# IN PERSON & VIRTUAL BOARD MEETING



**NOVEMBER 23, 2026 AT 9:00 AM**

**JOINT ORGANIZATIONAL GOVERNANCE COMMITTEE MEETING**

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

AGENDA

A REGULAR MEETING OF THE JOINT ORGANIZATIONAL GOVERNANCE COMMITTEE

AND BOARD OF RETIREMENT AND BOARD OF INVESTMENTS*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION 300 NORTH

LAKE AVENUE, SUITE 810, PASADENA, CA 91101

9:00 A.M., MONDAY, NOVEMBER 23, 2026

*This meeting will be conducted by the Joint Organizational Governance Committee and the Board of Retirement and 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 and online at https://LACERA.gov/leadership/board-meetings

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

COMMITTEE TRUSTEES:
Nicole Mi, Chair (BOI)
Shawn R. Kehoe, Vice Chair (BOI)
Patrick Jones, (BOI)
Debbie Martin, (BOI)
JP Harris, (BOR)
Wayne Moore, (BOR)
Les Robbins, (BOR)
Aleen Langton, (BOR)

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. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting on August 24, 2026.

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

V. PUBLIC COMMENT (Continued)

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

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

VI. NON-CONSENT ITEMS

A. **STAR Reserve Funding Options**

Recommendation as submitted by Luis Lugo, Chief Executive Officer and Jessica Baxter, Chief Administrative Officer: That the Joint Organizational Governance Committee (JOGC) review and recommend to the Board of Investments, and as matter of information to the Board of Retirement, allocating qualifying surplus earnings to the STAR Reserve as an interest credit, subject to the conditions described below:

1. Staff recommends Option 2 of the following two options for funding the STAR Reserve:
    a. Option 1-Continue the current practice of crediting no interest to the STAR Reserve;
    b. Option 2-Surplus earnings interest credit (staff recommendation): Allocate qualifying surplus earnings that are also Available Earnings under LACERA's Interest Crediting Policy to the STAR Reserve, subject to specified funding and actuarial safeguards, with the annual allocation not to exceed the interest-crediting rate applicable to the other reserves and in no event greater than LACERA's assumed rate of return.
2. Staff will discuss the recommended option with the County, including the proposed funding mechanism and its actuarial and financial implications, before bringing a final recommendation to the Board of Investments.
3. Staff, in consultation with LACERA's actuary, fiduciary counsel, and other appropriate advisors, will return to the Board of Investments with a final recommendation and proposed updates to the Actuarial Funding Policy and the Interest Crediting Policy for Reserve Accounts for the Board's consideration and action. (Memo dated November 18, 2026) (Memo from Counsel is Non-Public Privileged and Confidential Information Exempt from Disclosure under California Government Code Sections 7927.705, 54957.5(a))

VI. NON-CONSENT ITEMS (Continued)

B. **Implementation of Study Findings for Retiree Healthcare Specialist (RHS) Series Classification and Compensation Changes and Retirement Benefits Specialist (RBS) Series Compensation Changes**
Recommendation as submitted by Luis Lugo, Chief Executive Officer:
That the Joint Organizational Governance Committee (JOGC) review and recommend the proposed classification and compensation changes are recommended to the Board of Retirement and Board of Investments for implementation of the Retiree Healthcare Specialist (RHS) Series classification and compensation and Retirement Benefits Specialist (RBS) Series compensation study recommendations, including submission to the Los Angeles County Board of Supervisors:

1. Approve the proposed implementation of the creation of five (5) new RHS Series classifications.

2. Approve the proposed compensation for the new RHS Series.

3. Approve implementation of salary adjustments to the RBS Series to align with the newly created RHS Series classifications.

4. Approve one (1) budgeted and vacant Quality Auditor I position be reclassified to Retiree Healthcare Specialist III.
(Memo Dated November 9, 2026)

C. **FY 2026-2027 Proposed Mid-Year Budget Adjustments**
Recommendation submitted by Jessica Baxter, Chief Administrative Officer: That the Joint Organizational Governance Committee (JOGC) review and recommend that the Board of Retirement and Board of Investments approve the FY 2026-2027 Mid-Year Budget Adjustments to the LACERA Administrative Budget, including the addition of one Principal Staff Counsel position. No changes are recommended for the Retiree Health Care Benefits Program Budget. (Memo Dated October 30, 2026)

D. **Proposed Amendments to Conflict of Interest Code**
Recommendation as submitted by Jessica Rivas, Staff Counsel: That the Joint Organizational Governance Committee (JOGC) review and recommend that the Board of Retirement and Board of Investments approve the proposed amendments to LACERA's Conflict of Interest Code ("Code"), subject to action by the Los Angeles County Board of Supervisors. (Memo Dated November 9, 2026)

VII. REPORT

A. **FY 2025-2026 Final Budget Control Report**
Jessica Baxter, Chief Administrative Officer
(For Information Only) (Memo Dated October 30, 2026)

VII. REPORT (Continued)

B. **Facilities Project Update: Boardroom and Second Floor Renovation Projects**
Jessica Baxter, Chief Administrative Officer
James C. Beasley Jr., Supervising Administrative Assistant II
(For Information Only) (Memo Dated October 27, 2026)

VIII. 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 Committee, which can only be made separately by motion on an agendized item at a future meeting.)

IX. 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 Committee's Charter.)

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

XI. ADJOURNMENT

***The Board of Retirement and Board of Investments have each adopted a policy permitting anymember of the Board to attend a standing committee meeting open to the public. In the event five (5) or more members of the Board of Retirement or the Board of Investments (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board or Boards for which a quorum is present. Members ofthe Board of Retirement and Board of Investments who are not members of the Committee may attend and participate in a meeting of the Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at subsequent meetings of the Board of Retirement and Board of Investments.***

***Documents subject to public disclosure that relate to an agenda item for an open session of the Committee that are distributed to members of the Committee less than 72 hours prior to the meeting will be available for public inspection at the time they are distributed to a majority of theCommittee members at LACERA's offices at 300 N. Lake Avenue, Suite 820, Pasadena, CA 91101, during normal business hours of 9:00 a.m. to 5:00 p.m., Monday through Friday.***

***Requests for reasonable modification or accommodation of the telephone public access and Public Comments procedures stated in this agenda from individuals with disabilities, consistentwith the Americans with Disabilities Act of 1990, may call the Board Offices at (626) 564-6000, Ext. 4401 from 8:30 a.m. to 5:00 p.m. Monday through Friday or email PublicComment@lacera.gov, but no later than 48 hours prior to the time the meeting is to commence.***

MINUTES OF A REGULAR MEETING OF THE JOINT ORGANIZATIONAL GOVERNANCE COMMITTEE AND BOARD OF RETIREMENT AND BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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

9:00 A.M., MONDAY, AUGUST 24, 2026

*This meeting was conducted by the Joint Organizational Governance Committee and the Board of Retirement and Board of Investments both in person and by teleconference under California Government Code Section 54953.8.3.*

COMMITTEE TRUSTEES:

Nicole Mi, Chair

Shawn R. Kehoe, Vice Chair

JP Harris

Patrick Jones (Teleconference Due to Just Cause under Section 54953.8.3.)

Aleen Langton

Wayne Moore (Teleconference Due to Just Cause under Section 54953.8.3.)

ABSENT:

Debbie Martin

Les Robbins

STAFF ADVISORS AND PARTICIPANTS

Luis A. Lugo, Chief Executive Officer

Steven P. Rice, Chief Counsel

STAFF ADVISORS AND PARTICIPANTS (Continued)

Jessica Baxter, Chief Administrative Officer

James C. Beasley, Jr., Supervising Administrative Assistant II

I. CALL TO ORDER

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

II. PLEDGE OF ALLEGIANCE

Trustee Langton led the Trustees and staff in the 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

Trustee Moore requested to participate in the meeting via teleconference for Just Cause, pursuant to Government Code Section 54953.8.3(c)(3) (SB 707). The reason for Just Cause was a need related to a physical condition. A physical quorum was present at the noticed meeting location. Trustee Moore confirmed that no individuals 18 years of age or older were present at the teleconference location.

Trustee Jones requested to participate in the meeting via teleconference for Just Cause, pursuant to Government Code Section 54953.8.3(c)(2) (SB 707). The reason for Just Cause was a need related to a contagious illness. A physical quorum was present at the noticed meeting location. Trustee Jones confirmed that no individuals 18 years of age or older were present at the teleconference location

## IV. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting on April 20, 2026.

Trustee Kehoe made a motion, Trustee Harris seconded, to approve the Minutes of the Regular Meeting of April 20, 2026. The motion passed by the following roll call vote:

Yes: Harris, Jones, Kehoe, Langton, Mi, Moore

## V. PUBLIC COMMENT

Mr. Douglas Fraser addressed the Board during public comment regarding the CPI.

## VI. NON-CONSENT ITEMS

A. **Chief, Communications, LACERA (0794) Classification and Compensation Changes**

Recommendation as submitted by Luis A. Lugo, Chief Executive Officer:

That the proposed classification and compensation changes for the existing Chief, Communications, LACERA classification be recommended to Board of Retirement and Board of Investments for the following action:

1. Approve the classification title change from Chief, Communications, LACERA to Director, Communications, LACERA.
2. Approve various classification specification revisions.
3. Approve the salary reallocation of Director, Communications, LACERA from MAPP Tier II salary schedule LS 10 to LS12.
4. Approve submission by staff to the Board of Supervisors.

(Memo dated August 17, 2026)

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

Yes: Harris, Jones, Kehoe, Langton, Mi, Moore

VI. NON-CONSENT ITEMS (Continued)

B. **Executive Board Assistant, LACERA (0475) Classification and Compensation Changes**
Recommendation as submitted by Luis A. Lugo, Chief Executive Officer:
that the proposed classification and compensation changes for the existing Executive Board Assistant, LACERA classification be recommended to the Board of Retirement and Board of Investments for the following actions:

1. Approve the proposed revisions to the Executive Board Assistant, LACERA classification specification.
2. Approve the proposed compensation adjustment for the Executive Board Assistant, LACERA classification from Salary Schedule 111C to Salary Schedule 112H, representing a 4.0% increase.
3. Approve submission by staff to the Board of Supervisors.

(Memo dated August 17, 2026)

This item was pulled by staff and will be discussed at a future meeting.

VII. REPORT

A. **Boardroom Relocation Project Update**
Jessica Baxter, Chief Administrative Officer
James C. Beasley, Jr., Supervising Administrative Assistant II
(Presentation)

Ms. Baxter and Mr. Beasley provided a presentation and answered questions from the Board. This item was received and filed.

B. **Incentive Pay Plan for Investment Positions — Phase Two Update and Next Steps**
Luis Lugo, Chief Executive Officer
(Memo dated August 7, 2026)

Messrs. Lugo and Rice and Ms. Baxter provided a presentation and answered questions from the Board. This item was received and filed.

VIII. ITEMS FOR STAFF REVIEW

The Committee requested additional information regarding the rationale for the proposed classification and compensation changes for the Chief, Communications, LACERA (0794) position. Specifically, the Committee asked for clarification on why the minimum qualifications allow for either a bachelor's degree with two years of relevant experience or, alternatively, four years of progressively responsible experience without a degree.

IX. ITEMS FOR FUTURE AGENDAS

There was nothing to report.

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

There was nothing to report.

XI. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 9:40 a.m.

November 18, 2026

TO: Each Trustees
Joint Organizational Governance Committee
Nicole Mi, Chair
Shawn R. Kehoe, Vice Chair
Patrick Jones, Trustee
Debbie Martin, Trustee
JP Harris, Trustee
Wayne Moore, Trustee
Les Robbins, Trustee
Aleen Langton, Trustee

FROM: Luis A. Lugo
Chief Executive Officer

Jessica Baxter
Chief Administrative Officer

FOR: November 23, 2026 – JOGC Meeting

SUBJECT: **STAR Reserve Funding Options**

**RECOMMENDATION**

Staff recommends the Joint Organizational Governance Committee (JOGC) review and recommend to the Board of Investments, and as a matter of information to the Board of Retirement, allocating qualifying surplus earnings to the STAR Reserve as an interest credit, subject to the conditions described below:

1. Staff recommends Option 2 of the following two options for funding the STAR Reserve:
   a. Option 1-Continue the current practice of crediting no interest to the STAR Reserve;
   b. Option 2-Surplus earnings interest credit (staff recommendation): Allocate qualifying surplus earnings that are also Available Earnings under LACERA's Interest Crediting Policy to the STAR Reserve, subject to specified funding and actuarial safeguards, with the annual allocation not to exceed the interest-crediting rate applicable to the other reserves and in no event greater than LACERA's assumed rate of return.
2. Staff will discuss the recommended option with the County, including the proposed funding mechanism and its actuarial and financial implications, before bringing a final recommendation to the Board of Investments.
3. Staff, in consultation with LACERA's actuary, fiduciary counsel, and other appropriate advisors, will return to the Board of Investments with a final recommendation and proposed updates to the Actuarial Funding Policy and the Interest Crediting Policy for Reserve Accounts for the Board's consideration and action.

**EXECUTIVE SUMMARY**

The analyses from Milliman *(Attachments I and II)* and Nossaman *(Attachment III-Confidential and Privileged)* support a narrow path for future STAR Reserve funding. Read together, the letters conclude that LACERA may consider a prospective credit only from surplus earnings, after other reserve and expense priorities are satisfied and subject to actuarial and fiduciary

safeguards. They do not support retroactive interest or an automatic credit that applies regardless of available surplus earnings. Surplus earnings are generally defined as earnings of the fund in excess of the total interest credited to contributions and reserves plus at least 1 percent of the total assets of the fund/

Milliman concludes that the modeled approach would not undermine actuarial soundness, but would provide only a limited extension of the Reserve and would ultimately increase employer contributions relative to the current practice. Nossaman concludes that the approach can be legally permissible if the specified conditions are incorporated into LACERA's policies and applied prudently. Staff therefore recommends Option 2 as a framework for further development, County consultation, and final Board of Investments consideration - not as authorization for an immediate allocation.

