each asset class has an expected return, variance and correlation between other asset classes.

COLA: LACERA retirement and survivor allowances are adjusted annually by the cost-of-living adjustment (COLA). The adjustment is based on changes in the cost of living over the previous 12-month period as of December 31.

COLA Bank: Also referred to as the COLA Accumulation. The COLA Bank is the accumulation of annual CPI increases that exceed the COLA Cap. In years where the CPI increase is less than the COLA Cap, a withdrawal from the COLA Bank takes place to increase the actual COLA granted, up to the COLA Cap.

COLA Cap (Maximum): LACERA retirees and beneficiaries cannot receive an annual COLA increase above the COLA Cap. For Plan A, the amount is 3%; for other plans the maximum is 2%.

CPI: Consumer Price Index. Used to measure local and national price inflation.

Demographic Assumptions: Assumptions as to the occurrence of future events specific to member experience, such as: mortality, withdrawal, disability, retirement, and changes in compensation in excess of General Wage Growth.

Glossary (continued)

Discount: The discount is the reduction that is applied to future cash flows (primarily benefit payments and contributions) to determine the present value as of the valuation date of those cash flows. For LACERA, the discount rate is equal to the investment return assumption.

Economic Assumptions: Assumptions as to the occurrence of future events specific to economic factors, such as: investment returns, compensation increases related to inflation and productivity, and inflation.

Employer Contribution Rate: Annual employer contribution calculated under LACERA's funding policy as a percent of payroll. The rate is a sum of contributions to fund the Normal Costs (net of member contributions) and the UAAL.

Inflation: See Price Inflation.

Investigation of Experience: Periodic review of Actuarial Assumptions to review recent experience and future forecasts. For LACERA, this is completed every three years

Layered Amortization Period: Payment of each year's change in the Unfunded Actuarial Accrued Liability (UAAL) is amortized over separate closed periods. For LACERA, the original UAAL as of June 30, 2009 is being amortized over a closed 30-year period. Subsequent changes in the UAAL were amortized over new closed 30-year periods. Effective with the June 30, 2019 valuation all existing layers with more than 22 years remaining as of June 30, 2020 were re-amortized over closed 22-year periods. All new UAAL layers thereafter are amortized over closed 20-year periods beginning with the date the contribution is first expected to be made. All amortization payments are based on a level percent of pay.

Legacy: Legacy plans are those plans that existed prior to the implementation of PEPRA. For LACERA, these are the following defined benefit plans: General Plans A, B, C & D and Safety Plans A & B.

Glossary (continued)

Median Expected Return: The numerical value that there is a 50% probability the actual return will exceed (and 50% probability it will fall short of) this value over a long-term time horizon on annualized geometric basis.

Merit Salary Increases: Salary increases in excess of the General Wage Growth that are expected as a member moves through their career related to merit, promotion and longevity.

Mortality Projection Scale: A scale that is used to project future changes in mortality rates. A scale that project declines in future mortality rates is expecting increased life expectancies for future retirees.

Normal Cost Rate: The value of benefits earned as a percent of pay calculated as a level percent of payroll from entry age.

Payroll Growth: The annual increase in the pensionable payroll used in the calculation of the UAAL amortization rate.

PEPRA: The California Public Employees' Pension Reform Act (PEPRA) of 2013 specifies benefit provisions for LACERA General Plan G and Safety Plan C. It also governs certain provisions of other LACERA plans and places additional restrictions on employer contribution rates to be paid.

Price Inflation: A sustained increase in the general level of prices for goods and services.

Price-to-Earnings (P/E) Ratio: The price-to-earnings ratio is the ratio for valuing a company that measures its current share price relative to its earnings per share. P/E ratios are used by investors and analysts to determine the relative value of a company's shares in an apples-to-apples comparison.

Glossary (continued)

Projected Benefits: Those pension plan benefit amounts which are expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age and past and anticipated future compensation and service credits.

Real Rate of Return: The portion of the expected investment return that is in excess of national Price Inflation.

Real Wage Growth: The portion of General Wage Growth that is not related to local Price Inflation.

STAR Reserve: Reserves accumulated for the payment of cost-of-living benefits as defined in California Government Code Section 31874.3. Supplemental Targeted Adjustment for Retirees (STAR) Benefits Supplemental cost-of-living payments to retired members to restore purchasing power at a specified percentage level, as described in California Government Code Section 31874.3.

Unfunded Actuarial Accrued Liability (UAAL): The excess, if any, of the Actuarial Accrued Liability over the Valuation Assets.

Valuation Assets: Assets considered in the calculation of the UAAL contribution rate. Valuation assets are equal to Actuarial Value of Assets but net of certain non-valuation reserves (for the 2024 valuation, the non-valuation reserves are the Contingency Reserve and the STAR Reserve).

Valuation Date: The date upon which the Normal Cost, Actuarial Accrued Liability, and Actuarial Value of Assets are determined. Generally, the Valuation Date will coincide with the ending of a Plan Year.

Wage Growth: See General Wage Growth.



Review of the underlying data

- Confirm appropriate treatment of LACERA raw data
- Confirm reasonableness of demographic experience analysis

Review of proposed economic assumptions

We believe Milliman's recommendations are reasonable

- Assess compliance with Actuarial Standards of Practice
- Recognize professional judgment
- Current economic and financial market environment makes this challenging



Review of proposed demographic assumptions

We believe Milliman's recommendations are reasonable

- Assess compliance with Actuarial Standards of Practice
- Recognize professional judgment
- Milliman appropriately considered possible COVID influences

Review of proposed methods

We believe Milliman's recommendations are reasonable

- Assess compliance with Actuarial Standards of Practice



Review of Milliman's report

- Assess compliance with Actuarial Standards of Practice
- Reports need to consider the style and preferences of the client and the consultant
- Offered ideas for future reports



We find the proposed actuarial assumptions and methods to be reasonable. The Investigation of Experience was performed by qualified actuaries and was performed in accordance with the principles and practices prescribed by the Actuarial Standards Board.



ACTUARIAL FUNDING POLICY

BOARD OF INVESTMENTS
ADOPTED: OCTOBER 2024

Actuarial Funding Policy

Authorizing Manager: Jonathan Grabel, Chief Investments Officer

Original Issue Date: December 9, 2009

Effective Date: July 1, 2024

Last Updated: October 9, 2024

Mandatory Review: July 1, 2027 (Every 3 Years)

Approval Level: Board of Investments

I. Purpose

The policy provides guidance to the Board of Investments (BOI) in making decisions about the funding of LACERA's retirement benefits. The policy also gives direction to LACERA's consulting actuary in their work.

II. Scope

The policy is applicable to the Board of Investments and is limited to the funding of LACERA's retirement benefits.

III. Legal Authority

The BOI governs LACERA in accordance with the [California Constitution](#), [County Employees Retirement Law \(CERL\)](#), [California Public Employees' Pension Reform Act of 2013 \(PEPRA\)](#), Internal Revenue Code requirements, and applicable case law.

IV. Definitions

For the purpose of this Policy, the terms below have the following definitions:

Actuarial Accrued Liability (AAL) – The portion of the present value of projected benefits that is attributed to past service determined by the actuarial funding method.

Actuarial Cost Method – A process used to allocate present value of projected benefits among past and future periods of service.

Actuarial Standards of Practice – Guidance provided to actuaries on the techniques, applications, procedures, and methods that reflect appropriate actuarial practices in the United States.

Actuarial Surplus – The positive difference, if any, between the Valuation Assets and the Actuarial Accrued Liability

Actuarial Value of Assets (AVA) – The Fair Value of Assets less or plus the net deferred investment gains or losses not yet recognized by the Asset Smoothing Method.

IV. Definitions (Continued)

Asset Smoothing Method – A process used to spread the recognition of actuarial investment gains or losses (relative to the assumed return) over a period of time for the purposes of determining the Actuarial Value of Assets.

California Actuarial Advisory Panel – Group of eight appointed actuaries who provide public agencies with impartial and independent information on pensions, other post-employment benefits, and best practices, and report those recommendations to the Legislature.

California Public Employees' Pension Reform Act of 2013 (PEPRA or CalPEPRA) – This law affects retirement benefits and member contribution rates for most employees hired January 1, 2013, and later. Additional provisions put limitations on employer contribution rates.

County Employees Retirement Law of 1937 (CERL) – Body of law enacted to govern retirement benefits for certain public employees.

Conference of Consulting Actuaries Public Plans Community – Group charged with advancing the sound actuarial and governance practice in the public sector retirement and employee benefits arenas.

Employer Normal Cost Rate – The portion of the Normal Cost Rate not funded by member contributions.

Entry Age Actuarial Cost Method – An Actuarial Cost Method designed to fund a member's total plan benefit over the course of their career. This method is designed to produce stable employer and member contributions in amounts that increase at the same rate as the members' payroll (i.e., level percentage of payroll).

Fair Value of Assets (FVA) – The Fiduciary Net Position Restricted for Pension Benefits as defined by the Government Accounting Standards Board.

Legacy Plan Members – Members who are not in a PEPRA Plan.

Negative Amortization – When the annual contribution to pay down the UAAL is less than the annual increase in UAAL due to interest. In other words, negative amortization means the amount owed is expected to increase during the year.

Non-Valuation Reserves – The non-valuation reserves that are set aside for obligations or contingencies and are excluded from the assets used in the funding valuation. These reserves include the STAR Reserve, the Contingency Reserve, and the County Contribution Credit Reserve.

Normal Cost – The portion of the present value of projected benefits that is attributed to current service by the actuarial funding method.

Normal Cost Rate – The Normal Cost expressed as a percentage of salary.

PEPRA – California Public Employees' Pension Reform Act of 2013. This law affects retirement benefits and member contribution rates for most employees hired January 1, 2013 and later.

IV. Definitions (Continued)

PEPRA Plan Members – Members whose retirement benefit provisions are covered by [PEPRA](#). For LACERA, this is General Plan G and Safety Plan C.

Realized Earnings – Earnings that have been received. This excludes changes in asset values due to appreciation/depreciation.

Statutory Benefits – LACERA benefits provided under [CERL](#) and [PEPRA](#). For purposes of this Funding Policy, Statutory Benefits do not include Other Post-Employment Benefits such as retiree healthcare benefits.

Unfunded Actuarial Accrued Liability (UAAL) – The portion of the Actuarial Accrued Liability that is not currently covered by Valuation Assets. It is calculated by subtracting the Valuation Assets from the Actuarial Accrued Liability.

Valuation Assets – The value of assets used in the actuarial valuation to determine employer contribution rate requirements. It is equal to the Actuarial Value of Assets reduced by the value of any Non-Valuation Reserves.

V. Policy

A. Funding Policy Principles

1. **Mission:** LACERA's mission is to produce, protect, and provide the promised benefits to its members. The Board of Retirement (BOR) is responsible for the administration of the retirement system. The Board of Investments (BOI) is responsible for establishing LACERA's investment policy and objectives, as well as exercising authority and control over the investment management of the pension and benefits trusts.
2. **Legal Authority:** The BOR and BOI govern LACERA in accordance with the [California Constitution](#), [County Employees Retirement Law \(CERL\)](#), [California Public Employees' Pension Reform Act of 2013 \(PEPRA\)](#), Internal Revenue Code requirements, and applicable case law. Such laws provide the boards with authority to pay Statutory Benefits and fund these benefits in an actuarially sound manner, consistent with their fiduciary responsibilities of prudence and loyalty to members and beneficiaries under [Article XVI, Section 17 of the California Constitution](#).
3. **Key Principles:** To assist the system in performing its tasks, LACERA engages the services of outside investment, actuarial, legal, and other professionals. Investment consultants are primarily guided by LACERA's Investment Policy. The Actuarial Funding Policy ("Funding Policy") provides guidance on LACERA's funding objectives.
 - a. **Benefit Security and Risk Mitigation** – The primary principle guiding actuarial funding of LACERA is ensuring that the plan can timely pay Statutory Benefits to the system's members and beneficiaries and mitigate risk in that regard.

V. Policy (Continued)

- b. Employer Contribution Rate Stability** – Actuarial funding should be designed such that employer contributions will make up for any differences in actual assets from the Funding Goal within a defined and reasonable period of time while seeking to mitigate year-to-year volatility in employer contribution rates when prudent. Employer contribution rates should be minimized to the extent practicable while maintaining the actuarial soundness, diversified portfolio, and appropriate funding of LACERA, in accordance with [Section 31454.7 of CERL](#) and other applicable law.
 - c. Intergenerational Equity** – To the extent practicable, actuarial funding should aim for intergenerational equity where each generation of taxpayers incurs the cost of benefits for the employees who provide services to those taxpayers.
 - d. Sound and Transparent Process** – The BOI has authority and fiduciary responsibility with respect to actuarial funding. The Funding Policy provides additional transparency and guidance for the BOI in overseeing the actuarial funding process.
- 4. Contribution Rate Guidance:** Actuarial funding aims for contributions of employers and active members to collectively accumulate to be equal to the present value of benefits for members by the time they retire. The assets and the liabilities for both prior and future accrued benefits will be constantly changing based on experience, benefit changes, assumption changes, and other outside factors impacting LACERA benefits. Therefore, the Funding Policy will guide the BOI in determining employer and member contribution rates which aim to achieve the Funding Goal and satisfy the Funding Policy principles. Key terms used in this policy are defined in Section IV.

B. Funding Goal

- 1. 100% Funded Ratio:** LACERA's Funding Goal is to attain long-term full funding of LACERA's retirement benefits, such that the Funded Ratio is equal to 100% or greater (Valuation Assets at least equal to the Actuarial Accrued Liability). The Funding Goal is designed to assure the competency of LACERA assets to timely pay promised benefits in accordance with [Article XVI, section 17 of the California Constitution](#), [CERL](#), [PEPRA](#) and other applicable law.
- 2. Progress:** Progress to the Funding Goal should be done through a reasonable and equitable allocation of the cost of benefits over time, while satisfying the key principles of the Funding Policy.

V. Policy (Continued)

C. Valuation Cycle

1. **Schedule:** LACERA engages the services of an actuary to conduct an annual valuation of plan liabilities and assets to measure the funding progress of the plan. Every third year the actuary conducts an investigation of experience to measure the effectiveness of the plan assumptions and valuation methodology and make recommendations to the BOI as needed. While the [CERL](#) provides for the valuations to be conducted not less than every three years, the Funding Policy requires a valuation and a recommendation of employer contribution rates and PEPRAs member rates on an annual basis.

Contribution rates for Legacy Plan Members will be recommended as required due to changes in the underlying assumptions and methodology used to calculate the member rates. The BOI shall set employer and member contribution rates based upon the investigation, valuation, and recommendations of the actuary, in accordance with [CERL](#), [PEPRA](#) and other applicable law.

2. **Actuarial Audit:** Professional guidance indicates an actuarial audit should be performed at least once every five years. LACERA engages an independent actuarial firm to perform an actuarial audit every three years following the investigation of experience.
3. **Contribution Timing:** The contribution rates determined in each June 30th actuarial valuation are effective for the following fiscal year 12 months after the actuarial valuation date and in accordance with [CERL](#).

D. Actuarial Funding Procedures

1. **Follows Guidance:** The actuarial funding procedures have been designed to comply with the Actuarial Standards of Practice and relevant guidance from the Conference of Consulting Actuaries Public Plans Community and the Government Finance Officers Association. Consideration should be given to guidance provided by the California Actuarial Advisory Panel ([Government Code Section 7507.2](#)).
2. **Actuarially Determined:** Annual funding is actuarially determined and is comprised of a payment of the Normal Cost, which is shared by the employers and members, and a payment on the Unfunded Actuarial Accrued Liability (UAAL), which is made by the employers. The Normal Cost Rate and the UAAL contribution rate are determined by the following three components of this policy:
 - a. **Actuarial Cost Method:** The process used to allocate the total present value of future benefits to each year (Normal Cost), and all past years (Actuarial Accrued Liability);

V. Policy (Continued)

- b. Asset Smoothing Method:** The process used that spreads the recognition of actuarial investment gains or losses (relative to the assumed return) over a period of time for the purposes of determining the Actuarial Value of Assets used in the determination of the employer contribution rate; and
 - c. Contribution Method:** The process to fund the Normal Cost and systematically pay off the Unfunded Actuarial Accrued Liability.
 - 3. Actuarial Cost Method:** The cost of financing benefits is allocated over a member's working lifetime, with the goal that sufficient assets are accumulated to fund benefits by the time the benefits first become payable. The actuarial cost method should allocate the cost of paying for the promised benefits evenly over time, expressed as a percentage of payroll. An example of this would be the entry age actuarial cost method. Determining the cost as a percentage of payroll rather than level dollar promotes intergenerational equity as it reflects changing values over time due to inflation. The allocation of benefit financing to prior and future years is based on the Actuarial Cost Method, with the allocation for prior years being equal to the Actuarial Accrued Liability (AAL) and the allocation to the current year being equal to the Normal Cost. Note that the Actuarial Cost Method is an allocation of when to fund the benefits, not necessarily when they are being earned.
- E. Asset Smoothing Method:** The Asset Smoothing Method should aim to reduce the effect of short-term market volatility by gradually recognizing actuarial investment gains and losses over a period of time while still tracking the overall movement of the Fair Value of Assets. The Asset Smoothing Method should be unbiased relative to market; that is, the same smoothing period should be used to recognize gains and losses. To reduce volatility, gains and losses from different periods may be offset.
- F. Contribution Method:** The employer contribution rate shall be the sum of the Employer Normal Cost Rate (the Normal Cost Rate for the upcoming year less the expected member contribution rate) plus a contribution to pay off / recognize the Unfunded Actuarial Accrued Liability (UAAL) / Actuarial Surplus. The contribution for the Employer Normal Cost Rate varies by plan, and the contribution rate for the UAAL is dependent on the Funded Ratio (the ratio of the Valuation Assets to the Actuarial Accrued Liability).
 - a. Employer Contribution Rate when Funded Ratio Less than 100%**
 - i. The Employer Normal Cost Rate for the year, plus
 - ii. An amortization payment / credit on the increase / decrease in the UAAL due to the current years' experience and other changes (current UAAL layer), plus
 - iii. The sum of the amortization payments / credits for each remaining UAAL layer created in years prior to the valuation date, expressed as a percentage of pay.

V. Policy (Continued)

b. Additional Conditions:

- i. In no case shall the total amount contributed by the employer be less than the Employer Normal Cost Rate for the year plus a 30-year amortization of the total UAAL (for compliance with [Section 31453.5 of CERL](#)).
- ii. Each year's amortization payment / credit should be over a period such that the amount being amortized is projected to decrease (i.e., no Negative Amortization) in each future year.
- iii. If an increase in the UAAL is due to a change in plan provisions, a shorter amortization period used should be considered that is consistent with the expected lifetime of those expected to benefit. For example, if the change only impacts the retired population, a period of no longer than 10 years should be used.

c. Employer Contribution Rate when Funded Ratio is Greater than 100% but Less than 120%

- i. The Employer Normal Cost Rate. There is no amortization payment / credit, in conformance with [California Government Code Section 7522.52 of PEPR](#).

d. Employer Contribution Rate when Funded Ratio is Greater than 120%

- i. The Employer Normal Cost Rate for the year, less;
- ii. An amortization of the Actuarial Surplus, but only if all conditions in [California Government Code Section 7522.52\(b\)](#) are met. The Actuarial Surplus is defined as the Valuation Assets in excess of the Actuarial Accrued Liability on the valuation date, and the surplus amount is amortized over 30 years. This is an open amortization period, so it is reset to 30 years each year if the Funded Ratio remains over 120%.

G. Discretionary Benefits: The BOI may consider additional actions to fund discretionary benefits as permitted under the [CERL](#) by using funds in excess of the amount needed to meet the Funding Goal. "Excess Earnings" as defined in the [CERL](#) may be appropriated upon reaching the Funding Goal, however, the BOI may consider adjustment to the employer's contributions only upon satisfying [California Government Code Section 7522.52\(b\)](#).

H. Interest Crediting: LACERA maintains a separate interest crediting policy to allocate Realized Earnings to the various reserve accounts.

VI. References

These references are intended to help explain this policy and are not an all-inclusive list of policies, procedures, laws, and requirements. The following information complements and supplements this document:

Related Policies:

- Interest Crediting Policy for Reserve Accounts, Effective: July 1, 2024

Related Procedures: Not Applicable

Related Forms/Templates: Not Applicable

Other Related Information: Not Applicable

VII. Version History

Policy Approval Date: Board of Investments, October 9, 2024

Update/Review Summary: Previous policy version(s) superseded by this policy:

- Retirement Benefit Funding Policy, February 13, 2013

Original Issue Date: Adopted by the Board of Investments on December 9, 2009

VIII. Policy Review/Approval

The Board of Investments will review and update this Policy every three years, at a minimum, typically when the triennial investigation of experience study report is completed.

FOR INFORMATION ONLY

December 30, 2025

TO: Each Trustee,
Board of Retirement
Board of Investments

FROM: Steven P. Rice, *SPR*
Chief Counsel

FOR: January 7, 2026 Board of Retirement Meeting
January 14, 2026 Board of Investments Meeting

SUBJECT: **SB707 Amendments to Brown Act**

Summary of SB 707

SB707, approved by the Legislature and signed into law by Governor Newsom, made material changes to the Ralph M. Brown Act, California Government Code §§ 54950 et seq., the open meeting law applicable to LACERA and other public agencies. A copy of SB707 is attached as Attachment A.

A. Changes Effective January 1, 2026

Changes effective January 1, 2026 include the following:

1. Teleconferencing for Just Cause. The legislation eliminates the concept of "emergency circumstances" as a basis for teleconferencing, while expanding "just cause" to include (Section 54953.8.3.(c)(1)-(7)):
 - a. Childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely. "Child," "parent," "grandparent," "grandchild," and "sibling" have the same meaning as those terms do in Government Code Section 12945.2.
 - b. A contagious illness that prevents a member from attending in person.
 - c. A need related to a physical or mental condition that is not a disability under state or federal law.
 - d. Travel while on official business of the legislative body or another state or local agency.
 - e. An immunocompromised child, parent, grandparent, grandchild, sibling, spouse, or domestic partner of the member that requires the member to participate remotely.

- f. A physical or family medical emergency that prevents a member from attending in person.
- g. Military service obligations that result in a member being unable to attend in person because they are serving under official written orders for active duty, drill, annual training, or any other duty required as a member of the California National Guard or a United States Military Reserve organization that requires the member to be at least 50 miles outside the boundaries of the local agency.

The current limit of two meetings per calendar years for teleconferencing for just cause remains in effect. (Section 54953.8.3(a)(3).)

- 2. Minutes of Just Cause. The new law requires that meeting minutes disclose the specific type of cause cited by section number for each teleconferencing trustee. (Section 54953.8.3(b).)
- 3. Teleconferencing for Disability. A new provision is added that clearly provides that trustees may teleconference if they have a disability under state or federal law. There is no limit for teleconferencing due to disability and such participation counts towards the required physical quorum, unlike the just cause section. Trustees invoking disability must participate by audio and video unless their ADA disability prevents video participation. (Section 54953(c).)
- 4. Copy of the Brown Act. The full Brown Act must now be provided to both elected and appointed trustees. (Section 54952.7.) To comply with this requirement, a copy of the full Act is attached as Attachment B.
- 5. Trustee Use of Social Media. The new law makes permanent the exception that permits trustees to communicate with the public via social media while prohibiting them responding to a post by another trustee regarding LACERA business. (Section 54952.2(b)(3).) Notwithstanding this exception, the Boards' joint Media Policy remains in effect and provides that the Chief Executive Officer and Chief Investment Officer are LACERA's official spokespersons; LACERA also has strong member outreach services to ensure consistency in information and counseling.
- 6. Public Recording Rights. The new law removes limiting references to the type of technology the public may use in recording open session meetings and affirms that meetings made be recorded, with limited exceptions if recording will be disruptive. (Section 54953.5(b).)

7. Ability to Remove Disruptive Participants. The new law extends the authority of the presiding trustee at any meeting to remove a person for disrupting a meeting, including a teleconferenced meeting. (Section 54957.95.)
8. Exemptions to Public Comment. The new law amends the Act to skip public comment for certain items already heard by a Board committee if there was a physical quorum at the committee, the item has not substantially changed since considered by the committee, and the committee must not have had primary jurisdiction over sensitive matters such as budget and privacy. (Section 54953.3(2)(B).)
9. Teleconference Meetings for Eligible Subsidiary Bodies. Such bodies may hold their meetings by teleconference, if sorted by the Boards and subject to the other requirements of the new law and provided that the committee is advisory, that the committee does not have primary jurisdiction and/or cannot take final action on legislation, budget, contracts, privacy, or other specified matters and that elected officials must, in any event, attend in person. (Section 54953.8.6.) Staff has not yet fully evaluated the eligibility of the Boards' committees, upon Board approval, to invoke this provision or the governance implications; however, some Board committees do have authority over excluded subject matters and the difference in statutory requirements for elected and appointed officials may be an impediment.

The revised teleconference procedures will require changes to the Boards' existing teleconference policies. Staff will bring this issue to the next Joint Organizational Governance Committee meeting.

- B. *Changes Effective July 1, 2026*. In addition to the changes listed above, which are effective January 1, 2026, the new law also amends the Act to require "eligible legislative bodies" to make changes to their remote access and multilingual outreach requirements effective July 1, 2026, including, for example, translation of agendas and outreach to underrepresented and non-English-speaking populations. (Section 54953.4.) Staff continues to evaluate these provisions to determine whether LACERA must comply and will provide the Boards with an update at future meetings.

Training Requirements under SB827

In addition to the changes to the Brown Act discussed above, another new bill, SB827, changes training requirements for certain public officials. Staff is evaluating the impact of this bill on the Boards and other trustee training, which will be discussed at the next Joint Organizational Governance Committee meeting.

Re: SB 707 Amendments to Brown Act
December 30, 2025
Page 4 of 4

Attachments:

A – SB707

B – Copy of Complete Brown Act

c:	Luis Lugo	Laura Guglielmo	Richard Bendall	Bonnie Nolley
	Jonathan Grabel	JJ Popowich	Ted Granger	Francis J. Boyd



SB-707 Open meetings: meeting and teleconference requirements. (2025-2026)

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Date Published: 10/06/2025 02:00 PM

Senate Bill No. 707

CHAPTER 327

An act to amend Sections 54952.7, 54953, 54953.5, 54953.7, 54954.2, 54954.3, 54956, 54956.5, 54957.6, 54957.9, and 54957.95 of, to amend and repeal Section 54952.2 of, to add Sections 54953.8, 54953.8.1, 54953.8.2, and 54957.96 to, and to add and repeal Sections 54953.4, 54953.8.3, 54953.8.4, 54953.8.5, 54953.8.6, and 54953.8.7 of, the Government Code, relating to local government.

[Approved by Governor October 03, 2025. Filed with Secretary of State
October 03, 2025.]

LEGISLATIVE COUNSEL'S DIGEST

SB 707, Durazo. Open meetings: meeting and teleconference requirements.

(1) Existing law, the Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate.

This bill would, beginning July 1, 2026, and until January 1, 2030, require an eligible legislative body, as defined, to comply with additional meeting requirements, including that, except as specified, all open and public meetings include an opportunity for members of the public to attend via a 2-way telephonic service or a 2-way audiovisual platform, as defined, and that the eligible legislative body take specified actions to encourage residents to participate in public meetings, as specified. The bill would require an eligible legislative body, on or before July 1, 2026, to approve at a noticed public meeting in open session a policy regarding disruption of telephonic or internet services occurring during meetings subject to these provisions, as specified, and would require the eligible legislative body to comply with certain requirements relating to disruption, including for certain disruptions, recessing the open session for at least one hour and making a good faith attempt to restore the service, as specified.

(2) Existing law prohibits a majority of the members of a legislative body, outside a meeting authorized by the act, from using a series of communications of any kind to discuss, deliberate, or take action on any item of business that is within the subject matter jurisdiction of the legislative body. Existing law defines "meetings" for these purposes to mean any congregation of a majority of the members of a legislative body at the same time and location, as specified, to hear, discuss, deliberate, or take action on any item that is within the subject matter jurisdiction of the legislative body. Until January 1, 2026, existing law excepts from the prohibition a member engaging in separate conversations or communications outside of a meeting with any other person using an internet-based social media platform for specified purposes, provided, among other things, that a

majority of the members do not use the internet-based social media platform to discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body.

This bill would make the above-described exception related to communications on an internet-based social media platform applicable indefinitely.

(3) Existing law requires a legislative body, prior to taking final action, to orally report a summary of a recommendation for a final action on specified forms of compensation for a local agency executive, as defined, during the open meeting in which the final action is to be taken.

This bill would also require the legislative body to make that oral report, as provided above, prior to taking final action on those specified forms of compensation for a department head or other similar administrative officer of the local agency.

(4) Existing law requires a legislative body of a local agency or its designee, at least 72 hours before a regular meeting, to post an agenda that meets specified requirements, including that the agenda contain a brief general description of each item of business to be transacted or discussed at the meeting, as specified.

This bill would, beginning July 1, 2026, and until July 1, 2030, require the agenda for each meeting of an eligible legislative body, as defined, to be translated into all applicable languages. The bill would define "applicable languages" to mean languages, according to data from the most recent American Community Survey, spoken jointly by 20% or more of the applicable population, as specified, provided that 20% or more of the population that speaks that language that in that city or county speaks English less than "very well," as specified, and except as provided.

Existing law requires every agenda for regular meetings to provide an opportunity for members of the public to directly address the legislative body on any item of interest of the public, as specified. Existing law specifies that the agenda is not required to provide an opportunity for members of the public to address the legislative body on any item that has already been considered by a committee, as specified, except if the item has been substantially changed since the committee heard the item, as determined by the legislative body.

This bill would add certain exceptions to the provision related to an item that has already been considered by a committee, including excepting committees whose primary subject matter jurisdiction focuses on elections, budgets, police oversight, privacy, removing from, or restricting access to, materials available in public libraries, or taxes or related spending proposals, except as specified.

(5) Existing law authorizes a legislative body of a local agency to require a copy of the act to be given to each member of the legislative body and specified persons elected to serve as a member of the legislative body, and authorizes an elected legislative body member to require a copy to be given to each member of each legislative body all or a majority of whose members are appointed by or under the authority of the elected legislative body.

This bill would instead require a local agency to provide a copy of the act to any person elected or appointed to serve as a member of a legislative body of the local agency.

Existing law authorizes legislative bodies of local agencies to impose requirements upon themselves which allow greater access to their meetings than prescribed by the minimal standards set forth in the act, and authorizes an elected legislative body of a local agency to also impose those requirements on those appointed legislative bodies of the local agency of which all or a majority of the members are appointed by or under the authority of the elected legislative body.

This bill would remove the above-described requirement that members of an appointed legislative body of a local agency must be appointed by or under the authority of the elected legislative body of a local agency in order for the elected legislative body to impose the above-described requirements on the appointed legislative body.

(6) Existing law provides any person attending an open and public meeting of a legislative body of a local agency with the right to record the proceedings with an audio or visual recorder or a still or motion picture camera, as specified.

This bill would remove the reference to an audio or visual recorder or a still or motion picture camera for purposes of recording the proceedings, as described above.

(7) Existing law authorizes a legislative body of a local agency to use teleconferencing, as specified, and requires a legislative body of a local agency that elects to use teleconferencing to comply with specified general requirements, including that the local agency post agendas at all teleconference locations, identify each

teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as specified.

Existing law authorizes members who are outside the jurisdiction of a health authority, as defined, that conducts a teleconferencing meeting to, notwithstanding the above-described general teleconference provisions, count towards the establishment of a quorum when participating in the teleconference if, among other things, at least 50% of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction.

Existing law authorizes, in certain circumstances, the legislative body of a local agency to use specified alternative teleconferencing which include provisions related to, among others, notice of the means by which members of the public may access the meeting and offer public comment and identifying and including an opportunity for all persons to attend via a call-in option or an internet-based service option. Those circumstances in which the legislative body of a local agency is authorized to use the alternative teleconferencing provisions include specified circumstances relating to a state of emergency, as defined, and, until January 1, 2026, subject to specified limitations, a member's need to participate remotely due to just cause, defined to include, among other things, a need related to a physical or mental disability, or emergency circumstances, as defined, if certain quorum and disclosure requirements are met.

Existing law also authorizes certain eligible legislative bodies, including neighborhood councils and student body associations and student-run community college organizations to, until January 1, 2026, use alternate teleconferencing if, among other requirements, the city council or board of trustees, as applicable, has adopted an authorizing resolution and $\frac{2}{3}$ of the neighborhood city council or specified student organization, as applicable, votes to use alternate teleconference provisions, as specified.

This bill would revise and recast the above-specified teleconferencing and alternative teleconferencing provisions to uniformly apply certain noticing, disclosure, accessibility, and public commenting provisions. The bill would require a legislative body of a local agency that elects to use teleconferencing pursuant to these alternative teleconferencing provisions to comply with, in addition to any other applicable requirements under the act, specified requirements, including that the legislative body provides at least either 2-way audiovisual platform or 2-way telephonic service and a live webcasting of the meeting as a means by which the public may, among other things, remotely hear and visually observe the meeting, and that a member of the legislative body who participates in a teleconference meeting from a remote location pursuant to these alternative teleconferencing provisions and the specific provision of law that the member relied upon to permit their participation by teleconferencing are listed in the minutes of the meeting. The bill would require a local agency to identify and make available to legislative bodies a list of one or more meeting locations that may be available for use by the legislative bodies to conduct their meetings.

The bill would specify that nothing in the bill's provisions is to be construed to prohibit a member of a legislative body with a disability, as defined, from participating in any meeting of the legislative body by remote participation as a reasonable accommodation pursuant to any applicable law. The bill would apply certain provisions relative to, among other things, quorum establishment to that circumstance.

The bill would instead authorize a health authority, as defined, to conduct a teleconference meeting pursuant to the above-described alternative teleconferencing provisions.

The bill would revise and recast the alternative teleconferencing provisions applicable in a state of emergency, as defined. The bill would also include a local emergency, as defined, as a circumstance in which a legislative body of a local agency is authorized to use the alternative teleconferencing provisions.

The bill would revise and recast the alternative teleconferencing provisions applicable in cases of a member's need to participate remotely due to just cause or emergency circumstances, as defined, to remove the provision applicable to emergency circumstances, to revise related definitions, including broadening the definition of just cause to include, among other things, a physical or family medical emergency that prevents a member from attending in person, and to require the minutes for a meeting to identify the specific provision of law that each member relied upon to participate remotely, as specified. The bill would extend the authorization to use the alternative teleconferencing provision until January 1, 2030.

The bill would revise and recast the alternative teleconferencing provisions applicable to neighborhood councils and student body associations and student-run community college organizations. In regards to the alternative

teleconferencing provisions applicable to student body associations and student-run community college organizations, the bill would exempt the California Online Community College from specified requirements for an in-person quorum, a physical location for public participation, and certain accommodations under the authorization, and remove the ability for a person with a disability that requires certain accommodations to count towards the in-person quorum requirement. The bill would specify that the student body associations and student-run community college organizations described above are those in any community college recognized within the California Community Colleges system, and would extend the authorization to the Student Senate for California Community Colleges. The bill would extend the authorization to use the alternative teleconferencing provisions applicable to neighborhood councils and student body associations and student-run community college organizations until January 1, 2030.

The bill would, until January 1, 2030, also authorize a specified subsidiary body of local agencies to conduct a teleconference meeting pursuant to the above-described alternative teleconferencing provisions, provided that it complies with the requirements for alternative teleconferencing described above and additional requirements, including that the subsidiary body designates one physical meeting location within the boundaries of the legislative body that created the subsidiary body where members of the subsidiary body who are not participating remotely shall be present and members of the public may physically attend, observe, hear, and participate in the meeting, as specified.

The bill would, until January 1, 2030, also authorize specified multijurisdictional bodies of local agencies to conduct a teleconference meeting pursuant to the above-described alternative teleconferencing provisions, provided that it complies with the requirements for alternative teleconferencing described above and additional requirements, including that the eligible multijurisdictional body has adopted a resolution that authorizes the multijurisdictional body to use teleconferencing at a regular meeting in open session.

The bill would specify that these teleconferencing provisions are cumulative, and would authorize a legislative body to elect to use any teleconferencing provisions that are applicable to a meeting, regardless of whether any other teleconferencing provisions would also be applicable to that meeting.

Existing law defines "teleconference" for purposes of the authorization for a legislative body of a local agency to use teleconferencing to mean a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both.

This bill would specify that "teleconference" does not include the attendance of one or more members of a legislative body in a meeting of the body solely by watching or listening via webcasting or any other similar electronic medium that does not permit members to interactively speak, discuss, or deliberate on matters.

(8) Existing law authorizes a special meeting to be called any time by, among other persons, the presiding officer of the legislative body of a local agency, by delivering specified written notices and posting a notice on the local agency's internet website, if the local agency has one. Existing law requires specified legislative bodies to comply with the internet website posting requirement.

The bill would remove the requirement that only specified legislative bodies comply with the internet website posting requirement, thereby imposing that requirement on all legislative bodies.

(9) Existing law authorizes a legislative body of a local agency to hold an emergency meeting without complying with specified notice and posting requirements in the case of emergency circumstances, as specified, and imposes various requirements under these provisions applicable to either legislative bodies generally or legislative bodies which are a school board.

This bill would remove the school board distinction from the above-described provisions, thereby imposing the same requirements to hold an emergency meeting on all legislative bodies of local agencies.

By imposing additional duties on legislative bodies of local agencies, the bill would impose a state-mandated local program.

(10) Existing law authorizes, in addition to other related specified authorizations, the presiding member of the legislative body conducting a meeting or their designee to remove, or cause the removal of, an individual for disrupting the meeting. Existing law defines "disrupting" for these purposes to mean engaging in behavior during a meeting of a legislative body that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting, as specified.

This bill would specify that a meeting for purposes of that provision includes any teleconferenced meeting. The bill would specify that the existing authority of a legislative body or its presiding officer to remove or limit participation by persons who engage in behavior that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting, as specified, applies to members of the public participating in a meeting via a 2-way telephonic service or a 2-way audiovisual platform, as those terms are defined.

(11) The bill would make other updates to references in the act.

(12) Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

(13) The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

(14) The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

(15) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 54952.2 of the Government Code, as amended by Section 1 of Chapter 89 of the Statutes of 2020, is amended to read:

54952.2. (a) As used in this chapter, "meeting" means any congregation of a majority of the members of a legislative body at the same time and location, including teleconference location as permitted by Section 54953, to hear, discuss, deliberate, or take action on any item that is within the subject matter jurisdiction of the legislative body.

(b) (1) A majority of the members of a legislative body shall not, outside a meeting authorized by this chapter, use a series of communications of any kind, directly or through intermediaries, to discuss, deliberate, or take action on any item of business that is within the subject matter jurisdiction of the legislative body.

(2) Paragraph (1) shall not be construed as preventing an employee or official of a local agency, from engaging in separate conversations or communications outside of a meeting authorized by this chapter with members of a legislative body in order to answer questions or provide information regarding a matter that is within the subject matter jurisdiction of the local agency, if that person does not communicate to members of the legislative body the comments or position of any other member or members of the legislative body.

(3) (A) Paragraph (1) shall not be construed as preventing a member of the legislative body from engaging in separate conversations or communications on an internet-based social media platform to answer questions, provide information to the public, or to solicit information from the public regarding a matter that is within the subject matter jurisdiction of the legislative body provided that a majority of the members of the legislative body do not use the internet-based social media platform to discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body. A member of the legislative body shall not respond directly to any communication on an internet-based social media platform regarding a matter that is within the subject matter jurisdiction of the legislative body that is made, posted, or shared by any other member of the legislative body.

(B) For purposes of this paragraph, all of the following definitions shall apply:

(i) "Discuss among themselves" means communications made, posted, or shared on an internet-based social media platform between members of a legislative body, including comments or use of digital icons that express reactions to communications made by other members of the legislative body.

(ii) "Internet-based social media platform" means an online service that is open and accessible to the public.

(iii) "Open and accessible to the public" means that members of the general public have the ability to access and participate, free of charge, in the social media platform without the approval by the social media platform or a person or entity other than the social media platform, including any forum and chatroom, and cannot be blocked from doing so, except when the internet-based social media platform determines that an individual violated its protocols or rules.

(c) Nothing in this section shall impose the requirements of this chapter upon any of the following:

(1) Individual contacts or conversations between a member of a legislative body and any other person that do not violate subdivision (b).

(2) The attendance of a majority of the members of a legislative body at a conference or similar gathering open to the public that involves a discussion of issues of general interest to the public or to public agencies of the type represented by the legislative body, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled program, business of a specified nature that is within the subject matter jurisdiction of the local agency. Nothing in this paragraph is intended to allow members of the public free admission to a conference or similar gathering at which the organizers have required other participants or registrants to pay fees or charges as a condition of attendance.

(3) The attendance of a majority of the members of a legislative body at an open and publicized meeting organized to address a topic of local community concern by a person or organization other than the local agency, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled program, business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(4) The attendance of a majority of the members of a legislative body at an open and noticed meeting of another body of the local agency, or at an open and noticed meeting of a legislative body of another local agency, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled meeting, business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(5) The attendance of a majority of the members of a legislative body at a purely social or ceremonial occasion, provided that a majority of the members do not discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(6) The attendance of a majority of the members of a legislative body at an open and noticed meeting of a standing committee of that body, provided that the members of the legislative body who are not members of the standing committee attend only as observers.

SEC. 2. Section 54952.2 of the Government Code, as added by Section 2 of Chapter 89 of the Statutes of 2020, is repealed.

SEC. 3. Section 54952.7 of the Government Code is amended to read:

54952.7. A local agency shall provide a copy of this chapter to any person elected or appointed to serve as a member of a legislative body of the local agency.

SEC. 4. Section 54953 of the Government Code, as amended by Section 2 of Chapter 534 of the Statutes of 2023, is amended to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all

otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. If the legislative body of a local agency elects to use teleconferencing, the legislative body of a local agency shall comply with all of the following:

(A) All votes taken during a teleconferenced meeting shall be by rollcall.

(B) The teleconferenced meetings shall be conducted in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency.

(C) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(D) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as expressly provided in this chapter.

(4) The teleconferencing requirements of this subdivision shall not apply to remote participation described in subdivision (c).

(c) (1) Nothing in this chapter shall be construed to prohibit a member of a legislative body with a disability from participating in any meeting of the legislative body by remote participation as a reasonable accommodation pursuant to any applicable law.

(2) A member of a legislative body participating in a meeting by remote participation pursuant to this subdivision shall do both of the following:

(A) The member shall participate through both audio and visual technology, except that any member with a disability, as defined in Section 12102 of Title 42 of the United States Code, may participate only through audio technology if a physical condition related to their disability results in a need to participate off camera.

(B) The member shall disclose at the meeting before any action is taken, whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member's relationship with any of those individuals.

(3) Remote participation under this subdivision shall be treated as in-person attendance at the physical meeting location for all purposes, including any requirement that a quorum of the legislative body participate from any particular location. The provisions of subdivision (b) and Sections 54953.8 to 54953.8.7, inclusive, shall not apply to remote participation under this subdivision.

(d) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) (A) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of either of the following during the open meeting in which the final action is to be taken:

(i) A local agency executive, as defined in subdivision (d) of Section 3511.1.

(ii) A department head or other similar administrative officer of the local agency.

(B) This paragraph shall not affect the public's right under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(e) For purposes of this section, both of the following definitions apply:

(1) "Disability" means a physical disability or a mental disability as those terms are defined in Section 12926 and used in Section 12926.1, or a disability as defined in Section 12102 of Title 42 of the United States Code.

(2) (A) "Teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both.

(B) Notwithstanding subparagraph (A), "teleconference" does not include one or more members watching or listening to a meeting via webcasting or any other similar electronic medium that does not permit members to interactively speak, discuss, or deliberate on matters.

(3) "Remote participation" means participation in a meeting by teleconference at a location other than any physical meeting location designated in the notice of the meeting.

SEC. 5. Section 54953.4 is added to the Government Code, to read:

54953.4. (a) The Legislature finds and declares that public access, including through translation of agendas as required by this section, is necessary for an informed populace. The Legislature encourages local agencies to adopt public access requirements that exceed the requirements of this chapter by translating additional languages, employing human translators, and conducting additional outreach.

(b) (1) In addition to any other applicable requirements of this chapter, a meeting held by a eligible legislative body pursuant to this chapter shall comply with both of the following requirements:

(A) (i) (I) (ia) All open and public meetings shall include an opportunity for members of the public to attend via a two-way telephonic service or a two-way audiovisual platform, except if adequate telephonic or internet service is not operational at the meeting location. If adequate telephonic or internet service is operational at the meeting location during only a portion of the meeting, the legislative body shall include an opportunity for members of the public to attend via a two-way telephonic service or a two-way audiovisual platform during that portion of the meeting.

(ib) (Ia) On or before July 1, 2026, an eligible legislative body shall approve at a noticed public meeting in open session, not on the consent calendar, a policy regarding disruption of telephonic or internet service occurring during meetings subject to this sub-subclause. The policy shall address the procedures for recessing and reconvening a meeting in the event of disruption and the efforts that the eligible legislative body shall make to attempt to restore the service.

(Ib) If a disruption of telephonic or internet service that prevents members of the public from attending or observing the meeting via the two-way telephonic service or two-way audiovisual platform occurs during the meeting, the eligible legislative body shall recess the open session of the meeting for at least one hour and make a good faith attempt to restore the service. The eligible legislative body may meet in closed session during this period. The eligible legislative body shall not reconvene the open session of the meeting until at least one hour following the disruption, or until telephonic or internet service is restored, whichever is earlier.

(Ic) Upon reconvening the open session, if telephonic or internet service has not been restored, the eligible legislative body shall adopt a finding by rollcall vote that good faith efforts to restore the telephonic or internet service have been made in accordance with the policy adopted pursuant to sub-sub-subclause (Ia) and that the public interest in continuing the meeting outweighs the public interest in remote public access.

(II) Subclause (I) does not apply to a meeting that is held to do any of the following:

(ia) Attend a judicial or administrative proceeding to which the local agency is a party.

(ib) Inspect real or personal property provided that the topic of the meeting is limited to items directly related to the real or personal property.

(ic) Meet with elected or appointed officials of the United States or the State of California, solely to discuss a legislative or regulatory issue affecting the local agency and over which the federal or state officials have jurisdiction.

(id) Meet in or nearby a facility owned by the agency, provided that the topic of the meeting is limited to items directly related to the facility.

(ie) Meet in an emergency situation pursuant to Section 54956.5.

(ii) If an eligible legislative body elects to provide a two-way audiovisual platform, the eligible legislative body shall publicly post and provide a call-in option, and activate any automatic captioning function during the meeting if an automatic captioning function is included with the two-way audiovisual platform. If an eligible legislative body does not elect to provide a two-way audiovisual platform, the eligible legislative body shall provide a two-way telephonic service for the public to participate in the meeting, pursuant to subclause (I).

(B) (i) All open and public meetings for which attendance via a two-way telephonic service or a two-way audiovisual platform is provided in accordance with paragraph (1) shall provide the public with an opportunity to provide public comment in accordance with Section 54954.3 via the two-way telephonic or two-way audiovisual platform, and ensure the opportunity for the members of the public participating via a two-way telephonic or two-way audiovisual platform to provide public comment with the same time allotment as a person attending a meeting in person.

(2) (A) An eligible legislative body shall reasonably assist members of the public who wish to translate a public meeting into any language or wish to receive interpretation provided by another member of the public, so long as the interpretation is not disrupting to the meeting, as defined in Section 54957.95. The eligible legislative body shall publicize instructions on how to request assistance under this subdivision. Assistance may include any of the following, as determined by the eligible legislative body:

(i) Arranging space for one or more interpreters at the meeting location.

(ii) Allowing extra time during the meeting for interpretation to occur.

(iii) Ensuring participants may utilize their personal equipment or reasonably access facilities for participants to access commercially available interpretation services.

(B) This section does not require an eligible legislative body to provide interpretation of any public meeting, however, an eligible legislative body may elect to provide interpretation of any public meeting.

(C) The eligible legislative body is not responsible for the content or accuracy of any interpretation facilitated, assisted with, or provided under this subdivision. An action shall not be commenced or maintained against the eligible legislative body arising from the content or accuracy of any interpretation facilitated, assisted with, or provided under this subdivision.

(3) An eligible legislative body shall take the following actions to encourage residents, including those in underrepresented communities and non-English-speaking communities, to participate in public meetings:

(A) Have in place a system for electronically accepting and fulfilling requests for meeting agendas and documents pursuant to Section 54954.1 through email or through an integrated agenda management platform. Information about how to make a request using this system shall be accessible through a prominent direct link posted on the primary internet website home page of the eligible legislative body.

(B) (i) Create and maintain an accessible internet webpage dedicated to public meetings that includes, or provides a link to, all of the following information:

(I) A general explanation of the public meeting process for the eligible legislative body.

(II) An explanation of the procedures for a member of the public to provide in-person or remote oral public comment during a public meeting or to submit written public comment.

(III) A calendar of all public meeting dates with calendar listings that include the date, time, and location of each public meeting.

(IV) The agenda posted online pursuant to paragraph (2) of subdivision (a) of Section 54954.2.

(ii) The eligible legislative body shall include a link to the webpage required by subparagraph (A) on the home page of the eligible legislative body's internet website.

(C) (i) Make reasonable efforts, as determined by the legislative body, to invite groups that do not traditionally participate in public meetings to attend those meetings, which may include, but are not limited to, all the following:

(I) Media organizations that provide news coverage in the jurisdiction of the eligible legislative body, including media organizations that serve non-English-speaking communities.

(II) Good government, civil rights, civic engagement, neighborhood, and community group organizations, or similar organizations that are active in the jurisdiction of the eligible legislative body, including organizations active in non-English-speaking communities.

(ii) Legislative bodies shall have broad discretion in the choice of reasonable efforts they make under this subparagraph. No action shall be commenced or maintained against an eligible legislative body arising from failing to provide public meeting information to any specific group pursuant to this subparagraph.

(c) (1) (A) The agenda for each meeting of an eligible legislative body shall be translated into all applicable languages, and each translation shall be posted in accordance with Section 54954.2. Each translation shall include instructions in the applicable language describing how to join the meeting by the telephonic or internet-based service option, including any requirements for registration for public comment.

(B) The accessible internet webpage provided under subparagraph (B) of paragraph (3) of subdivision (b) shall be translated into all applicable languages, and each translation shall be accessible through a prominent direct link posted on the primary internet website home page of the eligible legislative body.

(2) A translation made using a digital translation service shall satisfy the requirements of paragraph (1).

(3) The eligible legislative body shall make available a physical location that is freely accessible to the public in reasonable proximity to the physical location in which the agenda and translations are posted as described in paragraph (1), and shall allow members of the public to post additional translations of the agenda in that location.

(4) The eligible legislative body is not responsible for the content or accuracy of any translation provided pursuant to this subdivision. No action shall be commenced or maintained against an eligible legislative body arising from the content, accuracy, posting, or removal of any translation provided by the eligible legislative body or posted by any person pursuant to this subdivision.

(5) For the purposes of this section, the agenda does not include the entire agenda packet.

(d) This section shall not be construed to affect or supersede any other applicable civil rights, nondiscrimination, or public access laws.

(e) For purposes of this section, all of the following definitions apply:

(1) (A) "Applicable languages" means languages, according to data from the most recent American Community Survey, spoken jointly by 20 percent or more of the applicable population, provided that 20 percent or more of the population that speaks that language in that city or county speaks English less than "very well."

(B) For the purposes of subparagraph (A), the applicable population shall be determined as follows:

(i) For an eligible legislative body that is a city council or county board of supervisors, the applicable population shall be the population of the city or county.

(ii) For an eligible legislative body of a special district, the applicable population shall be either of the following, at the discretion of the board of directors of the special district:

(I) The population of the county with the greatest population within the boundaries of the special district.

(II) The population of the service area of the special district, if the special district has the data to determine what languages spoken by the population within its service area meet the requirements of paragraph (A).

(C) If more than three languages meet the criteria set forth in subparagraph (A), "applicable languages" shall mean the three languages described in subparagraph (A) that are spoken by the largest percentage of the population.

(D) An eligible legislative body may elect to determine the applicable languages based upon a source other than the most recent American Community Survey if it makes a finding, based upon substantial evidence,

that the other source provides equally or more reliable data for the territory over which the eligible legislative body exercises jurisdiction.

(2) "Eligible legislative body" means any of the following:

(A) A city council of a city with a population of 30,000 or more.

(B) A county board of supervisors of a county, or city and county, with a population of 30,000 or more.

(C) A city council of a city located in a county with a population of 600,000 or more.

(D) The board of directors of a special district that has an internet website and meets any of the following conditions:

(i) The boundaries of the special district include the entirety of a county with a population of 600,000 or more, and the special district has over 200 full-time equivalent employees.

(ii) The special district has over 1,000 full-time equivalent employees.

(iii) The special district has annual revenues, based on the most recent Financial Transaction Report data published by the California State Controller, that exceed four hundred million dollars (\$400,000,000), adjusted annually for inflation commencing January 1, 2027, as measured by the percentage change in the California Consumer Price Index from January 1 of the prior year to January 1 of the current year, and the special district employs over 200 full-time equivalent employees.

(3) "Two-way audiovisual platform" means an online platform that provides participants with the ability to participate in a meeting via both an interactive video conference and a two-way telephonic service.

(4) "Two-way telephonic service" means a telephone service that does not require internet access and allows participants to dial a telephone number to listen and verbally participate.

(f) This section shall become operative on July 1, 2026.

(g) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

SEC. 6. Section 54953.5 of the Government Code is amended to read:

54953.5. (a) Any person attending an open and public meeting of a legislative body of a local agency shall have the right to record the proceedings in the absence of a reasonable finding by the legislative body of the local agency that the recording cannot continue without noise, illumination, or obstruction of view that constitutes, or would constitute, a persistent disruption of the proceedings.

(b) Any recording of an open and public meeting made for whatever purpose by or at the direction of the local agency shall be subject to inspection pursuant to the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1), but, notwithstanding Section 34090, may be erased or destroyed 30 days after the recording. Any inspection of an audio or video recording shall be provided without charge on equipment made available by the local agency.

SEC. 7. Section 54953.7 of the Government Code is amended to read:

54953.7. Notwithstanding any other provision of law, legislative bodies of local agencies may impose requirements upon themselves which allow greater access to their meetings than prescribed by the minimal standards set forth in this chapter. In addition thereto, an elected legislative body of a local agency may impose those requirements on appointed legislative bodies of the local agency.

SEC. 8. Section 54953.8 is added to the Government Code, to read:

54953.8. (a) The legislative body of a local agency may use teleconferencing as authorized by subdivision (b) of Section 54953 without complying with the requirements of paragraph (3) of subdivision (b) of Section 54953 in any of the circumstances described in Sections 54953.8.1 to 54953.8.7, inclusive.

(b) A legislative body that holds a teleconference meeting pursuant to this section shall, in addition to any other applicable requirements of this chapter, comply with all of the following:

(1) The legislative body shall provide at least one of the following as a means by which the public may remotely hear and visually observe the meeting, and remotely address the legislative body:

(A) A two-way audiovisual platform.

(B) A two-way telephonic service and a live webcasting of the meeting.

(2) In each instance in which notice of the time of the teleconference meeting held pursuant to this section is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option.

(3) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(4) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

(5) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(6) (A) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to paragraph (5), to provide public comment until that timed public comment period has elapsed.

(B) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to paragraph (5), or otherwise be recognized for the purpose of providing public comment.

(C) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to paragraph (5), until the timed general public comment period has elapsed.

(7) Any member of the legislative body who participates in a teleconference meeting from a remote location pursuant to this section and the specific provision of law that the member relied upon to permit their participation by teleconferencing shall be listed in the minutes of the meeting.

(8) The legislative body shall have and implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and resolving any doubt in favor of accessibility. In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the procedure for receiving and resolving requests for accommodation.

(9) The legislative body shall conduct meetings subject to this chapter consistent with applicable civil rights and nondiscrimination laws.

(c) A local agency shall identify and make available to legislative bodies a list of one or more meeting locations that may be available for use by the legislative bodies to conduct their meetings.

(d) (1) Nothing in this section shall prohibit a legislative body from providing the public with additional teleconference locations.

(2) Nothing in this section shall prohibit a legislative body from providing the public with additional physical locations in which the public may observe and address the legislative body by electronic means.

(e) A member of a legislative body who participates in a teleconference meeting from a remote location pursuant to this section shall publicly disclose at the meeting before any action is taken whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member's relationship with those individuals.

(f) The teleconferencing provisions described in Section 54953 and Sections 54953.8.1 to 54953.8.7, inclusive, are cumulative. A legislative body may elect to use any teleconferencing provisions that are applicable to a meeting, regardless of whether any other teleconferencing provisions would also be applicable to that meeting.

(g) For purposes of this section, the following definitions apply:

(1) "Remote location" means a location from which a member of a legislative body participates in a meeting pursuant to paragraph (7) of subdivision (b), other than any physical meeting location designated in the notice of the meeting. Remote locations need not be accessible to the public.

(2) "Teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both.

(3) "Two-way audiovisual platform" means an online platform that provides participants with the ability to participate in a meeting via both an interactive video conference and a two-way telephonic service. A two-way audiovisual platform may be structured to disable the use of video for the public participants.

(4) "Two-way telephonic service" means a telephone service that does not require internet access and allows participants to dial a telephone number to listen and verbally participate.

(5) "Webcasting" means a streaming video broadcast online or on television, using streaming media technology to distribute a single content source to many simultaneous listeners and viewers.

SEC. 9. Section 54953.8.1 is added to the Government Code, to read:

54953.8.1. (a) A health authority may conduct a teleconference meeting pursuant to Section 54953.8, provided that it complies with the requirements of that section.

(b) Nothing in this section or Section 54953.8 shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority.

(c) For purposes of this section, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

SEC. 10. Section 54953.8.2 is added to the Government Code, to read:

54953.8.2. (a) A legislative body of a local agency may conduct a teleconference meeting pursuant to Section 54953.8 during a proclaimed state of emergency or local emergency, provided that it complies with the requirements of that section and the teleconferencing is used in either of the following circumstances:

(1) For the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) After a determination described in paragraph (1) is made that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(b) If the state of emergency or local emergency remains active, in order to continue to teleconference pursuant to this section, the legislative body shall, no later than 45 days after teleconferencing for the first time pursuant to this section, and every 45 days thereafter, make the following findings by majority vote:

(1) The legislative body has reconsidered the circumstances of the state of emergency or local emergency.

(2) The state of emergency or local emergency continues to directly impact the ability of the members to meet safely in person.

(c) This section shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(d) Notwithstanding paragraph (1) of subdivision (b) of Section 54953.8, a legislative body conducting a teleconference meeting pursuant to this section may elect to use a two-way telephonic service without a live webcasting of the meeting.

(e) For purposes of this section, the following definitions apply:

(1) "Local emergency" means a condition of extreme peril to persons or property proclaimed by the governing body of the local agency affected, in accordance with Section 8630 of the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2), as defined in Section 8680.9, or a local health emergency declared pursuant to Section 101080 of the Health and Safety Code. Local emergency, as used in this section, refers only to local emergencies in the boundaries of the territory over which the local agency exercises jurisdiction.

(2) "State of emergency" means state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2).

SEC. 11. Section 54953.8.3 is added to the Government Code, to read:

54953.8.3. (a) A legislative body of a local agency may conduct a teleconference meeting pursuant to Section 54953.8 if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda, which location shall be open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction, provided that the legislative body complies with the requirements of Section 54953.8 and all of the following additional requirements:

(1) A member of the legislative body notifies the legislative body at the earliest opportunity possible, including at the start of a regular meeting, of their need to participate remotely for just cause, including a general description of the circumstances relating to their need to appear remotely at the given meeting.

(2) The member shall participate through both audio and visual technology.

(3) (A) The provisions of this subdivision shall not serve as a means for any member of a legislative body to participate in meetings of the legislative body solely by teleconference from a remote location for just cause for more than the following number of meetings, as applicable:

(i) Two meetings per year, if the legislative body regularly meets once per month or less.

(ii) Five meetings per year, if the legislative body regularly meets twice per month.

(iii) Seven meetings per year, if the legislative body regularly meets three or more times per month.

(B) For the purpose of counting meetings attended by teleconference under this paragraph, a "meeting" shall be defined as any number of meetings of the legislative body of a local agency that begin on the same calendar day.

(b) The minutes for the meeting shall identify the specific provision in subdivision (c) that each member relied upon to participate remotely. This subdivision shall not be construed to require the member to disclose any medical diagnosis or disability, or any personal medical information that is otherwise exempt under existing law, including, but not limited to, the Confidentiality of Medical Information Act (Chapter 1 (commencing with Section 56) of Part 2.6 of Division 1 of the Civil Code).

(c) For purposes of this section, "just cause" means any of the following:

(1) Childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely. "Child," "parent," "grandparent," "grandchild," and "sibling" have the same meaning as those terms do in Section 12945.2.

(2) A contagious illness that prevents a member from attending in person.

(3) A need related to a physical or mental condition that is not subject to subdivision (c) of Section 54953.

(4) Travel while on official business of the legislative body or another state or local agency.

(5) An immunocompromised child, parent, grandparent, grandchild, sibling, spouse, or domestic partner of the member that requires the member to participate remotely.

(6) A physical or family medical emergency that prevents a member from attending in person.

(7) Military service obligations that result in a member being unable to attend in person because they are serving under official written orders for active duty, drill, annual training, or any other duty required as a member of the California National Guard or a United States Military Reserve organization that requires the member to be at least 50 miles outside the boundaries of the local agency.

(d) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

SEC. 12. Section 54953.8.4 is added to the Government Code, to read:

54953.8.4. (a) An eligible neighborhood council may conduct a teleconference meeting pursuant to Section 54953.8, provided that it complies with the requirements of that section and all of the following have occurred:

(1) (A) The city council for a city described in paragraph (2) of subdivision (b) considers whether to adopt a resolution to authorize eligible neighborhood councils to use teleconferencing as described in this section at an open and regular meeting.