**PURPOSE AND CURRENT CONTEXT**

This memorandum summarizes the decision-useful points in the three attached letters and intentionally leaves the complete actuarial projections, legal authorities, assumptions, and reliance language to the attachments. The August 2026 Milliman letter provides the baseline STAR COLA and Reserve information; the current Milliman and Nossaman documents address the potential funding mechanism now before the Committee.

The STAR COLA program provides discretionary supplemental benefits intended to restore eligible retirees to 80% of original purchasing power when the statutory eligibility threshold is met and the Board of Retirement grants an award. Future STAR COLA awards are not vested; once granted on a permanent basis, however, the increase becomes part of the member's retirement allowance. Milliman reported that the STAR Reserve was approximately $598 million after the 2026 permanent award. The August analysis estimated a 2027 ad hoc payment of $763,000 or a $7.941 million transfer for a permanent award; the Board of Retirement adopted a permanent award reducing the STAR Reserve to about $590 million. The Reserve is excluded from valuation assets, so properly funded awards paid from or transferred out of the Reserve do not by themselves change LACERA's funded ratio or employer contribution rate.

**MILLIMAN – ANALYSIS**

**Core conclusion.** A credit from qualifying surplus earnings, capped at the applicable rate, would not undermine LACERA's actuarial soundness. It would, however, redirect earnings that otherwise would support the Employer Reserve and base pension benefits. Employer contributions would therefore be expected to be higher over time than under the current no-credit practice.

**Modeled assumptions.** Milliman assumed 2.75% annual local inflation, 7.00% annual investment returns, annual STAR COLA awards while Reserve assets remain, and a 7.00% STAR credit every other year as a proxy for years in which sufficient surplus earnings exist. Milliman modeled both an 80% and a 100% funded-ratio condition. Actual experience may vary materially, particularly with investment returns, inflation, and the frequency of surplus earnings.

| Award / threshold | Projected depletion | PV of added benefits | Hypothetical added UAAL rate |
|---|---|---|---|
| Ad hoc - no credit | 2044 | - | - |
| Ad hoc - 80% funded | 2047 | $112 million | 0.07% |
| Ad hoc - 100% funded | 2046 | $37 million | 0.02% |
| Permanent - no credit | 2040 | - | - |
| Permanent - 80% funded | 2042 | $105 million | 0.06% |
| Permanent - 100% funded | 2040 | $21 million | 0.01% |

*Source: Milliman, STAR COLA Funding Analysis (November 18, 2026). Present values are for additional benefits to current members; UAAL rates are illustrative 20-year amortizations.*

**Materiality.** Milliman estimates that the modeled increase in STAR COLA benefits equals approximately 0.05% to 0.28% of future annual costs, below the 0.50% reference point in Government Code section 7507. Milliman does not treat that comparison as dispositive: it states that whether the employer-contribution effect is material is not clear-cut and defers the legal determination to LACERA and fiduciary counsel.

## NOSSAMAN – FIDUCIARY AND LEGAL ANALYSIS

**Current and retroactive treatment.** Nossaman concludes that LACERA's longstanding practice of not crediting interest to the STAR Reserve is lawful. Retroactive interest crediting likely would not be lawful because the historical funding structure and CERL contemplate funding the Reserve from properly defined surplus or excess earnings, rather than treating the Reserve as an ordinary interest-bearing reserve.

**Prospective treatment.** A prospective credit may be permissible only as a surplus-earnings allocation. An automatic credit without the statutory predicates would create legal and fiduciary risk because STAR is a non-vested benefit and additional funding could otherwise be viewed as diverting assets needed for vested benefits, increasing employer contributions, or expanding plan benefits beyond the authority provided by CERL.

### Conditions for Any Surplus-Earnings Credit

Nossaman states that the Actuarial Funding Policy and Interest Crediting Policy would need to be amended so that a credit could occur only when all of the following conditions are met:

1. Total fund return for the fiscal year exceeds LACERA's assumed rate of return.
2. LACERA first provides full interest to the Member Reserve, maintains a non-valuation Contingency Reserve of at least 1% of total assets, provides full interest to the Employer Reserve, and funds the prior year's administrative expenses. Milliman's review further emphasizes that any STAR credit must come from Available Earnings remaining after these priorities.
3. The funded ratio, excluding the STAR Reserve from valuation assets, is sufficiently high that the credit will not materially change employer contributions.

4. The annual credit does not exceed the interest-crediting rate applied to the other reserves and is made once at fiscal year-end, not semiannually.

**Funded-ratio judgment.** Nossaman recommends retaining the current 100% funded-ratio condition and not permitting a transfer that would reduce the ratio below 100%. Although CERL does not expressly require a 100% threshold and the Board of Investments has discretion to consider a modestly lower threshold, Nossaman characterizes funding the STAR Reserve below 100% as a legal and fiduciary "grey area." Any such change would require due caution, current actuarial analysis, and consideration of the effect on actuarial soundness, funded status, and employer contributions, with advice from LACERA's CEO, CIO, CFO, Chief Counsel, actuary, and fiduciary counsel.

**Other legal conclusions.** Nossaman recommends against negotiating a new funding agreement with the County. It also advises that the Boards continue to recognize expressly that STAR COLAs are non-vested whenever making an award or a significant funding decision. If the Reserve is fully depleted and the Boards later consider additional permanent prefunding, an actuarial cost study under Government Code section 31874.3(c)(3), including confirmation of actuarial soundness, would be required before a transfer.

**Coordination**
Milliman and Nossaman's coordinated review clarifies that the relevant policy account is the Employer Reserve; a STAR credit requires qualifying surplus earnings and Available Earnings after higher-priority allocations; and the rate cap applies to any credit, including when LACERA is above 100% funded.

## HOW THE ANALYSES FIT TOGETHER

The actuarial and legal analyses are complementary. Nossaman identifies the boundaries of a permissible mechanism; Milliman estimates how a mechanism within those boundaries would affect Reserve longevity and employer costs. Neither advisor characterizes Option 2 as cost-free or as a complete solution to long-term STAR funding.

**Permissible does not mean automatic.** The legal path depends on annual facts: investment return, Available Earnings after required allocations, funded status, and expected contribution effects. A policy amendment should create eligibility criteria, not a standing promise that the Reserve will receive a credit every year.

**The projected extension is limited.** Under Milliman's assumptions, the ad hoc depletion date moves by two to three years and the permanent depletion date moves by zero to two years. The mechanism preserves additional capacity but does not make the Reserve perpetual.

**The employer-cost effect is real but modeled as modest.** Allocating qualifying earnings to STAR rather than the Employer Reserve would increase employer contributions relative to the baseline because those earnings would otherwise reduce UAAL in support of base benefits. Milliman's illustrative UAAL rates are 0.01% to 0.07%, and its future-annual-cost estimates are below the 0.50% section 7507 reference point. Nossaman emphasizes that the fiduciary

determination remains fact-specific and must consider whether the resulting contribution impact is material.

**The funded-ratio threshold remains the central policy choice.** Nossaman recommends retaining the existing 100% threshold. However, because CERL does not itself establish a 100% funded requirement for surplus earnings, fiduciary counsel concludes that the Board of Investments has discretion to consider a modestly lower threshold if the other safeguards are satisfied and the decision is supported by appropriate actuarial analysis and prudent fiduciary deliberation. Milliman modeled both 80% and 100% thresholds to illustrate the actuarial and financial effects. Staff is not asking JOGC to select the final threshold at this time. That parameter should be developed in consultation with the County, potentially other participating employers, and LACERA's advisors and presented to the Board of Investments with the proposed policy language.

**Options Before the Committee**

| | Option 1 - Current practice | Option 2 - Staff recommendation |
|---|---|---|
| **Funding** | No STAR Reserve interest credit. | Credit only from qualifying surplus and Available Earnings, after priorities and safeguards. |
| **Reserve effect** | Earliest modeled depletion: 2044 ad hoc / 2040 permanent. | Limited extension: 2046-2047 ad hoc / 2040-2042 permanent, depending on threshold. |
| **Employer effect** | No new effect attributable to a funding change. | Higher contributions expected over time; modeled impact remains below the section 7507 reference point. |
| **Implementation** | No policy change. | County and other participating employer consultation; amendments to the Actuarial Funding Policy and Interest Crediting Policy; annual actuarial and fiduciary review. |

**Staff Rationale for Option 2**

Option 2 is the only additional-funding approach identified by fiduciary counsel as potentially permissible and by Milliman as not undermining actuarial soundness under the modeled constraints. It balances the objective of preserving some capacity for eligible retirees with protections for vested benefits, the Employer Reserve, and employer contribution requirements. The recommendation also preserves governance flexibility: it advances the mechanism for development while reserving the final funded-ratio threshold, exact priority, annual certification process, and policy text for Board of Investments action.

**Scope of the requested JOGC action**
Support for Option 2 would not authorize retroactive interest, an immediate transfer, a guaranteed annual credit, a specific funded-ratio threshold, or a change in how the Board of Retirement grants STAR COLAs. Those matters remain governed by existing law and policy unless and until the Board of Investments approves amendments after the next phase of review.

## IMPLEMENTATION PARAMETERS FOR THE BOARD OF INVESTMENTS

If JOGC supports Option 2, staff will develop policy amendments and implementation controls for final Board of Investments consideration. At a minimum, the package should address the following items:

1. **Definition and ordering of funds.** Specify how CERL surplus earnings and Available Earnings under the Interest Crediting Policy interact, and state that the Member Reserve, Contingency Reserve, Employer Reserve, and prior-year administrative expenses are addressed before any STAR allocation.
2. **Funded-ratio condition.** Establish the threshold, confirm that the STAR Reserve remains excluded from valuation assets, and determine whether a transfer may reduce the funded ratio and, if so, within what limit.
3. **Annual cap and timing.** Limit the allocation to no more than the interest-crediting rate applicable to the other reserves and in no event LACERA's assumed rate of return, and permit a credit only once at fiscal year-end.
4. **Annual actuarial review.** Require annual confirmation of qualifying earnings, actuarial soundness, funded status, and projected employer-contribution effects. If the STAR Reserve is fully depleted and the Boards subsequently consider additional prefunding of permanent STAR COLAs or another transfer requiring an actuarial cost analysis under CERL, require the applicable actuarial study before the Board of Investments acts.
5. **Decision and reporting process.** Identify the responsible staff and advisors, specify the evidence presented to the Board, and preserve a clear record that the Board considered the non-vested nature of STAR benefits and the interests of the full membership.
6. **Coordination with STAR awards.** Clarify that Reserve funding and the Board of Retirement's annual decision to grant an ad hoc or permanent STAR COLA are separate actions with their own legal and actuarial requirements.

## NEXT STEPS

1. Discuss Option 2 with the County, including the proposed surplus-earnings mechanism and the potential actuarial and financial implications for participating employers.
2. Resolve the funded-ratio condition and other implementation details with Milliman, Nossaman, and appropriate LACERA staff and advisors.
3. Prepare proposed amendments to the Actuarial Funding Policy and the Interest Crediting Policy for Reserve Accounts, including annual eligibility, ordering, cap, timing, analysis, and reporting provisions.
4. Return to the Board of Investments with a final recommendation and complete policy package for consideration and action.

**CONCLUSION**

The Nossaman and Milliman letters support proceeding with a carefully limited surplus-earnings framework. The mechanism would modestly extend the STAR Reserve under the modeled assumptions, but it would also redirect earnings from base pension funding and increase employer contributions relative to current practice. Staff recommends that JOGC support Option 2 so the safeguards, Employer input, and policy amendments can be completed before a final decision by the Board of Investments. The JOGC's recommendation will be reported to the Board of Retirement as an informational matter in its role to approve STAR COLA awards.

Representatives from Nossaman and Milliman will attend the November 2026 JOGC meeting. Presentation slides are included as *Attachment IV.*

ATTACHMENTS

I. Milliman, STAR COLA for 2027 (August 12, 2026)
II. Milliman, STAR COLA Funding Analysis (November 18, 2026)
III. Nossaman, Fiduciary & Other Legal Considerations Concerning LACERA's STAR Reserve (November 23, 2026) (Confidential and Privileged)
IV. November 23, 2026 JOGC Presentation Slides

c: Board of Retirement and Board of Investments, LACERA
Jonathan Grabel Jude Perez Steven P. Rice JJ Popowich Bonnie Nolley Leisha Collins
Ashley K. Dunning, Nossaman, Fiduciary Counsel

**Milliman, STAR COLA for 2027**

**(August 12, 2026)**

1301 Fifth Avenue
Suite 3800
Seattle, WA 98101-2605
USA

Tel +1 206 624 7940

milliman.com

August 12, 2026

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

**Re: STAR COLA for 2027**

Dear Trustees of the Board:

As requested, we have valued the Supplemental Target Adjustment for Retirees (STAR) COLA program as of January 1, 2027. As of April 2026, Accumulation Accounts are greater than 20% (the threshold for providing STAR benefits) for retirees in General Plans B, C, and D and Safety Plan B who retired on or before March 31, 2002. These retirees are therefore eligible for a STAR COLA in 2027 upon Board of Retirement (Board) approval.

## Ad-hoc versus Permanent STAR COLA awards

An "ad-hoc" STAR COLA award occurs when the Board approves a STAR COLA to restore eligible members' benefits to 80% of their original purchasing power for the year of the award only. Without further action by the Board, these members' benefits will not reflect this STAR COLA award in years after 2027.

The Board may alternatively approve a "permanent" STAR COLA award to eligible members. Under this award, the ad-hoc benefit described above will be included in each future year's benefits of eligible members, without the need for future Board action.

Neither of these awards includes a feature to provide STAR COLA increases for any future loss of purchasing power that has not already occurred. Those increases would require future Board approval.