(B) If the city council adopts a resolution described in subparagraph (A), an eligible neighborhood council may elect to use teleconferencing pursuant to this section if a majority of the eligible neighborhood council votes to do so. The eligible neighborhood council shall notify the city council if it elects to use teleconferencing pursuant to this section and its justification for doing so.

(C) Upon receiving notification from an eligible neighborhood council described in subparagraph (B), the city council may adopt a resolution to prohibit the eligible neighborhood council from using teleconferencing pursuant to this section.

(2) After completing the requirements of subparagraph (A) of paragraph (1), an eligible neighborhood council that holds a meeting pursuant to this subdivision shall do all of the following:

(A) At least a quorum of the members of the eligible neighborhood council shall participate from locations within the boundaries of the city in which the eligible neighborhood council is established.

(B) At least once per year, at least a quorum of the members of the eligible neighborhood council shall participate in person from a singular physical location that is open to the public and within the boundaries of the eligible neighborhood council.

(3) If the meeting is during regular business hours of the offices of the city council member that represents the area that includes the eligible neighborhood council, the eligible neighborhood council shall provide a publicly accessible physical location from which the public may attend or comment, which shall be the offices of the city council member who represents the area where the eligible neighborhood council is located, unless the eligible neighborhood council identifies an alternative location.

(4) If the meeting is outside regular business hours, the eligible neighborhood council shall make reasonable efforts to accommodate any member of the public that requests an accommodation to participate in the meeting.

(b) For purposes of this section, the following definitions apply:

(1) "Accommodation" means providing a publicly accessible physical location for the member of the public to participate from, providing access to technology necessary to participate in the meeting, or identifying locations or resources available that could provide the member of the public with an opportunity to participate in the meeting.

(2) "Eligible neighborhood council" means a neighborhood council that is an advisory body with the purpose to promote more citizen participation in government and make government more responsive to local needs that is established pursuant to the charter of a city with a population of more than 3,000,000 people that is subject to this chapter.

(c) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

SEC. 13. Section 54953.8.5 is added to the Government Code, to read:

54953.8.5. (a) An eligible community college student organization may conduct a teleconference meeting pursuant to Section 54953.8, provided that it complies with the requirements of that section and all of the following additional requirements:

(1) An eligible community college student organization may only use teleconferencing as described in Section 54953.8 after all the following have occurred:

(A) The board of trustees for a community college district considers whether to adopt a resolution to authorize eligible community college student organizations to use teleconferencing as described in this section at an open and regular meeting.

(B) If the board of trustees for a community college district adopts a resolution described in subparagraph (A), an eligible community college student organization may elect to use teleconferencing pursuant to this section if a majority of the eligible community college student organization votes to do so. The eligible community college student organization shall notify the board of trustees if it elects to use teleconferencing pursuant to this section and its justification for doing so.

(C) Upon receiving notification from an eligible community college student organization as described in subparagraph (B), the board of trustees may adopt a resolution to prohibit the eligible community college student organization from using teleconferencing pursuant to this section.

(D) (i) Except as specified in clause (ii), at least a quorum of the members of the eligible community college student organization shall participate from a singular physical location that is accessible to the public and is within the community college district in which the eligible community college student organization is established.

(ii) The requirements described in clause (i) shall not apply to the California Online Community College.

(iii) Notwithstanding the requirements of clause (i), a person may count toward the establishment of a quorum pursuant to clause (i) regardless of whether the person is participating at the in-person location of the meeting or remotely if the person meets any of the following criteria:

(I) The person is under 18 years of age.

(II) The person is incarcerated.

(III) The person is unable to disclose the location that they are participating from because of either of the following circumstances:

(ia) The person has been issued a protective court order, including, but not limited to, a domestic violence restraining order.

(ib) The person is participating in a program that has to remain confidential, including, but not limited to, an independent living program.

(IV) The person provides childcare or caregiving to a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely. For purposes of this subclause, "child," "parent," "grandparent," "grandchild," and "sibling" have the same meaning as those terms are defined in Section 12945.2.

(2) An eligible community college student organization that holds a meeting by teleconference as described in Section 54953.8 shall do the following, as applicable:

(A) (i) Except as specified in subparagraph (B), if the meeting is during regular business hours of the offices of the board of trustees of the community college district, the eligible community college student organization shall provide a publicly accessible physical location from which the public may attend or comment, which shall be the offices of the board of trustees of the community college district, unless the eligible community college student organization identifies an alternative location.

(ii) Except as specified in subparagraph (B), if the meeting is outside regular business hours, the eligible community college student organization shall make reasonable efforts to accommodate any member of the public that requests an accommodation to participate in the meeting. For the purposes of this subparagraph, "accommodation" means providing a publicly accessible physical location for the member of the public to participate from, providing access to technology necessary to participate in the meeting,

or identifying locations or resources available that could provide the member of the public with an opportunity to participate in the meeting.

(B) The requirements described in subparagraph (A) shall not apply to the California Online Community College.

(b) For purposes of this section, "eligible community college student organization" means a student body association organized pursuant to Section 76060 of the Education Code, or any other student-run community college organization that is required to comply with the meeting requirements of this chapter, that is in any community college recognized within the California Community Colleges system and includes the Student Senate for California Community Colleges.

(c) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

SEC. 14. Section 54953.8.6 is added to the Government Code, to read:

54953.8.6. (a) An eligible subsidiary body may conduct a teleconference meeting pursuant to Section 54953.8, provided that it complies with the requirements of that section and all of the following additional requirements:

(1) The eligible subsidiary body shall designate one physical meeting location within the boundaries of the legislative body that created the eligible subsidiary body where members of the subsidiary body who are not participating remotely shall be present and members of the public may physically attend, observe, hear, and participate in the meeting. At least one staff member of the eligible subsidiary body or the legislative body that created the eligible subsidiary body shall be present at the physical meeting location during the meeting. The eligible subsidiary body shall post the agenda at the physical meeting location, but need not post the agenda at a remote location.

(2) (A) A member of the eligible subsidiary body shall visibly appear on camera during the open portion of a meeting that is publicly accessible via the internet or other online platform, except if the member has a physical or mental condition not subject to subdivision (c) of Section 54953 that results in a need to participate off camera.

(B) The visual appearance of a member of the eligible subsidiary body on camera may cease only when the appearance would be technologically infeasible, including, but not limited to, when the member experiences a lack of reliable broadband or internet connectivity that would be remedied by joining without video.

(C) If a member of the eligible subsidiary body does not appear on camera due to challenges with internet connectivity, the member shall announce the reason for their nonappearance prior to turning off their camera.

(3) An elected official serving as a member of an eligible subsidiary body in their official capacity shall not participate in a meeting of the eligible subsidiary body by teleconferencing pursuant to this section unless the use of teleconferencing complies with the requirements of paragraph (3) of subdivision (b) of Section 54953.

(4) (A) In order to use teleconferencing pursuant to this section, the legislative body that established the eligible subsidiary body by charter, ordinance, resolution, or other formal action shall make the following findings by majority vote before the eligible subsidiary body uses teleconferencing pursuant to this section for the first time, and every six months thereafter:

(i) The legislative body has considered the circumstances of the eligible subsidiary body.

(ii) Teleconference meetings of the eligible subsidiary body would enhance public access to meetings of the eligible subsidiary body, and the public has been made aware of the type of remote participation, including audio-visual or telephonic, that will be made available at a regularly scheduled meeting and has been provided the opportunity to comment at an in-person meeting of the legislative body authorizing the subsidiary body to meet entirely remotely.

(iii) Teleconference meetings of the eligible subsidiary body would promote the attraction, retention, and diversity of eligible subsidiary body members.

(B) (i) An eligible subsidiary body authorized to use teleconferencing pursuant to this section may request to present any recommendations it develops to the legislative body that created it.

(ii) Upon receiving a request described in clause (i), the legislative body that created the subsidiary body shall hold a discussion at a regular meeting held within 60 days after the legislative body receives the

request, or if the legislative body does not have another regular meeting scheduled within 60 days after the legislative body receives the request, at the next regular meeting after the request is received.

(iii) The discussion required by clause (ii) shall not be placed on a consent calendar, but may be combined with the legislative body's subsequent consideration of the findings described in subparagraph (A) for the following 12 months.

(iv) The legislative body shall not take any action on any recommendations included in the report of a subsidiary body until the next regular meeting of the legislative body following the discussion described in clause (ii).

(C) After the legislative body makes the findings described in subparagraph (A), the eligible subsidiary body shall approve the use of teleconferencing by majority vote before using teleconference pursuant to this section.

(D) The legislative body that created the eligible subsidiary body may elect to prohibit the eligible subsidiary body from using teleconferencing pursuant to this section at any time.

(b) (1) For purposes of this section, "eligible subsidiary body" means a legislative body that meets all of the following:

(A) Is described in subdivision (b) of Section 54952.

(B) Serves exclusively in an advisory capacity.

(C) Is not authorized to take final action on legislation, regulations, contracts, licenses, permits, or any other entitlements, grants, or allocations of funds.

(D) Does not have primary subject matter jurisdiction, as defined by the charter, an ordinance, a resolution, or any formal action of the legislative body that created the subsidiary body, that focuses on elections, budgets, police oversight, privacy, removing from, or restricting access to, materials available in public libraries, or taxes or related spending proposals.

(2) An eligible subsidiary body may include members who are elected officials, members who are not elected officials, or any combination thereof.

(c) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

SEC. 15. Section 54953.8.7 is added to the Government Code, to read:

54953.8.7. (a) An eligible multijurisdictional body may conduct a teleconference meeting pursuant to Section 54953.8, provided that it complies with the requirements of that section and all of the following additional requirements:

(1) The eligible multijurisdictional body has adopted a resolution that authorizes the eligible multijurisdictional body to use teleconferencing pursuant to this section at a regular meeting in open session.

(2) At least a quorum of the members of the eligible multijurisdictional body shall participate from one or more physical locations that are open to the public and within the boundaries of the territory over which the local agency exercises jurisdiction.

(3) A member of the eligible multijurisdictional body who receives compensation for their service on the eligible multijurisdictional body shall participate from a physical location that is open to the public. For purposes of this paragraph, "compensation" does not include reimbursement for actual and necessary expenses.

(4) A member of the eligible multijurisdictional body may participate from a remote location provided that:

(A) The eligible multijurisdictional body identifies each member of the eligible multijurisdictional body who plans to participate remotely in the agenda.

(B) The member shall participate through both audio and visual technology.

(5) A member of the eligible multijurisdictional body shall not participate in a meeting remotely pursuant to this section, unless the location from which the member participates is more than 20 miles each way from any physical location of the meeting described in paragraph (2).

(6) The provisions of this section shall not serve as a means for any member of a legislative body to participate in meetings of the legislative body solely by teleconference from a remote location for more than the following number of meetings, as applicable:

(A) Two meetings per year, if the legislative body regularly meets once per month or less.

(B) Five meetings per year, if the legislative body regularly meets twice per month.

(C) Seven meetings per year, if the legislative body regularly meets three or more times per month.

(D) For the purpose of counting meetings attended by teleconference under this paragraph, a "meeting" shall be defined as any number of meetings of the legislative body of a local agency that begin on the same calendar day.

(b) For the purposes of this section, both of the following definitions apply:

(1) "Eligible multijurisdictional body" means a multijurisdictional board, commission, or advisory body of a multijurisdictional, cross-county agency, the membership of which board, commission, or advisory body is appointed, and the board, commission, or advisory body is otherwise subject to this chapter.

(2) "Multijurisdictional" means either of the following:

(A) A legislative body that includes representatives from more than one county, city, city and county, or special district.

(B) A legislative body of a joint powers entity formed pursuant to an agreement entered into in accordance with Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1.

(c) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

SEC. 16. Section 54954.2 of the Government Code, as amended by Section 92 of Chapter 131 of the Statutes of 2023, is amended to read:

54954.2. (a) (1) At least 72 hours before a regular meeting, the legislative body of the local agency, or its designee, shall post an agenda that meets all of the following requirements:

(A) The agenda shall contain a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session. A brief general description of an item generally need not exceed 20 words.

(B) The agenda shall specify the time and location of the regular meeting and shall be posted in a location that is freely accessible to members of the public and on the local agency's internet website, if the local agency has one.

(C) (i) If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof.

(ii) The agenda shall include information regarding how, to whom, and when a request for disability-related modification or accommodation, including auxiliary aids or services, may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting.

(2) For a meeting occurring on and after January 1, 2019, of a legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state that has an internet website, the following provisions shall apply:

(A) An online posting of an agenda shall be posted on the primary internet website home page of a city, county, city and county, special district, school district, or political subdivision established by the state that is accessible through a prominent, direct link to the current agenda. The direct link to the agenda shall not be in a contextual menu; however, a link in addition to the direct link to the agenda may be accessible through a contextual menu.

(B) An online posting of an agenda, including, but not limited to, an agenda posted in an integrated agenda management platform, shall be posted in an open format that meets all of the following requirements:

(i) Retrievable, downloadable, indexable, and electronically searchable by commonly used internet search applications.

(ii) Platform independent and machine readable.

(iii) Available to the public free of charge and without any restriction that would impede the reuse or redistribution of the agenda.

(C) A legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state that has an internet website and an integrated agenda management platform shall not be required to comply with subparagraph (A) if all of the following are met:

(i) A direct link to the integrated agenda management platform shall be posted on the primary internet website home page of a city, county, city and county, special district, school district, or political subdivision established by the state. The direct link to the integrated agenda management platform shall not be in a contextual menu. When a person clicks on the direct link to the integrated agenda management platform, the direct link shall take the person directly to an internet website with the agendas of the legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state.

(ii) The integrated agenda management platform may contain the prior agendas of a legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state for all meetings occurring on or after January 1, 2019.

(iii) The current agenda of the legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state shall be the first agenda available at the top of the integrated agenda management platform.

(iv) All agendas posted in the integrated agenda management platform shall comply with the requirements in clauses (i), (ii), and (iii) of subparagraph (B).

(D) The provisions of this paragraph shall not apply to a political subdivision of a local agency that was established by the legislative body of the city, county, city and county, special district, school district, or political subdivision established by the state.

(E) For purposes of this paragraph, both of the following definitions apply:

(1) "Integrated agenda management platform" means an internet website of a city, county, city and county, special district, school district, or political subdivision established by the state dedicated to providing the entirety of the agenda information for the legislative body of the city, county, city and county, special district, school district, or political subdivision established by the state to the public.

(2) "Legislative body" means a legislative body that meets the definition of subdivision (a) of Section 54952.

(3) No action or discussion shall be undertaken on any item not appearing on the posted agenda, except that members of a legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights under Section 54954.3. In addition, on their own initiative or in response to questions posed by the public, a member of a legislative body or its staff may ask a question for clarification, make a brief announcement, or make a brief report on their own activities. Furthermore, a member of a legislative body, or the body itself, subject to rules or procedures of the legislative body, may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any matter, or take action to direct staff to place a matter of business on a future agenda.

(b) Notwithstanding subdivision (a), the legislative body may take action on items of business not appearing on the posted agenda under any of the conditions stated below. Prior to discussing any item pursuant to this subdivision, the legislative body shall publicly identify the item.

(1) Upon a determination by a majority vote of the legislative body that an emergency situation exists, as defined in Section 54956.5.

(2) Upon a determination by a two-thirds vote of the members of the legislative body present at the meeting, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there

is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted as specified in subdivision (a).

(3) The item was posted pursuant to subdivision (a) for a prior meeting of the legislative body occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

(c) This section is necessary to implement and reasonably within the scope of paragraph (1) of subdivision (b) of Section 3 of Article I of the California Constitution.

(d) For purposes of subdivision (a), the requirement that the agenda be posted on the local agency's internet website, if the local agency has one, shall only apply to a legislative body that meets either of the following standards:

(1) A legislative body as that term is defined by subdivision (a) of Section 54952.

(2) A legislative body as that term is defined by subdivision (b) of Section 54952, if the members of the legislative body are compensated for their appearance, and if one or more of the members of the legislative body are also members of a legislative body as that term is defined by subdivision (a) of Section 54952.

SEC. 17. Section 54954.3 of the Government Code is amended to read:

54954.3. (a) (1) Every agenda for regular meetings shall provide an opportunity for members of the public to directly address the legislative body on any item of interest to the public, before or during the legislative body's consideration of the item, that is within the subject matter jurisdiction of the legislative body, provided that no action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by subdivision (b) of Section 54954.2.

(2) (A) Notwithstanding paragraph (1), the agenda need not provide an opportunity for members of the public to address the legislative body on any item that has already been considered by a committee, composed exclusively of members of the legislative body, at a public meeting wherein all interested members of the public were afforded the opportunity to address the committee on the item, before or during the committee's consideration of the item.

(B) Subparagraph (A) shall not apply if any of the following conditions are met:

(i) The item has been substantially changed since the committee heard the item, as determined by the legislative body.

(ii) When considering the item, a quorum of the committee members did not participate from a singular physical location, that was clearly identified on the agenda, open to the public, and situated within the boundaries of the territory over which the local agency exercises jurisdiction.

(iii) The committee has primary subject matter jurisdiction, as defined by the charter, an ordinance, a resolution, or any formal action of the legislative body that created the subsidiary body, that focuses on elections, budgets, police oversight, privacy, removing from, or restricting access to, materials available in public libraries, or taxes or related spending proposals. This clause shall not apply to an item if the local agency has adopted a law applicable to the meeting of the committee at which the item that was considered prohibits the committee from placing a limit on the total amount of time for public comment on the item.

(3) Every notice for a special meeting shall provide an opportunity for members of the public to directly address the legislative body concerning any item that has been described in the notice for the meeting before or during consideration of that item.

(b) (1) The legislative body of a local agency may adopt reasonable regulations to ensure that the intent of subdivision (a) is carried out, including, but not limited to, regulations limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker.

(2) Notwithstanding paragraph (1), when the legislative body of a local agency limits time for public comment, the legislative body of a local agency shall provide at least twice the allotted time to a member of the public who utilizes a translator to ensure that non-English speakers receive the same opportunity to directly address the legislative body of a local agency.

(3) Paragraph (2) shall not apply if the legislative body of a local agency utilizes simultaneous translation equipment in a manner that allows the legislative body of a local agency to hear the translated public testimony simultaneously.

(c) The legislative body of a local agency shall not prohibit public criticism of the policies, procedures, programs, or services of the agency, or of the acts or omissions of the legislative body. Nothing in this subdivision shall confer any privilege or protection for expression beyond that otherwise provided by law.

SEC. 18. Section 54956 of the Government Code is amended to read:

54956. (a) (1) A special meeting may be called at any time by the presiding officer of the legislative body of a local agency, or by a majority of the members of the legislative body, by delivering written notice to each member of the legislative body and to each local newspaper of general circulation and radio or television station requesting notice in writing and posting a notice on the local agency's internet website, if the local agency has one. The notice shall be delivered personally or by any other means and shall be received at least 24 hours before the time of the meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted or discussed. No other business shall be considered at these meetings by the legislative body. The written notice may be dispensed with as to any member who at or prior to the time the meeting convenes files with the clerk or secretary of the legislative body a written waiver of notice. The waiver may be given by telephone or electronic mail. The written notice may also be dispensed with as to any member who is actually present at the meeting at the time it convenes.

(2) The call and notice shall be posted at least 24 hours prior to the special meeting in a location that is freely accessible to members of the public.

(b) Notwithstanding any other law, a legislative body shall not call a special meeting regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits, of the legislative body or of a local agency executive, as defined in subdivision (d) of Section 3511.1. However, this subdivision does not apply to a local agency calling a special meeting to discuss the local agency's budget.

SEC. 19. Section 54956.5 of the Government Code is amended to read:

54956.5. (a) For purposes of this section, "emergency situation" means both of the following:

(1) An emergency, which shall be defined as a work stoppage, crippling activity, or other activity that severely impairs public health, safety, or both, as determined by a majority of the members of the legislative body.

(2) A dire emergency, which shall be defined as a crippling disaster, mass destruction, terrorist act, or threatened terrorist activity that poses peril so immediate and significant that requiring a legislative body to provide one-hour notice before holding an emergency meeting under this section may endanger the public health, safety, or both, as determined by a majority of the members of the legislative body.

(b) (1) Subject to paragraph (2), in the case of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, a legislative body may hold an emergency meeting without complying with either the 24-hour notice requirement or the 24-hour posting requirement of Section 54956 or both of the notice and posting requirements.

(2) Each local newspaper of general circulation and radio or television station that has requested notice of special meetings pursuant to Section 54956 shall be notified by the presiding officer of the legislative body, or designee thereof, one hour prior to the emergency meeting, or, in the case of a dire emergency, at or near the time that the presiding officer or designee notifies the members of the legislative body of the emergency meeting.

(A) Except as provided in subparagraph (B), the notice required by this paragraph shall be given by telephone and all telephone numbers provided in the most recent request of a newspaper or station for notification of special meetings shall be exhausted. In the event that telephone services are not functioning, the notice requirements of this paragraph shall be deemed waived, and the legislative body, or designee of the legislative body, shall notify those newspapers, radio stations, or television stations of the fact of the holding of the emergency meeting, the purpose of the meeting, and any action taken at the meeting as soon after the meeting as possible.

(B) For an emergency meeting held pursuant to this section, the presiding officer of the legislative body, or designee thereof, may send the notifications required by this paragraph by email instead of by telephone, as

provided in subparagraph (A), to all local newspapers of general circulation, and radio or television stations, that have requested those notifications by email, and all email addresses provided by representatives of those newspapers or stations shall be exhausted. In the event that internet services and telephone services are not functioning, the notice requirements of this paragraph shall be deemed waived, and the legislative body, or designee of the legislative body, shall notify those newspapers, radio stations, or television stations of the fact of the holding of the emergency meeting, the purpose of the meeting, and any action taken at the meeting as soon after the meeting as possible.

(c) During a meeting held pursuant to this section, the legislative body may meet in closed session pursuant to Section 54957 if agreed to by a two-thirds vote of the members of the legislative body present, or, if less than two-thirds of the members are present, by a unanimous vote of the members present.

(d) All special meeting requirements, as prescribed in Section 54956 shall be applicable to a meeting called pursuant to this section, with the exception of the 24-hour notice requirement.

(e) The minutes of a meeting called pursuant to this section, a list of persons who the presiding officer of the legislative body, or designee of the legislative body, notified or attempted to notify, a copy of the rollcall vote, and any actions taken at the meeting shall be posted for a minimum of 10 days in a public place as soon after the meeting as possible.

SEC. 20. Section 54957.6 of the Government Code is amended to read:

54957.6. (a) Notwithstanding any other provision of law, a legislative body of a local agency may hold closed sessions with the local agency's designated representatives regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits of its represented and unrepresented employees, and, for represented employees, any other matter within the statutorily provided scope of representation, subject to all of the following conditions:

(1) Prior to the closed session, the legislative body of the local agency shall hold an open and public session in which it identifies its designated representatives.

(2) The closed session shall be for the purpose of reviewing its position and instructing the local agency's designated representatives.

(3) The closed session may take place prior to and during consultations and discussions with representatives of employee organizations and unrepresented employees.

(4) Any closed session with the local agency's designated representative regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits may include discussion of an agency's available funds and funding priorities, but only insofar as these discussions relate to providing instructions to the local agency's designated representative.

(5) The closed session shall not include final action on the proposed compensation of one or more unrepresented employees.

(6) For the purposes enumerated in this section, a legislative body of a local agency may also meet with a state conciliator who has intervened in the proceedings.

(b) For the purposes of this section, the term "employee" shall include an officer or an independent contractor who functions as an officer or an employee, but shall not include any elected official, member of a legislative body, or other independent contractors.

SEC. 21. Section 54957.9 of the Government Code is amended to read:

54957.9. In the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of the meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the members of the legislative body conducting the meeting may order the meeting room cleared and continue in session. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. Nothing in this section shall prohibit the legislative body from establishing a procedure for readmitting an individual or individuals not responsible for willfully disturbing the orderly conduct of the meeting.

SEC. 22. Section 54957.95 of the Government Code is amended to read:

54957.95. (a) (1) In addition to authority exercised pursuant to Sections 54954.3 and 54957.9, the presiding member of the legislative body conducting a meeting or their designee may remove, or cause the removal of, an individual for disrupting the meeting, including any teleconferenced meeting.

(2) Prior to removing an individual, the presiding member or their designee shall warn the individual that their behavior is disrupting the meeting and that their failure to cease their behavior may result in their removal. The presiding member or their designee may then remove the individual if they do not promptly cease their disruptive behavior. This paragraph does not apply to any behavior described in subparagraph (B) of paragraph (1) of subdivision (b).

(b) As used in this section:

(1) "Disrupting" means engaging in behavior during a meeting of a legislative body that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting and includes, but is not limited to, one of the following:

(A) A failure to comply with reasonable and lawful regulations adopted by a legislative body pursuant to Section 54954.3 or any other law.

(B) Engaging in behavior that constitutes use of force or a true threat of force.

(2) "True threat of force" means a threat that has sufficient indicia of intent and seriousness, that a reasonable observer would perceive it to be an actual threat to use force by the person making the threat.

SEC. 23. Section 54957.96 is added to the Government Code, to read:

54957.96. (a) The existing authority of a legislative body or its presiding officer to remove or limit participation by persons who engage in behavior that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting, including existing limitations upon that authority, shall apply to members of the public participating in a meeting via a two-way telephonic service or a two-way audiovisual platform.

(b) For purposes of this section, the following definitions apply:

(1) "Two-way audiovisual platform" means an online platform that provides participants with the ability to participate in a meeting via both an interactive video conference and a two-way telephonic service. A two-way audiovisual platform may be structured to disable the use of video for the public participants.

(2) "Two-way telephonic service" means a telephone service that does not require internet access and allows participants to dial a telephone number to listen and verbally participate.

SEC. 24. The Legislature finds and declares that Section 4 of this act, which amends Section 54953 of, Section 5 of this act, which adds Section 54953.4 to, Sections 8 to 15, inclusive, of this act, which add Sections 54953.8 to 54953.8.7, respectively, to, Section 19 of this act, which amends Section 54956.5 of, Section 22 of this act, which amends Section 54957.95 of, and Section 23 of this act, which adds Section 54957.96 to, the Government Code, impose a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

(a) This act is necessary to provide opportunities for public participation in meetings of specified public agencies and to promote the recruitment and retention of members of those agencies.

(b) This act is necessary to ensure minimum standards for public participation and notice requirements allowing for greater public participation in meetings.

(c) This act is necessary to modernize the Ralph M. Brown Act to reflect recent technological changes that can promote greater public access to local officials.

(d) The exclusively virtual nature of the California Online Community College presents unique barriers to the requirements for an in-person quorum, a physical location for public participation, and certain accommodations. Participating students of the online community college come from all across the state and necessitating travel for these requirements would pose a significant and exclusionary barrier.

SEC. 25. The Legislature finds and declares that Sections 1 and 2 of this act, which amend and repeal Section 54952.2, respectively, of, Section 3 of this act, which amends Section 54952.7 of, Section 4 of this act, which

amends Section 54953 of, Section 5 of this act, which adds Section 54953.4 to, Section 6 of this act, which amends Section 54953.5 of, Section 7 of this act, which amends Section 54953.7 of, Sections 8 to 15, inclusive, of this act, which add Sections 54953.8 to 54953.8.7, respectively, to, Section 16 of this act, which amends Section 54954.2 of, Section 17 of this act, which amends Section 54954.3 of, Section 18 of this act, which amends Section 54956 of, Section 19 of this act, which amends Section 54956.5 of, Section 20 of this act, which amends Section 54957.6 of, Section 21 of this act, which amends Section 54957.9 of, Section 22 of this act, which amends Section 54957.95 of, and Section 23 of this act, which adds Section 54957.96 to, the Government Code, further, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

(a) This act is necessary to provide opportunities for public participation in meetings of specified public agencies and to promote the recruitment and retention of members of those agencies.

(b) This act is necessary to ensure minimum standards for public participation and notice requirements allowing for greater public participation in meetings.

(c) This act is necessary to modernize the Ralph M. Brown Act to reflect recent technological changes that can promote greater public access to local officials.

(d) The exclusively virtual nature of the California Online Community College presents unique barriers to the requirements for an in-person quorum, a physical location for public participation, and certain accommodations. Participating students of the online community college come from all across the state and necessitating travel for these requirements would pose a significant and exclusionary barrier.

SEC. 26. The Legislature finds and declares that adequate public access to meetings is a matter of statewide concern and is not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, this bill would apply to all cities, including charter cities.

SEC. 27. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district under this act would result from a legislative mandate that is within the scope of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution.

Code: Section: [Up^](#) [Add To My Favorites](#)**GOVERNMENT CODE - GOV****TITLE 5. LOCAL AGENCIES [50001 - 57607]** (Title 5 added by Stats. 1949, Ch. 81.)**DIVISION 2. CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 55821]** (Division 2 added by Stats. 1949, Ch. 81.)**PART 1. POWERS AND DUTIES COMMON TO CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 54999.7]** (Part 1 added by Stats. 1949, Ch. 81.)**CHAPTER 9. Meetings [54950 - 54963]** (Chapter 9 added by Stats. 1953, Ch. 1588.)

54950. In enacting this chapter, the Legislature finds and declares that the public commissions, boards and councils and the other public agencies in this State exist to aid in the conduct of the people's business. It is the intent of the law that their actions be taken openly and that their deliberations be conducted openly.

The people of this State do not yield their sovereignty to the agencies which serve them. The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know. The people insist on remaining informed so that they may retain control over the instruments they have created.

(Added by Stats. 1953, Ch. 1588.)

54950.5. This chapter shall be known as the Ralph M. Brown Act.

(Added by Stats. 1961, Ch. 115.)

54951. As used in this chapter, "local agency" means a county, city, whether general law or chartered, city and county, town, school district, municipal corporation, district, political subdivision, or any board, commission or agency thereof, or other local public agency.

(Amended by Stats. 1959, Ch. 1417.)

54952. As used in this chapter, "legislative body" means:

- (a) The governing body of a local agency or any other local body created by state or federal statute.
- (b) A commission, committee, board, or other body of a local agency, whether permanent or temporary, decisionmaking or advisory, created by charter, ordinance, resolution, or formal action of a legislative body. However, advisory committees, composed solely of the members of the legislative body that are less than a quorum of the legislative body are not legislative bodies, except that standing committees of a legislative body, irrespective of their composition, which have a continuing subject matter jurisdiction, or a meeting schedule fixed by charter, ordinance, resolution, or formal action of a legislative body are legislative bodies for purposes of this chapter.
- (c) (1) A board, commission, committee, or other multimember body that governs a private corporation, limited liability company, or other entity that either:
 - (A) Is created by the elected legislative body in order to exercise authority that may lawfully be delegated by the elected governing body to a private corporation, limited liability company, or other entity.
 - (B) Receives funds from a local agency and the membership of whose governing body includes a member of the legislative body of the local agency appointed to that governing body as a full voting member by the legislative body of the local agency.

(2) Notwithstanding subparagraph (B) of paragraph (1), no board, commission, committee, or other multimember body that governs a private corporation, limited liability company, or other entity that receives funds from a local agency and, as of February 9, 1996, has a member of the legislative body of the local agency as a full voting

member of the governing body of that private corporation, limited liability company, or other entity shall be relieved from the public meeting requirements of this chapter by virtue of a change in status of the full voting member to a nonvoting member.

(d) The lessee of any hospital the whole or part of which is first leased pursuant to subdivision (p) of Section 32121 of the Health and Safety Code after January 1, 1994, where the lessee exercises any material authority of a legislative body of a local agency delegated to it by that legislative body whether the lessee is organized and operated by the local agency or by a delegated authority.

(Amended by Stats. 2002, Ch. 1073, Sec. 2. Effective January 1, 2003.)

54952.1. Any person elected to serve as a member of a legislative body who has not yet assumed the duties of office shall conform his or her conduct to the requirements of this chapter and shall be treated for purposes of enforcement of this chapter as if he or she has already assumed office.

(Amended by Stats. 1994, Ch. 32, Sec. 2. Effective March 30, 1994. Operative April 1, 1994, by Sec. 23 of Ch. 32.)

54952.2. (a) As used in this chapter, "meeting" means any congregation of a majority of the members of a legislative body at the same time and location, including teleconference location as permitted by Section 54953, to hear, discuss, deliberate, or take action on any item that is within the subject matter jurisdiction of the legislative body.

(b) (1) A majority of the members of a legislative body shall not, outside a meeting authorized by this chapter, use a series of communications of any kind, directly or through intermediaries, to discuss, deliberate, or take action on any item of business that is within the subject matter jurisdiction of the legislative body.

(2) Paragraph (1) shall not be construed as preventing an employee or official of a local agency, from engaging in separate conversations or communications outside of a meeting authorized by this chapter with members of a legislative body in order to answer questions or provide information regarding a matter that is within the subject matter jurisdiction of the local agency, if that person does not communicate to members of the legislative body the comments or position of any other member or members of the legislative body.

(3) (A) Paragraph (1) shall not be construed as preventing a member of the legislative body from engaging in separate conversations or communications on an internet-based social media platform to answer questions, provide information to the public, or to solicit information from the public regarding a matter that is within the subject matter jurisdiction of the legislative body provided that a majority of the members of the legislative body do not use the internet-based social media platform to discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body. A member of the legislative body shall not respond directly to any communication on an internet-based social media platform regarding a matter that is within the subject matter jurisdiction of the legislative body that is made, posted, or shared by any other member of the legislative body.

(B) For purposes of this paragraph, all of the following definitions shall apply:

(i) "Discuss among themselves" means communications made, posted, or shared on an internet-based social media platform between members of a legislative body, including comments or use of digital icons that express reactions to communications made by other members of the legislative body.

(ii) "Internet-based social media platform" means an online service that is open and accessible to the public.

(iii) "Open and accessible to the public" means that members of the general public have the ability to access and participate, free of charge, in the social media platform without the approval by the social media platform or a person or entity other than the social media platform, including any forum and chatroom, and cannot be blocked from doing so, except when the internet-based social media platform determines that an individual violated its protocols or rules.

(c) Nothing in this section shall impose the requirements of this chapter upon any of the following:

(1) Individual contacts or conversations between a member of a legislative body and any other person that do not violate subdivision (b).

(2) The attendance of a majority of the members of a legislative body at a conference or similar gathering open to the public that involves a discussion of issues of general interest to the public or to public agencies of the type represented by the legislative body, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled program, business of a specified nature that is within the subject matter jurisdiction of the local agency. Nothing in this paragraph is intended to allow members of the public free admission to a conference or similar gathering at which the organizers have required other participants or registrants to pay fees or charges as a condition of attendance.

(3) The attendance of a majority of the members of a legislative body at an open and publicized meeting organized to address a topic of local community concern by a person or organization other than the local agency, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled program, business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(4) The attendance of a majority of the members of a legislative body at an open and noticed meeting of another body of the local agency, or at an open and noticed meeting of a legislative body of another local agency, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled meeting, business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(5) The attendance of a majority of the members of a legislative body at a purely social or ceremonial occasion, provided that a majority of the members do not discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(6) The attendance of a majority of the members of a legislative body at an open and noticed meeting of a standing committee of that body, provided that the members of the legislative body who are not members of the standing committee attend only as observers.

(Amended (as amended by Stats. 2020, Ch. 89, Sec. 1) by Stats. 2025, Ch. 327, Sec. 1. (SB 707) Effective January 1, 2026.)

54952.3. (a) A legislative body that has convened a meeting and whose membership constitutes a quorum of any other legislative body may convene a meeting of that other legislative body, simultaneously or in serial order, only if a clerk or a member of the convened legislative body verbally announces, prior to convening any simultaneous or serial order meeting of that subsequent legislative body, the amount of compensation or stipend, if any, that each member will be entitled to receive as a result of convening the simultaneous or serial meeting of the subsequent legislative body and identifies that the compensation or stipend shall be provided as a result of convening a meeting for which each member is entitled to collect compensation or a stipend. However, the clerk or member of the legislative body shall not be required to announce the amount of compensation if the amount of compensation is prescribed in statute and no additional compensation has been authorized by a local agency.

(b) For purposes of this section, compensation and stipend shall not include amounts reimbursed for actual and necessary expenses incurred by a member in the performance of the member's official duties, including, but not limited to, reimbursement of expenses relating to travel, meals, and lodging.

(Added by Stats. 2011, Ch. 91, Sec. 1. (AB 23) Effective January 1, 2012.)

54952.6. As used in this chapter, "action taken" means a collective decision made by a majority of the members of a legislative body, a collective commitment or promise by a majority of the members of a legislative body to make a positive or a negative decision, or an actual vote by a majority of the members of a legislative body when sitting as a body or entity, upon a motion, proposal, resolution, order or ordinance.

(Added by Stats. 1961, Ch. 1671.)

54952.7. A local agency shall provide a copy of this chapter to any person elected or appointed to serve as a member of a legislative body of the local agency.

(Amended by Stats. 2025, Ch. 327, Sec. 3. (SB 707) Effective January 1, 2026.)

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding

authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. If the legislative body of a local agency elects to use teleconferencing, the legislative body of a local agency shall comply with all of the following:

(A) All votes taken during a teleconferenced meeting shall be by rollcall.

(B) The teleconferenced meetings shall be conducted in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency.

(C) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(D) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as expressly provided in this chapter.

(4) The teleconferencing requirements of this subdivision shall not apply to remote participation described in subdivision (c).

(c) (1) Nothing in this chapter shall be construed to prohibit a member of a legislative body with a disability from participating in any meeting of the legislative body by remote participation as a reasonable accommodation pursuant to any applicable law.

(2) A member of a legislative body participating in a meeting by remote participation pursuant to this subdivision shall do both of the following:

(A) The member shall participate through both audio and visual technology, except that any member with a disability, as defined in Section 12102 of Title 42 of the United States Code, may participate only through audio technology if a physical condition related to their disability results in a need to participate off camera.

(B) The member shall disclose at the meeting before any action is taken, whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member's relationship with any of those individuals.

(3) Remote participation under this subdivision shall be treated as in-person attendance at the physical meeting location for all purposes, including any requirement that a quorum of the legislative body participate from any particular location. The provisions of subdivision (b) and Sections 54953.8 to 54953.8.7, inclusive, shall not apply to remote participation under this subdivision.

(d) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) (A) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of either of the following during the open meeting in which the final action is to be taken:

(i) A local agency executive, as defined in subdivision (d) of Section 3511.1.

(ii) A department head or other similar administrative officer of the local agency.

(B) This paragraph shall not affect the public's right under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(e) For purposes of this section, both of the following definitions apply:

(1) "Disability" means a physical disability or a mental disability as those terms are defined in Section 12926 and used in Section 12926.1, or a disability as defined in Section 12102 of Title 42 of the United States Code.

(2) (A) "Teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both.

(B) Notwithstanding subparagraph (A), "teleconference" does not include one or more members watching or listening to a meeting via webcasting or any other similar electronic medium that does not permit members to interactively speak, discuss, or deliberate on matters.

(3) "Remote participation" means participation in a meeting by teleconference at a location other than any physical meeting location designated in the notice of the meeting.

(Amended (as amended by Stats. 2023, Ch. 534, Sec. 2) by Stats. 2025, Ch. 327, Sec. 4. (SB 707) Effective January 1, 2026.)

54953.1. The provisions of this chapter shall not be construed to prohibit the members of the legislative body of a local agency from giving testimony in private before a grand jury, either as individuals or as a body.

(Added by Stats. 1979, Ch. 950.)

54953.2. All meetings of a legislative body of a local agency that are open and public shall meet the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof.

(Added by Stats. 2002, Ch. 300, Sec. 5. Effective January 1, 2003.)

54953.3. A member of the public shall not be required, as a condition to attendance at a meeting of a legislative body of a local agency, to register his or her name, to provide other information, to complete a questionnaire, or otherwise to fulfill any condition precedent to his or her attendance.

If an attendance list, register, questionnaire, or other similar document is posted at or near the entrance to the room where the meeting is to be held, or is circulated to the persons present during the meeting, it shall state clearly that the signing, registering, or completion of the document is voluntary, and that all persons may attend the meeting regardless of whether a person signs, registers, or completes the document.

(Amended by Stats. 1981, Ch. 968, Sec. 28.)

54953.4. (a) The Legislature finds and declares that public access, including through translation of agendas as required by this section, is necessary for an informed populace. The Legislature encourages local agencies to adopt public access requirements that exceed the requirements of this chapter by translating additional languages, employing human translators, and conducting additional outreach.

(b) (1) In addition to any other applicable requirements of this chapter, a meeting held by a eligible legislative body pursuant to this chapter shall comply with both of the following requirements:

(A) (i) (I) (ia) All open and public meetings shall include an opportunity for members of the public to attend via a two-way telephonic service or a two-way audiovisual platform, except if adequate telephonic or internet service is not operational at the meeting location. If adequate telephonic or internet service is operational at the meeting location during only a portion of the meeting, the legislative body shall include an opportunity for members of the public to attend via a two-way telephonic service or a two-way audiovisual platform during that portion of the meeting.

(ib) (Ia) On or before July 1, 2026, an eligible legislative body shall approve at a noticed public meeting in open session, not on the consent calendar, a policy regarding disruption of telephonic or internet service occurring during meetings subject to this sub-subclause. The policy shall address the procedures for recessing and reconvening a meeting in the event of disruption and the efforts that the eligible legislative body shall make to attempt to restore the service.

(Ib) If a disruption of telephonic or internet service that prevents members of the public from attending or observing the meeting via the two-way telephonic service or two-way audiovisual platform occurs during the meeting, the eligible legislative body shall recess the open session of the meeting for at least one hour and make a good faith attempt to restore the service. The eligible legislative body may meet in closed session during this period. The eligible legislative body

shall not reconvene the open session of the meeting until at least one hour following the disruption, or until telephonic or internet service is restored, whichever is earlier.

(Ic) Upon reconvening the open session, if telephonic or internet service has not been restored, the eligible legislative body shall adopt a finding by rollcall vote that good faith efforts to restore the telephonic or internet service have been made in accordance with the policy adopted pursuant to sub-sub-subclause (Ia) and that the public interest in continuing the meeting outweighs the public interest in remote public access.

(II) Subclause (I) does not apply to a meeting that is held to do any of the following:

(ia) Attend a judicial or administrative proceeding to which the local agency is a party.

(ib) Inspect real or personal property provided that the topic of the meeting is limited to items directly related to the real or personal property.

(ic) Meet with elected or appointed officials of the United States or the State of California, solely to discuss a legislative or regulatory issue affecting the local agency and over which the federal or state officials have jurisdiction.

(id) Meet in or nearby a facility owned by the agency, provided that the topic of the meeting is limited to items directly related to the facility.

(ie) Meet in an emergency situation pursuant to Section 54956.5.

(ii) If an eligible legislative body elects to provide a two-way audiovisual platform, the eligible legislative body shall publicly post and provide a call-in option, and activate any automatic captioning function during the meeting if an automatic captioning function is included with the two-way audiovisual platform. If an eligible legislative body does not elect to provide a two-way audiovisual platform, the eligible legislative body shall provide a two-way telephonic service for the public to participate in the meeting, pursuant to subclause (I).

(B) (i) All open and public meetings for which attendance via a two-way telephonic service or a two-way audiovisual platform is provided in accordance with paragraph (1) shall provide the public with an opportunity to provide public comment in accordance with Section 54954.3 via the two-way telephonic or two-way audiovisual platform, and ensure the opportunity for the members of the public participating via a two-way telephonic or two-way audiovisual platform to provide public comment with the same time allotment as a person attending a meeting in person.

(2) (A) An eligible legislative body shall reasonably assist members of the public who wish to translate a public meeting into any language or wish to receive interpretation provided by another member of the public, so long as the interpretation is not disrupting to the meeting, as defined in Section 54957.95. The eligible legislative body shall publicize instructions on how to request assistance under this subdivision. Assistance may include any of the following, as determined by the eligible legislative body:

(i) Arranging space for one or more interpreters at the meeting location.

(ii) Allowing extra time during the meeting for interpretation to occur.

(iii) Ensuring participants may utilize their personal equipment or reasonably access facilities for participants to access commercially available interpretation services.

(B) This section does not require an eligible legislative body to provide interpretation of any public meeting, however, an eligible legislative body may elect to provide interpretation of any public meeting.

(C) The eligible legislative body is not responsible for the content or accuracy of any interpretation facilitated, assisted with, or provided under this subdivision. An action shall not be commenced or maintained against the eligible legislative body arising from the content or accuracy of any interpretation facilitated, assisted with, or provided under this subdivision.

(3) An eligible legislative body shall take the following actions to encourage residents, including those in underrepresented communities and non-English-speaking communities, to participate in public meetings:

(A) Have in place a system for electronically accepting and fulfilling requests for meeting agendas and documents pursuant to Section 54954.1 through email or through an integrated agenda management

platform. Information about how to make a request using this system shall be accessible through a prominent direct link posted on the primary internet website home page of the eligible legislative body.

(B) (i) Create and maintain an accessible internet webpage dedicated to public meetings that includes, or provides a link to, all of the following information:

(I) A general explanation of the public meeting process for the eligible legislative body.

(II) An explanation of the procedures for a member of the public to provide in-person or remote oral public comment during a public meeting or to submit written public comment.

(III) A calendar of all public meeting dates with calendar listings that include the date, time, and location of each public meeting.

(IV) The agenda posted online pursuant to paragraph (2) of subdivision (a) of Section 54954.2.

(ii) The eligible legislative body shall include a link to the webpage required by subparagraph (A) on the home page of the eligible legislative body's internet website.

(C) (i) Make reasonable efforts, as determined by the legislative body, to invite groups that do not traditionally participate in public meetings to attend those meetings, which may include, but are not limited to, all the following:

(I) Media organizations that provide news coverage in the jurisdiction of the eligible legislative body, including media organizations that serve non-English-speaking communities.

(II) Good government, civil rights, civic engagement, neighborhood, and community group organizations, or similar organizations that are active in the jurisdiction of the eligible legislative body, including organizations active in non-English-speaking communities.

(ii) Legislative bodies shall have broad discretion in the choice of reasonable efforts they make under this subparagraph. No action shall be commenced or maintained against an eligible legislative body arising from failing to provide public meeting information to any specific group pursuant to this subparagraph.

(c) (1) (A) The agenda for each meeting of an eligible legislative body shall be translated into all applicable languages, and each translation shall be posted in accordance with Section 54954.2. Each translation shall include instructions in the applicable language describing how to join the meeting by the telephonic or internet-based service option, including any requirements for registration for public comment.

(B) The accessible internet webpage provided under subparagraph (B) of paragraph (3) of subdivision (b) shall be translated into all applicable languages, and each translation shall be accessible through a prominent direct link posted on the primary internet website home page of the eligible legislative body.

(2) A translation made using a digital translation service shall satisfy the requirements of paragraph (1).

(3) The eligible legislative body shall make available a physical location that is freely accessible to the public in reasonable proximity to the physical location in which the agenda and translations are posted as described in paragraph (1), and shall allow members of the public to post additional translations of the agenda in that location.

(4) The eligible legislative body is not responsible for the content or accuracy of any translation provided pursuant to this subdivision. No action shall be commenced or maintained against an eligible legislative body arising from the content, accuracy, posting, or removal of any translation provided by the eligible legislative body or posted by any person pursuant to this subdivision.

(5) For the purposes of this section, the agenda does not include the entire agenda packet.

(d) This section shall not be construed to affect or supersede any other applicable civil rights, nondiscrimination, or public access laws.

(e) For purposes of this section, all of the following definitions apply:

(1) (A) "Applicable languages" means languages, according to data from the most recent American Community Survey, spoken jointly by 20 percent or more of the applicable population, provided that 20 percent or more of the population that speaks that language in that city or county speaks English less than "very well."

(B) For the purposes of subparagraph (A), the applicable population shall be determined as follows:

(i) For an eligible legislative body that is a city council or county board of supervisors, the applicable population shall be the population of the city or county.

(ii) For an eligible legislative body of a special district, the applicable population shall be either of the following, at the discretion of the board of directors of the special district:

(I) The population of the county with the greatest population within the boundaries of the special district.

(II) The population of the service area of the special district, if the special district has the data to determine what languages spoken by the population within its service area meet the requirements of paragraph (A).

(C) If more than three languages meet the criteria set forth in subparagraph (A), "applicable languages" shall mean the three languages described in subparagraph (A) that are spoken by the largest percentage of the population.

(D) An eligible legislative body may elect to determine the applicable languages based upon a source other than the most recent American Community Survey if it makes a finding, based upon substantial evidence, that the other source provides equally or more reliable data for the territory over which the eligible legislative body exercises jurisdiction.

(2) "Eligible legislative body" means any of the following:

(A) A city council of a city with a population of 30,000 or more.

(B) A county board of supervisors of a county, or city and county, with a population of 30,000 or more.

(C) A city council of a city located in a county with a population of 600,000 or more.

(D) The board of directors of a special district that has an internet website and meets any of the following conditions:

(i) The boundaries of the special district include the entirety of a county with a population of 600,000 or more, and the special district has over 200 full-time equivalent employees.

(ii) The special district has over 1,000 full-time equivalent employees.

(iii) The special district has annual revenues, based on the most recent Financial Transaction Report data published by the California State Controller, that exceed four hundred million dollars (\$400,000,000), adjusted annually for inflation commencing January 1, 2027, as measured by the percentage change in the California Consumer Price Index from January 1 of the prior year to January 1 of the current year, and the special district employs over 200 full-time equivalent employees.

(3) "Two-way audiovisual platform" means an online platform that provides participants with the ability to participate in a meeting via both an interactive video conference and a two-way telephonic service.

(4) "Two-way telephonic service" means a telephone service that does not require internet access and allows participants to dial a telephone number to listen and verbally participate.

(f) This section shall become operative on July 1, 2026.

(g) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

(Added by Stats. 2025, Ch. 327, Sec. 5. (SB 707) Effective January 1, 2026. Operative July 1, 2026, by its own provisions. Repealed as of January 1, 2030, by its own provisions.)

54953.5. (a) Any person attending an open and public meeting of a legislative body of a local agency shall have the right to record the proceedings in the absence of a reasonable finding by the legislative body of the local agency that the recording cannot continue without noise, illumination, or obstruction of view that constitutes, or would constitute, a persistent disruption of the proceedings.

(b) Any recording of an open and public meeting made for whatever purpose by or at the direction of the local agency shall be subject to inspection pursuant to the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1), but, notwithstanding Section 34090, may be erased or destroyed 30 days after the recording. Any inspection of an audio or video recording shall be provided without charge on equipment made available by the local agency.

54953.6. No legislative body of a local agency shall prohibit or otherwise restrict the broadcast of its open and public meetings in the absence of a reasonable finding that the broadcast cannot be accomplished without noise, illumination, or obstruction of view that would constitute a persistent disruption of the proceedings.

(Amended by Stats. 1994, Ch. 32, Sec. 6. Effective March 30, 1994. Operative April 1, 1994, by Sec. 23 of Ch. 32.)

54953.7. Notwithstanding any other provision of law, legislative bodies of local agencies may impose requirements upon themselves which allow greater access to their meetings than prescribed by the minimal standards set forth in this chapter. In addition thereto, an elected legislative body of a local agency may impose those requirements on appointed legislative bodies of the local agency.

(Amended by Stats. 2025, Ch. 327, Sec. 7. (SB 707) Effective January 1, 2026.)

54953.8. (a) The legislative body of a local agency may use teleconferencing as authorized by subdivision (b) of Section 54953 without complying with the requirements of paragraph (3) of subdivision (b) of Section 54953 in any of the circumstances described in Sections 54953.8.1 to 54953.8.7, inclusive.

(b) A legislative body that holds a teleconference meeting pursuant to this section shall, in addition to any other applicable requirements of this chapter, comply with all of the following:

(1) The legislative body shall provide at least one of the following as a means by which the public may remotely hear and visually observe the meeting, and remotely address the legislative body:

(A) A two-way audiovisual platform.

(B) A two-way telephonic service and a live webcasting of the meeting.

(2) In each instance in which notice of the time of the teleconference meeting held pursuant to this section is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option.

(3) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(4) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

(5) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(6) (A) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to paragraph (5), to provide public comment until that timed public comment period has elapsed.

(B) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to paragraph (5), or otherwise be recognized for the purpose of providing public comment.

(C) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to

paragraph (5), until the timed general public comment period has elapsed.

(7) Any member of the legislative body who participates in a teleconference meeting from a remote location pursuant to this section and the specific provision of law that the member relied upon to permit their participation by teleconferencing shall be listed in the minutes of the meeting.

(8) The legislative body shall have and implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and resolving any doubt in favor of accessibility. In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the procedure for receiving and resolving requests for accommodation.

(9) The legislative body shall conduct meetings subject to this chapter consistent with applicable civil rights and nondiscrimination laws.

(c) A local agency shall identify and make available to legislative bodies a list of one or more meeting locations that may be available for use by the legislative bodies to conduct their meetings.

(d) (1) Nothing in this section shall prohibit a legislative body from providing the public with additional teleconference locations.

(2) Nothing in this section shall prohibit a legislative body from providing the public with additional physical locations in which the public may observe and address the legislative body by electronic means.

(e) A member of a legislative body who participates in a teleconference meeting from a remote location pursuant to this section shall publicly disclose at the meeting before any action is taken whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member's relationship with those individuals.

(f) The teleconferencing provisions described in Section 54953 and Sections 54953.8.1 to 54953.8.7, inclusive, are cumulative. A legislative body may elect to use any teleconferencing provisions that are applicable to a meeting, regardless of whether any other teleconferencing provisions would also be applicable to that meeting.

(g) For purposes of this section, the following definitions apply:

(1) "Remote location" means a location from which a member of a legislative body participates in a meeting pursuant to paragraph (7) of subdivision (b), other than any physical meeting location designated in the notice of the meeting. Remote locations need not be accessible to the public.

(2) "Teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both.

(3) "Two-way audiovisual platform" means an online platform that provides participants with the ability to participate in a meeting via both an interactive video conference and a two-way telephonic service. A two-way audiovisual platform may be structured to disable the use of video for the public participants.

(4) "Two-way telephonic service" means a telephone service that does not require internet access and allows participants to dial a telephone number to listen and verbally participate.

(5) "Webcasting" means a streaming video broadcast online or on television, using streaming media technology to distribute a single content source to many simultaneous listeners and viewers.

(Added by Stats. 2025, Ch. 327, Sec. 8. (SB 707) Effective January 1, 2026.)

54953.8.1. (a) A health authority may conduct a teleconference meeting pursuant to Section 54953.8, provided that it complies with the requirements of that section.

(b) Nothing in this section or Section 54953.8 shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority.

(c) For purposes of this section, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

54953.8.2. (a) A legislative body of a local agency may conduct a teleconference meeting pursuant to Section 54953.8 during a proclaimed state of emergency or local emergency, provided that it complies with the requirements of that section and the teleconferencing is used in either of the following circumstances:

(1) For the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) After a determination described in paragraph (1) is made that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(b) If the state of emergency or local emergency remains active, in order to continue to teleconference pursuant to this section, the legislative body shall, no later than 45 days after teleconferencing for the first time pursuant to this section, and every 45 days thereafter, make the following findings by majority vote:

(1) The legislative body has reconsidered the circumstances of the state of emergency or local emergency.

(2) The state of emergency or local emergency continues to directly impact the ability of the members to meet safely in person.

(c) This section shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(d) Notwithstanding paragraph (1) of subdivision (b) of Section 54953.8, a legislative body conducting a teleconference meeting pursuant to this section may elect to use a two-way telephonic service without a live webcasting of the meeting.

(e) For purposes of this section, the following definitions apply:

(1) "Local emergency" means a condition of extreme peril to persons or property proclaimed by the governing body of the local agency affected, in accordance with Section 8630 of the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2), as defined in Section 8680.9, or a local health emergency declared pursuant to Section 101080 of the Health and Safety Code. Local emergency, as used in this section, refers only to local emergencies in the boundaries of the territory over which the local agency exercises jurisdiction.

(2) "State of emergency" means state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2).

54953.8.3. (a) A legislative body of a local agency may conduct a teleconference meeting pursuant to Section 54953.8 if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda, which location shall be open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction, provided that the legislative body complies with the requirements of Section 54953.8 and all of the following additional requirements:

(1) A member of the legislative body notifies the legislative body at the earliest opportunity possible, including at the start of a regular meeting, of their need to participate remotely for just cause, including a general description of the circumstances relating to their need to appear remotely at the given meeting.

(2) The member shall participate through both audio and visual technology.

(3) (A) The provisions of this subdivision shall not serve as a means for any member of a legislative body to participate in meetings of the legislative body solely by teleconference from a remote location for just cause for more than the following number of meetings, as applicable:

(i) Two meetings per year, if the legislative body regularly meets once per month or less.

(ii) Five meetings per year, if the legislative body regularly meets twice per month.

(iii) Seven meetings per year, if the legislative body regularly meets three or more times per month.

(B) For the purpose of counting meetings attended by teleconference under this paragraph, a "meeting" shall be defined as any number of meetings of the legislative body of a local agency that begin on the same calendar day.

(b) The minutes for the meeting shall identify the specific provision in subdivision (c) that each member relied upon to participate remotely. This subdivision shall not be construed to require the member to disclose any medical diagnosis or disability, or any personal medical information that is otherwise exempt under existing law, including, but not limited to, the Confidentiality of Medical Information Act (Chapter 1 (commencing with Section 56) of Part 2.6 of Division 1 of the Civil Code).

(c) For purposes of this section, "just cause" means any of the following:

(1) Childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely. "Child," "parent," "grandparent," "grandchild," and "sibling" have the same meaning as those terms do in Section 12945.2.

(2) A contagious illness that prevents a member from attending in person.

(3) A need related to a physical or mental condition that is not subject to subdivision (c) of Section 54953.

(4) Travel while on official business of the legislative body or another state or local agency.

(5) An immunocompromised child, parent, grandparent, grandchild, sibling, spouse, or domestic partner of the member that requires the member to participate remotely.

(6) A physical or family medical emergency that prevents a member from attending in person.

(7) Military service obligations that result in a member being unable to attend in person because they are serving under official written orders for active duty, drill, annual training, or any other duty required as a member of the California National Guard or a United States Military Reserve organization that requires the member to be at least 50 miles outside the boundaries of the local agency.

(d) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

(Added by Stats. 2025, Ch. 327, Sec. 11. (SB 707) Effective January 1, 2026. Repealed as of January 1, 2030, by its own provisions.)

54953.8.4. (a) An eligible neighborhood council may conduct a teleconference meeting pursuant to Section 54953.8, provided that it complies with the requirements of that section and all of the following have occurred:

(1) (A) The city council for a city described in paragraph (2) of subdivision (b) considers whether to adopt a resolution to authorize eligible neighborhood councils to use teleconferencing as described in this section at an open and regular meeting.

(B) If the city council adopts a resolution described in subparagraph (A), an eligible neighborhood council may elect to use teleconferencing pursuant to this section if a majority of the eligible neighborhood council votes to do so. The eligible neighborhood council shall notify the city council if it elects to use teleconferencing pursuant to this section and its justification for doing so.

(C) Upon receiving notification from an eligible neighborhood council described in subparagraph (B), the city council may adopt a resolution to prohibit the eligible neighborhood council from using teleconferencing pursuant to this section.

(2) After completing the requirements of subparagraph (A) of paragraph (1), an eligible neighborhood council that holds a meeting pursuant to this subdivision shall do all of the following:

(A) At least a quorum of the members of the eligible neighborhood council shall participate from locations within the boundaries of the city in which the eligible neighborhood council is established.

(B) At least once per year, at least a quorum of the members of the eligible neighborhood council shall participate in person from a singular physical location that is open to the public and within the boundaries of the eligible neighborhood council.

(3) If the meeting is during regular business hours of the offices of the city council member that represents the area that includes the eligible neighborhood council, the eligible neighborhood council shall provide a publicly accessible physical location from which the public may attend or comment, which shall be the offices of the city council member who represents the area where the eligible neighborhood council is located, unless the eligible neighborhood council identifies an alternative location.

(4) If the meeting is outside regular business hours, the eligible neighborhood council shall make reasonable efforts to accommodate any member of the public that requests an accommodation to participate in the meeting.

(b) For purposes of this section, the following definitions apply:

(1) "Accommodation" means providing a publicly accessible physical location for the member of the public to participate from, providing access to technology necessary to participate in the meeting, or identifying locations or resources available that could provide the member of the public with an opportunity to participate in the meeting.

(2) "Eligible neighborhood council" means a neighborhood council that is an advisory body with the purpose to promote more citizen participation in government and make government more responsive to local needs that is established pursuant to the charter of a city with a population of more than 3,000,000 people that is subject to this chapter.

(c) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

(Added by Stats. 2025, Ch. 327, Sec. 12. (SB 707) Effective January 1, 2026. Repealed as of January 1, 2030, by its own provisions.)

54953.8.5. (a) An eligible community college student organization may conduct a teleconference meeting pursuant to Section 54953.8, provided that it complies with the requirements of that section and all of the following additional requirements:

(1) An eligible community college student organization may only use teleconferencing as described in Section 54953.8 after all the following have occurred:

(A) The board of trustees for a community college district considers whether to adopt a resolution to authorize eligible community college student organizations to use teleconferencing as described in this section at an open and regular meeting.

(B) If the board of trustees for a community college district adopts a resolution described in subparagraph (A), an eligible community college student organization may elect to use teleconferencing pursuant to this section if a majority of the eligible community college student organization votes to do so. The eligible community college student organization shall notify the board of trustees if it elects to use teleconferencing pursuant to this section and its justification for doing so.

(C) Upon receiving notification from an eligible community college student organization as described in subparagraph (B), the board of trustees may adopt a resolution to prohibit the eligible community college student organization from using teleconferencing pursuant to this section.

(D) (i) Except as specified in clause (ii), at least a quorum of the members of the eligible community college student organization shall participate from a singular physical location that is accessible to the public and is within the community college district in which the eligible community college student organization is established.