## Summary of results

The values shown in the following table assume that the Board approves the STAR COLA for 2027 only, on an ad-hoc or a permanent basis, and do not reflect any additional STAR benefits that may be granted in the future. The STAR COLA will be an amount sufficient to restore retirement benefits to 80% of their original purchasing power for those retirees whose benefits currently have less than 80% of their original purchasing power. (80% of the original purchasing power is determined as a COLA Accumulation Account value equaling 20%.)

| STAR COLA (effective January 1, 2027) | 2027 Payment / Transfer from STAR Reserve |
|---|---|
| Ad-Hoc Increase Payment | $ 763,000 |
| Permanent Increase Transfer | $ 7,941,000 |

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The adoption of the 2027 STAR COLA will not cause a change in either the employer contribution rate, funded ratio, or the Unfunded Actuarial Accrued Liability (UAAL) provided that the specified amount is transferred from the STAR Reserve to the Employer Reserve consistent with whether the Board of Retirement adopts the ad-hoc or permanent STAR COLA approach. The Actuarial Accrued Liability (AAL) will increase by less than 0.01% because of the adoption of the 2027 STAR COLA. We believe these potential cost increases are less than 0.50% of the Future Annual Costs defined in California Government Code Section 7507.

In the attachment to this letter, we have provided 20-year projections of estimated STAR COLA increases and transfers under the ad-hoc and permanent increase options. These attachments also show the estimated number of retirees and survivors projected to be eligible for a STAR COLA benefit in each future year.

**STAR COLA and the Accumulation Account**

Under STAR COLA, each retiree and beneficiary in Legacy Plans A, B, C, and-D and PEPRA Plans C and G whose benefit has lost more than 20% of its value is eligible to receive, upon Board approval, an increased benefit payment effective January 1 of the following year. Retirees and beneficiaries in Legacy Plan E are not eligible for STAR COLA.

The loss of value is measured by the Accumulation Account which is calculated each year by LACERA staff by adjusting the prior year's Accumulation Account by the difference between the actual COLA granted and the prior year's inflation as measured by the Los Angeles-Long Beach-Anaheim, CA Consumer Price Index – All Urban Consumers.

For December 2024 to December 2025, the increase in CPI was 3.0%. Since the increase in CPI is greater than the maximum statutory COLA of 2.0% for all plans except Legacy Plan A, all retirees had an increase in their Accumulation Account in 2026. The following table shows the groups of STAR COLA eligible retirees that have an Accumulation Account balance greater than 20% after application of the 2025 CPI increase and payment of the 2026 statutory COLA, as well as the STAR COLA they are eligible for if it is approved by the Board. There are no retirees of Legacy Plans A or PEPRA Plans C and G that are eligible for STAR COLA at this time.

| Retirement Dates (Legacy Plans B, C, and D) | Accumulation Account | 2027 STAR COLA |
|---|---|---|
| On or before March 31, 2001 | 21.0% | 1.0% |
| April 1, 2001 to March 31, 2002 | 20.1% | 0.1% |

As an example of how the STAR COLA works, consider a General Plan D member who retired in March of 1991. As of April 2025 this member had an Accumulation Account of 21.4%. This member received a STAR COLA of 1.4% in January of 2026 which reduced their Accumulation Account to 20.0% (because the 2026 STAR COLA was adopted as a permanent addition by the Board of Retirement). In addition, they received the statutory maximum 2.0% COLA in April of 2026 because CPI during 2025 was 3.0%. Since the statutory COLA given was less than the 2025 CPI, the difference of 1.0% is added to their Accumulation Account, resulting in a new

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value of 21.0% as of April 2026. Since this member's benefit has lost more than 20% of its original value (i.e., the Accumulation Account is greater than 20.0%) as of April 2026, they are eligible for a STAR COLA benefit in 2027. Accordingly, if a STAR COLA is adopted effective January 1, 2027, this member will receive a STAR COLA increase equal to 1.0% of their current retirement allowance.

The member's Accumulation Account will remain at 21.0% unless a permanent STAR COLA is approved, in which case it is adjusted back to 20.0% to reflect the permanent increase in the member's retirement allowance.

**Funding**

If the permanent STAR COLA is approved under Subsection 31874.3(c), it is required to be prefunded to provide for the increase in future benefit payments. The present value of the 2027 permanent STAR COLA increase is $7,941,000. Therefore, under the permanent increase scenario, this amount would be transferred from the STAR Reserve to the Employer Reserve. After adoption of the 2026 STAR COLA as a permanent increase to members' retirement allowances, the STAR Reserve is approximately $598 million; therefore, the current STAR Reserve has a sufficient balance to facilitate this transfer.

The ad-hoc 2027 STAR COLA increase is estimated to cost $763,000. If this option is approved, we anticipate this amount will be paid from STAR Reserve.

Since the STAR Reserve is not included in the Valuation Assets, the adoption of the 2027 STAR COLA will not cause a change in either the employer contribution rate or the funded ratio, provided that the specified amount is transferred from the STAR Reserve to the Employer Reserve, consistent with whether the Board of Retirement adopts the ad-hoc or permanent STAR COLA approach.

**Projections**

We have also attached projections for future STAR COLA increases assuming continued application of the program. These projections are for informational purposes only. For these projections, we have assumed the continued approval of the STAR COLA program by the Board each year at the 80% level, under the following two scenarios:

- 2.75% annual increases in the CPI (the valuation assumption) for 2026 and all future years, and
- 4.0% annual increases in the CPI in 2026 through 2028, followed by annual CPI increases of 2.75%. This scenario reflects that actual inflation has materially exceeded the assumption through June 30, 2026 (on an annualized basis) and provides an estimate of the potential impact of higher-than-assumed inflation on future STAR COLA benefits, although actual inflation is likely to be different.

The attachments show both the expected annual benefits under the ad-hoc approach and the estimated transfer amounts to fund the STAR COLA each year under the permanent approach.

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The projected benefit payments paid to members each year under the permanent approach is not shown but would be slightly higher than the ad-hoc increases (in future years), due to the future statutory COLA increases being applied to the STAR COLA payment under the permanent approach. The transfer amounts are expected to be made from the STAR Reserve to the Employer Reserve as of the December 31 prior to the calendar year of the STAR COLA increase. These attachments also show the estimated number of retirees and survivors projected to be eligible for a STAR COLA benefit in each future year. The projected number of eligible retirees and survivors is the same under the ad-hoc or permanent approach.

All current retirees in Legacy Plans B, C, and D who retired between April 1, 2006 and March 31, 2018 and PEPRA plan retirees who retired before March 31, 2018 are projected to first become eligible for the STAR COLA in the same year. The actual year of eligibility will depend on future CPI changes. Because STAR COLA amounts are highly sensitive in the initial year of eligibility, the STAR benefits that may be awarded to these members are similarly sensitive to changes in CPI. This sensitivity can be seen in the projections in 2035 (Attachment A) and 2030 (Attachment B).

**Data, assumptions, and methods**

The COLA Accumulation Accounts are as of April 1, 2026 and any 2027 STAR COLA increases are assumed to be effective as of January 1, 2027. We have assumed that no interest will be credited to the STAR Reserve consistent with LACERA's interest crediting procedures.

**Additional information about STAR COLA and CERL**

The ad-hoc STAR COLA, as defined in the County Employees Retirement Law of 1937 (CERL) Subsection 31874.3(b), is a temporary benefit provided for one year only and is not part of the member's retirement allowance. Future statutory COLA increases would not apply to this benefit because it is not part of the member's retirement allowance. To continue the ad-hoc STAR COLA payments for any future year the Board must approve it on an annual basis.

Making the STAR COLA permanent under Subsection 31874.3(c) means that it becomes a permanent component of the member's retirement allowance and cannot be revoked in the future. Once a STAR COLA has been made permanent, it continues for the life of the member (and the beneficiary, if applicable). As any permanent STAR COLA increase becomes part of the member's retirement allowance, these payments are eligible for future statutory COLA increases.

Under Subsection 31874.3(c), the Board can only make a STAR COLA increase permanent up to the amount determined at the time the action is approved. Therefore, the projected future STAR COLA increases effective January 1, 2027 and later, as shown in the exhibit at the end of this letter, are for informational purposes only and cannot be made permanent at this time.

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**Reliance**

Except as noted elsewhere in this report, all data, methods and assumptions are the same as described and used in the June 30, 2025 actuarial valuation report. 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. In our examination of these data, we have found them to be reasonably consistent and comparable with data used for other purposes. Since the valuation results are dependent on the integrity of the data supplied, the results can be expected to differ if the underlying data is incomplete or missing. It should be noted that if any data or other information is inaccurate or incomplete, our calculations may need to be revised.

**Variability of results**

Actuarial computations presented in this report are for purposes of estimating expected benefit payments and funding amounts under the LACERA STAR COLA program. These calculations have been made on a basis consistent with our understanding of that program. Determinations for purposes other than described may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes. These results were developed using models intended for actuarial valuations that use standard actuarial techniques.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements.

The calculations included in this report are subject to the same risk factors as discussed in the June 30, 2025 actuarial valuation and in the Risk Assessment report based on the June 30, 2025 actuarial valuation. Please refer to those reports for a detailed descriptions of the primary risks to LACERA.

**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 exceptions:

(a) LACERA may provide a copy of Milliman's work, in its entirety, to LACERA'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 LACERA.

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(b) LACERA 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 Certifications**

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 sponsors. 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.

If you have any further questions regarding this report, please let us know.

Sincerely,

Nick Collier, ASA, EA, MAAA
Consulting Actuary

Craig Glyde, ASA, EA, MAAA
Consulting Actuary

NC/CG/va

Attachments

cc: Ted Granger
Claro Lanting
RCU@LACERA.gov

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**LACERA**
**20-year projection of STAR COLA Benefits**
**STAR COLA approved each year**
**to restore benefit to 80% of original value**

(Assumes 2026 and future annual CPI increase is 2.75%)

| Calendar Year | CPI | Count of Eligible Retirees & Survivors | Ad-hoc Increase | Permanent Increase Transfers |
|---|---|---|---|---|
| 2026 | 2.75% | | | |
| 2027 | 2.75% | 2,364 | $ 763,000 | $ 7,941,000 |
| 2028 | 2.75% | 2,656 | 1,518,000 | 7,789,000 |
| 2029 | 2.75% | 2,544 | 2,247,000 | 7,599,000 |
| 2030 | 2.75% | 3,334 | 3,172,000 | 9,460,000 |
| 2031 | 2.75% | 3,185 | 4,135,000 | 9,900,000 |
| 2032 | 2.75% | 3,037 | 5,049,000 | 9,588,000 |
| 2033 | 2.75% | 3,412 | 6,015,000 | 10,162,000 |
| 2034 | 2.75% | 3,240 | 7,007,000 | 10,541,000 |
| 2035 | 2.75% | 16,115 | 15,340,000 | 82,629,000 |
| 2036 | 2.75% | 15,571 | 24,028,000 | 85,279,000 |
| 2037 | 2.75% | 16,985 | 33,611,000 | 94,549,000 |
| 2038 | 2.75% | 18,349 | 43,467,000 | 97,639,000 |
| 2039 | 2.75% | 22,208 | 55,942,000 | 126,165,000 |
| 2040 | 2.75% | 21,406 | 69,526,000 | 138,757,000 |
| 2041 | 2.75% | 20,567 | 82,521,000 | 134,409,000 |
| 2042 | 2.75% | 19,702 | 94,799,000 | 129,903,000 |
| 2043 | 2.75% | 18,805 | 106,234,000 | 125,257,000 |
| 2044 | 2.75% | 17,889 | 116,700,000 | 120,491,000 |
| 2045 | 2.75% | 18,856 | 126,740,000 | 121,932,000 |

*Indicates year STAR Reserve is projected to expire.*

1. *Estimate based on June 30, 2025 valuation*
2. *Actual results will vary*
3. *Under the ad-hoc approach, the STAR Reserve is projected to expire in 2044.*
4. *Under the permanent approach, the STAR Reserve is projected to expire in 2040.*

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**LACERA**

**20-year projection of STAR COLA Benefits**

**STAR COLA approved each year**
**to restore benefit to 80% of original value**

(Assumes 2026 - 2028 annual CPI increase is 4.00%; 2.75% annually thereafter)

| Calendar Year | CPI | Count of Eligible Retirees & Survivors | Ad-hoc Increase | Permanent Increase Transfers |
|---|---|---|---|---|
| 2026 | 4.00% | | | |
| 2027 | 4.00% | 2,364 | $ 763,000 | $ 7,941,000 |
| 2028 | 4.00% | 3,625 | 2,922,000 | 21,980,000 |
| 2029 | 2.75% | 3,480 | 5,717,000 | 28,333,000 |
| 2030 | 2.75% | 18,457 | 16,327,000 | 115,814,000 |
| 2031 | 2.75% | 18,038 | 25,370,000 | 99,964,000 |
| 2032 | 2.75% | 19,718 | 35,475,000 | 111,462,000 |
| 2033 | 2.75% | 21,357 | 46,079,000 | 116,269,000 |
| 2034 | 2.75% | 25,684 | 59,476,000 | 149,241,000 |
| 2035 | 2.75% | 25,063 | 74,277,000 | 165,075,000 |
| 2036 | 2.75% | 24,405 | 88,877,000 | 162,233,000 |
| 2037 | 2.75% | 23,709 | 103,174,000 | 159,168,000 |
| 2038 | 2.75% | 22,977 | 117,054,000 | 155,887,000 |
| 2039 | 2.75% | 22,208 | 130,399,000 | 152,400,000 |
| 2040 | 2.75% | 23,531 | 143,750,000 | 156,048,000 |
| 2041 | 2.75% | 22,656 | 157,319,000 | 162,862,000 |
| 2042 | 2.75% | 21,751 | 169,968,000 | 158,661,000 |
| 2043 | 2.75% | 20,810 | 181,555,000 | 154,289,000 |
| 2044 | 2.75% | 21,954 | 192,901,000 | 159,351,000 |
| 2045 | 2.75% | 20,913 | 203,740,000 | 162,670,000 |

*Indicates year STAR Reserve is projected to expire.*

1. *Estimate based on June 30, 2025 valuation*
2. *Actual results will vary*
3. *Under the ad-hoc approach, the STAR Reserve is projected to expire in 2039.*
4. *Under the permanent approach, the STAR Reserve is projected to expire in 2034.*

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# Milliman, STAR COLA Funding Analysis

# (November 18, 2026)

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November 18, 2026

Joint Organizational Governance Committee
Los Angeles County Employees Retirement Association
300 North Lake Avenue, Suite 820
Pasadena, CA 91101-4199

**Re: STAR COLA Funding Analysis**

Dear Committee Members:

As requested by LACERA staff, we have reviewed a potential funding option for the Supplemental Target Adjustment for Retirees (STAR) COLA program. Specifically, we are providing actuarial commentary on issues communicated by LACERA's external fiduciary counsel (Nossaman) to LACERA regarding the STAR Reserve. The analysis and discussion provided herein are from an actuarial perspective and we defer to fiduciary counsel on legal interpretations.