(ii) The requirements described in clause (i) shall not apply to the California Online Community College.

(iii) Notwithstanding the requirements of clause (i), a person may count toward the establishment of a quorum pursuant to clause (i) regardless of whether the person is participating at the in-person location of the meeting or remotely if the person meets any of the following criteria:

(I) The person is under 18 years of age.

(II) The person is incarcerated.

(III) The person is unable to disclose the location that they are participating from because of either of the following circumstances:

(ia) The person has been issued a protective court order, including, but not limited to, a domestic violence restraining order.

(ib) The person is participating in a program that has to remain confidential, including, but not limited to, an independent living program.

(IV) The person provides childcare or caregiving to a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely. For purposes of this subclause, "child," "parent," "grandparent," "grandchild," and "sibling" have the same meaning as those terms are defined in Section 12945.2.

(2) An eligible community college student organization that holds a meeting by teleconference as described in Section 54953.8 shall do the following, as applicable:

(A) (i) Except as specified in subparagraph (B), if the meeting is during regular business hours of the offices of the board of trustees of the community college district, the eligible community college student organization shall provide a publicly accessible physical location from which the public may attend or comment, which shall be the offices of the board of trustees of the community college district, unless the eligible community college student organization identifies an alternative location.

(ii) Except as specified in subparagraph (B), if the meeting is outside regular business hours, the eligible community college student organization shall make reasonable efforts to accommodate any member of the public that requests an accommodation to participate in the meeting. For the purposes of this subparagraph, "accommodation" means providing a publicly accessible physical location for the member of the public to participate from, providing access to technology necessary to participate in the meeting, or identifying locations or resources available that could provide the member of the public with an opportunity to participate in the meeting.

(B) The requirements described in subparagraph (A) shall not apply to the California Online Community College.

(b) For purposes of this section, "eligible community college student organization" means a student body association organized pursuant to Section 76060 of the Education Code, or any other student-run community college organization that is required to comply with the meeting requirements of this chapter, that is in any community college recognized within the California Community Colleges system and includes the Student Senate for California Community Colleges.

(c) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

(Added by Stats. 2025, Ch. 327, Sec. 13. (SB 707) Effective January 1, 2026. Repealed as of January 1, 2030, by its own provisions.)

54953.8.6. (a) An eligible subsidiary body may conduct a teleconference meeting pursuant to Section 54953.8, provided that it complies with the requirements of that section and all of the following additional requirements:

(1) The eligible subsidiary body shall designate one physical meeting location within the boundaries of the legislative body that created the eligible subsidiary body where members of the subsidiary body who are not participating remotely shall be present and members of the public may physically attend, observe, hear, and participate in the meeting. At least one staff member of the eligible subsidiary body or the legislative body that created the eligible subsidiary body shall be present at the physical meeting location during the meeting. The eligible subsidiary body shall post the agenda at the physical meeting location, but need not post the agenda at a remote location.

(2) (A) A member of the eligible subsidiary body shall visibly appear on camera during the open portion of a meeting that is publicly accessible via the internet or other online platform, except if the member has a physical or mental condition not subject to subdivision (c) of Section 54953 that results in a need to participate off camera.

(B) The visual appearance of a member of the eligible subsidiary body on camera may cease only when the appearance would be technologically infeasible, including, but not limited to, when the member experiences a lack of reliable broadband or internet connectivity that would be remedied by joining without video.

(C) If a member of the eligible subsidiary body does not appear on camera due to challenges with internet connectivity, the member shall announce the reason for their nonappearance prior to turning off their camera.

(3) An elected official serving as a member of an eligible subsidiary body in their official capacity shall not participate in a meeting of the eligible subsidiary body by teleconferencing pursuant to this section unless the use of teleconferencing complies with the requirements of paragraph (3) of subdivision (b) of Section 54953.

(4) (A) In order to use teleconferencing pursuant to this section, the legislative body that established the eligible subsidiary body by charter, ordinance, resolution, or other formal action shall make the following findings by majority vote before the eligible subsidiary body uses teleconferencing pursuant to this section for the first time, and every six months thereafter:

(i) The legislative body has considered the circumstances of the eligible subsidiary body.

(ii) Teleconference meetings of the eligible subsidiary body would enhance public access to meetings of the eligible subsidiary body, and the public has been made aware of the type of remote participation, including audio-visual or telephonic, that will be made available at a regularly scheduled meeting and has been provided the opportunity to comment at an in-person meeting of the legislative body authorizing the subsidiary body to meet entirely remotely.

(iii) Teleconference meetings of the eligible subsidiary body would promote the attraction, retention, and diversity of eligible subsidiary body members.

(B) (i) An eligible subsidiary body authorized to use teleconferencing pursuant to this section may request to present any recommendations it develops to the legislative body that created it.

(ii) Upon receiving a request described in clause (i), the legislative body that created the subsidiary body shall hold a discussion at a regular meeting held within 60 days after the legislative body receives the request, or if the legislative body does not have another regular meeting scheduled within 60 days after the legislative body receives the request, at the next regular meeting after the request is received.

(iii) The discussion required by clause (ii) shall not be placed on a consent calendar, but may be combined with the legislative body's subsequent consideration of the findings described in subparagraph (A) for the following 12 months.

(iv) The legislative body shall not take any action on any recommendations included in the report of a subsidiary body until the next regular meeting of the legislative body following the discussion described in clause (ii).

(C) After the legislative body makes the findings described in subparagraph (A), the eligible subsidiary body shall approve the use of teleconferencing by majority vote before using teleconference pursuant to this section.

(D) The legislative body that created the eligible subsidiary body may elect to prohibit the eligible subsidiary body from using teleconferencing pursuant to this section at any time.

(b) (1) For purposes of this section, "eligible subsidiary body" means a legislative body that meets all of the following:

(A) Is described in subdivision (b) of Section 54952.

(B) Serves exclusively in an advisory capacity.

(C) Is not authorized to take final action on legislation, regulations, contracts, licenses, permits, or any other entitlements, grants, or allocations of funds.

(D) Does not have primary subject matter jurisdiction, as defined by the charter, an ordinance, a resolution, or any formal action of the legislative body that created the subsidiary body, that focuses on elections, budgets, police oversight, privacy, removing from, or restricting access to, materials available in public libraries, or taxes or related spending proposals.

(2) An eligible subsidiary body may include members who are elected officials, members who are not elected officials, or any combination thereof.

(c) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

54953.8.7. (a) An eligible multijurisdictional body may conduct a teleconference meeting pursuant to Section 54953.8, provided that it complies with the requirements of that section and all of the following additional requirements:

(1) The eligible multijurisdictional body has adopted a resolution that authorizes the eligible multijurisdictional body to use teleconferencing pursuant to this section at a regular meeting in open session.

(2) At least a quorum of the members of the eligible multijurisdictional body shall participate from one or more physical locations that are open to the public and within the boundaries of the territory over which the local agency exercises jurisdiction.

(3) A member of the eligible multijurisdictional body who receives compensation for their service on the eligible multijurisdictional body shall participate from a physical location that is open to the public. For purposes of this paragraph, "compensation" does not include reimbursement for actual and necessary expenses.

(4) A member of the eligible multijurisdictional body may participate from a remote location provided that:

(A) The eligible multijurisdictional body identifies each member of the eligible multijurisdictional body who plans to participate remotely in the agenda.

(B) The member shall participate through both audio and visual technology.

(5) A member of the eligible multijurisdictional body shall not participate in a meeting remotely pursuant to this section, unless the location from which the member participates is more than 20 miles each way from any physical location of the meeting described in paragraph (2).

(6) The provisions of this section shall not serve as a means for any member of a legislative body to participate in meetings of the legislative body solely by teleconference from a remote location for more than the following number of meetings, as applicable:

(A) Two meetings per year, if the legislative body regularly meets once per month or less.

(B) Five meetings per year, if the legislative body regularly meets twice per month.

(C) Seven meetings per year, if the legislative body regularly meets three or more times per month.

(D) For the purpose of counting meetings attended by teleconference under this paragraph, a "meeting" shall be defined as any number of meetings of the legislative body of a local agency that begin on the same calendar day.

(b) For the purposes of this section, both of the following definitions apply:

(1) "Eligible multijurisdictional body" means a multijurisdictional board, commission, or advisory body of a multijurisdictional, cross-county agency, the membership of which board, commission, or advisory body is appointed, and the board, commission, or advisory body is otherwise subject to this chapter.

(2) "Multijurisdictional" means either of the following:

(A) A legislative body that includes representatives from more than one county, city, city and county, or special district.

(B) A legislative body of a joint powers entity formed pursuant to an agreement entered into in accordance with Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1.

(c) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

54954. (a) Each legislative body of a local agency, except for advisory committees or standing committees, shall provide, by ordinance, resolution, bylaws, or by whatever other rule is required for the conduct of business by that body, the time and place for holding regular meetings. Meetings of advisory committees or standing committees, for which an agenda is posted at least 72 hours in advance of the meeting pursuant to subdivision (a) of Section 54954.2, shall be considered for purposes of this chapter as regular meetings of the legislative body.

(b) Regular and special meetings of the legislative body shall be held within the boundaries of the territory over which the local agency exercises jurisdiction, except to do any of the following:

(1) Comply with state or federal law or court order, or attend a judicial or administrative proceeding to which the local agency is a party.

(2) Inspect real or personal property which cannot be conveniently brought within the boundaries of the territory over which the local agency exercises jurisdiction provided that the topic of the meeting is limited to items directly related to the real or personal property.

(3) Participate in meetings or discussions of multiagency significance that are outside the boundaries of a local agency's jurisdiction. However, any meeting or discussion held pursuant to this subdivision shall take place within the jurisdiction of one of the participating local agencies and be noticed by all participating agencies as provided for in this chapter.

(4) Meet in the closest meeting facility if the local agency has no meeting facility within the boundaries of the territory over which the local agency exercises jurisdiction, or at the principal office of the local agency if that office is located outside the territory over which the agency exercises jurisdiction.

(5) Meet outside their immediate jurisdiction with elected or appointed officials of the United States or the State of California when a local meeting would be impractical, solely to discuss a legislative or regulatory issue affecting the local agency and over which the federal or state officials have jurisdiction.

(6) Meet outside their immediate jurisdiction if the meeting takes place in or nearby a facility owned by the agency, provided that the topic of the meeting is limited to items directly related to the facility.

(7) Visit the office of the local agency's legal counsel for a closed session on pending litigation held pursuant to Section 54956.9, when to do so would reduce legal fees or costs.

(c) Meetings of the governing board of a school district shall be held within the district, except under the circumstances enumerated in subdivision (b), or to do any of the following:

(1) Attend a conference on nonadversarial collective bargaining techniques.

(2) Interview members of the public residing in another district with reference to the trustees' potential employment of an applicant for the position of the superintendent of the district.

(3) Interview a potential employee from another district.

(d) Meetings of a joint powers authority shall occur within the territory of at least one of its member agencies, or as provided in subdivision (b). However, a joint powers authority which has members throughout the state may meet at any facility in the state which complies with the requirements of Section 54961.

(e) If, by reason of fire, flood, earthquake, or other emergency, it shall be unsafe to meet in the place designated, the meetings shall be held for the duration of the emergency at the place designated by the presiding officer of the legislative body or his or her designee in a notice to the local media that have requested notice pursuant to Section 54956, by the most rapid means of communication available at the time.

(Amended by Stats. 2004, Ch. 257, Sec. 1. Effective January 1, 2005.)

54954.1. Any person may request that a copy of the agenda, or a copy of all the documents constituting the agenda packet, of any meeting of a legislative body be mailed to that person. If a local agency has an internet website, the legislative body or its designee shall email a copy of, or website link to, the agenda or a copy of all the documents constituting the agenda packet if the person requests that the item or items be delivered by email. If the local agency determines it is technologically infeasible to send a copy of all documents constituting the agenda packet or

a link to a website that contains the documents by email or by other electronic means, the legislative body or its designee shall send by mail a copy of the agenda or a website link to the agenda and mail a copy of all other documents constituting the agenda packet in accordance with the mailing requirements established pursuant to this section. If requested, the agenda and documents in the agenda packet shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. Upon receipt of the written request, the legislative body or its designee shall cause the requested materials to be mailed at the time the agenda is posted pursuant to Section 54954.2 and 54956 or upon distribution to all, or a majority of all, of the members of a legislative body, whichever occurs first. Any request for mailed copies of agendas or agenda packets shall be valid for the calendar year in which it is filed, and must be renewed following January 1 of each year. The legislative body may establish a fee for mailing the agenda or agenda packet, which fee shall not exceed the cost of providing the service. Failure of the requesting person to receive the agenda or agenda packet pursuant to this section shall not constitute grounds for invalidation of the actions of the legislative body taken at the meeting for which the agenda or agenda packet was not received.

(Amended by Stats. 2021, Ch. 763, Sec. 1. (SB 274) Effective January 1, 2022.)

54954.2. (a) (1) At least 72 hours before a regular meeting, the legislative body of the local agency, or its designee, shall post an agenda that meets all of the following requirements:

(A) The agenda shall contain a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session. A brief general description of an item generally need not exceed 20 words.

(B) The agenda shall specify the time and location of the regular meeting and shall be posted in a location that is freely accessible to members of the public and on the local agency's internet website, if the local agency has one.

(C) (i) If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof.

(ii) The agenda shall include information regarding how, to whom, and when a request for disability-related modification or accommodation, including auxiliary aids or services, may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting.

(2) For a meeting occurring on and after January 1, 2019, of a legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state that has an internet website, the following provisions shall apply:

(A) An online posting of an agenda shall be posted on the primary internet website home page of a city, county, city and county, special district, school district, or political subdivision established by the state that is accessible through a prominent, direct link to the current agenda. The direct link to the agenda shall not be in a contextual menu; however, a link in addition to the direct link to the agenda may be accessible through a contextual menu.

(B) An online posting of an agenda, including, but not limited to, an agenda posted in an integrated agenda management platform, shall be posted in an open format that meets all of the following requirements:

(i) Retrievable, downloadable, indexable, and electronically searchable by commonly used internet search applications.

(ii) Platform independent and machine readable.

(iii) Available to the public free of charge and without any restriction that would impede the reuse or redistribution of the agenda.

(C) A legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state that has an internet website and an integrated agenda management platform shall not be required to comply with subparagraph (A) if all of the following are met:

(i) A direct link to the integrated agenda management platform shall be posted on the primary internet website home page of a city, county, city and county, special district, school district, or political subdivision established by the state. The direct link to the integrated agenda management platform shall not be in a contextual menu. When a person clicks on the direct link to the integrated agenda management platform, the direct link shall take the person directly to an internet website with the agendas of the legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state.

(ii) The integrated agenda management platform may contain the prior agendas of a legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state for all meetings occurring on or after January 1, 2019.

(iii) The current agenda of the legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state shall be the first agenda available at the top of the integrated agenda management platform.

(iv) All agendas posted in the integrated agenda management platform shall comply with the requirements in clauses (i), (ii), and (iii) of subparagraph (B).

(D) The provisions of this paragraph shall not apply to a political subdivision of a local agency that was established by the legislative body of the city, county, city and county, special district, school district, or political subdivision established by the state.

(E) For purposes of this paragraph, both of the following definitions apply:

(1) "Integrated agenda management platform" means an internet website of a city, county, city and county, special district, school district, or political subdivision established by the state dedicated to providing the entirety of the agenda information for the legislative body of the city, county, city and county, special district, school district, or political subdivision established by the state to the public.

(2) "Legislative body" means a legislative body that meets the definition of subdivision (a) of Section 54952.

(3) No action or discussion shall be undertaken on any item not appearing on the posted agenda, except that members of a legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights under Section 54954.3. In addition, on their own initiative or in response to questions posed by the public, a member of a legislative body or its staff may ask a question for clarification, make a brief announcement, or make a brief report on their own activities. Furthermore, a member of a legislative body, or the body itself, subject to rules or procedures of the legislative body, may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any matter, or take action to direct staff to place a matter of business on a future agenda.

(b) Notwithstanding subdivision (a), the legislative body may take action on items of business not appearing on the posted agenda under any of the conditions stated below. Prior to discussing any item pursuant to this subdivision, the legislative body shall publicly identify the item.

(1) Upon a determination by a majority vote of the legislative body that an emergency situation exists, as defined in Section 54956.5.

(2) Upon a determination by a two-thirds vote of the members of the legislative body present at the meeting, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted as specified in subdivision (a).

(3) The item was posted pursuant to subdivision (a) for a prior meeting of the legislative body occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

(c) This section is necessary to implement and reasonably within the scope of paragraph (1) of subdivision (b) of Section 3 of Article I of the California Constitution.

(d) For purposes of subdivision (a), the requirement that the agenda be posted on the local agency's internet website, if the local agency has one, shall only apply to a legislative body that meets either of the following standards:

(1) A legislative body as that term is defined by subdivision (a) of Section 54952.

(2) A legislative body as that term is defined by subdivision (b) of Section 54952, if the members of the legislative body are compensated for their appearance, and if one or more of the members of the legislative body are also members of a legislative body as that term is defined by subdivision (a) of Section 54952.

(Amended (as amended by Stats. 2023, Ch. 131, Sec. 92) by Stats. 2025, Ch. 327, Sec. 16. (SB 707) Effective January 1, 2026.)

54954.3. (a) (1) Every agenda for regular meetings shall provide an opportunity for members of the public to directly address the legislative body on any item of interest to the public, before or during the legislative body's consideration of the item, that is within the subject matter jurisdiction of the legislative body, provided that no action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by subdivision (b) of Section 54954.2.

(2) (A) Notwithstanding paragraph (1), the agenda need not provide an opportunity for members of the public to address the legislative body on any item that has already been considered by a committee, composed exclusively of members of the legislative body, at a public meeting wherein all interested members of the public were afforded the opportunity to address the committee on the item, before or during the committee's consideration of the item.

(B) Subparagraph (A) shall not apply if any of the following conditions are met:

(i) The item has been substantially changed since the committee heard the item, as determined by the legislative body.

(ii) When considering the item, a quorum of the committee members did not participate from a singular physical location, that was clearly identified on the agenda, open to the public, and situated within the boundaries of the territory over which the local agency exercises jurisdiction.

(iii) The committee has primary subject matter jurisdiction, as defined by the charter, an ordinance, a resolution, or any formal action of the legislative body that created the subsidiary body, that focuses on elections, budgets, police oversight, privacy, removing from, or restricting access to, materials available in public libraries, or taxes or related spending proposals. This clause shall not apply to an item if the local agency has adopted a law applicable to the meeting of the committee at which the item that was considered prohibits the committee from placing a limit on the total amount of time for public comment on the item.

(3) Every notice for a special meeting shall provide an opportunity for members of the public to directly address the legislative body concerning any item that has been described in the notice for the meeting before or during consideration of that item.

(b) (1) The legislative body of a local agency may adopt reasonable regulations to ensure that the intent of subdivision (a) is carried out, including, but not limited to, regulations limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker.

(2) Notwithstanding paragraph (1), when the legislative body of a local agency limits time for public comment, the legislative body of a local agency shall provide at least twice the allotted time to a member of the public who utilizes a translator to ensure that non-English speakers receive the same opportunity to directly address the legislative body of a local agency.

(3) Paragraph (2) shall not apply if the legislative body of a local agency utilizes simultaneous translation equipment in a manner that allows the legislative body of a local agency to hear the translated public testimony simultaneously.

(c) The legislative body of a local agency shall not prohibit public criticism of the policies, procedures, programs, or services of the agency, or of the acts or omissions of the legislative body. Nothing in this subdivision shall confer any privilege or protection for expression beyond that otherwise provided by law.

(Amended by Stats. 2025, Ch. 327, Sec. 17. (SB 707) Effective January 1, 2026.)

54954.4. (a) The Legislature hereby finds and declares that Section 12 of Chapter 641 of the Statutes of 1986, authorizing reimbursement to local agencies and school districts for costs mandated by the state pursuant to that act, shall be interpreted strictly. The intent of the Legislature is to provide reimbursement for only those costs

which are clearly and unequivocally incurred as the direct and necessary result of compliance with Chapter 641 of the Statutes of 1986.

(b) In this regard, the Legislature directs all state employees and officials involved in reviewing or authorizing claims for reimbursement, or otherwise participating in the reimbursement process, to rigorously review each claim and authorize only those claims, or parts thereof, which represent costs which are clearly and unequivocally incurred as the direct and necessary result of compliance with Chapter 641 of the Statutes of 1986 and for which complete documentation exists. For purposes of Section 54954.2, costs eligible for reimbursement shall only include the actual cost to post a single agenda for any one meeting.

(c) The Legislature hereby finds and declares that complete, faithful, and uninterrupted compliance with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code) is a matter of overriding public importance. Unless specifically stated, no future Budget Act, or related budget enactments, shall, in any manner, be interpreted to suspend, eliminate, or otherwise modify the legal obligation and duty of local agencies to fully comply with Chapter 641 of the Statutes of 1986 in a complete, faithful, and uninterrupted manner.

(Added by Stats. 1991, Ch. 238, Sec. 1.)

54954.5. For purposes of describing closed session items pursuant to Section 54954.2, the agenda may describe closed sessions as provided below. No legislative body or elected official shall be in violation of Section 54954.2 or 54956 if the closed session items were described in substantial compliance with this section. Substantial compliance is satisfied by including the information provided below, irrespective of its format.

(a) With respect to a closed session held pursuant to Section 54956.7:

LICENSE/PERMIT DETERMINATION

Applicant(s): (Specify number of applicants)

(b) With respect to every item of business to be discussed in closed session pursuant to Section 54956.8:

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: (Specify street address, or if no street address, the parcel number or other unique reference, of the real property under negotiation)

Agency negotiator: (Specify names of negotiators attending the closed session) (If circumstances necessitate the absence of a specified negotiator, an agent or designee may participate in place of the absent negotiator so long as the name of the agent or designee is announced at an open session held prior to the closed session.)

Negotiating parties: (Specify name of party (not agent))

Under negotiation: (Specify whether instruction to negotiator will concern price, terms of payment, or both)

(c) With respect to every item of business to be discussed in closed session pursuant to Section 54956.9:

CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

(Paragraph (1) of subdivision (d) of Section 54956.9)

Name of case: (Specify by reference to claimant's name, names of parties, case or claim numbers)

or

Case name unspecified: (Specify whether disclosure would jeopardize service of process or existing settlement negotiations)

CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: (Specify number of potential cases)

(In addition to the information noticed above, the agency may be required to provide additional information on the agenda or in an oral statement prior to the closed session pursuant to paragraphs (2) to (5), inclusive, of subdivision (e) of Section 54956.9.)

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: (Specify number of potential cases)

(d) With respect to every item of business to be discussed in closed session pursuant to Section 54956.95:

LIABILITY CLAIMS

Claimant: (Specify name unless unspecified pursuant to Section 54961)

Agency claimed against: (Specify name)

(e) With respect to every item of business to be discussed in closed session pursuant to Section 54957:

THREAT TO PUBLIC SERVICES OR FACILITIES

Consultation with: (Specify name of law enforcement agency and title of officer, or name of applicable agency representative and title)

PUBLIC EMPLOYEE APPOINTMENT

Title: (Specify description of position to be filled)

PUBLIC EMPLOYMENT

Title: (Specify description of position to be filled)

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: (Specify position title of employee being reviewed)

PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE

(No additional information is required in connection with a closed session to consider discipline, dismissal, or release of a public employee. Discipline includes potential reduction of compensation.)

(f) With respect to every item of business to be discussed in closed session pursuant to Section 54957.6:

CONFERENCE WITH LABOR NEGOTIATORS

Agency designated representatives: (Specify names of designated representatives attending the closed session) (If circumstances necessitate the absence of a specified designated representative, an agent or designee may participate in place of the absent representative so long as the name of the agent or designee is announced at an open session held prior to the closed session.)

Employee organization: (Specify name of organization representing employee or employees in question)

or

Unrepresented employee: (Specify position title of unrepresented employee who is the subject of the negotiations)

(g) With respect to closed sessions called pursuant to Section 54957.8:

CASE REVIEW/PLANNING

(No additional information is required in connection with a closed session to consider case review or planning.)

(h) With respect to every item of business to be discussed in closed session pursuant to Sections 1461, 32106, and 32155 of the Health and Safety Code or Sections 37606 and 37624.3 of the Government Code:

REPORT INVOLVING TRADE SECRET

Discussion will concern: (Specify whether discussion will concern proposed new service, program, or facility)

Estimated date of public disclosure: (Specify month and year)

HEARINGS

Subject matter: (Specify whether testimony/deliberation will concern staff privileges, report of medical audit committee, or report of quality assurance committee)

(i) With respect to every item of business to be discussed in closed session pursuant to Section 54956.86:

CHARGE OR COMPLAINT INVOLVING INFORMATION PROTECTED BY FEDERAL LAW

(No additional information is required in connection with a closed session to discuss a charge or complaint pursuant to Section 54956.86.)

(j) With respect to every item of business to be discussed in closed session pursuant to Section 54956.96:

CONFERENCE INVOLVING A JOINT POWERS AGENCY (Specify by name)

Discussion will concern: (Specify closed session description used by the joint powers agency)

Name of local agency representative on joint powers agency board: (Specify name)

(Additional information listing the names of agencies or titles of representatives attending the closed session as consultants or other representatives.)

(k) With respect to every item of business to be discussed in closed session pursuant to Section 54956.75:

AUDIT BY CALIFORNIA STATE AUDITOR'S OFFICE

(Amended by Stats. 2012, Ch. 759, Sec. 6.1. (AB 2690) Effective January 1, 2013.)

54954.6. (a) (1) Before adopting any new or increased general tax or any new or increased assessment, the legislative body of a local agency shall conduct at least one public meeting at which local officials shall allow public testimony regarding the proposed new or increased general tax or new or increased assessment in addition to the noticed public hearing at which the legislative body proposes to enact or increase the general tax or assessment.

For purposes of this section, the term "new or increased assessment" does not include any of the following:

(A) A fee that does not exceed the reasonable cost of providing the services, facilities, or regulatory activity for which the fee is charged.

(B) A service charge, rate, or charge, unless a special district's principal act requires the service charge, rate, or charge to conform to the requirements of this section.

(C) An ongoing annual assessment if it is imposed at the same or lower amount as any previous year.

(D) An assessment that does not exceed an assessment formula or range of assessments previously specified in the notice given to the public pursuant to subparagraph (G) of paragraph (2) of subdivision (c) and that was previously adopted by the agency or approved by the voters in the area where the assessment is imposed.

(E) Standby or immediate availability charges.

(2) The legislative body shall provide at least 45 days' public notice of the public hearing at which the legislative body proposes to enact or increase the general tax or assessment. The legislative body shall provide notice for the public meeting at the same time and in the same document as the notice for the public hearing, but the meeting shall occur prior to the hearing.

(b) (1) The joint notice of both the public meeting and the public hearing required by subdivision (a) with respect to a proposal for a new or increased general tax shall be accomplished by placing a display advertisement of at least one-eighth page in a newspaper of general circulation for three weeks pursuant to Section 6063 and by a first-class mailing to those interested parties who have filed a written request with the local agency for mailed notice of public meetings or hearings on new or increased general taxes. The public meeting pursuant to subdivision (a) shall take place no earlier than 10 days after the first publication of the joint notice pursuant to this subdivision. The public hearing shall take place no earlier than seven days after the public meeting pursuant to this subdivision. Notwithstanding paragraph (2) of subdivision (a), the joint notice need not include notice of the public meeting after the meeting has taken place. The public hearing pursuant to subdivision (a) shall take place no earlier than 45 days after the first publication of the joint notice pursuant to this subdivision. Any written request for mailed notices shall be effective for one year from the date on which it is filed unless a renewal request is filed. Renewal requests for mailed notices shall be filed on or before April 1 of each year. The legislative body may establish a reasonable annual charge for sending notices based on the estimated cost of providing the service.

(2) The notice required by paragraph (1) of this subdivision shall include, but not be limited to, the following:

(A) The amount or rate of the tax. If the tax is proposed to be increased from any previous year, the joint notice shall separately state both the existing tax rate and the proposed tax rate increase.

(B) The activity to be taxed.

(C) The estimated amount of revenue to be raised by the tax annually.

(D) The method and frequency for collecting the tax.

(E) The dates, times, and locations of the public meeting and hearing described in subdivision (a).

(F) The telephone number and address of an individual, office, or organization that interested persons may contact to receive additional information about the tax.

(c) (1) The joint notice of both the public meeting and the public hearing required by subdivision (a) with respect to a proposal for a new or increased assessment on real property or businesses shall be accomplished through a mailing, postage prepaid, in the United States mail and shall be deemed given when so deposited. The public meeting pursuant to subdivision (a) shall take place no earlier than 10 days after the joint mailing pursuant to this subdivision. The public hearing shall take place no earlier than seven days after the public meeting pursuant to this

subdivision. The envelope or the cover of the mailing shall include the name of the local agency and the return address of the sender. This mailed notice shall be in at least 10-point type and shall be given to all property owners or business owners proposed to be subject to the new or increased assessment by a mailing by name to those persons whose names and addresses appear on the last equalized county assessment roll, the State Board of Equalization assessment roll, or the local agency's records pertaining to business ownership, as the case may be.

(2) The joint notice required by paragraph (1) of this subdivision shall include, but not be limited to, the following:

(A) In the case of an assessment proposed to be levied on property, the estimated amount of the assessment per parcel. In the case of an assessment proposed to be levied on businesses, the proposed method and basis of levying the assessment in sufficient detail to allow each business owner to calculate the amount of assessment to be levied against each business. If the assessment is proposed to be increased from any previous year, the joint notice shall separately state both the amount of the existing assessment and the proposed assessment increase.

(B) A general description of the purpose or improvements that the assessment will fund.

(C) The address to which property owners may mail a protest against the assessment.

(D) The telephone number and address of an individual, office, or organization that interested persons may contact to receive additional information about the assessment.

(E) A statement that a majority protest will cause the assessment to be abandoned if the assessment act used to levy the assessment so provides. Notice shall also state the percentage of protests required to trigger an election, if applicable.

(F) The dates, times, and locations of the public meeting and hearing described in subdivision (a).

(G) A proposed assessment formula or range as described in subparagraph (D) of paragraph (1) of subdivision (a) if applicable and that is noticed pursuant to this section.

(3) Notwithstanding paragraph (1), in the case of an assessment that is proposed exclusively for operation and maintenance expenses imposed throughout the entire local agency, or exclusively for operation and maintenance assessments proposed to be levied on 50,000 parcels or more, notice may be provided pursuant to this subdivision or pursuant to paragraph (1) of subdivision (b) and shall include the estimated amount of the assessment of various types, amounts, or uses of property and the information required by subparagraphs (B) to (G), inclusive, of paragraph (2) of subdivision (c).

(4) Notwithstanding paragraph (1), in the case of an assessment proposed to be levied pursuant to Part 2 (commencing with Section 22500) of Division 2 of the Streets and Highways Code by a regional park district, regional park and open-space district, or regional open-space district formed pursuant to Article 3 (commencing with Section 5500) of Chapter 3 of Division 5 of, or pursuant to Division 26 (commencing with Section 35100) of, the Public Resources Code, notice may be provided pursuant to paragraph (1) of subdivision (b).

(d) The notice requirements imposed by this section shall be construed as additional to, and not to supersede, existing provisions of law, and shall be applied concurrently with the existing provisions so as to not delay or prolong the governmental decisionmaking process.

(e) This section shall not apply to any new or increased general tax or any new or increased assessment that requires an election of either of the following:

(1) The property owners subject to the assessment.

(2) The voters within the local agency imposing the tax or assessment.

(f) Nothing in this section shall prohibit a local agency from holding a consolidated meeting or hearing at which the legislative body discusses multiple tax or assessment proposals.

(g) The local agency may recover the reasonable costs of public meetings, public hearings, and notice required by this section from the proceeds of the tax or assessment. The costs recovered for these purposes, whether recovered pursuant to this subdivision or any other provision of law, shall not exceed the reasonable costs of the public meetings, public hearings, and notice.

(h) Any new or increased assessment that is subject to the notice and hearing provisions of Article XIII C or XIII D of the California Constitution is not subject to the notice and hearing requirements of this section.

54955. The legislative body of a local agency may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time. If all members are absent from any regular or adjourned regular meeting the clerk or secretary of the legislative body may declare the meeting adjourned to a stated time and place and he shall cause a written notice of the adjournment to be given in the same manner as provided in Section 54956 for special meetings, unless such notice is waived as provided for special meetings. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the regular, adjourned regular, special or adjourned special meeting was held within 24 hours after the time of the adjournment. When a regular or adjourned regular meeting is adjourned as provided in this section, the resulting adjourned regular meeting is a regular meeting for all purposes. When an order of adjournment of any meeting fails to state the hour at which the adjourned meeting is to be held, it shall be held at the hour specified for regular meetings by ordinance, resolution, bylaw, or other rule.

(Amended by Stats. 1959, Ch. 647.)

54955.1. Any hearing being held, or noticed or ordered to be held, by a legislative body of a local agency at any meeting may by order or notice of continuance be continued or recontinued to any subsequent meeting of the legislative body in the same manner and to the same extent set forth in Section 54955 for the adjournment of meetings; provided, that if the hearing is continued to a time less than 24 hours after the time specified in the order or notice of hearing, a copy of the order or notice of continuance of hearing shall be posted immediately following the meeting at which the order or declaration of continuance was adopted or made.

(Added by Stats. 1965, Ch. 469.)

54956. (a) (1) A special meeting may be called at any time by the presiding officer of the legislative body of a local agency, or by a majority of the members of the legislative body, by delivering written notice to each member of the legislative body and to each local newspaper of general circulation and radio or television station requesting notice in writing and posting a notice on the local agency's internet website, if the local agency has one. The notice shall be delivered personally or by any other means and shall be received at least 24 hours before the time of the meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted or discussed. No other business shall be considered at these meetings by the legislative body. The written notice may be dispensed with as to any member who at or prior to the time the meeting convenes files with the clerk or secretary of the legislative body a written waiver of notice. The waiver may be given by telephone or electronic mail. The written notice may also be dispensed with as to any member who is actually present at the meeting at the time it convenes.

(2) The call and notice shall be posted at least 24 hours prior to the special meeting in a location that is freely accessible to members of the public.

(b) Notwithstanding any other law, a legislative body shall not call a special meeting regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits, of the legislative body or of a local agency executive, as defined in subdivision (d) of Section 3511.1. However, this subdivision does not apply to a local agency calling a special meeting to discuss the local agency's budget.

(Amended by Stats. 2025, Ch. 327, Sec. 18. (SB 707) Effective January 1, 2026.)

54956.5. (a) For purposes of this section, "emergency situation" means both of the following:

(1) An emergency, which shall be defined as a work stoppage, crippling activity, or other activity that severely impairs public health, safety, or both, as determined by a majority of the members of the legislative body.

(2) A dire emergency, which shall be defined as a crippling disaster, mass destruction, terrorist act, or threatened terrorist activity that poses peril so immediate and significant that requiring a legislative body to provide one-hour notice before holding an emergency meeting under this section may endanger the public health, safety, or both, as determined by a majority of the members of the legislative body.

(b) (1) Subject to paragraph (2), in the case of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, a legislative body may hold an emergency meeting without complying with either the 24-hour notice requirement or the 24-hour posting requirement of Section 54956 or both of the notice and posting requirements.

(2) Each local newspaper of general circulation and radio or television station that has requested notice of special meetings pursuant to Section 54956 shall be notified by the presiding officer of the legislative body, or designee thereof, one hour prior to the emergency meeting, or, in the case of a dire emergency, at or near the time that the presiding officer or designee notifies the members of the legislative body of the emergency meeting.

(A) Except as provided in subparagraph (B), the notice required by this paragraph shall be given by telephone and all telephone numbers provided in the most recent request of a newspaper or station for notification of special meetings shall be exhausted. In the event that telephone services are not functioning, the notice requirements of this paragraph shall be deemed waived, and the legislative body, or designee of the legislative body, shall notify those newspapers, radio stations, or television stations of the fact of the holding of the emergency meeting, the purpose of the meeting, and any action taken at the meeting as soon after the meeting as possible.

(B) For an emergency meeting held pursuant to this section, the presiding officer of the legislative body, or designee thereof, may send the notifications required by this paragraph by email instead of by telephone, as provided in subparagraph (A), to all local newspapers of general circulation, and radio or television stations, that have requested those notifications by email, and all email addresses provided by representatives of those newspapers or stations shall be exhausted. In the event that internet services and telephone services are not functioning, the notice requirements of this paragraph shall be deemed waived, and the legislative body, or designee of the legislative body, shall notify those newspapers, radio stations, or television stations of the fact of the holding of the emergency meeting, the purpose of the meeting, and any action taken at the meeting as soon after the meeting as possible.

(c) During a meeting held pursuant to this section, the legislative body may meet in closed session pursuant to Section 54957 if agreed to by a two-thirds vote of the members of the legislative body present, or, if less than two-thirds of the members are present, by a unanimous vote of the members present.

(d) All special meeting requirements, as prescribed in Section 54956 shall be applicable to a meeting called pursuant to this section, with the exception of the 24-hour notice requirement.

(e) The minutes of a meeting called pursuant to this section, a list of persons who the presiding officer of the legislative body, or designee of the legislative body, notified or attempted to notify, a copy of the rollcall vote, and any actions taken at the meeting shall be posted for a minimum of 10 days in a public place as soon after the meeting as possible.

(Amended by Stats. 2025, Ch. 327, Sec. 19. (SB 707) Effective January 1, 2026.)

54956.6. No fees may be charged by the legislative body of a local agency for carrying out any provision of this chapter, except as specifically authorized by this chapter.

(Added by Stats. 1980, Ch. 1284.)

54956.7. Whenever a legislative body of a local agency determines that it is necessary to discuss and determine whether an applicant for a license or license renewal, who has a criminal record, is sufficiently rehabilitated to obtain the license, the legislative body may hold a closed session with the applicant and the applicant's attorney, if any, for the purpose of holding the discussion and making the determination. If the legislative body determines, as a result of the closed session, that the issuance or renewal of the license should be denied, the applicant shall be offered the opportunity to withdraw the application. If the applicant withdraws the application, no record shall be kept of the discussions or decisions made at the closed session and all matters relating to the closed session shall be confidential. If the applicant does not withdraw the application, the legislative body shall take action at the public meeting during which the closed session is held or at its next public meeting denying the application for the license but all matters relating to the closed session are confidential and shall not be disclosed without the consent of the applicant, except in an action by an applicant who has been denied a license challenging the denial of the license.

(Added by Stats. 1982, Ch. 298, Sec. 1.)

54956.75. (a) Nothing contained in this chapter shall be construed to prevent the legislative body of a local agency that has received a confidential final draft audit report from the Bureau of State Audits from holding closed sessions to discuss its response to that report.

(b) After the public release of an audit report by the Bureau of State Audits, if a legislative body of a local agency meets to discuss the audit report, it shall do so in an open session unless exempted from that requirement by some other provision of law.

(Added by Stats. 2004, Ch. 576, Sec. 4. Effective January 1, 2005.)

54956.8. Notwithstanding any other provision of this chapter, a legislative body of a local agency may hold a closed session with its negotiator prior to the purchase, sale, exchange, or lease of real property by or for the local agency to grant authority to its negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease.

However, prior to the closed session, the legislative body of the local agency shall hold an open and public session in which it identifies its negotiators, the real property or real properties which the negotiations may concern, and the person or persons with whom its negotiators may negotiate.

For purposes of this section, negotiators may be members of the legislative body of the local agency.

For purposes of this section, "lease" includes renewal or renegotiation of a lease.

Nothing in this section shall preclude a local agency from holding a closed session for discussions regarding eminent domain proceedings pursuant to Section 54956.9.

(Amended by Stats. 1998, Ch. 260, Sec. 3. Effective January 1, 1999.)

54956.81. Notwithstanding any other provision of this chapter, a legislative body of a local agency that invests pension funds may hold a closed session to consider the purchase or sale of particular, specific pension fund investments. All investment transaction decisions made during the closed session shall be made by rollcall vote entered into the minutes of the closed session as provided in subdivision (a) of Section 54957.2.

(Added by Stats. 2004, Ch. 533, Sec. 20. Effective January 1, 2005.)

54956.86. Notwithstanding any other provision of this chapter, a legislative body of a local agency which provides services pursuant to Section 14087.3 of the Welfare and Institutions Code may hold a closed session to hear a charge or complaint from a member enrolled in its health plan if the member does not wish to have his or her name, medical status, or other information that is protected by federal law publicly disclosed. Prior to holding a closed session pursuant to this section, the legislative body shall inform the member, in writing, of his or her right to have the charge or complaint heard in an open session rather than a closed session.

(Added by Stats. 1996, Ch. 182, Sec. 2. Effective January 1, 1997.)

54956.87. (a) Notwithstanding any other provision of this chapter, the records of a health plan that is licensed pursuant to the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code) and that is governed by a county board of supervisors, whether paper records, records maintained in the management information system, or records in any other form, that relate to provider rate or payment determinations, allocation or distribution methodologies for provider payments, formulas or calculations for these payments, and contract negotiations with providers of health care for alternative rates are exempt from disclosure for a period of three years after the contract is fully executed. The transmission of the records, or the information contained therein in an alternative form, to the board of supervisors shall not constitute a waiver of exemption from disclosure, and the records and information once transmitted to the board of supervisors shall be subject to this same exemption.

(b) Notwithstanding any other provision of law, the governing board of a health plan that is licensed pursuant to the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code) and that is governed by a county board of supervisors may order that a meeting held solely for the purpose of discussion or taking action on health plan trade secrets, as defined in subdivision (f), shall be held in closed session. The requirements of making a public report of action taken in closed session, and the vote or abstention of every member present, may be limited to a brief general description without the information constituting the trade secret.

(c) Notwithstanding any other provision of law, the governing board of a health plan may meet in closed session to consider and take action on matters pertaining to contracts and contract negotiations by the health plan with providers of health care services concerning all matters related to rates of payment. The governing board may delete the portion or portions containing trade secrets from any documents that were finally approved in the closed session held pursuant to subdivision (b) that are provided to persons who have made the timely or standing request.

(d) Nothing in this section shall be construed as preventing the governing board from meeting in closed session as otherwise provided by law.

(e) The provisions of this section shall not prevent access to any records by the Joint Legislative Audit Committee in the exercise of its powers pursuant to Article 1 (commencing with Section 10500) of Chapter 4 of Part 2 of Division 2 of Title 2. The provisions of this section also shall not prevent access to any records by the Department of Managed Health Care in the exercise of its powers pursuant to Article 1 (commencing with Section 1340) of Chapter 2.2 of Division 2 of the Health and Safety Code.

(f) For purposes of this section, "health plan trade secret" means a trade secret, as defined in subdivision (d) of Section 3426.1 of the Civil Code, that also meets both of the following criteria:

(1) The secrecy of the information is necessary for the health plan to initiate a new service, program, marketing strategy, business plan, or technology, or to add a benefit or product.

(2) Premature disclosure of the trade secret would create a substantial probability of depriving the health plan of a substantial economic benefit or opportunity.

(Amended by Stats. 2015, Ch. 190, Sec. 65. (AB 1517) Effective January 1, 2016.)

54956.9. (a) Nothing in this chapter shall be construed to prevent a legislative body of a local agency, based on advice of its legal counsel, from holding a closed session to confer with, or receive advice from, its legal counsel regarding pending litigation when discussion in open session concerning those matters would prejudice the position of the local agency in the litigation.

(b) For purposes of this chapter, all expressions of the lawyer-client privilege other than those provided in this section are hereby abrogated. This section is the exclusive expression of the lawyer-client privilege for purposes of conducting closed-session meetings pursuant to this chapter.

(c) For purposes of this section, "litigation" includes any adjudicatory proceeding, including eminent domain, before a court, administrative body exercising its adjudicatory authority, hearing officer, or arbitrator.

(d) For purposes of this section, litigation shall be considered pending when any of the following circumstances exist:

(1) Litigation, to which the local agency is a party, has been initiated formally.

(2) A point has been reached where, in the opinion of the legislative body of the local agency on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the local agency.

(3) Based on existing facts and circumstances, the legislative body of the local agency is meeting only to decide whether a closed session is authorized pursuant to paragraph (2).

(4) Based on existing facts and circumstances, the legislative body of the local agency has decided to initiate or is deciding whether to initiate litigation.

(e) For purposes of paragraphs (2) and (3) of subdivision (d), "existing facts and circumstances" shall consist only of one of the following:

(1) Facts and circumstances that might result in litigation against the local agency but which the local agency believes are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed.

(2) Facts and circumstances, including, but not limited to, an accident, disaster, incident, or transactional occurrence that might result in litigation against the agency and that are known to a potential plaintiff or plaintiffs, which facts or circumstances shall be publicly stated on the agenda or announced.

(3) The receipt of a claim pursuant to the Government Claims Act (Division 3.6 (commencing with Section 810) of Title 1 of the Government Code) or some other written communication from a potential plaintiff threatening litigation, which claim or communication shall be available for public inspection pursuant to Section 54957.5.

(4) A statement made by a person in an open and public meeting threatening litigation on a specific matter within the responsibility of the legislative body.

(5) A statement threatening litigation made by a person outside an open and public meeting on a specific matter within the responsibility of the legislative body so long as the official or employee of the local agency receiving knowledge of the threat makes a contemporaneous or other record of the statement prior to the meeting, which

record shall be available for public inspection pursuant to Section 54957.5. The records so created need not identify the alleged victim of unlawful or tortious sexual conduct or anyone making the threat on their behalf, or identify a public employee who is the alleged perpetrator of any unlawful or tortious conduct upon which a threat of litigation is based, unless the identity of the person has been publicly disclosed.

(f) Nothing in this section shall require disclosure of written communications that are privileged and not subject to disclosure pursuant to the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1).

(g) Prior to holding a closed session pursuant to this section, the legislative body of the local agency shall state on the agenda or publicly announce the paragraph of subdivision (d) that authorizes the closed session. If the session is closed pursuant to paragraph (1) of subdivision (d), the body shall state the title of or otherwise specifically identify the litigation to be discussed, unless the body states that to do so would jeopardize the agency's ability to effectuate service of process upon one or more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage.

(h) A local agency shall be considered to be a "party" or to have a "significant exposure to litigation" if an officer or employee of the local agency is a party or has significant exposure to litigation concerning prior or prospective activities or alleged activities during the course and scope of that office or employment, including litigation in which it is an issue whether an activity is outside the course and scope of the office or employment.

(Amended by Stats. 2021, Ch. 615, Sec. 206. (AB 474) Effective January 1, 2022. Operative January 1, 2023, pursuant to Sec. 463 of Stats. 2021, Ch. 615.)

54956.95. (a) Nothing in this chapter shall be construed to prevent a joint powers agency formed pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1, for purposes of insurance pooling, or a local agency member of the joint powers agency, from holding a closed session to discuss a claim for the payment of tort liability losses, public liability losses, or workers' compensation liability incurred by the joint powers agency or a local agency member of the joint powers agency.

(b) Nothing in this chapter shall be construed to prevent the Local Agency Self-Insurance Authority formed pursuant to Chapter 5.5 (commencing with Section 6599.01) of Division 7 of Title 1, or a local agency member of the authority, from holding a closed session to discuss a claim for the payment of tort liability losses, public liability losses, or workers' compensation liability incurred by the authority or a local agency member of the authority.

(c) Nothing in this section shall be construed to affect Section 54956.9 with respect to any other local agency.

(Added by Stats. 1989, Ch. 882, Sec. 3.)

54956.96. (a) Nothing in this chapter shall be construed to prevent the legislative body of a joint powers agency formed pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1, from adopting a policy or a bylaw or including in its joint powers agreement provisions that authorize either or both of the following:

(1) All information received by the legislative body of the local agency member in a closed session related to the information presented to the joint powers agency in closed session shall be confidential. However, a member of the legislative body of a local agency member may disclose information obtained in a closed session that has direct financial or liability implications for that local agency to the following individuals:

(A) Legal counsel of that local agency member for purposes of obtaining advice on whether the matter has direct financial or liability implications for that local agency member.

(B) Other members of the legislative body of the local agency present in a closed session of that local agency member.

(2) Any designated alternate member of the legislative body of the joint powers agency who is also a member of the legislative body of a local agency member and who is attending a properly noticed meeting of the joint powers agency in lieu of a local agency member's regularly appointed member to attend closed sessions of the joint powers agency.

(b) (1) In addition to the authority described in subdivision (a), the Clean Power Alliance of Southern California, or its successor entity, may adopt a policy or a bylaw or include in its joint powers agreement a provision that authorizes both of the following:

(A) A designated alternate member of the legislative body of the Clean Power Alliance of Southern California, or its successor entity, who is not a member of the legislative body of a local agency member and who is

attending a properly noticed meeting of the Clean Power Alliance of Southern California, or its successor entity, in lieu of a local agency member's regularly appointed member, to attend closed sessions of the Clean Power Alliance of Southern California, or its successor entity.

(B) All information that is received by a designated alternate member of the legislative body of the Clean Power Alliance of Southern California, or its successor entity, who is not a member of the legislative body of a local agency member, and that is presented to the Clean Power Alliance of Southern California, or its successor entity, in closed session, shall be confidential. However, the designated alternate member may disclose information obtained in a closed session that has direct financial or liability implications for the local agency member for which the designated alternate member attended the closed session, to the following individuals:

(i) Legal counsel of that local agency member for purposes of obtaining advice on whether the matter has direct financial or liability implications for that local agency member.

(ii) Members of the legislative body of the local agency present in a closed session of that local agency member.

(2) If the Clean Power Alliance of Southern California, or its successor entity, adopts a policy or bylaw or includes in its joint powers agreement a provision authorized pursuant to paragraph (1), the Clean Power Alliance of Southern California, or its successor entity, shall establish policies to prevent conflicts of interest and to address breaches of confidentiality that apply to a designated alternate member who is not a member of the legislative body of a local agency member who attends a closed session of the Clean Power Alliance of Southern California, or its successor entity.

(c) If the legislative body of a joint powers agency adopts a policy or a bylaw or includes provisions in its joint powers agreement pursuant to subdivision (a) or (b), then the legislative body of the local agency member, upon the advice of its legal counsel, may conduct a closed session in order to receive, discuss, and take action concerning information obtained in a closed session of the joint powers agency pursuant to paragraph (1) of subdivision (a) or paragraph (1) of subdivision (b).

(d) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

(Amended (as amended by Stats. 2019, Ch. 248, Sec. 1) by Stats. 2024, Ch. 24, Sec. 1. (AB 1852) Effective January 1, 2025. Repealed as of January 1, 2030, by its own provisions. See later operative version, as amended by Sec. 2 of Stats. 2024, Ch. 24.)

54956.96. (a) Nothing in this chapter shall be construed to prevent the legislative body of a joint powers agency formed pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1, from adopting a policy or a bylaw or including in its joint powers agreement provisions that authorize either or both of the following:

(1) All information received by the legislative body of the local agency member in a closed session related to the information presented to the joint powers agency in closed session shall be confidential. However, a member of the legislative body of a local agency member may disclose information obtained in a closed session that has direct financial or liability implications for that local agency to the following individuals:

(A) Legal counsel of that local agency member for purposes of obtaining advice on whether the matter has direct financial or liability implications for that local agency member.

(B) Other members of the legislative body of the local agency present in a closed session of that local agency member.

(2) A designated alternate member of the legislative body of the joint powers agency who is also a member of the legislative body of a local agency member and who is attending a properly noticed meeting of the joint powers agency in lieu of a local agency member's regularly appointed member to attend closed sessions of the joint powers agency.

(b) If the legislative body of a joint powers agency adopts a policy or a bylaw or includes provisions in its joint powers agreement pursuant to subdivision (a), then the legislative body of the local agency member, upon the advice of its legal counsel, may conduct a closed session in order to receive, discuss, and take action concerning information obtained in a closed session of the joint powers agency pursuant to paragraph (1) of subdivision (a).

(c) This section shall become operative on January 1, 2030.

(Amended (as added by Stats. 2019, Ch. 248, Sec. 2) by Stats. 2024, Ch. 24, Sec. 2. (AB 1852) Effective January 1, 2025. Section operative January 1, 2030, by its own provisions.)

54956.97. Notwithstanding any provision of law, the governing board, or a committee of the governing board, of a public bank, as defined in Section 57600 of the Government Code, may meet in closed session to consider and take action on matters pertaining to all of the following:

- (a) A loan or investment decision.
- (b) A decision of the internal audit committee, the compliance committee, or the governance committee.
- (c) A meeting with a state or federal regulator.

(Added by Stats. 2019, Ch. 442, Sec. 14. (AB 857) Effective January 1, 2020.)

54956.98. (a) For purposes of this section, the following definitions shall apply:

(1) "Shareholder, member, or owner local agency" or "shareholder, member, or owner" means a local agency that is a shareholder of a public bank.

(2) "Public bank" has the same meaning as defined in Section 57600.

(b) The governing board of a public bank may adopt a policy or a bylaw or include in its governing documents provisions that authorize any of the following:

(1) All information received by a shareholder, member, or owner of the public bank in a closed session related to the information presented to the governing board of a public bank in closed session shall be confidential. However, a member of the governing board of a shareholder, member, or owner local agency may disclose information obtained in a closed session that has direct financial or liability implications for that local agency to the following individuals:

(A) Legal counsel of that shareholder, member, or owner local agency for purposes of obtaining advice on whether the matter has direct financial or liability implications for that shareholder local agency.

(B) Other members of the governing board of the local agency present in a closed session of that shareholder, member, or owner local agency.

(2) A designated alternate member of the governing board of the public bank who is also a member of the governing board of a shareholder, member, or owner local agency and who is attending a properly noticed meeting of the public bank governing board in lieu of a shareholder, member, or owner local agency's regularly appointed member may attend a closed session of the public bank governing board.

(c) If the governing board of a public bank adopts a policy or a bylaw or includes provisions in its governing documents pursuant to subdivision (b), then the governing board of the shareholder, member, or owner local agency, upon the advice of its legal counsel, may conduct a closed session in order to receive, discuss, and take action concerning information obtained in a closed session of the public bank governing board pursuant to paragraph (1) of subdivision (b).

(Added by Stats. 2019, Ch. 442, Sec. 15. (AB 857) Effective January 1, 2020.)

54957. (a) (1) This chapter does not prevent the legislative body of a local agency from holding closed sessions with the Governor, Attorney General, district attorney, agency counsel, sheriff, or chief of police, or other law enforcement or security personnel, or a security consultant or a security operations manager, on matters posing a threat to the security of public buildings, a threat to the security of essential public services, including water, drinking water, wastewater treatment, natural gas service, and electric service, a threat to the public's right of access to public services or public facilities, or a threat to critical infrastructure controls or critical infrastructure information relating to cybersecurity.

(2) For purposes of this subdivision, the following definitions apply:

(A) "Critical infrastructure controls" means networks and systems controlling assets so vital to the local agency that the incapacity or destruction of those networks, systems, or assets would have a debilitating impact on public health, safety, economic security, or any combination thereof.

(B) "Critical infrastructure information" means information not customarily in the public domain pertaining to any of the following:

(i) Actual, potential, or threatened interference with, or an attack on, compromise of, or incapacitation of critical infrastructure controls by either physical or computer-based attack or other similar conduct, including, but not limited to, the misuse of, or unauthorized access to, all types of communications and data transmission systems, that violates federal, state, or local law or harms public health, safety, or economic security, or any combination thereof.

(ii) The ability of critical infrastructure controls to resist any interference, compromise, or incapacitation, including, but not limited to, any planned or past assessment or estimate of the vulnerability of critical infrastructure.

(iii) Any planned or past operational problem or solution regarding critical infrastructure controls, including, but not limited to, repair, recovery, reconstruction, insurance, or continuity, to the extent it is related to interference, compromise, or incapacitation of critical infrastructure controls.

(b) (1) Subject to paragraph (2), this chapter does not prevent the legislative body of a local agency from holding closed sessions during a regular or special meeting to consider the appointment, employment, evaluation of performance, discipline, or dismissal of a public employee or to hear complaints or charges brought against the employee by another person or employee unless the employee requests a public session.

(2) As a condition to holding a closed session on specific complaints or charges brought against an employee by another person or employee, the employee shall be given written notice of their right to have the complaints or charges heard in an open session rather than a closed session, which notice shall be delivered to the employee personally or by mail at least 24 hours before the time for holding the session. If notice is not given, any disciplinary or other action taken by the legislative body against the employee based on the specific complaints or charges in the closed session shall be null and void.

(3) The legislative body also may exclude from the public or closed meeting, during the examination of a witness, any or all other witnesses in the matter being investigated by the legislative body.

(4) For the purposes of this subdivision, the term "employee" shall include an officer or an independent contractor who functions as an officer or an employee but shall not include any elected official, member of a legislative body or other independent contractors. This subdivision shall not limit local officials' ability to hold closed session meetings pursuant to Sections 1461, 32106, and 32155 of the Health and Safety Code or Sections 37606 and 37624.3 of the Government Code. Closed sessions held pursuant to this subdivision shall not include discussion or action on proposed compensation except for a reduction of compensation that results from the imposition of discipline.

(Amended by Stats. 2024, Ch. 243, Sec. 1. (AB 2715) Effective January 1, 2025.)

54957.1. (a) The legislative body of any local agency shall publicly report any action taken in closed session and the vote or abstention on that action of every member present, as follows:

(1) Approval of an agreement concluding real estate negotiations pursuant to Section 54956.8 shall be reported after the agreement is final, as follows:

(A) If its own approval renders the agreement final, the body shall report that approval and the substance of the agreement in open session at the public meeting during which the closed session is held.

(B) If final approval rests with the other party to the negotiations, the local agency shall disclose the fact of that approval and the substance of the agreement upon inquiry by any person, as soon as the other party or its agent has informed the local agency of its approval.

(2) Approval given to its legal counsel to defend, or seek or refrain from seeking appellate review or relief, or to enter as an amicus curiae in any form of litigation as the result of a consultation under Section 54956.9 shall be reported in open session at the public meeting during which the closed session is held. The report shall identify, if known, the adverse party or parties and the substance of the litigation. In the case of approval given to initiate or intervene in an action, the announcement need not identify the action, the defendants, or other particulars, but shall specify that the direction to initiate or intervene in an action has been given and that the action, the defendants, and the other particulars shall, once formally commenced, be disclosed to any person upon inquiry, unless to do so would jeopardize the agency's ability to effectuate service of process on one or more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage.

(3) Approval given to its legal counsel of a settlement of pending litigation, as defined in Section 54956.9, at any stage prior to or during a judicial or quasi-judicial proceeding shall be reported after the settlement is final, as follows:

(A) If the legislative body accepts a settlement offer signed by the opposing party, the body shall report its acceptance and identify the substance of the agreement in open session at the public meeting during which the closed session is held.

(B) If final approval rests with some other party to the litigation or with the court, then as soon as the settlement becomes final, and upon inquiry by any person, the local agency shall disclose the fact of that approval, and identify the substance of the agreement.

(4) Disposition reached as to claims discussed in closed session pursuant to Section 54956.95 shall be reported as soon as reached in a manner that identifies the name of the claimant, the name of the local agency claimed against, the substance of the claim, and any monetary amount approved for payment and agreed upon by the claimant.

(5) Action taken to appoint, employ, dismiss, accept the resignation of, or otherwise affect the employment status of a public employee in closed session pursuant to Section 54957 shall be reported at the public meeting during which the closed session is held. Any report required by this paragraph shall identify the title of the position. The general requirement of this paragraph notwithstanding, the report of a dismissal or of the nonrenewal of an employment contract shall be deferred until the first public meeting following the exhaustion of administrative remedies, if any.

(6) Approval of an agreement concluding labor negotiations with represented employees pursuant to Section 54957.6 shall be reported after the agreement is final and has been accepted or ratified by the other party. The report shall identify the item approved and the other party or parties to the negotiation.

(7) Pension fund investment transaction decisions made pursuant to Section 54956.81 shall be disclosed at the first open meeting of the legislative body held after the earlier of the close of the investment transaction or the transfer of pension fund assets for the investment transaction.

(b) Reports that are required to be made pursuant to this section may be made orally or in writing. The legislative body shall provide to any person who has submitted a written request to the legislative body within 24 hours of the posting of the agenda, or to any person who has made a standing request for all documentation as part of a request for notice of meetings pursuant to Section 54954.1 or 54956, if the requester is present at the time the closed session ends, copies of any contracts, settlement agreements, or other documents that were finally approved or adopted in the closed session. If the action taken results in one or more substantive amendments to the related documents requiring retyping, the documents need not be released until the retyping is completed during normal business hours, provided that the presiding officer of the legislative body or his or her designee orally summarizes the substance of the amendments for the benefit of the document requester or any other person present and requesting the information.

(c) The documentation referred to in subdivision (b) shall be available to any person on the next business day following the meeting in which the action referred to is taken or, in the case of substantial amendments, when any necessary retyping is complete.

(d) Nothing in this section shall be construed to require that the legislative body approve actions not otherwise subject to legislative body approval.

(e) No action for injury to a reputational, liberty, or other personal interest may be commenced by or on behalf of any employee or former employee with respect to whom a disclosure is made by a legislative body in an effort to comply with this section.

(f) This section is necessary to implement, and reasonably within the scope of, paragraph (1) of subdivision (b) of Section 3 of Article I of the California Constitution.

(Amended by Stats. 2006, Ch. 538, Sec. 311. Effective January 1, 2007.)

54957.2. (a) The legislative body of a local agency may, by ordinance or resolution, designate a clerk or other officer or employee of the local agency who shall then attend each closed session of the legislative body and keep and enter in a minute book a record of topics discussed and decisions made at the meeting. The minute book made pursuant to this section is not a public record subject to inspection pursuant to the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1), and shall be kept confidential. The minute book shall be available only to members of the legislative body or, if a violation of this chapter is alleged to have occurred at a

closed session, to a court of general jurisdiction wherein the local agency lies. The minute book may, but need not, consist of a recording of the closed session.

(b) An elected legislative body of a local agency may require that each legislative body all or a majority of whose members are appointed by or under the authority of the elected legislative body keep a minute book as prescribed under subdivision (a).