Note that supplemental information on the current STAR COLA arrangement can be found in Milliman's August 12, 2026 letter to the Board of Retirement.

## Summary

Using earnings (described in the following section) to provide an interest credit to the STAR Reserve prior to LACERA meeting its Funding Goal (at least 100% Funded Ratio) is only projected to have a small impact on the sufficiency of the STAR Reserve to pay STAR COLA benefits. This approach will ultimately result in more contributions required to be made by the employers, as compared to the current approach of no interest being credited to the STAR Reserve.

Additional opportunities to fund STAR COLA benefits may be available when LACERA reaches its Funding Goal of a 100% Funded Ratio, but such options are outside the scope of this analysis. It should be noted that when and if the Funding Goal will be reached is uncertain and subject to significant variability.

## Surplus Earnings and earnings available to be credited to STAR Reserve

Based on Nossaman's memo, "surplus earnings" are defined as earnings of the fund in excess of total interest credited to contributions and reserves plus at least 1 percent of the total assets of the fund. We interpret this to refer to total earnings of LACERA and allocations to the Member Reserve, Employer Reserve and Contingency Reserve.

For purposes of this discussion, we understand that for any credits to be made to the STAR Reserve the total rate of investment return of LACERA must exceed the assumed rate of investment return, and that any credits to the STAR Reserve may only be made with Available Earnings (as defined in the Interest Crediting Policy), which is distinct from total earnings of LACERA, in excess of the amount needed to provide a maximum annual allocation under the

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Interest Crediting Policy to each of the following: (1) Member Reserve, (2) Contingency Reserve, and (3) Employer Reserve, and to fund administrative expenses for the prior year. It is also our understanding that LACERA's Actuarial Funding Policy and Interest Crediting Policy may require changes to accommodate the use of surplus earnings and Available Earnings to credit interest to the STAR Reserve.

For this analysis, and for ease of discussion, we use the term "surplus earnings" to refer to earnings available to be credited to the STAR Reserve.

**Commentary**

We have the following comments with regard to the use of surplus earnings to credit interest to the STAR Reserve when LACERA has less than a 100% Funded Ratio. Our comments assume that the use of surplus earnings is limited to crediting interest to the STAR Reserve at no more than assumed rate of return.

i. We believe this approach to credit interest to the STAR Reserve would not undermine the actuarial soundness of LACERA.

ii. We believe it is reasonable from an actuarial perspective to use surplus earnings in this context. However, it should be understood that surplus earnings transferred to the STAR Reserve and used to fund STAR COLA benefits would no longer be available to be credited to the Employer Reserve and to fund the base retirement benefits. As a result, employer contributions would ultimately be expected to be higher than under the current arrangement.

iii. With regard to whether using surplus earnings to credit interest to the STAR Reserve would have a material impact on employer contributions, we believe that it is not clear cut and could be reasonably interpreted either way. To assist LACERA in making this interpretation, we have quantified the estimated impact and provided additional discussion of materiality later in this letter.

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**Estimated Impact**

Any approach that provides interest credits to the STAR Reserve should provide greater STAR COLA benefits (and likely prolong the life of the STAR Reserve) compared to the current arrangement where no interest credits are made to the STAR Reserve. The following chart shows when the STAR Reserve is projected to be depleted under the current arrangement (no interest credits to the STAR Reserve) and alternatives where interest is credited at the assumed rate of return when there are surplus earnings and LACERA has a Funded Ratio of at least 80% or 100%. The estimates assume a STAR COLA is awarded each year in the future that there are funds in the STAR Reserve. Results are shown under either the ad hoc or permanent approach.

| Projected STAR Reserve Depletion Year[1] | | | |
|---|---|---|---|
| | Current | 7% Credit Using Surplus Earnings | |
| | No Credit | if at least 80% Funded[2] | if at least 100% Funded[2] |
| Ad Hoc Awards | 2044 | 2047 | 2046 |
| Permanent Awards | 2040 | 2042 | 2040 |

1. *Estimates based on June 30, 2025 valuation and projections shown in Attachment A of Milliman's STAR COLA for 2027 letter dated August 12, 2026. Actual results will vary.*
2. *Assumes 7.0% is credited to the STAR Reserve every other year if the Funded Ratio requirement is satisfied.*

In the "7% Credit Using Surplus Earnings" scenarios, the STAR Reserve is still projected to deplete, although more STAR COLA benefits are projected to be paid than under the current no interest credit approach. If LACERA has a Funded Ratio of at least 100%, the Board of Investments may have discretion under the Actuarial Funding Policy (AFP) to appropriate surplus earnings to fund STAR COLA benefits, but that is a legal question and outside the scope of this analysis.

As previously mentioned, to the extent the STAR Reserve is credited with more earnings than the current arrangement, this will result in employer reserves being credited with less earnings. We do not expect this would need to be explicitly pre-recognized in the valuation, but the impact would emerge over time through the Unfunded Actuarial Accrued Liability (UAAL) employer contribution rate. To provide an estimate of the relative impact this might have on employer contribution rates, we have calculated the projected value of the additional STAR COLA benefits that might be provided if the STAR Reserve received an interest credit from surplus earnings, and we have shown the hypothetical impact on the employer contribution rate if the increase in the projected value of future STAR benefits for current members were amortized over 20 years.

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| Estimated Impact of Additional STAR COLA Benefits[1] | 7% Credit Using Surplus Earnings | |
|---|---|---|
| | if at least 80% Funded[2] | if at least 100% Funded[2] |
| Present Value of Additional Benefits ($Millions) | | |
| Ad Hoc Awards | $ 112 | $ 37 |
| Permanent Awards | $ 105 | $ 21 |
| Hypothetical Additional UAAL Rate | | |
| Ad Hoc Awards | 0.07% | 0.02% |
| Permanent Awards | 0.06% | 0.01% |

1. *Estimates based on June 30, 2025 valuation and projections shown in Attachment A of Milliman's STAR COLA for 2027 letter dated August 12, 2026. Actual results will vary.*
2. *Assumes 7.0% is credited to the STAR Reserve every other year if the Funded Ratio requirement is satisfied.*

As shown in the above table, the value of the additional STAR COLA benefits is expected to be greater with ad hoc awards than permanent awards. This is because ad hoc awards are initially much smaller than permanent awards which results in greater projected STAR Reserve values and a later depletion date. This in turn results in more investment earnings being credited to the STAR Reserve under the ad hoc scenario.

As discussed in the Variability of Results section of this letter, results are sensitive to actual experience. For our estimates, we have assumed constant 2.75% local inflation, consistent with the valuation, in projecting future STAR COLA payments. If future inflation is significantly higher than the assumption, this could markedly increase the STAR COLA benefits and result in earlier depletion of the STAR Reserve.

**Materiality**

There is not a bright-line test in the actuarial profession about what is material. "Material" is described as follows by the Actuarial Standards Board:

> *An item or a combination of related items is material if its omission or misstatement could influence a decision of an intended user. When evaluating materiality, the actuary should consider the purposes of the actuary's work and how the actuary anticipates it will be used by intended users. The actuary should evaluate materiality of the various aspects of the task using professional judgment and any applicable law (statutes, regulations, and other legally binding authority), standard, or guideline. In some circumstances, materiality will be*

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> *determined by an external user, such as an auditor, based on information not known to the actuary. The guidance in ASOPs [Actuarial Standards of Practice] need not be applied to immaterial items. (ASOP No. 1).*

It should be noted that the legal interpretation (or that of an auditor) of what is material may differ from the above actuarial definition: Based on the estimated cost of the proposed approaches to fund the STAR Reserve is relative all pension assets and liabilities, we believe it could be reasonable to interpret either approach as material or not material to the overall funding of LACERA. Therefore, we defer to LACERA and fiduciary counsel on this determination.

California Government Code Section 7507 states then "when considering changes in retirement benefits or other postemployment benefits, [the local legislative body] shall secure the services of an actuary to provide a statement of the actuarial impact upon future annual costs" if the change exceeds 0.50% of the Future Annual Costs defined in that section. Although it is not clear to us that the change in the way the STAR Reserve is credited interest would constitute a change in benefits, it may be an indication of what the law would consider material. The value of the increase in STAR COLA benefits projected to be paid under the options discussed range from 0.05% to 0.28% of future annual costs. Therefore, the change in Future Annual Costs of each of the options is less than the 0.5% threshold.

**Actuarial Soundness**

Although several states have defined "actuarial soundness," there is no official definition in California, nationally, or within the actuarial profession. Therefore, it is up to the individual actuary to interpret what is actuarially sound based on the specific set of facts and circumstances and taking into account the context and purpose of the assessment. Even then, the actuary may not have a definitive opinion.

In making our assessment of actuarial soundness, we have considered both the Actuarial Standards of Practice (ASOPs) and additional guidance from the Conference of Consulting Actuaries' white paper: *Actuarial Funding Policies and Practices for Public Pension Plans*.

**Variability of Results**

Actuarial computations presented in this letter are for purposes of estimating expected benefit payments and funding amounts under the LACERA STAR COLA program. These calculations have been made on a basis consistent with our understanding of that program, as well as additional options not a part of the current arrangement. Determinations for purposes other than described may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes. These results were developed using models intended for actuarial valuations that use standard actuarial techniques.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of

This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements.

In particular, we note the following assumptions included in these estimates:

- A constant 2.75% local inflation, consistent with the valuation assumption, in projecting future STAR COLA payments. If future inflation is significantly higher than the assumption, this could markedly increase the STAR COLA benefits.
- That surplus earnings will occur every other year in an amount sufficient to credit 7% interest to the STAR Reserve. To the extent this does or does not occur, this could significantly affect these estimates.
- That LACERA will reach its funding goal of at least a 100% Funded Ratio (excluding the Contingency Reserve) in 2037. This is the current projection based on our June 30, 2025 actuarial valuation including the projected impact of the actual return for fiscal year ended June 30, 2026. The full-funding date is very sensitive to investment returns and other factors, so it can change materially from year to year.

The calculations included in this letter are subject to similar risk factors as discussed in the June 30, 2025 actuarial valuation and in the Risk Assessment report based on the June 30, 2025 actuarial valuation. Please refer to those reports for detailed descriptions of the primary risks to LACERA.

**Data, assumptions, and methods**

All data, methods and assumptions are the same as described and used in the June 30, 2025 actuarial valuation report. Additionally, we note the following assumptions and methods specific, or of particular importance, to our analysis of the STAR Reserve funding.

- 2.75% annual increases in the Los Angeles-area CPI are assumed for all future years, consistent with the valuation assumption for local inflation.
- 7.00% annual investment returns are assumed for all future years, consistent with the valuation assumption except for the analysis related to surplus earnings.
- For the analysis of crediting surplus earnings, the projections assume a 7.0% interest credit to the STAR Reserve every other year, which approximates the actual return being above the assumed 7.0% return 50% of the time and below it the other 50% of the time.
- STAR COLAs are assumed to be awarded each year in the future if there are sufficient funds in the STAR Reserve.
- The COLA Accumulation Accounts used in this analysis are as of April 1, 2026 and any 2027 STAR COLA increases are assumed to be effective as of January 1, 2027.
- Under the current arrangement, no interest is assumed to be credited to the STAR Reserve consistent with LACERA’s current interest crediting procedures.

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**Additional information about STAR COLA and CERL**

The ad-hoc STAR COLA, as defined in the County Employees Retirement Law of 1937 (CERL) Subsection 31874.3(b), is a temporary benefit provided for one year only and is not part of the member's retirement allowance. Future statutory COLA increases would not apply to this benefit because it is not part of the member's retirement allowance. To continue the ad-hoc STAR COLA payments for any future year the Board must approve it on an annual basis.

Making the STAR COLA permanent under Subsection 31874.3(c) means that it becomes a permanent component of the member's retirement allowance and cannot be revoked in the future. Once a STAR COLA has been made permanent, it continues for the life of the member (and the beneficiary, if applicable). As any permanent STAR COLA increase becomes part of the member's retirement allowance, these payments are eligible for future statutory COLA increases.

**Reliance**

Except as noted elsewhere in this report, all data, methods and assumptions are the same as described and used in the June 30, 2025 actuarial valuation report. 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. In our examination of these data, we have found them to be reasonably consistent and comparable with data used for other purposes. Since the valuation results are dependent on the integrity of the data supplied, the results can be expected to differ if the underlying data is incomplete or missing. It should be noted that if any data or other information is inaccurate or incomplete, our calculations may need to be revised.

**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 exceptions:

(a) LACERA may provide a copy of Milliman's work, in its entirety, to LACERA'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 LACERA.

(b) LACERA 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 Certifications**

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.

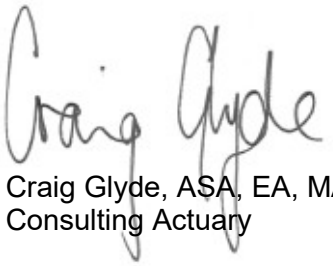
The signing actuaries are independent of the plan sponsors. We are not aware of any relationship that would impair the objectivity of our work.

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 look forward to discussing this analysis with you.

Sincerely,





Nick Collier, ASA, EA, MAAA
Consulting Actuary

Craig Glyde, ASA, EA, MAAA
Consulting Actuary

NC/CG

cc: Ted Granger
ReportingandComplianceUnit@LACERA.gov

This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

LACERA

**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**

LACERA
Los Angeles County Employees Retirement Association

Joint Organizational Governance Committee

# STAR Reserve – Funding Options

November 23, 2026

Ted Granger, Chief Financial Officer
Nick Collier, Principal and Consulting Actuary
Ashley Dunning, Fiduciary Counsel

# Agenda

*Discussion topics for the Joint Organizational Governance Committee*

01

## Staff Recommendation and Status Update

*Recommendation · STAR Reserve Background · Implementation and Next Steps*

02

## STAR COLA Reserve Funding Analysis

*Milliman presentation*

03

## Legal Considerations

*Nossaman presentation*

# STAR Reserve Background

*How the STAR COLA works and where the reserve stands today*

## STAR COLA Program

- Provides supplemental inflation protection once a retiree's purchasing-power loss reaches the 20% statutory threshold
- Ad hoc: one year
  Permanent: becomes part of the retirement allowance once granted
- The Board of Retirement retains discretion to grant an award

## STAR Reserve Status

*Balance and current practice*

- STAR Reserve is approximately $590 million after the 2027 permanent award
- No interest is credited to the STAR Reserve under current practice
- The Board of Retirement adopted the $7.941 million Program Year 2027 permanent award

## Depletion Outlook

- Under current practice, Milliman projects depletion in 2044 with ad hoc awards and 2040 with permanent awards
- Milliman assumes 2.75% annual inflation; the 7.00% credit every other year is a modeling proxy, not a policy schedule

# Staff Recommendation

*Option 2: qualifying surplus earnings interest credit*

## What the Analyses Support

- A narrow prospective path using qualifying surplus earnings and Available Earnings
- No retroactive interest and no automatic or guaranteed annual credit
- Limited Reserve extension, with employer contributions expected to be higher over time

## Options Before JOGC

- Option 1 – Continue the current practice of crediting no interest to the STAR Reserve
- Option 2 – Allocate qualifying surplus and Available Earnings, subject to funding and actuarial safeguards
- Annual allocation capped at the rate applicable to other reserves and no greater than the assumed rate of return

## What Staff Is Asking

- Support Option 2 as a framework for further development, not an immediate transfer
- Discuss the mechanism and financial implications with the County before final BOI consideration
- Return to the BOI with final recommendations and proposed Funding and Interest Crediting Policy amendments

# Actuarial Considerations

*Discussion topics for the Joint Organizational Governance Committee*

02

## STAR COLA Reserve Funding Analysis | Nick Collier, Principal and Consulting Actuary

*Milliman presentation*

# Actuarial Summary

*Discussion topics for the Joint Organizational Governance Committee*

## Impact on STAR COLA Reserve

Potential for providing interest credit to the STAR Reserve has been outlined by legal counsel

Option has limited potential to extend the period before the STAR Reserve is depleted

If the limited interest crediting of the STAR Reserve were implemented, LACERA should remain actuarially sound

## Variance

STAR COLA benefits can be very sensitive to inflation which will ultimately impact the results shown in this analysis, possibly significantly

Mortality and other factors could also impact outcome

## Impact on Employer Contributions

To achieve actuarial balance, if surplus earnings were used to credit the STAR Reserve, more employer contributions would be needed compared to the current approach of not crediting the STAR Reserve

We have quantified the potential impact of crediting interest to the STAR Reserve through surplus earnings but defer to the LACERA BOI on whether any changes should be implemented

# Legal Considerations

*Discussion topics for the Joint Organizational Governance Committee*

03

## Legal Considerations | Ashley Dunning, Fiduciary Counsel

*Nossaman will review highlights of its November 23, 2026 confidential and privileged memo to aid in the JOGC's discussion.*

# Staff Recommendation and Next Steps

*Option 2 is a limited surplus-earnings framework, not authorization for an immediate or guaranteed credit*

### Option 1

*Continue current practice*

- No interest credit to the STAR Reserve
- Projected depletion: 2044 ad hoc / 2040 permanent

### Option 2 – Recommended

*Qualifying surplus-earnings credit*

- Uses only surplus earnings that are also Available Earnings
- Limited extension: 2046–2047 ad hoc / 2040–2042 permanent
- Employer contributions expected to be higher over time

### Required Safeguards

*Annual eligibility and Board controls*

- Higher-priority reserve and expense allocations first
- Funded-ratio and actuarial review
- Rate cap; one credit at fiscal year-end

## Next Steps

*Before final Board of Investments action*

**1** Discuss Option 2 and financial implications with the County

**2** Resolve the funded-ratio condition with Milliman, Nossaman, and staff

**3** Prepare Actuarial Funding and Interest Crediting Policy amendments

**4** Return to the BOI with the final recommendation and policy package

# Questions

LACERA

November 9, 2026

**TO:** Each Trustee,
Joint Organizational Governance Committee
Nicole Mi, Chair
Shawn R. Kehoe, Vice Chair
Patrick Jones, Trustee
Debbie Martin, Trustee
JP Harris, Trustee
Wayne Moore, Trustee
Les Robbins, Trustee
Aleen Langton, Trustee

**FROM:** Luis A. Lugo
Chief Executive Officer

**FOR:** November 23, 2026, Joint Organizational Governance Committee Meeting

**SUBJECT:** **Implementation of study findings for Retiree Healthcare Specialist (RHS) Series, Classification and Compensation Changes and for Retirement Benefits Specialist (RBS) Compensation Changes**

**RECOMMENDATIONS**

The proposed classification and compensation changes are recommended to the Board of Retirement and Board of Investments for implementation of the Retiree Healthcare Specialist (RHS) Series classification and compensation and Retirement Benefits Specialist (RBS) Series compensation study recommendations, including submission to the Los Angeles County Board of Supervisors:

1. Approve the proposed implementation of the creation of five (5) new RHS Series classifications.

2. Approve the proposed compensation for the new RHS Series.

3. Approve implementation of salary adjustments to the Retirement Benefits Specialist (RBS) Series to align with the newly created RHS Series classifications.

4. Approve one (1) budgeted and vacant Quality Auditor I position be reclassified to Retiree Healthcare Specialist III.

## SUMMARY OF PROPOSED CLASSIFICATION AND COMPENSATION CHANGES

The chart below summarizes the proposed classification and compensation changes for the Retiree Healthcare Division (RHC) and shows how the proposed RHS classifications will align with comparable existing RBS classifications.

| Classification Title | Current Sal Sch | Current Sal Max* | New Sal Sch | New Sal Max | % Change |
|---|---|---|---|---|---|
| Section Head/Retiree Healthcare Section Head | LS09 | $15,274.64 | No Change | | |
| Senior Retirement Benefits Specialist/Senior Retiree Healthcare Specialist | 107K NMO | $10,505.55 | 109L NMO | $11,117.91 | 5.8% |
| Retirement Benefits Specialist III/Retiree Healthcare Specialist III | 102E NMO | $9,060.82 | 104H NMO | $9,660.09 | 6.36% |
| Retirement Benefits Specialist II/Retiree Healthcare Specialist II | 95K NMO | $7,586.91 | 98B NMO | $8,069.09 | 6.36% |
| Retirement Benefits Specialist I/Retiree Healthcare Specialist I | 89K NMO | $6,447.55 | 89K N3MO+ | $6,447.55 | 0% |

**Note: LACERA Compensation effective 1/1/2026. Proposed compensation will be adjusted based on future approved compensation adjustments.*
*+Note: RHS/RBS I new hires will start at Step 3 of the salary schedule.*

Budgeted positions in RHC will generally be reclassified to the equivalent level in the RHS series. The division's budgeted and vacant Quality Auditor I position will be reclassified to RHS III. Compensation for the current RBS Series will be adjusted to align with the new RHC Series.

## LEGAL AUTHORITY

The authority to implement proposed salary adjustments for the above classification rest jointly with the Board of Retirement and Board of Investments. Such authority is provided in the California Government Code Sections 31522.1, 31522.2, and 31522.4, and will require the BOS to amend the Los Angeles County Ordinance.

The JOGC Charter provides that the Committee has the responsibility to "Review and make recommendations on staff requests to create all new Staff Member classifications" and to "Review and make recommendations on Staff Member requests related to approval of initial compensation levels and ranges applicable to new positions to be added to the County Code and approval of compensation level and range changes for existing positions that require changes to the County Code."

## EXECUTIVE SUMMARY

### Background

It is a human resources best practice to update classification specifications and market price salaries on a periodic basis, in line with LACERA's philosophy to pay fair and competitive wages that will attract, retain and motivate a highly skilled workforce and support its' Mission to Produce, Protect and Provide the Promised Benefits to its membership.

LACERA retained Reward Strategy Group (RSG) in March 2023 to conduct a two-phase Classification and Compensation Study of 34 filled and vacant RBS positions in six (6) classifications allocated to the Retiree Healthcare Division (RHC). RSG reviewed Position Description Questionnaires (PDQs) completed by RHC staff, interviewed all incumbents and RHC management, as well as a selected group of positions in the same classifications within the Benefits and Member Services Division for comparison. RSG also interviewed a Quality Auditor II in the Quality Assurance Division and a Senior Disability Retirement Specialist in the Disability Retirement Division and compared the training programs for Core Benefits and RHC.

RSG found that the Specialist role in RHC and the other LACERA divisions have a common denominator – to enroll, support, and service member's retirement accounts. Assignments in all divisions require similar skills in research and analysis and customer service, as well as abilities to process/explain detailed information and determine eligibility for distinct types of benefits.

However, differences in the roles of Specialists in the various divisions emerge because of the specific knowledge of the assigned subjects and the unique processes, programs and regulations pertaining to core pension benefits versus disability retirement benefits versus healthcare retirement benefits.

RSG compared relevant positions across public and private agencies to appropriately benchmark salaries and assess LACERA's competitiveness relative to the federal government, private sector, and State of California. RSG proposed salaries for the RHS classifications that are appropriate for the level and scope of each classification. In addition, having recognized the similarities between the RHS and RBS series, they recommended compensation parity.

## CLASSIFICATION AND COMPENSATION STUDY

### Classification Recommendations

A core principle of position classification is that employees within a particular class should be able to transfer to differing assignments within that class with only minimal training in

the duties/responsibilities of the new assignment. RSG believes this principle cannot and has not been applied with regard to RBS assigned in the RHC. LACERA has already recognized this by creating a separate specialized training for employees assigned to RHC. Therefore, RSG recommended creation of a new series with class specifications that more accurately reflect the knowledge and skills required by RHC staff. Going forward, internal transfers for RBS incumbents in Benefits or Member Services Divisions into RHC may no longer be available over time as incumbents in RBS jobs may not meet the minimum qualifications for promotion to a higher level specialized in healthcare.

Budgeted RBS positions in RHC will generally be reclassified to the equivalent level in the RHS series. The proposed RHS series includes RHS Section Head, which serves as a management level classification, Senior RHS, which serves as the full supervisory classification; RHS III, which serves as the lead role and/or subject matter expert; RHS II, for employees who are fully trained and able to perform the majority of job functions in the division; and RHS I, which is the training level. In addition, the division's budgeted and vacant Quality Auditor I position will be eliminated and reclassified to RHS III.

The chart below summarizes how the existing classifications in the RHC will change to the proposed new classification titles, bargaining unit, and FLSA exempt status:

| Current Classification Title | New Classification Title | BU | FLSA Exempt? |
|---|---|---|---|
| Section Head | Retiree Healthcare Section Head | 991 | Yes |
| Sr. Retirement Benefits Specialist | Sr. Retiree Healthcare Specialist | 851 | No |
| Retirement Benefits Specialist III | Retiree Healthcare Specialist III | 850 | No |
| Retirement Benefits Specialist II | Retiree Healthcare Specialist II | 850 | No |
| Retirement Benefits Specialist I | Retiree Healthcare Specialist I | 850 | No |

The newly created classification specifications are shown as **Attachment A.**

**Compensation Recommendation**

LACERA recommends aligning compensation for the positions studied to market rates provided by RSG, while taking into consideration internal equity and sufficient salary differentials between positions. LACERA refreshed the benchmark salaries to reflect 2026 rates **(Attachment B).**

The compensation study identified comparable positions among a diverse peer group made up of the following retirement systems:

1. Alameda County (ACERA)

2. City and County of San Francisco (SFERS)
3. City of Los Angeles and Los Angeles Fire and Police (LAFPP)
4. Los Angeles Water and Power (WPERP)
5. County of Los Angeles Benefits Division
6. Orange County (OCERS)
7. Sacramento County (SCERS)
8. San Bernardino County (SBCERA)
9. San Diego County (SDCERA)
10. Ventura County (VCERA)
11. University of California
12. Santa Barbara County (SBCERS)- Not utilized as a comparator based on size.

In addition, the following were also researched:

- State of California (CalPERS and CalSTRS)
- Federal Social Security Administration
- Private insurance companies' salary data using job bulletins
- Insurance association surveys
- Databases - Economic Research Institute (ERI) and Bureau of Labor and Statistics (BLS)

LACERA supports the RSG recommendation to compensate the RBS and RHS series at the same rate. LACERA also supports the recommendation for no change in compensation for the Section Head, LACERA and RBS/RHS I classifications as both the Section Head, LACERA and the RBS/RHS I were found to be compensated above the market. However, LACERA recommends starting RBS I and RHS I at Step 3 of the assigned salary schedule. RBS/RHS I hold the title during the one (1) year training program and are promoted to RBS/RHS II after successful completion.

The proposed RHC organizational chart is shown as **Attachment C**.