(Amended by Stats. 2021, Ch. 615, Sec. 207. (AB 474) Effective January 1, 2022. Operative January 1, 2023, pursuant to Sec. 463 of Stats. 2021, Ch. 615.)

54957.5. (a) Agendas of public meetings are disclosable public records under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1), and shall be made available upon request without delay and in compliance with Section 54954.2 or Section 54956, as applicable. However, this section shall not apply to a writing, or portion thereof, that is exempt from public disclosure.

(b) (1) If a writing is a public record related to an agenda item for an open session of a regular meeting of the legislative body of a local agency and is distributed to all, or a majority of all, of the members of a legislative body of a local agency by a person in connection with a matter subject to discussion or consideration at an open meeting of the body less than 72 hours before that meeting, the writing shall be made available for public inspection pursuant to paragraph (2) at the time the writing is distributed to all, or a majority of all, of the members of the body.

(2) (A) Except as provided in subparagraph (B), a local agency shall comply with both of the following requirements:

(i) A local agency shall make any writing described in paragraph (1) available for public inspection at a public office or location that the agency shall designate for this purpose.

(ii) A local agency shall list the address of the office or location designated pursuant to clause (i) on the agendas for all meetings of the legislative body of that agency.

(B) A local agency shall not be required to comply with the requirements of subparagraph (A) if all of the following requirements are met:

(i) An initial staff report or similar document containing an executive summary and the staff recommendation, if any, relating to that agenda item is made available for public inspection at the office or location designated pursuant to clause (i) of subparagraph (A) at least 72 hours before the meeting.

(ii) The local agency immediately posts any writing described in paragraph (1) on the local agency's internet website in a position and manner that makes it clear that the writing relates to an agenda item for an upcoming meeting.

(iii) The local agency lists the web address of the local agency's internet website on the agendas for all meetings of the legislative body of that agency.

(iv) (I) Subject to subclause (II), the local agency makes physical copies available for public inspection, beginning the next regular business hours for the local agency, at the office or location designated pursuant to clause (i) of subparagraph (A).

(II) This clause is satisfied only if the next regular business hours of the local agency commence at least 24 hours before that meeting.

(c) Writings that are public records described in subdivision (b) and distributed during a public meeting shall be made available for public inspection at the meeting if prepared by the local agency or a member of its legislative body, or after the meeting if prepared by some other person. These writings shall be made available in appropriate alternative formats upon request by a person with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof.

(d) This chapter shall not be construed to prevent the legislative body of a local agency from charging a fee or deposit for a copy of a public record pursuant to Section 7922.530, except that a surcharge shall not be imposed on persons with disabilities in violation of Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof.

(e) This section shall not be construed to limit or delay the public's right to inspect or obtain a copy of any record required to be disclosed under the requirements of the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1), including, but not limited to, the ability of the public to inspect public records pursuant to Section 7922.525 and obtain copies of public records pursuant to either subdivision (b) of Section 7922.530 or Section 7922.535. This chapter shall not be construed to require a legislative body of a local agency to place any paid advertisement or any other paid notice in any publication.

(Amended (as amended by Stats. 2021, Ch. 615, Sec. 208) by Stats. 2022, Ch. 971, Sec. 1. (AB 2647) Effective January 1, 2023.)

54957.6. (a) Notwithstanding any other provision of law, a legislative body of a local agency may hold closed sessions with the local agency's designated representatives regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits of its represented and unrepresented employees, and, for represented employees, any other matter within the statutorily provided scope of representation, subject to all of the following conditions:

(1) Prior to the closed session, the legislative body of the local agency shall hold an open and public session in which it identifies its designated representatives.

(2) The closed session shall be for the purpose of reviewing its position and instructing the local agency's designated representatives.

(3) The closed session may take place prior to and during consultations and discussions with representatives of employee organizations and unrepresented employees.

(4) Any closed session with the local agency's designated representative regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits may include discussion of an agency's available funds and funding priorities, but only insofar as these discussions relate to providing instructions to the local agency's designated representative.

(5) The closed session shall not include final action on the proposed compensation of one or more unrepresented employees.

(6) For the purposes enumerated in this section, a legislative body of a local agency may also meet with a state conciliator who has intervened in the proceedings.

(b) For the purposes of this section, the term "employee" shall include an officer or an independent contractor who functions as an officer or an employee, but shall not include any elected official, member of a legislative body, or other independent contractors.

(Amended by Stats. 2025, Ch. 327, Sec. 20. (SB 707) Effective January 1, 2026.)

54957.7. (a) Prior to holding any closed session, the legislative body of the local agency shall disclose, in an open meeting, the item or items to be discussed in the closed session. The disclosure may take the form of a reference to the item or items as they are listed by number or letter on the agenda. In the closed session, the legislative body may consider only those matters covered in its statement. Nothing in this section shall require or authorize a disclosure of information prohibited by state or federal law.

(b) After any closed session, the legislative body shall reconvene into open session prior to adjournment and shall make any disclosures required by Section 54957.1 of action taken in the closed session.

(c) The announcements required to be made in open session pursuant to this section may be made at the location announced in the agenda for the closed session, as long as the public is allowed to be present at that location for the purpose of hearing the announcements.

(Amended by Stats. 1993, Ch. 1137, Sec. 15. Effective January 1, 1994. Operative April 1, 1994, by Sec. 23 of Ch. 1137.)

54957.8. (a) For purposes of this section, "multijurisdictional law enforcement agency" means a joint powers entity formed pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 that provides law enforcement services for the parties to the joint powers agreement for the purpose of investigating criminal activity involving drugs; gangs; sex crimes; firearms trafficking or felony possession of a firearm; high technology, computer, or identity theft; human trafficking; or vehicle theft.

(b) Nothing contained in this chapter shall be construed to prevent the legislative body of a multijurisdictional law enforcement agency, or an advisory body of a multijurisdictional law enforcement agency, from holding closed sessions to discuss the case records of any ongoing criminal investigation of the multijurisdictional law enforcement agency or of any party to the joint powers agreement, to hear testimony from persons involved in the investigation, and to discuss courses of action in particular cases.

(Amended by Stats. 2006, Ch. 427, Sec. 1. Effective September 22, 2006.)

54957.9. In the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of the meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the members of the legislative body conducting the meeting may order the meeting room cleared and continue in session. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. Nothing in this section shall prohibit the legislative body from establishing a procedure for readmitting an individual or individuals not responsible for willfully disturbing the orderly conduct of the meeting.

(Amended by Stats. 2025, Ch. 327, Sec. 21. (SB 707) Effective January 1, 2026.)

54957.95. (a) (1) In addition to authority exercised pursuant to Sections 54954.3 and 54957.9, the presiding member of the legislative body conducting a meeting or their designee may remove, or cause the removal of, an individual for disrupting the meeting, including any teleconferenced meeting.

(2) Prior to removing an individual, the presiding member or their designee shall warn the individual that their behavior is disrupting the meeting and that their failure to cease their behavior may result in their removal. The presiding member or their designee may then remove the individual if they do not promptly cease their disruptive behavior. This paragraph does not apply to any behavior described in subparagraph (B) of paragraph (1) of subdivision (b).

(b) As used in this section:

(1) "Disrupting" means engaging in behavior during a meeting of a legislative body that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting and includes, but is not limited to, one of the following:

(A) A failure to comply with reasonable and lawful regulations adopted by a legislative body pursuant to Section 54954.3 or any other law.

(B) Engaging in behavior that constitutes use of force or a true threat of force.

(2) "True threat of force" means a threat that has sufficient indicia of intent and seriousness, that a reasonable observer would perceive it to be an actual threat to use force by the person making the threat.

(Amended by Stats. 2025, Ch. 327, Sec. 22. (SB 707) Effective January 1, 2026.)

54957.96. (a) The existing authority of a legislative body or its presiding officer to remove or limit participation by persons who engage in behavior that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting, including existing limitations upon that authority, shall apply to members of the public participating in a meeting via a two-way telephonic service or a two-way audiovisual platform.

(b) For purposes of this section, the following definitions apply:

(1) "Two-way audiovisual platform" means an online platform that provides participants with the ability to participate in a meeting via both an interactive video conference and a two-way telephonic service. A two-way audiovisual platform may be structured to disable the use of video for the public participants.

(2) "Two-way telephonic service" means a telephone service that does not require internet access and allows participants to dial a telephone number to listen and verbally participate.

(Added by Stats. 2025, Ch. 327, Sec. 23. (SB 707) Effective January 1, 2026.)

54957.10. Notwithstanding any other provision of law, a legislative body of a local agency may hold closed sessions to discuss a local agency employee's application for early withdrawal of funds in a deferred compensation plan when

the application is based on financial hardship arising from an unforeseeable emergency due to illness, accident, casualty, or other extraordinary event, as specified in the deferred compensation plan.

(Added by Stats. 2001, Ch. 45, Sec. 1. Effective January 1, 2002.)

54958. The provisions of this chapter shall apply to the legislative body of every local agency notwithstanding the conflicting provisions of any other state law.

(Added by Stats. 1953, Ch. 1588.)

54959. Each member of a legislative body who attends a meeting of that legislative body where action is taken in violation of any provision of this chapter, and where the member intends to deprive the public of information to which the member knows or has reason to know the public is entitled under this chapter, is guilty of a misdemeanor.

(Amended by Stats. 1994, Ch. 32, Sec. 18. Effective March 30, 1994. Operative April 1, 1994, by Sec. 23 of Ch. 32.)

54960. (a) The district attorney or any interested person may commence an action by mandamus, injunction, or declaratory relief for the purpose of stopping or preventing violations or threatened violations of this chapter by members of the legislative body of a local agency or to determine the applicability of this chapter to ongoing actions or threatened future actions of the legislative body, or to determine the applicability of this chapter to past actions of the legislative body, subject to Section 54960.2, or to determine whether any rule or action by the legislative body to penalize or otherwise discourage the expression of one or more of its members is valid or invalid under the laws of this state or of the United States, or to compel the legislative body to audio record its closed sessions as hereinafter provided.

(b) The court in its discretion may, upon a judgment of a violation of Section 54956.7, 54956.8, 54956.9, 54956.95, 54957, or 54957.6, order the legislative body to audio record its closed sessions and preserve the audio recordings for the period and under the terms of security and confidentiality the court deems appropriate.

(c) (1) Each recording so kept shall be immediately labeled with the date of the closed session recorded and the title of the clerk or other officer who shall be custodian of the recording.

(2) The audio recordings shall be subject to the following discovery procedures:

(A) In any case in which discovery or disclosure of the audio recording is sought by either the district attorney or the plaintiff in a civil action pursuant to Section 54959, 54960, or 54960.1 alleging that a violation of this chapter has occurred in a closed session that has been recorded pursuant to this section, the party seeking discovery or disclosure shall file a written notice of motion with the appropriate court with notice to the governmental agency that has custody and control of the audio recording. The notice shall be given pursuant to subdivision (b) of Section 1005 of the Code of Civil Procedure.

(B) The notice shall include, in addition to the items required by Section 1010 of the Code of Civil Procedure, all of the following:

(i) Identification of the proceeding in which discovery or disclosure is sought, the party seeking discovery or disclosure, the date and time of the meeting recorded, and the governmental agency that has custody and control of the recording.

(ii) An affidavit that contains specific facts indicating that a violation of the act occurred in the closed session.

(3) If the court, following a review of the motion, finds that there is good cause to believe that a violation has occurred, the court may review, in camera, the recording of that portion of the closed session alleged to have violated the act.

(4) If, following the in camera review, the court concludes that disclosure of a portion of the recording would be likely to materially assist in the resolution of the litigation alleging violation of this chapter, the court shall, in its discretion, make a certified transcript of the portion of the recording a public exhibit in the proceeding.

(5) This section shall not permit discovery of communications that are protected by the attorney-client privilege.

(Amended by Stats. 2012, Ch. 732, Sec. 1. (SB 1003) Effective January 1, 2013.)

54960.1. (a) The district attorney or any interested person may commence an action by mandamus or injunction for the purpose of obtaining a judicial determination that an action taken by a legislative body of a local agency in violation of Section 54953, 54954.2, 54954.5, 54954.6, 54956, or 54956.5 is null and void under this section. Nothing in this chapter shall be construed to prevent a legislative body from curing or correcting an action challenged pursuant to this section.

(b) Prior to any action being commenced pursuant to subdivision (a), the district attorney or interested person shall make a demand of the legislative body to cure or correct the action alleged to have been taken in violation of Section 54953, 54954.2, 54954.5, 54954.6, 54956, or 54956.5. The demand shall be in writing and clearly describe the challenged action of the legislative body and nature of the alleged violation.

(c) (1) The written demand shall be made within 90 days from the date the action was taken unless the action was taken in an open session but in violation of Section 54954.2, in which case the written demand shall be made within 30 days from the date the action was taken.

(2) Within 30 days of receipt of the demand, the legislative body shall cure or correct the challenged action and inform the demanding party in writing of its actions to cure or correct or inform the demanding party in writing of its decision not to cure or correct the challenged action.

(3) If the legislative body takes no action within the 30-day period, the inaction shall be deemed a decision not to cure or correct the challenged action, and the 15-day period to commence the action described in subdivision (a) shall commence to run the day after the 30-day period to cure or correct expires.

(4) Within 15 days of receipt of the written notice of the legislative body's decision to cure or correct, or not to cure or correct, or within 15 days of the expiration of the 30-day period to cure or correct, whichever is earlier, the demanding party shall be required to commence the action pursuant to subdivision (a) or thereafter be barred from commencing the action.

(d) An action taken that is alleged to have been taken in violation of Section 54953, 54954.2, 54954.5, 54954.6, 54956, or 54956.5 shall not be determined to be null and void if any of the following conditions exist:

(1) The action taken was in substantial compliance with Sections 54953, 54954.2, 54954.5, 54954.6, 54956, and 54956.5.

(2) The action taken was in connection with the sale or issuance of notes, bonds, or other evidences of indebtedness or any contract, instrument, or agreement thereto.

(3) The action taken gave rise to a contractual obligation, including a contract let by competitive bid other than compensation for services in the form of salary or fees for professional services, upon which a party has, in good faith and without notice of a challenge to the validity of the action, detrimentally relied.

(4) The action taken was in connection with the collection of any tax.

(5) Any person, city, city and county, county, district, or any agency or subdivision of the state alleging noncompliance with subdivision (a) of Section 54954.2, Section 54956, or Section 54956.5, because of any defect, error, irregularity, or omission in the notice given pursuant to those provisions, had actual notice of the item of business at least 72 hours prior to the meeting at which the action was taken, if the meeting was noticed pursuant to Section 54954.2, or 24 hours prior to the meeting at which the action was taken if the meeting was noticed pursuant to Section 54956, or prior to the meeting at which the action was taken if the meeting is held pursuant to Section 54956.5.

(e) During any action seeking a judicial determination pursuant to subdivision (a) if the court determines, pursuant to a showing by the legislative body that an action alleged to have been taken in violation of Section 54953, 54954.2, 54954.5, 54954.6, 54956, or 54956.5 has been cured or corrected by a subsequent action of the legislative body, the action filed pursuant to subdivision (a) shall be dismissed with prejudice.

(f) The fact that a legislative body takes a subsequent action to cure or correct an action taken pursuant to this section shall not be construed or admissible as evidence of a violation of this chapter.

(Amended by Stats. 2002, Ch. 454, Sec. 23. Effective January 1, 2003.)

54960.2. (a) The district attorney or any interested person may file an action to determine the applicability of this chapter to past actions of the legislative body pursuant to subdivision (a) of Section 54960 only if all of the following conditions are met:

(1) The district attorney or interested person alleging a violation of this chapter first submits a cease and desist letter by postal mail or facsimile transmission to the clerk or secretary of the legislative body being accused of the violation, as designated in the statement pertaining to that public agency on file pursuant to Section 53051, or if the agency does not have a statement on file designating a clerk or a secretary, to the chief executive officer of that agency, clearly describing the past action of the legislative body and nature of the alleged violation.

(2) The cease and desist letter required under paragraph (1) is submitted to the legislative body within nine months of the alleged violation.

(3) The time during which the legislative body may respond to the cease and desist letter pursuant to subdivision (b) has expired and the legislative body has not provided an unconditional commitment pursuant to subdivision (c).

(4) Within 60 days of receipt of the legislative body's response to the cease and desist letter, other than an unconditional commitment pursuant to subdivision (c), or within 60 days of the expiration of the time during which the legislative body may respond to the cease and desist letter pursuant to subdivision (b), whichever is earlier, the party submitting the cease and desist letter shall commence the action pursuant to subdivision (a) of Section 54960 or thereafter be barred from commencing the action.

(b) The legislative body may respond to a cease and desist letter submitted pursuant to subdivision (a) within 30 days of receiving the letter. This subdivision shall not be construed to prevent the legislative body from providing an unconditional commitment pursuant to subdivision (c) at any time after the 30-day period has expired, except that in that event the court shall award court costs and reasonable attorney fees to the plaintiff in an action brought pursuant to this section, in accordance with Section 54960.5.

(c) (1) If the legislative body elects to respond to the cease and desist letter with an unconditional commitment to cease, desist from, and not repeat the past action that is alleged to violate this chapter, that response shall be in substantially the following form:

To _____:

The [name of legislative body] has received your cease and desist letter dated [date] alleging that the following described past action of the legislative body violates the Ralph M. Brown Act:

[Describe alleged past action, as set forth in the cease and desist letter submitted pursuant to subdivision (a)]

In order to avoid unnecessary litigation and without admitting any violation of the Ralph M. Brown Act, the [name of legislative body] hereby unconditionally commits that it will cease, desist from, and not repeat the challenged past action as described above.

The [name of legislative body] may rescind this commitment only by a majority vote of its membership taken in open session at a regular meeting and noticed on its posted agenda as "Rescission of Brown Act Commitment." You will be provided with written notice, sent by any means or media you provide in response to this message, to whatever address or addresses you specify, of any intention to consider rescinding this commitment at least 30 days before any such regular meeting. In the event that this commitment is rescinded, you will have the right to commence legal action pursuant to subdivision (a) of Section 54960 of the Government Code. That notice will be delivered to you by the same means as this commitment, or may be mailed to an address that you have designated in writing.

Very truly yours,

[Chairperson or acting chairperson of the legislative body]

(2) An unconditional commitment pursuant to this subdivision shall be approved by the legislative body in open session at a regular or special meeting as a separate item of business, and not on its consent agenda.

(3) An action shall not be commenced to determine the applicability of this chapter to any past action of the legislative body for which the legislative body has provided an unconditional commitment pursuant to this subdivision. During any action seeking a judicial determination regarding the applicability of this chapter to any past action of the legislative body pursuant to subdivision (a), if the court determines that the legislative body has provided an unconditional commitment pursuant to this subdivision, the action shall be dismissed with prejudice. Nothing in this subdivision shall be construed to modify or limit the existing ability of the district attorney or any interested person to commence an action to determine the applicability of this chapter to ongoing actions or threatened future actions of the legislative body.

(4) Except as provided in subdivision (d), the fact that a legislative body provides an unconditional commitment shall not be construed or admissible as evidence of a violation of this chapter.

(d) If the legislative body provides an unconditional commitment as set forth in subdivision (c), the legislative body shall not thereafter take or engage in the challenged action described in the cease and desist letter, except as provided in subdivision (e). Violation of this subdivision shall constitute an independent violation of this chapter, without regard to whether the challenged action would otherwise violate this chapter. An action alleging past violation or threatened future violation of this subdivision may be brought pursuant to subdivision (a) of Section 54960, without regard to the procedural requirements of this section.

(e) The legislative body may resolve to rescind an unconditional commitment made pursuant to subdivision (c) by a majority vote of its membership taken in open session at a regular meeting as a separate item of business not on its consent agenda, and noticed on its posted agenda as "Rescission of Brown Act Commitment," provided that not less than 30 days prior to such regular meeting, the legislative body provides written notice of its intent to consider the rescission to each person to whom the unconditional commitment was made, and to the district attorney. Upon rescission, the district attorney or any interested person may commence an action pursuant to subdivision (a) of Section 54960. An action under this subdivision may be brought pursuant to subdivision (a) of Section 54960, without regard to the procedural requirements of this section.

(Added by Stats. 2012, Ch. 732, Sec. 2. (SB 1003) Effective January 1, 2013.)

54960.5. A court may award court costs and reasonable attorney fees to the plaintiff in an action brought pursuant to Section 54960, 54960.1, or 54960.2 where it is found that a legislative body of the local agency has violated this chapter. Additionally, when an action brought pursuant to Section 54960.2 is dismissed with prejudice because a legislative body has provided an unconditional commitment pursuant to paragraph (1) of subdivision (c) of that section at any time after the 30-day period for making such a commitment has expired, the court shall award court costs and reasonable attorney fees to the plaintiff if the filing of that action caused the legislative body to issue the unconditional commitment. The costs and fees shall be paid by the local agency and shall not become a personal liability of any public officer or employee of the local agency.

A court may award court costs and reasonable attorney fees to a defendant in any action brought pursuant to Section 54960 or 54960.1 where the defendant has prevailed in a final determination of such action and the court finds that the action was clearly frivolous and totally lacking in merit.

(Amended by Stats. 2012, Ch. 732, Sec. 3. (SB 1003) Effective January 1, 2013.)

54961. (a) No legislative body of a local agency shall conduct any meeting in any facility that prohibits the admittance of any person, or persons, on the basis of ancestry or any characteristic listed or defined in Section 11135, or which is inaccessible to disabled persons, or where members of the public may not be present without making a payment or purchase. This section shall apply to every local agency as defined in Section 54951.

(b) No notice, agenda, announcement, or report required under this chapter need identify any victim or alleged victim of tortious sexual conduct or child abuse unless the identity of the person has been publicly disclosed.

(Amended by Stats. 2007, Ch. 568, Sec. 35. Effective January 1, 2008.)

54962. Except as expressly authorized by this chapter, or by Sections 1461, 1462, 32106, and 32155 of the Health and Safety Code, or by Sections 37606, 37606.1, and 37624.3 of the Government Code as they apply to hospitals, or by any provision of the Education Code pertaining to school districts and community college districts, no closed session may be held by any legislative body of any local agency.

(Amended by Stats. 2006, Ch. 157, Sec. 2. Effective January 1, 2007.)

54963. (a) A person may not disclose confidential information that has been acquired by being present in a closed session authorized by Section 54956.7, 54956.8, 54956.86, 54956.87, 54956.9, 54957, 54957.6, 54957.8, or 54957.10 to a person not entitled to receive it, unless the legislative body authorizes disclosure of that confidential information.

(b) For purposes of this section, "confidential information" means a communication made in a closed session that is specifically related to the basis for the legislative body of a local agency to meet lawfully in closed session under this chapter.

(c) Violation of this section may be addressed by the use of such remedies as are currently available by law, including, but not limited to:

(1) Injunctive relief to prevent the disclosure of confidential information prohibited by this section.

(2) Disciplinary action against an employee who has willfully disclosed confidential information in violation of this section.

(3) Referral of a member of a legislative body who has willfully disclosed confidential information in violation of this section to the grandjury.

(d) Disciplinary action pursuant to paragraph (2) of subdivision (c) shall require that the employee in question has either received training as to the requirements of this section or otherwise has been given notice of the requirements of this section.

(e) A local agency may not take any action authorized by subdivision (c) against a person, nor shall it be deemed a violation of this section, for doing any of the following:

(1) Making a confidential inquiry or complaint to a district attorney or grand jury concerning a perceived violation of law, including disclosing facts to a district attorney or grand jury that are necessary to establish the illegality of an action taken by a legislative body of a local agency or the potential illegality of an action that has been the subject of deliberation at a closed session if that action were to be taken by a legislative body of a local agency.

(2) Expressing an opinion concerning the propriety or legality of actions taken by a legislative body of a local agency in closed session, including disclosure of the nature and extent of the illegal or potentially illegal action.

(3) Disclosing information acquired by being present in a closed session under this chapter that is not confidential information.

(f) Nothing in this section shall be construed to prohibit disclosures under the whistleblower statutes contained in Section 1102.5 of the Labor Code or Article 4.5 (commencing with Section 53296) of Chapter 2 of this code.

(Added by Stats. 2002, Ch. 1119, Sec. 1. Effective January 1, 2003.)

MEMORANDUM

TO: LACERA Board of Investments
FROM: Tim Filla, Aysun Kilic, Alex Khorsandian, Imran Zahid, Meketa
CC: Jon Grabel, CIO - LACERA
DATE: December 12, 2025
RE: Meketa Self-Evaluation

Background

Per the contract signed on January 15, 2016 and amended on February 25, 2022 between the general investment consultant, Meketa Investment Group (“Meketa” and/or “Consultant”), and the Los Angeles County Employees Retirement Association (“LACERA”), Meketa is to conduct an annual self-evaluation and provide information for the Board of Investments (“Board”) to review and evaluate the Consultant. To facilitate the Board’s review, Meketa is providing a self-assessment, as well as a list of projects and their respective status. The evaluation period covers calendar year 2025.

Self-Assessment

Independent Investment Advice: Consultant attended all meetings where presence was required and requested, provided conflict-free advice to the Board both upon request and proactively, and collaborated with staff as needed during the year.

Status: Achieved.

Assisting LACERA’s Board of Investments with strategic investments decisions: Meketa analyzed multiple investment strategies and asset class structures throughout the year. Meketa assessed risk management and provided analysis of various pertinent issues.

Status: Achieved and ongoing.

Providing Independent Reviews: Meketa provided both verbal and written reviews of LACERA’s Asset Class Structures and Strategies, Investment Policies, and Investment Manager evaluations, as requested and as deemed prudent by Meketa.

Status: Achieved.

Performance Reporting: Meketa provided the Pension and OPEB reports as requested by staff.

Status: Achieved.

Board Meetings: Consultant attended all Board meetings and off-site meetings as requested and advised the Board on investment matters during such meetings, both upon request and voluntarily.

Status: Achieved.

Consultant Contact and Ad-hoc Workshops: Consultant was available and responsive in addressing requests.

Status: Achieved.

Key Projects

The section below summarizes key projects Meketa conducted in 2025.

Lagging Private Markets Performance: Meketa presented analysis related to performance trends of private markets compared to public markets, focusing on recent returns.

Educational Topics: Meketa conducted educational sessions related to asset allocation for both the Pension and OPEB Plans. The topics included use of overlays and hedges within asset allocation, focusing on cash overlays and currency hedging programs. At the offsite meeting, Meketa presented the role of Global Macro highlighting the role of some macroeconomic factors as they relate to asset allocation, risk management and portfolio strategy while also tying this into how LACERA's asset allocation framework has evolved utilizing the current functional framework for portfolio construction.

Internal Asset Management: Meketa collaborated with LACERA staff in preparing an updated analysis on the merits of managing passive public market investments internally.

Fund Correlation and Scenario Analysis: In response to a Trustee request, Meketa collaborated with LACERA staff to provide an update on historical correlation characteristics of the total fund as well as an overview of scenarios analysis results.

Passive Cash Overlay Investment Management Search: Meketa participated in the search process and attended all the manager interviews. We also reviewed materials prepared by Staff for the Investment Committee supports and supported the recommendation to retain Parametric to provide passive cash overlay investment management services for the total Fund. Meketa also supported Staff's recommendation to select Parametric to implement and manage a passive cash overlay investment strategy for the OPEB Trust ("OPEB").

Additional Memos: Meketa assisted staff with due diligence regarding a security breach involving Systematic Financial Management, a small cap equity manager in the Total Fund, and documented our findings in a formal memo. Meketa also issued a concurrence memo supporting staff's decision to terminate Global Alpha, an international small cap equity manager, from the Total Fund.

Conclusion

So far in 2025, most major markets have delivered exceptionally strong returns year-to-date with emerging markets and non-US developed stocks leading the way. Fixed income markets have also benefited from generally lower interest rates driven by central bank interest rate cuts.

On an absolute basis, LACERA Pension has performed well in 2025 returning 10.9% year-to-date, well above the actuarial return target of 7.0%. Performance relative to the policy benchmark has been challenging due primarily to Private Equity lagging its benchmark of MSCI ACWI IMI +200bps in a very strong year for global public equity markets. The Private Equity benchmark selected by the BOI during the 2022 Strategic Asset Allocation Review is a long-term performance benchmark which is not an investable benchmark and in the short-term there may be periods of significant mismatch. Over the most recent 5-year and 10-year periods ending September 30, 2025, LACERA Pension has outperformed the policy benchmark and ranked in the top quartile of the peer universe.

LACERA OPEB Master Trust has produced strong results on an absolute and relative basis in 2025, while ranking in the top half of the peer universe. Over the most recent 5-year and 10-year periods,



performance has ranked a bit below the median universe, while the Trust has outperformed its policy benchmark.

During the year, we collaborated with staff and the Board on various projects as outlined in this document. As noted in our previous letter, the delegation of authority to LACERA staff has further elevated the responsibilities and importance of an independent Board consultant and demonstrates the growth and evolution of LACERA with reference to the Board approved strategic plan of “Toward Best-in-Class Investor.”

We are very proud of contributing to LACERA’s strong long-term results and are very appreciative of the trust placed in us every day by Board members and Staff alike.

If you have any questions or would like additional information, please email or call us at (760) 795-3450.

Thank you,

TF/AK/AK/IZ/sf

Albourne America LLC
425 California Street, Suite 2400
San Francisco, CA 94104

To: LACERA Board of Investments
From: James Walsh, Stephen Kennedy, Tom Cawkwell, Mark White
Albourne America LLC
Date: December 15, 2025

Background

Per the contract signed on November 5, 2024, between Albourne America LLC (“Albourne” and/or “Consultant”) and the Los Angeles County Employees Retirement Association (“LACERA”), Albourne is to conduct an annual self-evaluation and provide information for the Board of Investments (“Board”) to review and evaluate the Consultant. To facilitate the Board’s review, Albourne is providing a self-assessment and respective status. The evaluation period covers the 12-months to December 2025.

Self-Assessment

Impartial Investment Advice: Consultant attended all meetings in person where its presence was required and requested, including the annual Board Offsite, provided advice to the Board both upon request and proactively, and collaborated extensively with the staff as needed throughout the year. Where not directly required, consultants have attended Open Sessions of board meetings virtually.

Completed and ongoing.

Assisting LACERA’s Board of Investments with Strategic Investment Decisions: Albourne contributed to the Investment Guidelines Reviews on Credit throughout the year.

Completed and ongoing.

Providing Impartial Review: Albourne provided Investment and Operational Due Diligence on staff investment recommendations throughout the year, providing explicit ratings both at a top-down level and on a more detailed basis. Staff had access to the Albourne Analysts responsible for the Due Diligence and utilized this resource, speaking to analysts when needed.

Completed and ongoing.

Portfolio Construction: Albourne has worked extensively with the team to continue the build out of the Credit portfolio. This has included working with the team on portfolio construction, manager selection and negotiation of terms in specific cases.

Completed and ongoing

Fee Reconciliation, Analysis and Negotiation: Albourne has provided extensive fee reconciliation and validation on investments, and analysis on specific recommendations as required.

Completed and ongoing.