## LACERA (Benefits and Member Services) Budget Impact

Implementation of the study findings as recommended will result in an annual LACERA Administrative budget increase of **$1,444,164.75.**

| No. of Pos. | Classification Title | SALARY (1/1/2026) | | | PROPOSED SALARY | | | TOTAL ANNUAL BUDGET IMPACT | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Sch | Max Salary (Mo.) | Annual | Sch | Max Salary (Mo.) | Annual | Difference Per Position | Total Difference w/Benefits @55% | Total Difference w/Benefits for total positions |
| **7** | Section Head | LS09 | $15,274.64 | $183,295.68 | No Change | | | | | |
| **21** | Senior Retirement Benefits Specialist | 107K | $10,505.55 | $126,066.60 | 109L | $11,117.91 | $133,414.92 | $7,348.32 | **$11,389.90** | **$239,187.90** |
| **55** | Retirement Benefits Specialist III | 102E | $9,060.82 | $108,729.84 | 104H | $9,660.09 | $115,921.08 | $7,191.24 | **$11,146.42** | **$613,053.21** |
| **66** | Retirement Benefits Specialist II | 95K | $7,586.91 | $91,042.92 | 98B | $8,069.09 | $96,829.08 | $5,786.16 | **$8,968.54** | **$591,923.64** |
| **14** | Retirement Benefits Specialist I | 89K | $6,447.55 | $77,370.60 | No Change | | | | | |
| | | | | | | | **TOTAL IMPACT** | **$1,444,164.75** | | |

## RHC Budget Impact

Implementation of the study findings as recommended will result in an annual OPEB budget increase of **$317,556.31**

| No. of Pos. | Classification Title | SALARY (1/1/2026) | | | PROPOSED SALARY | | | | TOTAL ANNUAL BUDGET IMPACT | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Sch | Max Salary (Mo.) | Annual | Position Title | Sch | Max Salary (Mo.) | Annual | Difference Per Position | Total Difference w/Benefits @55% | Total Difference w/Benefits for total positions |
| **2** | Section Head | LS09 | $15,274.64 | $183,295.68 | Retiree Healthcare Section Head | No Change | | | | | |
| **3** | Senior Retirement Benefits Specialist | 107K | $10,505.55 | $126,066.60 | Senior Retiree Healthcare Specialist | 109L | $11,117.91 | $133,414.92 | $7,348.32 | **$11,389.90** | **$34,169,70** |
| **11** | Retirement Benefits Specialist III | 102E | $9,060.82 | $108,729.84 | Retiree Healthcare Specialist III | 104H | $9,660.09 | $115,921.08 | $7,191.24 | **$11,146.42** | **$122,610.62** |
| **1** | Quality Auditor I | 102A | $8731.10 | $104,772.00 | Retiree Healthcare Specialist III | 104H | $9,660.09 | $115,921.08 | $11.149.08 | **$17,281.07** | **$17,281.07** |
| **16** | Retirement Benefits Specialist II | 95K | $7,586.91 | $91,042.92 | Retiree Healthcare Specialist II | 98B | $8,069.09 | $96,829.08 | $5,786.16 | **$8,968.54** | **$143,496.64** |
| **1** | Retirement Benefits Specialist I | 89K | $6,447.55 | $77,370.60 | Retiree Healthcare Specialist I | No Change | | | | | |
| | | | | | | | | **TOTAL IMPACT** | **$317,556.31** | | |

**PROCEDURE FOR ESTABLISHING CLASSIFICATIONS AND PAY RANGES**

For LACERA represented classifications (Sr. RBS, RBS III, RBS II and RBS I), union notification and consultation have been completed and SEIU verbally agreed to accept the creation of new classifications in the RHS series, the proposed compensation of the new classifications, and compensation changes to the RBS series. SEIU will prepare the necessary paperwork confirming their agreement and to have the new classifications accreted to SEIU.

The Joint Organizational Governance Committee (JOGC) charter indicates the JOGC has responsibility to approve the compensation level and range changes for existing positions that require changes to the County Code. The JOGC's recommendation will be forwarded to the Board of Retirement and Board of Investments for approval. Upon approval from the Board of Retirement and Board of Investments, HR will work with the Los Angeles County's Chief Executive Office (LACCEO) to create the classification specification and salary schedules for submittal to the Los Angeles County Board of Supervisors for adoption and to be updated in the County's Payroll System. HR staff, with the LACERA Legal Office, will prepare and submit an ordinance amending Sections 6.28.050 and 6.127.010 of the County Code to the Los Angeles County Counsel's Office and the BOS for adoption. This action will implement the creation of the class descriptions and compensation of the new RHS Series, LACERA, and modify compensation for the RBS Series.

**THAT THE COMMITTEE APPROVE** the creation of the proposed five (5) new Retiree Healthcare Specialist classifications, compensation for the new Retiree Healthcare Specialist series, compensation adjustments for Retirement Benefits Specialist series, and the reclassification of one (1) budgeted Quality Auditor I position to Retiree Healthcare Specialist III; that these recommendations be forwarded to the Board of Retirement and Board of Investments for approval; and that the approved actions be submitted to the Board of Supervisors for adoption into LACERA's Ordinance.

Attachment A – Proposed Retiree Healthcare Specialist (RHS) Series Classification Specifications
Attachment B – Salary Survey Data Sheets
Attachment C – Proposed RHC Organizational Chart

c: Steven P. Rice
Jessica Baxter
JJ Popowich
Carly Ntoya

# ATTACHMENT A

**DRAFT:** AUGUST 2026

**CLASS TITLE:** RETIREE HEALTHCARE BENEFITS SECTION HEAD, LACERA

**ITEM NUMBER:** TBD
**APPROVAL DATE:** TBD

## DEFINITION

Under general direction, manages, integrates and coordinates functional areas of the Retiree Healthcare Division of Los Angeles County Employees Retirement Association (LACERA) through subordinate level supervisors.

## POSITION INFORMATION

Positions allocable to this class are located in the Retiree Healthcare Division (RHC) and report to the Assistant Division Manager, LACERA or higher. The Retiree Healthcare Benefits Section Head, LACERA oversees the work of one or more functional areas such as the RHC Call Center, Operations and/or Quality Assurance through subordinate supervisors. Assignments are broad in scope and allow for a high degree of administrative discretion in their execution.

These positions must possess a thorough knowledge of management principles, practices, and methods; Retiree Healthcare functions, programs, policies, goals, objectives, procedures, and operations sufficient to plan, organize, manage, and evaluate the functional area they are responsible for managing; an in-depth knowledge of the LACERA-administered Retiree Healthcare Benefits Program administrative rules, the 1982 contract between the County and LACERA, the LACERA and LACERS Reciprocity Agreement, healthcare insurance carrier, Social Security and Medicare rules, policies and procedures; County Employees Retirement Law of 1937 (CERL), Health Insurance Portability and Accountability Act (HIPAA), Americans Disabilities Act (ADA), and other pertinent federal and State laws, County ordinances, legal opinions or court decisions; modern office equipment and software operations and technical capabilities of LACERAs document management systems; and the protection of confidential and sensitive information.

These positions must have refined oral and written communication skills, and arithmetic, to clearly present and convey recommendations and proposed resolutions to division management; strong leadership skills to manage and develop subordinate staff directly and through supervisors; and the ability to problem solve and integrate the activities of their section with other division programs and operations; provide excellent customer service to internal and external customers; perform complex case management analysis; and to exercise professionalism, tact, discretion, and diplomacy as a representative of LACERA and the RHC.

Retiree Healthcare Benefits Section Head, LACERA is distinguished from Assistant Division Manager, LACERA in that the latter is responsible for assisting in the day-to-day management of a division composed of multiple sections.

Retiree Healthcare Benefits Section Head, LACERA is distinguished from Section Head, LACERA in that the former requires advanced specialized knowledge and experience in the determination of healthcare and Medicare insurance eligibility and related enrollment processes.

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## EXAMPLES OF ESSENTIAL JOB FUNCTIONS

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

Assists in the day-to-day administration of the Retiree Healthcare Benefits Program for retired LACERA members and their eligible dependents and beneficiaries on behalf of the Plan Sponsor, the County of Los Angeles.

Plans, develops, directs and evaluates the operations and staffing of a section of the Division.

Develops goals and objectives in line with LACERA's and the Division's strategic plans, values and mission and ensures their completion.

Supervises directly or through subordinate supervisors the staff performing complex work to process healthcare enrollment forms, enroll members in retiree healthcare plans and research/resolve complex member inquiries and problems.

Develops training programs and monitors and reviews the work of subordinate staff to ensure compliance with established member support, operations and quality control programs and processes.

Develops and monitors the section's operating budget.

Develops new and revised policies and procedures.

Develops, analyzes and evaluates a variety of statistical reports and metrics; resolves complex carrier discrepancies, enrollment, eligibility, deduction errors and other issues.

Reconciles and reviews payments to carriers; may participate in negotiations with carriers.

Assists in the development, review and revision of communications with LACERA members regarding carriers, benefits and claims; participates in educational events for Los Angeles County active employees.

Researches and attends educational conferences and events in industry-related fields to identify and implement best practices applicable to the Division.

Analyzes changes in legislation, Social Security, Medicare and insurance industry and communicates any necessary changes in policies or procedures to section staff.

May act as Assistant Division Manager or Division Manager, LACERA in their absence.

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## MINIMUM REQUIREMENTS

**Training and Experience:**

**Option 1:**

One year of experience researching and resolving healthcare eligibility, enrollment and coverage inquiries, and/or processing insurance carrier applications, and/or supervising the quality control operations of auditing members' insurance inquiries, at the level of class of Senior Retiree Healthcare Specialist or higher.

**Option 2:**
Graduation from an accredited college or university with a bachelor's degree and three years of experience in supervising or managing a large organization engaged in administering retiree healthcare or insurance programs.

**OTHER REQUIREMENTS:**

Applicants must be able to perform the essential functions of this classification, with or without a reasonable accommodation.

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# ATTACHMENT A

**DRAFT:** AUGUST 2026

**CLASS TITLE:** SENIOR RETIREE HEALTHCARE BENEFITS SPECIALIST, LACERA

**ITEM NUMBER:** TBD
**APPROVAL DATE:** TBD

## DEFINITION

Under direction, supervises staff engaged in processing members' and/or their eligible dependent's retiree healthcare plan eligibility and enrollments, and in researching and resolving coverage/claims issues; may supervise the quality control auditing of members' retiree health insurance inquiries, eligibility and new enrollments/changes, and Retiree Healthcare Division (RHC) Call Center for the Los Angeles County Employees Retirement Association (LACERA)-administered Retiree Healthcare Benefits Program Plans.

## POSITION INFORMATION

Positions allocable to this class are located in the RHC and provide administrative and technical supervision including planning, assigning, and reviewing the work of and evaluating employee performance of Retiree Healthcare Benefits Specialists. These positions ensure LACERA retired members receive promised healthcare benefits and customer service, and that eligibility, enrollment forms and claims are accurate and processed in a timely manner. Incumbents perform complex assignments, often without specific procedures or protocols and requiring a great deal of independent and sound judgment, initiative, discretion and confidentiality to manage highly sensitive and confidential healthcare related information.

These positions require a thorough knowledge of regulations, codes, policies, procedures and guidelines of Social Security Administration, Medicare, and insurance carriers; administrative principles and methods including goal setting, work process development and implementation, and employee supervision; research methods and analysis techniques; training principles and practices; LACERA-administered Retiree Healthcare Benefits Program administrative rules, operations, policies, procedures, and practices; County Employees Retirement Law of 1937 (CERL), Health Insurance Portability and Accountability Act (HIPAA), Americans Disabilities Act (ADA), and other pertinent federal and State laws, County ordinances, legal opinions or court decisions; modern office equipment and software operations and technical capabilities of LACERA's document management systems; and the protection of confidential and sensitive information.

These positions must possess strong research, analytical, arithmetic, written and verbal communication skills and refined interpersonal skills to perform complex customer service, to document member contacts, agreements and analysis, and to develop, maintain, and promote cooperative, effective working relationships with others; and the ability to orient, train, supervise, and evaluate assigned employees; provide input on workflow and process enhancement; perform complex case analysis including researching and reconciling data from various internal and external systems and reports; to review and audit the work of other staff; to track and report member data and trends; and to exercise professionalism, tact, discretion, and diplomacy as a representative of LACERA and the RHC.

Senior Retiree Healthcare Division Specialist, LACERA is distinguished from Retiree Healthcare Benefits Section Head, LACERA in that the latter is accountable for planning, organizing, and managing a major section of the RHC.

The Retiree Healthcare Benefits Specialist, LACERA class series is further distinguished from the Retirement Benefits Specialist, LACERA class series in that the latter perform duties to ensure that

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members are informed and understand their retirement options prior to retirement, that member retirement benefits are calculated correctly, and that County Employees Retirement Law (CERL) has been correctly applied to members retirement benefits.

## EXAMPLES OF ESSENTIAL JOB FUNCTIONS

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

Researches, analyzes and resolves appeals, exceptions, escalated inquiries, and difficult and controversial issues related to retiree healthcare benefits, claims, eligibility and coverage issues for LACERA members, eligible dependents and survivors.

Plans, assigns, organizes and directs the work of staff engaged in the research, resolution, processing and quality control of retired members' healthcare-related benefits.

Trains and reviews the work of subordinate staff to ensure compliance with established LACERA policies, guidelines and procedures in the member support, operations and quality assurance programs.

Determines work priorities and team assignments.

Establishes work deadlines and explains changes in policies, procedures and technology to staff.

Assists in the development of new and revised policies and procedures; develops training documents.

Ensures staff complies with external insurance carriers, Medicare and Social Security rules, guidelines and procedures.

Monitors live and recorded member support calls, reviews correspondence for technical accuracy and audits operational performance and insurance inquiries.

Liaises with insurance carriers both orally and in writing on behalf of members to resolve complex eligibility, exceptions and claims issues.

Tracks, monitors and reports on a variety of performance metrics; prepares workload projections, statistical and qualitative records and reports.

Prepares member communications and correspondence.

Audits and reconciles financial transactions including payments to insurance carriers, healthcare premium calculations, premium changes and overpayment/underpayment calculations.

## REQUIREMENTS

**Training and Experience:**

**Option 1:**
Three (3) years of experience researching and resolving healthcare eligibility, enrollment and coverage inquiries; processing insurance carrier applications; and/or providing quality-control oversight at the level of Retiree Healthcare Benefits Specialist III, LACERA or higher.

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**Option 2**:
Graduation from an accredited college or university with a bachelor's degree and one year of experience in an assignment processing application for health insurance or other employee healthcare benefits at the level of Retiree Healthcare Benefits Specialist III, LACERA or higher.

**OTHER REQUIREMENTS:**

Applicants must be able to perform the essential functions of this classification, with or without a reasonable accommodation.

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# ATTACHMENT A

**DRAFT:** AUGUST 2026

**CLASS TITLE:** RETIREE HEALTHCARE BENEFITS III, LACERA

**ITEM NUMBER:** TBD
**APPROVAL DATE:** TBD

## DEFINITION

Under general supervision, researches and resolves the most complex retiree healthcare enrollment eligibility, benefit coverage issues under the LACERA-administered Retiree Healthcare Benefit Plans. Processes retiree and/or eligible dependent's healthcare medical, dental/vision, and/or Medicare Advantage Prescription Drug (MAPD) plan enrollments, changes and cancellations. When assigned to Quality Control, conducts quality control of enrollment forms processed by the Operations Unit, monitors Retiree Healthcare (RHC) Call Center staff's member calls for training and quality control, process death reports, carrier monthly discrepancy reports, and performs audits for escalated member issues and performs account analyses for the LACERA-administered Retiree Healthcare Benefits Program Plans.

## POSITION INFORMATION

Positions allocable to this class are located in the Retiree Healthcare Division (RHC) and provide training and work guidance to lower-level Retiree Healthcare Benefits Specialists and/or perform quality control functions in addition to researching and resolving the most complex healthcare plan eligibility and enrollment issues for LACERA members and their beneficiaries. Positions in this class liaise between LACERA retired members and healthcare insurance carriers to resolve complex eligibility and claims issues. Incumbents perform complex assignments, requiring independent and sound judgment, initiative, discretion and confidentiality to manage highly sensitive and confidential healthcare related information.

These positions require advanced knowledge of the various healthcare plan options including Medicare and non-Medicare insurance carrier plans, policies, procedures, practices, and forms; research and analysis techniques; training principles and practices; LACERA operations, policies, procedures, and practices; Medicare and Social Security rules and guidance; Health Insurance Portability and Accountability Act (HIPAA), Americans Disabilities Act (ADA) as it applies to assignment; modern office equipment and software operations; and the protection of confidential and sensitive information.

These positions must possess strong research, analytical, arithmetic, written and verbal communication skills and refined interpersonal skills to perform complex customer service, to document member contacts, agreements and analysis, and to develop, maintain, and promote cooperative, effective working relationships with others; and the ability to perform complex case analysis including researching and reconciling data from various internal and external systems and reports; review and audit the work of other staff; provide on-the-job training; and to exercise professionalism, tact, discretion, and diplomacy as a representative of LACERA and the RHC.

Retiree Healthcare Benefits Specialist III, LACERA is distinguished from Senior Retiree Healthcare Benefits Specialist, LACERA in that the latter is a working supervisor responsible for planning, organization, training, and work direction of a team of Retiree Healthcare Specialists, and for performing the most complex work of the assigned section.

The Retiree Healthcare Specialist, LACERA class series is further distinguished from the Retirement Benefits Specialist, LACERA class series in that the latter perform duties to ensure that members are

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informed and understand their retirement options prior to retirement, that member retirement benefits are calculated correctly, and that County Employees Retirement Law (CERL) have been correctly applied to members retirement benefits.

## EXAMPLES OF ESSENTIAL JOB FUNCTIONS

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

Researches and evaluates LACERA member accounts, previous interactions with LACERA and insurance carriers, and financial data to resolve escalated inquiries and issues related to retiree healthcare coverage, eligibility and claims for members, eligible dependents and survivors; establishes timelines and effective dates.

Researches and analyzes past insurance premium rates, payments, insurance carrier rate subsidy adjustments, and calculates the most complex premium adjustments/reimbursements.

Advises, counsels, and explains to LACERA members and their beneficiaries their rights, obligations and qualifications for retirement healthcare benefits and assists in plan selection, documentation review and completing enrollment applications and forms.

Reviews and processes standard and non-standard LACERA member enrollment forms, documentation, requests for changes in insurance plan and dependent coverage.

Liaises with insurance carriers both orally and in writing on behalf of members to resolve eligibility and claim issues.

Quality Control Section assignment performs highly complex and detailed work to review, check, analyze and resolve problems/discrepancies with a wide range of enrollment, coverage, carrier requests, discrepancy reports, audit reports, claims payments and account analyses.

Prepares written correspondence and documentation in response to the most complex healthcare eligibility, claim and payment issues.

May provide training, call monitoring, technical assistance and lead supervision to Retiree Healthcare Specialists in a call center or in processing retirement healthcare enrollments and claims.

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## REQUIREMENTS

**Training and Experience:**

**Option 1:**
Three (3) years of experience researching and resolving healthcare eligibility, enrollment and coverage inquiries and/or processing insurance carrier applications at the level of Retiree Healthcare Benefits Specialist II, LACERA or higher.

**Option 2:**
Graduation from an accredited college or university with a bachelor’s degree AND two (2) years of experience in processing applications for health insurance and resolving member problems with coverages and claims at the level of Retiree Healthcare Benefits Specialist II, LACERA or higher.

**OTHER REQUIREMENTS:**

Applicants must be able to perform the essential functions of this classification, with or without a reasonable accommodation.

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# ATTACHMENT A

**DRAFT:** AUGUST 2026

**CLASS TITLE:** RETIREE HEALTH SPECIALIST II, LACERA

**ITEM NUMBER:** TBD
**APPROVAL DATE:** TBD

## DEFINITION

Under general supervision, researches and resolves the routine to difficult retiree healthcare eligibility, enrollment and coverage issues and processes retiree healthcare plan enrollment forms and changes for the Los Angeles County Employees Retirement Association (LACERA)-administered Retiree Healthcare Benefits Program Plans.

## POSITION INFORMATION

Positions allocable to this class are located in the Retiree Healthcare Division (RHC) and are assigned to a team of Retiree Healthcare Benefits Specialists. Positions in this class are responsible for advising and explaining to LACERA members and their beneficiaries how to select, enroll and access healthcare coverage. Incumbents process dental, vision, medical, and Medicare plan enrollment forms, premium adjustments, Medicare Part B verifications, and member plan changes/cancellations and research and resolve healthcare plan eligibility, enrollment coverage inquiries for LACERA members and their beneficiaries. Work is performed in accordance with established policies, procedures, or techniques and requires training, experience, and a working knowledge of the LACERA-administered Retiree Healthcare Benefits Program's administrative rules, group health insurance plan's and Medicare rules policies and procedures.

These positions require knowledge of the various healthcare plan options, policies and procedures and practices applicable to advising members, and to the processing of member enrollment, plan changes and cancellations; LACERA operations, policies, procedures, and practices; Health Insurance Portability and Accountability Act (HIPAA), Americans Disabilities Act (ADA) as it applies to assignment; Medicare and Social Security rules and guidance; modern office equipment and software operations; and the protection of confidential and sensitive information.

These positions must possess strong analytical, written and verbal communication skills, arithmetic, and refined interpersonal skills to perform complex customer service and data entry; and to develop, maintain, and promote cooperative, effective working relationships with others; and possess the ability to locate, assemble and reconcile information from various source documents and records utilizing general analytical and arithmetic reasoning; review detailed forms for accuracy and completion; and exercise professionalism, tact, discretion, and diplomacy as a representative of LACERA and the Retiree Healthcare Division.

The Retiree Healthcare Benefits Specialist II, LACERA is distinguished from the Retiree Healthcare Benefits Specialist III, LACERA in that the latter performs the more complex duties of the class series including acting as a subject matter expert in a particular area of the division, acting as the primary liaison with assigned carrier, providing training to lower-level staff, and/or auditing RHC Call Center's incoming calls, and reviewing processed insurance enrollment forms.

The Retiree Healthcare Specialist, LACERA class series is further distinguished from the Retirement Benefits Specialist, LACERA class series in that the latter perform duties to ensure that members are informed and understand their retirement options prior to retirement, that member retirement benefits are

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calculated correctly, and that County Employees Retirement Law (CERL) have been correctly applied to members.

## EXAMPLES OF ESSENTIAL JOB FUNCTIONS

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

Advises and explains to LACERA members and their beneficiaries their rights, obligations and qualifications for retiree healthcare benefits and assists in healthcare plan selection based on eligibility criteria, and documentation needed to complete enrollment forms.

Researches and resolves retiree healthcare enrollment eligibility and coverage issues for LACERA members, eligible dependents and survivors through LACERA member system's and insurance carrier systems; prepares documentation of service requests and the resolution process that was carried out.

Assists members and/or their eligible dependents with their Medicare plan enrollments, questions, and researching/resolving Medicare enrollment issues.

Determines changes in monthly health insurance premium amounts and calculates premium adjustments/ Part B reimbursements; collects payments or processes reimbursements.

Reviews and processes LACERA member enrollment forms, documentation, requests for changes in insurance plan and dependent coverage; ensures insurance carriers process forms correctly and notifies members of enrollment completion and coverage.

Uploads documents to LACERA member account system, and maintains member data on file.

Communicates both orally and in writing with insurance carriers to update data and identify and resolve enrollment, eligibility and coverage issues.

Performs general office duties such as filing, photocopying, and compiling data for reports.

Maintains enrollment logs and statistics and prepares reports.

May assist in training Retiree Healthcare Specialists through tandem calls.

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## REQUIREMENTS

**Training and Experience:**

**Option 1:**
One (1) year of progressively responsible experience researching and resolving routine retiree healthcare eligibility, enrollment and coverage issues and processing healthcare plan enrollment as a Retiree Healthcare Benefits Specialist I, LACERA, including successful completion of LACERA's Retiree Healthcare Training Program.

**Option 2:**
Graduation from an accredited college or university with a bachelor's degree and one year of experience processing applications for health insurance or other relevant employee healthcare benefits.

**OTHER REQUIREMENTS:**

Applicants must be able to perform the essential functions of this classification, with or without a reasonable accommodation.

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# ATTACHMENT A

**DRAFT:** AUGUST 2026

**CLASS TITLE:** RETIREE HEALTHCARE BENEFITS SPECIALIST I, LACERA

**ITEM NUMBER:** TBD
**APPROVAL DATE:** TBD

## DEFINITION

Under close supervision, researches and resolves routine retiree healthcare eligibility, enrollment and coverage issues and processes healthcare plan enrollments and changes for the Los Angeles County Employees Retirement Association (LACERA)-administered Retiree Healthcare Benefits Program Plans.

## POSITION INFORMATION

Positions allocable to this class are located in the Retiree Healthcare Division (RHC) and are assigned to a team of Retiree Healthcare Benefits Specialists. Positions in this class are responsible for learning how to research and resolve routine healthcare plan eligibility, enrollment, and coverage inquiries from LACERA members and their beneficiaries and to process applications for enrollment and plan changes.

These positions require knowledge of customer service, preferably in a call center environment; basic healthcare terminology; Health Insurance Portability and Accountability Act (HIPAA); modern office equipment and software operations; and the protection of confidential and sensitive information.

These positions must have strong analytical, written, and verbal communication skills and refined interpersonal skills to provide customer service and to develop, maintain, and promote cooperative, effective working relationships with others; and possess the ability to learn and apply detailed rules and regulations needed to explain the various healthcare plan options, policies and procedures and practices to members, and to process member enrollment and plan changes; locate, assemble and reconcile information from various source documents and records utilizing general analytical and arithmetic reasoning; communicate effectively with members and the public; and exercise professionalism, tact, discretion, and diplomacy as a representative of LACERA and the Retiree Healthcare Division.

Retiree Healthcare Benefits Specialist I, LACERA is distinguished from Retiree Healthcare Benefits Specialist II, LACERA in that the latter is fully trained and independently performs all of the routine member support duties including responding to incoming calls in the RHC Call Center and the processing of insurance enrollment and changes.

The Retiree Healthcare Benefits Specialist, LACERA class series is further distinguished from the Retirement Benefits Specialist, LACERA class series in that the latter perform duties to ensure that members are informed and understand their retirement options prior to retirement, that member retirement benefits are calculated correctly, and that County Employees Retirement Law (CERL) have been correctly applied to members retirement benefits.

## EXAMPLES OF ESSENTIAL JOB FUNCTIONS

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

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Explains to LACERA members and their beneficiaries their rights, obligations, and qualifications for enrolling in the retiree healthcare benefits program and assists them in completing the healthcare enrollment forms.

Reviews for completeness and processes LACERA member healthcare enrollment forms, requests for changes in insurance plan and eligible dependent(s) coverage.

Assists members with their inquiries related to retiree healthcare benefits plan options and eligibility criteria.

Researches and resolves routine retiree healthcare issues such as enrollment, medical and dental/vision coverage/change/terminations/cancellations, and Medicare program requirements; prepares documentation of service requests and the steps taken to resolve issues.

Contacts LACERA members and/or insurance carrier representative via phone or electronically for additional information and to verify enrollment data; generates and mails enrollment notifications, enrollment forms, confirmation letters and other documentation.

Inputs member data into recordkeeping systems.

Performs general office duties such as filing, photocopying, and/or compiling data for reports.

Maintains records, logs and statistics and assists with the preparation of reports as requested.

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**REQUIREMENTS**

**Training and Experience:**

**Option 1:**
Two years of highly specialized clerical experience at the level of Senior Clerk, LACERA or higher in an assignment involving extensive contact with the public answering, interpreting and explaining regulations, policies and procedures, and providing instructions for filing legal forms and/or applications.

**Option 2:**
Completion of 60 semester units in an accredited college AND two (2) years of experience in an assignment answering, interpreting and explaining regulations, policies and procedures, and providing instructions for filing legal forms and applications, preferably in the healthcare industry.

**Option 3:**
Graduation from an accredited college or university with a bachelor’s degree.

**OTHER REQUIREMENTS:**

Applicants must be able to perform the essential functions of this classification, with or without a reasonable accommodation.