Educational Sessions: Consultant had the pleasure of participating on the Credit panel at the 2025 Board Offsite. Albourne also provides educational content through its Extranet, workshop sessions, conferences and client-specific meetings.

Completed and ongoing.

Back Office Support: Albourne's Back Office Team performs daily recording and monitoring of capital activity including capital calls, distributions and valuations. This creates detailed records with a built-in audit trail, together with portfolio and performance reporting across these asset classes which is available to staff through Albourne's Extranet. Albourne personnel also perform reconciliation versus manager and custodian records to help determine whether the data that is being presented is accurate.

Completed and ongoing.

Risk Management: The Consultant provides risk modeling on the Credit portfolio as well as Open Protocol reporting on the Credit portfolio, visible through the Albourne Extranet. Albourne also provides ongoing monitoring of the Credit portfolio and managers within it.

Completed and ongoing.

Ongoing and Ad Hoc Support to Team: Albourne attends monthly team meetings, and provides ad hoc support as required.

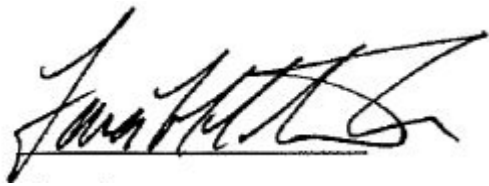
Completed and ongoing

Conclusion

It has been another busy year across Credit. While the portfolio continues to develop and evolve Staff has worked with Albourne throughout implementation. Staff has been able to draw on Albourne's consultant team in San Francisco and on the resources from Albourne's 11 offices globally, located in North America, Europe and Asia. Over the past year over 15 calls have been logged, more than 900 documents downloaded and over 12,600 hits recorded on our Extranet. We have been able to support the team on investment recommendations in Credit.

Albourne believes that the past year has been a highly productive period. We feel that we have fulfilled our role as consultants to the Board of Investments, as well as provided a valuable resource to staff. The Albourne team has enjoyed working with both the Board and staff, and very much look forward to the work of the coming year.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'James Walsh', written over a horizontal line.

James Walsh
Albourne America LLC

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You should carefully review the relevant offering documents before investing in any funds mentioned in the Information. You are responsible for reviewing any fund, the qualifications of its manager, its offering documents and any statements made by a fund or its manager and for performing such additional due diligence as you may deem appropriate, including consulting with your own legal, tax, and other advisers.

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To: LACERA Board of Investments
From: James Walsh, Stephen Kennedy, Mark White
Albourne America LLC
Date: December 11, 2025

Background

Per the contract signed on November 5, 2024, between Albourne America LLC (“Albourne” and/or “Consultant”) and the Los Angeles County Employees Retirement Association (“LACERA”), Albourne is to conduct an annual self-evaluation and provide information for the Board of Investments (“Board”) to review and evaluate the Consultant. To facilitate the Board’s review, Albourne is providing a self-assessment and respective status for its work with the Real Assets team. The evaluation period covers the 12-months to December 2025.

Self-Assessment

Impartial Investment Advice: Consultant attended all meetings in person where its presence was required and requested, including the annual Board Offsite, provided advice to the Board both upon request and proactively, and collaborated extensively with the staff as needed throughout the year. Where not directly required, Consultant attended Open Sessions of board meetings virtually.

☒ Completed and ongoing.

Assisting LACERA’s Board of Investments with Strategic Investment Decisions: Albourne contributed to the Investment Guidelines Reviews on Real Assets throughout the year and collected GHG Emissions Data at asset level for LACERA’s Real Assets portfolio.

☒ Completed and ongoing.

Impartial Due Diligence Support: Albourne provided Investment and Operational Due Diligence on staff investment recommendations throughout the year, providing explicit ratings both at a top-down level and on a more detailed basis. Staff had access to Albourne Analysts responsible for the Due Diligence and utilized this resource, speaking to analysts when needed. Also, Consultant opined on the research process and suitability of secondary purchases and co-investments in the Real Assets portfolio, and provided Industry and Market updates for various opportunities, including Real Assets Secondaries, Mining and Energy Transition. Albourne proactively reviewed the team’s investment pipeline and provided market maps for peer group analysis in support of the team’s diligence process.

☒ Completed and ongoing.

Performance Review & Portfolio Monitoring: Albourne reviewed the Real Assets’ Portfolio Performance and provided guidance on an investment framework for monitoring Portfolio Performance. Albourne provides ongoing monitoring of the Real Assets portfolios and managers within it and collects exposures data on a semi-annual basis.

☒ Completed and ongoing.

Portfolio Construction: Albourne has worked extensively with the team to continue the build out of the Real Assets portfolio. This has included working with the team on portfolio construction, manager selection and negotiation of terms in specific cases, as well as on cashflow modeling for Real Assets.

☑ Completed and ongoing.

Fee Reconciliation, Analysis and Negotiation: Albourne has provided extensive fee reconciliation and validation on investments, and analysis on specific recommendations as required. Consultant provides quarterly aggregation reporting and an annual validation report.

☑ Completed and ongoing.

Educational Sessions: Consultant had the pleasure of coordinating a speaker for the Energy Transition panel at the 2025 Board Offsite. Abourne also provides educational content through the Castle workshop sessions, conferences and client-specific meetings. Albourne provided a Real Assets educational session for the Board.

☑ Completed and ongoing.

Back Office Support: Albourne's Back Office Team performs daily recording and monitoring of capital activity including capital calls, distributions and valuations. This create detailed records with a built-in audit trail, together with portfolio and performance reporting across these asset classes which is available to staff through the Castle. Albourne personnel also perform reconciliation versus manager and custodian records to help determine whether the data that is being presented is accurate.

☑ Completed and ongoing.

Ongoing and Ad Hoc Support to Team: Albourne provides ad hoc support as required.

☑ Completed and ongoing

Form of Process Letters: As required, Albourne provided a certification letter confirming that the items listed in LACERA's co-investment or secondary due diligence checklist are included in due diligence materials for the respective investment opportunity. Albourne provided Form Process Letters for both a co-investment opportunity and the Real Assets Emerging Manager Program Search.

☑ Completed and ongoing

Conclusion

It has been another busy year for the Real Assets team. While the portfolio has reached a steady state, it continues to evolve. Staff has been able to draw on Albourne's consultant team in San Francisco and on the resources from Albourne's 11 offices globally, located in North America, Europe and Asia. We have been able to support the team on investment recommendations in Real Assets. Over the past year over 20+ calls have been logged, more than 220+ documents downloaded and over 5,200 hits recorded on the Castle.

Albourne believes that the past year has been a highly productive period. We feel that we have fulfilled our role as consultants to the Board of Investments, as well as provided a valuable resource to staff. The Albourne team has enjoyed working with both the Board and staff, and very much look forward to the work of the coming year.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'James Walsh', written over a horizontal line.

James Walsh
Albourne America LLC

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Albourne America LLC
425 California Street, Suite 2400
San Francisco, CA 94104

To: LACERA Board of Investments
From: James Walsh, Stephen Kennedy, Tom Cawkwell, Mark White
Albourne America LLC
Date: December 15, 2025

Background

Per the contract signed on November 5, 2024, between Albourne America LLC (“Albourne” and/or “Consultant”) and the Los Angeles County Employees Retirement Association (“LACERA”), Albourne is to conduct an annual self-evaluation and provide information for the Board of Investments (“Board”) to review and evaluate the Consultant. To facilitate the Board’s review, Albourne is providing a self-assessment and respective status. The evaluation period covers the 12-months to December 2025.

Self-Assessment

Impartial Investment Advice: Consultant attended all meetings in person where its presence was required and requested, including the annual Board Offsite, provided advice to the Board both upon request and proactively, and collaborated extensively with the staff as needed throughout the year. Where not directly required, consultants have attended Open Sessions of board meetings virtually.

Completed and ongoing.

Assisting LACERA’s Board of Investments with Strategic Investment Decisions: Albourne contributed to the Investment Guidelines Reviews on Hedge Funds throughout the year.

Completed and ongoing.

Providing Impartial Review: Albourne provided Investment and Operational Due Diligence on staff investment recommendations throughout the year, providing explicit ratings both at a top-down level and on a more detailed basis. Staff had access to the Albourne Analysts responsible for the Due Diligence and utilized this resource, speaking to analysts when needed.

Completed and ongoing.

Portfolio Construction: Albourne has worked extensively with the team to continue the build out of the Hedge Fund portfolio. This has included working with the team on portfolio construction, manager selection and negotiation of terms in specific cases.

Completed and ongoing

Fee Reconciliation, Analysis and Negotiation: Albourne has provided extensive fee reconciliation and validation on investments, and analysis on specific recommendations as required.

Completed and ongoing.

Educational Sessions: Consultant had the pleasure of participating on Hedge Fund education and portfolio review at the June Board of Investment meeting. Albourne also provides educational content through its Extranet, workshop sessions, conferences and client-specific meetings.

Completed and ongoing.

Back Office Support: Albourne's Back Office Team performs daily recording and monitoring of capital activity including capital calls, distributions and valuations. This creates detailed records with a built-in audit trail, together with portfolio and performance reporting across these asset classes which is available to staff through Albourne's Extranet. Albourne personnel also perform reconciliation versus manager and custodian records to help determine whether the data that is being presented is accurate.

Completed and ongoing.

Risk Management: The Consultant provides factor-based risk modeling on the Direct Hedge Fund and legacy Fund of Funds, as well as Open Protocol reporting on the Direct Hedge Funds portfolio, visible through the Albourne Extranet. Albourne also provides ongoing monitoring of the Hedge Fund portfolio and managers within it.

Completed and ongoing.

Ongoing and Ad Hoc Support to Team: Albourne attends and contributes monthly team meetings, and provides ad hoc support as required.

Completed and ongoing

Albourne's Open Letter on Cash Hurdles: LACERA worked with Albourne to sign the open letter advocating for cash hurdles to best align LP and GP interests.

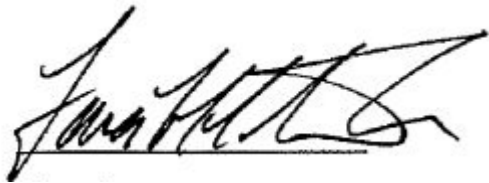
Completed and ongoing

Conclusion

It has been another busy year across Hedge Funds. While the portfolio continues to evolve staff has worked with Albourne for continued support. Staff has been able to draw on Albourne's consultant team in San Francisco and on the resources from Albourne's 11 offices globally, located in North America, Europe and Asia. Over the past year over 20 calls have been logged, more than 900 documents downloaded and over 12,600 hits recorded on our Extranet. We have been able to support the team on investment recommendations in Hedge Funds.

Albourne believes that the past year has been a highly productive period. We feel that we have fulfilled our role as consultants to the Board of Investments, as well as provided a valuable resource to staff. The Albourne team has enjoyed working with both the Board and staff, and very much look forward to the work of the coming year.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'James Walsh', written over a horizontal line.

James Walsh
Albourne America LLC

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You should carefully review the relevant offering documents before investing in any funds mentioned in the Information. You are responsible for reviewing any fund, the qualifications of its manager, its offering documents and any statements made by a fund or its manager and for performing such additional due diligence as you may deem appropriate, including consulting with your own legal, tax, and other advisers.

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January 14, 2026

StepStone Group LP
4225 Executive Square, Suite 1600
La Jolla, CA 92037

T: +1 858.558.9700
www.stepstonegroup.com

To: LACERA Board of Investments
From: Margaret McKnight, Thomas Hester, Kristen Moore, James Maina
StepStone Real Estate
Subject: StepStone Real Estate Self-Evaluation

To Whom It May Concern,

Per the real estate private equity consulting agreement between StepStone Group Real Estate, LP ("SRE", "StepStone", or the "Consultant") and the Los Angeles County Employees Retirement Association ("LACERA"), StepStone is to conduct an annual self-evaluation and provide information for the Board to review and evaluate the Consultant. To facilitate the Board's review, StepStone is providing a list of services and projects completed, or expected to be completed, on behalf of LACERA between January 1, 2025 and December 31, 2025.

Self-Assessment

Over the course of 2025, StepStone has provided the following services and completed the following key projects on behalf of the LACERA Board of Investments (the "Board"):

- Carried out the Board's strategic goals and initiatives and reported directly to the Board.
Status: Completed.
- Provided information and research regarding significant changes in the private real estate industry, including best practices, trends, and major events. StepStone serviced LACERA by leveraging over 1,240 professionals across StepStone's 31 offices in 19 countries.
Status: Completed.
- Provide quarterly performance reports on the total portfolio as well as each manager's sub-portfolio. Calculated performance metrics including internal rate of return, time weighted returns, and real estate multiples. Provide performance attribution analysis on both an absolute and relative basis including reasons for over/under performance compared to the benchmark on an as needed basis.
Status: Completed and ongoing.
- Reviewed the core and core-plus funds list prepared by LACERA staff and recommended changes or modifications as appropriate considering changes in the real estate portfolio, the real estate markets, and the capital markets. Assisted staff in its evaluation of core and core-plus funds for consideration and developing a short list.
Status: Completed and ongoing.

- Provided updated portfolio pacing and cash flow projection analysis in connection with the Structure Review.

Status: Completed and ongoing.

- Continued to monitor and advise the direct holdings sales process as the portfolio shifts away from separately managed accounts to fund investments.

Status: Completed and ongoing.

- Introduced LACERA staff to top caliber managers and promoted direct LACERA access to funds based on size and speed to close.

Status: Completed and ongoing.

- Provided LACERA staff guidance and introductions to managers executing successful investment strategies in relatively hard-to-access, niche markets.

Status: Completed and ongoing.

- Disclosed all firm research, including white papers, semi-annual house views Webinar, and provided access to research staff via StepStone's proprietary private market information database ("SPI"). SPI tracks information on approximately 9,304 real estate funds, and 3,887 real estate general partners.

Status: Completed and ongoing.

- Conducted independent evaluations and provided Board recommendations on fund opportunities, totaling approximately US\$1.8 billion in approved or pending capital commitments, as requested by the Board and/or LACERA staff. Recommendations included a detailed memorandum outlining the results of the due diligence, strategic considerations, and fit within the LACERA portfolio, as well as merits and risks of the investment.

Status: Completed.

- Evaluated and provided written recommendations on partnership agreement amendments on managers in LACERA's portfolio.

Status: Completed and ongoing.

- Attended LACERA Board of Investments, Real Assets Committee meetings, and one Board Off-site meeting.

Status: Completed.

- Accompanied LACERA Board and staff to meetings, events, and industry conferences.

Status: Completed and ongoing.

- Periodically provide educational presentation to the Board on specific issues

Status: Completed and ongoing.

Conclusion

StepStone believes the past year has been an active and productive one for the real estate portfolio, investment staff and Consultant. StepStone attended all the Board meetings with real estate items as well as a one off-site seminar. In collaboration with staff, StepStone sourced, reviewed, approved, and presented US\$1.8 billion in fund commitments. Additionally, have continued to support the sale of the direct asset portfolio where funds are now the majority exposure relative to direct assets.

Looking ahead, StepStone remains excited about the prospects for the real estate program for 2026 and beyond. We look forward to working with the Board to further deepen the relationship we've established. Thank you for your continued trust and guidance. If you have any questions or comments, please feel free to contact us at (858) 558-9700.

Sincerely,

StepStone Real Estate



December 8, 2025

StepStone Group LP
4225 Executive Square, Suite 1600
La Jolla, CA 92037

T: +1 858.558.9700
www.stepstonegroup.com

To: LACERA Board of Investments
From: Jose Fernandez, Natalie Walker, Daniel Krikorian
StepStone Group LP
Subject: StepStone Group Self-Evaluation

To Whom It May Concern,

Per the private equity consulting agreement between StepStone Group LP ("StepStone" or the "Consultant") and the Los Angeles County Employees Retirement Association ("LACERA"), StepStone is to conduct an annual self-evaluation and provide information for the Board to review and evaluate the Consultant. To facilitate the Board's review, StepStone is providing a list of services and projects completed, or expected to be completed, on behalf of LACERA between January 1, 2025 and December 31, 2025.

Self-Assessment

Over the course of 2025, StepStone has provided the following services and completed the following key projects on behalf of the LACERA Board of Investments (the "Board"):

- Carried out the Board's strategic goals and initiatives and reported directly to the Board.
Status: Completed.
- Provided information and research regarding significant changes in the private equity industry, including best practices, trends, and major events. StepStone serviced LACERA by leveraging over 1,240 professionals across StepStone's 31 offices in 19 countries. StepStone hosted LACERA in our global offices.
Status: Completed.
- Provided portfolio pacing and cash flow projection analysis in connection with the annual private equity investment plan.
Status: Completed and ongoing.
- Leveraged a sourcing program that incorporates LACERA staff and Consultant resources to identify investment opportunities that satisfy the guidelines adopted in the 2025-2027 Growth Structure Review. StepStone utilizes a highly local approach to each of the global markets, by leveraging 14 offices in the Americas, nine offices in Europe, seven offices in the Asia-Pacific, and one office in the Middle East.
Status: Completed and ongoing.

- Introduced LACERA staff to top caliber managers and promoted direct LACERA access to funds based on portfolio fit.
Status: Completed and ongoing.
- Accompanied LACERA Board and staff to meetings, events, and industry conferences.
Status: Completed and ongoing.
- Provided LACERA staff guidance and support on managers executing successful investment strategies in hard-to-access, niche markets.
Status: Completed and ongoing.
- Disclosed all firm research, including white papers, and provided access to research staff via StepStone's proprietary private market information database ("SPI Research"). SPI Research tracks information on over 130,000 companies, 51,000 funds, and 19,000 general partners.
Status: Completed and ongoing.
- Conducted independent evaluations and provided Board recommendations on ten fund opportunities, totaling approximately US\$2.0 billion in approved or pending capital commitments, as requested by the Board and/or LACERA staff. Recommendations included a detailed memorandum outlining the results of the due diligence, strategic considerations, and fit within the LACERA portfolio, as well as merits and risks of the investment.
Status: Completed.
- Evaluated and provided written recommendations on partnership agreement amendments and Secondary Interests offered to LACERA.
Status: Completed and ongoing.
- Periodically provide educational presentations to the Board on specific issues, including (i) Introduction to Private Equity, (ii) Implications of Artificial Intelligence, and (iii) Private Equity Exit Environment.
Status: Completed and ongoing.
- Attended all LACERA Board of Investments and Equity Committee meetings and one Board Off-site meeting.
Status: Completed.

Conclusion

StepStone believes the past year has been an active and productive one for the private equity portfolio, investment staff and Consultant. StepStone attended Board meetings and one Board Off-site seminar. We provided pricing and cash flow analysis in support of the guidelines adopted in the 2025-2027 Growth Structure Review.

In collaboration with staff, StepStone sourced, reviewed, approved, and presented ten private equity fund investments, totaling approximately US\$2.0 billion in approved and pending capital commitments. Year to date, LACERA's private equity portfolio is within the Board-approved asset allocation range and forecasted FY2025 deployment pace is expected to be in line with the target commitment range. Looking ahead, StepStone remains excited about the prospects for the private equity program for 2026 and beyond. We look forward to working with the Board to further deepen the relationship we've established. Thank you for your continued trust and guidance. If you have any questions or comments, please feel free to contact us at (858) 558-9700.

Sincerely,

StepStone Group LP

FOR INFORMATION ONLY

January 6, 2026

TO: Trustees,
Board of Investments

FROM: Christine Roseland 
Senior Staff Counsel

FOR: January 2026 Board of Investments Meeting

SUBJECT: **Legal Projects**

Attached is the monthly report on the status of investment related projects that are either Board directed or reported out pursuant to the Investment Policy Statement and handled by the Legal Division as of January 6, 2026.

Attachment

c: Santos H. Kreimann
Luis A. Lugo
Jonathan Grabel
Esmeralda Del Bosque
Vache Mahseredjian
Jude Perez
Christopher Wagner
Scott Zdrazil
Steven Rice
Avi Herescu
Susan Wang
Lisa Garcia



LACERA Legal Division
Board of Investments Projects
Monthly Status Report - Pending as of January 6, 2026*



	Project/ Investment	Description	Amount	Board Approval Or Report Out Date	Completion Status	% Complete	Notes
CREDIT & HEDGE FUNDS	Aequim Arbitrage	Subscription	\$300,000,000	December 10, 2025	Completed	100%	Completed.
	Parametric Portfolio Associates, LLP - Passive Cash Overlay	Investment Management Agreement	\$0	November 12, 2025	In Progress	5%	Legal negotiations in process.
OPEB							
PORTFOLIO ANALYTICS	State Street Bank and Trust Co.	Global Custody and Commercial Banking Services Agreement for LACERA's Pension Plan and OPEB Master Trust	\$72,000,000,000	August 10, 2022	In Progress	99%	Legal negotiations in process.
	Parametric Portfolio Associates, LLP - Passive Cash Overlay	Investment Management Agreement	\$0	November 12, 2025	In Progress	5%	Legal negotiations in process.
REAL ASSETS	BlackRock, Inc. - Emerging Manager Program	Investment Management Agreement	\$400,000,000	December 10, 2025	Completed	100%	Completed.
	Orion Mine Finance Fund IV LP	Subscription	\$100,000,000	December 10, 2025	Completed	100%	Completed.
REAL ESTATE	GCM Grosvenor - Emerging Manager Program	Investment Management Agreement	\$400,000,000	December 10, 2025	Completed	100%	Completed.

*= This list does not include Real Estate separate account transactions, consents and amendments and other investment related legal work that arise during the life of an investment unless it is a BOI approved item or is otherwise reported out.

FOR INFORMATION ONLY

December 22, 2025

TO: Each Trustee
Board of Retirement
Board of Investments

FROM: Ted Granger 
Chief Financial Officer

FOR: January 7, 2026 Board of Retirement Meeting
January 14, 2026 Board of Investments Meeting

SUBJECT: **MONTHLY TRUSTEE TRAVEL & EDUCATION REPORT – NOVEMBER 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 November 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
Acting Chief Executive Officer

TG/JT/EW/AC/SE/gj

Attachments

c: J. Popowich
L. Guglielmo
J. Gabel
S. Rice
R. Contreras

TRUSTEE TRAVEL AND EDUCATION REPORT
FOR FISCAL YEAR 2025 - 2026
NOVEMBER 2025

Attendee	Purpose of Travel - Location	Event Dates	Travel Status
Nancy Durazo			
A	1 Edu - Harvard Business School Executive Education Program: Audit Committees in a New Era of Governance - Boston MA	07/23/2025 - 07/25/2025	Attended
V	- Edu - National University: Ethics (Weekly Course) - VIRTUAL	08/04/2025 - 10/14/2025	Attended
	- Edu - National University: Public Admin, Urban Planning, Redevelopment (Weekly Course) - VIRTUAL	09/02/2025 - 10/02/2025	Attended
Bobbie Fesler			
B	- Edu - 2025 SACRS Fall Conference - Huntington Beach CA	11/11/2025 - 11/14/2025	Attended
Mike Gatto			
B	- Edu - iGlobal Forum 28th Real Estate Private Equity Summit: West - Los Angeles CA	09/25/2025 - 09/25/2025	Attended
	- Edu - 2025 SACRS Fall Conference - Huntington Beach CA	11/11/2025 - 11/14/2025	Attended
Elizabeth Ginsberg			
A	1 Edu - Harvard Business School Executive Education Program: Audit Committees in a New Era of Governance - Boston MA	07/23/2025 - 07/25/2025	Attended
B	- Edu - 2025 SACRS Fall Conference - Huntington Beach CA	11/11/2025 - 11/14/2025	Attended
Jason Green			
A	1 Edu - 2025 SuperReturn Europe - Amsterdam Netherlands	11/04/2025 - 11/07/2025	Attended
B	- Edu - 2025 SACRS Fall Conference - Huntington Beach CA	11/11/2025 - 11/14/2025	Attended
Patrick Jones			
A	1 Edu - Goldman Sachs the Garland Summit: Enduring Legacy - New York City NY	10/29/2025 - 10/30/2025	Attended
	2 Edu - Infrastructure Investor Global Summit - America Forum - New York City NY	11/04/2025 - 11/05/2025	Attended
	3 Edu - 2025 Public Funds - Austin TX	11/18/2025 - 11/20/2025	Attended
B	- Edu - 2025 The Investment Diversity Exchange (TIDE) Spark - Dana Point CA	07/09/2025 - 07/10/2025	Attended
	- Edu - Locust Point Capital INC Business Dinner - Los Angeles CA	08/07/2025 - 08/07/2025	Attended
V	- Edu - Harvard Kennedy School - AI in Action (Weekly Course) - VIRTUAL	10/10/2025 - 11/10/2025	Canceled
Shawn Kehoe			
B	- Admin - Retirement Benefits Meeting with Professional Peace Officers Association - San Dimas CA	11/01/2025 - 11/01/2025	Attended
V	- Edu - 2025 CALAPRS Trustee Round Table - VIRTUAL	10/03/2025 - 10/03/2025	Attended

TRUSTEE TRAVEL AND EDUCATION REPORT
FOR FISCAL YEAR 2025 - 2026
NOVEMBER 2025

Attendee Purpose of Travel - Location			Event Dates	Travel Status
Aleen Langton				
A	1	Edu - IFEBP: Public Plan Trustees Institute – Level I - Chicago IL	07/15/2025 - 07/16/2025	Attended
B	-	Edu - 2025 UC Irvine Audit Committee Summit - Irvine CA	09/19/2025 - 09/19/2025	Attended
	-	Edu - iGlobal Forum 28th Real Estate Private Equity Summit: West - Los Angeles CA	09/25/2025 - 09/25/2025	Attended
	-	Edu - NAIC Amplify Alts Forum 2025 - Los Angeles CA	10/01/2025 - 10/01/2025	Attended
	-	Edu - CFA Society Los Angeles (Conversations that Connect) - Los Angeles CA	11/06/2025 - 11/06/2025	Attended
V	-	Edu - Wharton Asset Allocation Program (Weekly Course) - VIRTUAL	08/01/2025 - 10/01/2025	Attended
	-	Edu - 2025 CALAPRS Trustee Round Table - VIRTUAL	10/03/2025 - 10/03/2025	Attended
X	-	Edu - 2025 CII NYU Corporate Governance Bootcamp - New York City NY	11/20/2025 - 11/21/2025	Canceled
Debbie Martin				
A	1	Edu - Invest in Yourself SACRS Public Pension Investment Management Program - Berkeley CA	07/13/2025 - 07/16/2025	Attended
B	-	Edu - 2025 SACRS Fall Conference - Huntington Beach CA	11/11/2025 - 11/14/2025	Attended
Alma Martinez				
V	-	Edu - Wharton Asset and Portfolio Management Certificate Program (Weekly Course) - VIRTUAL	07/01/2025 - 09/30/2025	Attended
	-	Edu - Wharton Executive Education - Investment Products (Weekly Course) - VIRTUAL	07/01/2025 - 09/30/2025	Attended
	-	Edu - Harvard Business School - Alternative Investments (Weekly Course) - VIRTUAL	08/13/2025 - 09/17/2025	Attended
Nicole Mi				
A	1	Edu - Invest in Yourself SACRS Public Pension Investment Management Program - Berkeley CA	07/13/2025 - 07/16/2025	Attended
	2	Edu - 2nd Annual AAPI LEAD Summit - Atlanta GA	07/23/2025 - 07/25/2025	Attended
B	-	Edu - 2025 The Investment Diversity Exchange (TIDE) Spark - Dana Point CA	07/09/2025 - 07/10/2025	Attended
	-	Edu - 2025 UC Irvine Audit Committee Summit - Irvine CA	09/19/2025 - 09/19/2025	Attended
	-	Edu - 2025 NACD PSW Corporate Directors Symposium - Los Angeles CA	11/13/2025 - 11/13/2025	Attended
X	-	Edu - AAAIM Elevate 2025 - New York City NY	09/29/2025 - 10/01/2025	Canceled
Lisa Proft				
B	-	Edu - 2025 SACRS Fall Conference - Huntington Beach CA	11/11/2025 - 11/14/2025	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

V - Virtual Event

X - Canceled events for which expenses have been incurred.

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**

FOR INFORMATION ONLY

December 29, 2025

TO: Each Trustee,
Board of Retirement
Board of Investments

FROM: Steven P. Rice, *SPR*
Chief Counsel

FOR: January 7, 2026 Board of Retirement Meeting
January 14, 2026 Board of Investments Meeting

SUBJECT: Fiduciary Counsel 2025 Annual Self-Assessments

At a joint meeting on October 28, 2020, the Boards approved the engagement of three law firms – Klausner, Kaufman, Jensen & Levinson, Nossaman LLP, and Olson Remcho LLP – to serve as a panel of fiduciary counsel. The firms are required to deliver a self-assessment by November 1 each year.

Attached are the self-assessments for Klausner Kaufman and Nossaman for 2025; a report is not provided for Olson Remcho because only a small amount of work was provided this year on two specific Fair Political Practices Commission issues. The assessments are privileged and confidential and protected from public disclosure. Staff welcomes input on fiduciary counsel's services, provided that discussion of this item, which will take place in open session, should not include privileged information about specific assignments.

Staff's input is that all three firms are responsive and provide quality service within their areas of focus. From staff's perspective, the three-firm panel approach continues to work well to ensure that counsel is available in relevant areas of law, obtain different points of view, and capture expertise needed to serve LACERA's fiduciary counsel needs. Staff in the Executive Office and other divisions, as well as individual trustees from time to time, proactively seek out the advice of fiduciary counsel on various projects, along with LACERA's internal Legal Division, to ensure a broad range of legal perspectives and identification of California and national public pension trends relevant to LACERA. Fiduciary counsel also assisted with many Board-level projects, fulfilling a primary goal of serving as independent counsel for the Boards and trustees.

Based on trustee comments, staff are alert to ensuring that the Boards are advised on California issues by attorneys admitted to practice in this state, while also fully utilizing the panel firms and their broad resources to identify important developments at the federal

level and in other states.

In September 2025, as part of the normal five-year contract review cycle for fiduciary counsel, the Boards, based on a recommendation from the Joint Organizational Governance Committee, approved a new Request for Proposals (RFP), which is now in progress. The RFP will allow the Boards and staff to test the market of firms that provide fiduciary services and explore expertise and qualifications, composition of the panel, service models, pricing, and other contract terms.

Legal Authority

The Boards have plenary authority and fiduciary responsibility for the administration and investment of the fund. Cal. Const., art. XVI, § 17; Cal. Gov't Code §§ 31520, 31595. Government Code Section 31529.6, which is a LACERA-specific provision, states that “the board of retirement and the board of investment may contract with attorneys in private practice for legal services and advice. The boards shall pay reasonable compensation for the legal services and advice.” In exercising this authority, it is prudent for the Boards to periodically monitor and assess fiduciary counsel.

Privileged Attachments Not for Public Distribution (Cal. Gov't Code §§ 7927.705, 54957.5(a))

A – Self-assessment provided by Klausner, Kaufman, Jensen & Levinson

B – Self-assessment provided by Nossaman LLP

c:	Luis Lugo	Laura Guglielmo	Richard Bendall	Bonnie Nolley
	Jonathan Grabel	JJ Popowich	Ted Granger	Francis J. Boyd

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**

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**

Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

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