Compiled by Reward Strategy Group in 2024
Updated by LACERA in 2026

**ATTACHMENT B**
**SALARY SURVEY DATA SHEETS**

| | | Range Min ($): | Range Max ($): |
|---|---|---|---|
| **Classification:** | **Section Head and Retiree Heathcare Section Head** | **$ 121,100.79** | **$ 183,295.68** |
| | | | |
| **Comparator** | **Comparison Classification** | **Range Min:** | **Range Max:** |
| **Alameda County (ACERA)** | Retirement Benefits Assistant Manager | $ 125,798.40 | $ 177,008.00 |
| **City and County of San Francisco (SFERS)** | Benefits Supervisor | $ 135,356.00 | $ 164,554.00 |
| **LACERAS AND LAFPP** | Senior Benefits Analyst I - Retirement Services | $ 109,640.00 | $ 160,295.00 |
| **LA Water and Power Employees Retirement Plan (WPERP)** | Utility Administrator I | $ 133,130.88 | $ 280,063.44 |
| **County of Los Angeles Benefits Division** | Human Resources Analyst IV | $ 114,786.60 | $ 154,687.68 |
| **Orange County (OCERS)** | Member Services Manager | $ 117,346.00 | $ 182,025.00 |
| **Sacramento County (SCERS)** | Retirement Services Manager | $ 148,623.96 | $ 163,866.24 |
| **San Bernardino County (SBCERA)** | Retirement Specialist Supervisor | $ 113,588.80 | $ 168,667.20 |
| **San Diego County (SDCERA)** | Retirement Member Services Manager | $ 116,750.40 | $ 157,996.80 |
| **Ventura County (VCERA)** | Staff Services Manager III - Retirement Benefits Manager | $ 105,421.89 | $ 147,605.13 |
| **University of CA Retirement Plan (UCRP)** | Benefits Supervisor 2 | $ 89,800.00 | $ 192,200.00 |
| | | | |
| | **Survey Average** | **$ 119,112.99** | **$ 177,178.95** |
| | **Survey Median** | **$ 116,750.40** | **$ 164,554.00** |
| | **75th Percentile of Small Data Set:** | **$ 129,464.64** | **$ 179,516.50** |
| | **LACERA TS vs 75th Percentile:** | **106.91%** | **97.94%** |

Compiled by Reward Strategy Group in 2024
Updated by LACERA in 2026

**ATTACHMENT B**
**SALARY SURVEY DATA SHEETS**

| | | Range Min ($): | Range Max ($): |
|---|---|---|---|
| **Classification:** | **Senior Retirement Benefits Specialist and Senior Retiree Heathcare Specialist** | **$ 93,512.03** | **$ 126,014.46** |
| | | | |
| **Comparator** | **Comparison Classification** | **Range Min:** | **Range Max:** |
| **Alameda County (ACERA)** | Retirement Benefits Specialist | $ 100,054.50 | $ 122,889.00 |
| **City and County of San Francisco (SFERS)** | Senior Benefits Analyst | $ 113,048.00 | $ 137,488.00 |
| **LACERAS AND LAFPP** | NC | $ - | $ - |
| **LA Water and Power Employees Retirement Plan (WPERP)** | NC | $ - | $ - |
| **County of Los Angeles Benefits Division** | Human Resources Analyst III | $ 97,552.32 | $ 131,464.32 |
| **Orange County (OCERS)** | Retirement Benefits Program Supervisor | $ 73,528.00 | $ 98,945.60 |
| **Sacramento County (SCERS)** | Retirement Services Analyst | $ 102,019.68 | $ 124,006.32 |
| **San Bernardino County (SBCERA)** | Senior Retirement Specialist (Lead) | $ 91,686.40 | $ 136,240.00 |
| **San Diego County (SDCERA)** | NC | $ - | $ - |
| **Ventura County (VCERA)** | NC | $ - | $ - |
| **University of CA Retirement Plan (UCRP)** | Benefits Supervisor I | $ 73,700.00 | $ 151,100.00 |
| | | | |
| | **Survey Average** | **$ 59,235.35** | **$ 82,012.11** |
| | **Survey Median** | **$ 73,700.00** | **$ 122,889.00** |
| | **75th Percentile of Small Data Set:** | **$ 98,803.41** | **$ 133,852.16** |
| | **LACERA TS vs 75th Percentile:** | **105.66%** | **106.22%** |

| | | |
|---|---|---|
| **Recommended salary** | **$98,998.92** | **$133,414.92** |

Compiled by Reward Strategy Group in 2024
Updated by LACERA in 2026

**ATTACHMENT B**
**SALARY SURVEY DATA SHEETS**

| | | Range Min ($): | Range Max ($): |
|---|---|---|---|
| **Classification:** | **Retirement Benefits Specialist III and Retiree Healthcare Specialist III** | **$ 80,655.02** | **$ 108,686.44** |
| | | | |
| **Comparator** | **Comparison Classification** | **Range Min:** | **Range Max:** |
| **Alameda County (ACERA)** | NC | $ - | $ - |
| **City and County of San Francisco (SFERS)** | Assitant Retirement Analyst | $ 92,016.00 | $ 111,744.00 |
| **LACERAS AND LAFPP** | Benefits Analyst - Retirement Services | $ 92,853.00 | $ 135,761.00 |
| **LA Water and Power Employees Retirement Plan (WPERP)** | NC | $ - | $ - |
| **County of Los Angeles Benefits Division** | Human Resources Analyst II | $ 82,900.32 | $ 111,720.00 |
| **Orange County (OCERS)** | NC | $ - | $ - |
| **Sacramento County (SCERS)** | NC | $ - | $ - |
| **San Bernardino County (SBCERA)** | Retirement Specialist | $ 72,030.40 | $ 107,036.80 |
| **San Diego County (SDCERA)** | Retirement Member Services Senior Specialist | $ 70,158.40 | $ 105,206.40 |
| **Ventura County (VCERA)** | Program Administrator II | $ 83,524.41 | $ 116,945.66 |
| **University of CA Retirement Plan (UCRP)** | Customer Service Supervisor 1 | $ 68,400.00 | $ 136,000.00 |
| | | | |
| | **Survey Average** | **$ 51,080.23** | **$ 74,946.71** |
| | **Survey Median** | **$ 70,158.40** | **$ 107,036.80** |
| | **75th Percentile of Small Data Set:** | **$ 83,212.37** | **$ 114,344.83** |
| | **LACERA TS vs 75th Percentile:** | **103.17%** | **105.21%** |

**Recommended salary** **$85,809.84** **$115,921.88**

Compiled by Reward Strategy Group in 2024
Updated by LACERA in 2026

**ATTACHMENT B**
**SALARY SURVEY DATA SHEETS**

| | | Range Min ($): | Range Max ($): |
|---|---|---|---|
| **Classification:** | **Retirement Benefits Specialist II and Retiree Healthcare Specialist II** | **$ 67,537.18** | **$ 91,005.04** |
| | | | |
| **Comparator** | **Comparison Classification** | **Range Min:** | **Range Max:** |
| **Alameda County (ACERA)** | Senior Retirement Technician (Journey Flex) | $ 93,444.00 | $ 114,816.00 |
| **City and County of San Francisco (SFERS)** | Retiree Benefits Technician | $ 78,780.00 | $ 95,810.00 |
| **LACERAS AND LAFPP** | Benefits Specialist - Retirement Services | $ 63,704.00 | $ 93,145.00 |
| **LA Water and Power Employees Retirement Plan (WPERP)** | Benefits Specialist | $ 78,550.56 | $ 97,593.12 |
| **County of Los Angeles Benefits Division** | Human Resources Analyst II | $ 82,900.32 | $ 111,720.00 |
| **Orange County (OCERS)** | Senior Retirement Program Specialist | $ 66,227.20 | $ 88,566.40 |
| **Sacramento County (SCERS)** | Senior Retirement Benefits Specialist | $ 69,989.76 | $ 85,086.10 |
| **San Bernardino County (SBCERA)** | NC | $ - | $ - |
| **San Diego County (SDCERA)** | Retirement Member Services Specialist | $ 57,553.60 | $ 84,364.80 |
| **Ventura County (VCERA)** | Retirement Benefits Specialist (2 yrs exp req) | $ 62,925.88 | $ 88,104.88 |
| **University of CA Retirement Plan (UCRP)** | Retirement Customer Service Representative 2 | $ 59,097.60 | $ 84,556.80 |
| | | | |
| | **Survey Average** | **$ 64,833.90** | **$ 85,796.65** |
| | **Survey Median** | **$ 66,227.20** | **$ 88,566.40** |
| | **75th Percentile of Small Data Set:** | **$ 78,665.28** | **$ 96,701.56** |
| | **LACERA TS vs 75th Percentile:** | **116.48%** | **106.26%** |

| | | |
|---|---|---|
| **Recommended salary** | **$71,854.92** | **$96,829.08** |

Compiled by Reward Strategy Group in 2024
Updated by LACERA in 2026

**ATTACHMENT B**
**SALARY SURVEY DATA SHEETS**

| | | Range Min ($): | Range Max ($): |
|---|---|---|---|
| **Classification:** | **Retirement Benefits Specialist I and Retiree Heathcare Specialist I** | **$ 57,392.32** | **$ 77,343.46** |
| | | | |
| **Comparator** | **Comparison Classification** | **Range Min:** | **Range Max:** |
| **Alameda County (ACERA)** | Retirement Technician | $ 78,390.50 | $ 96,213.00 |
| **City and County of San Francisco (SFERS)** | NC | $ - | $ - |
| **LACERAS AND LAFPP** | NC | $ - | $ - |
| **LA Water and Power Employees Retirement Plan (WPERP)** | NC | $ - | $ - |
| **County of Los Angeles Benefits Division** | NC | $ - | $ - |
| **Orange County (OCERS)** | Retirement Program Specialist | $ 58,177.60 | $ 77,875.20 |
| **Sacramento County (SCERS)** | Retirement Benefits Specialist I/II (Flex in 6 mo) | $ 56,626.56 | $ 75,815.28 |
| **San Bernardino County (SBCERA)** | Retirement Benefits Technician | $ 53,476.80 | $ 79,539.20 |
| **San Diego County (SDCERA)** | Retirement Member Services Associat | $ 52,499.20 | $ 71,198.40 |
| **Ventura County (VCERA)** | NC | $ - | $ - |
| **University of CA Retirement Plan (UCRP)** | Retirement Customer Service Representative I | $ 58,291.20 | $ 63,801.60 |
| | | | |
| | **Survey Average** | **$ 32,496.53** | **$ 42,222.06** |
| | **Survey Median** | **$ 52,499.20** | **$ 63,801.60** |
| | **75th Percentile of Small Data Set:** | **$ 57,402.08** | **$ 76,845.24** |
| | **LACERA TS vs 75th Percentile:** | **100.02%** | **99.36%** |

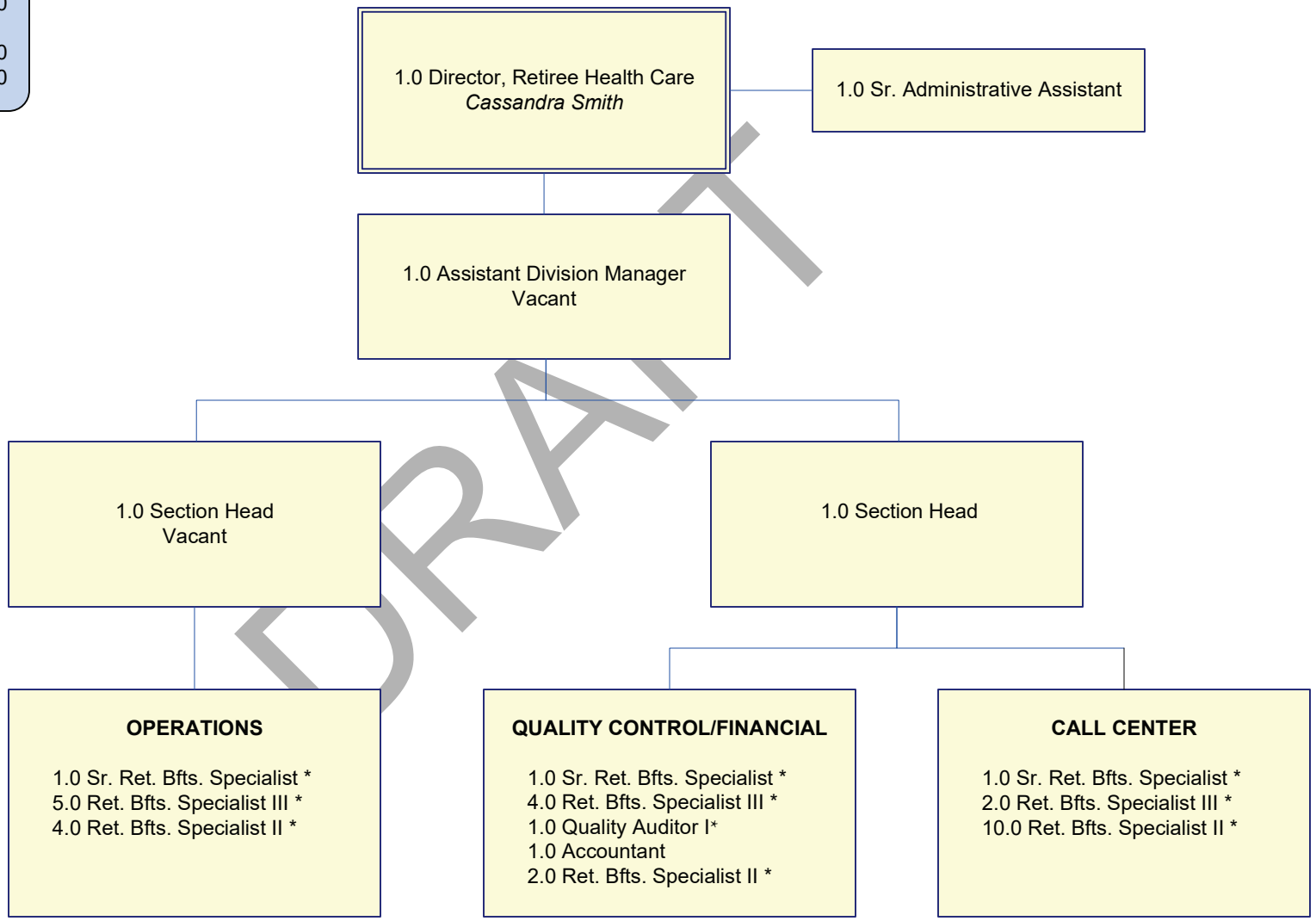
ATTACHMENT C

# RETIREE HEALTH CARE BENEFITS PROGRAM

## FISCAL YEAR 2026-2027

2025-2026 Bud. Pos.: 37.0
2025-2026 Hiring Plan: 37.0

2026-2027 Bud. Pos.: 37.0
2026-2027 Hiring Plan: 37.0




DRAFT

* Classification study for the position requested.

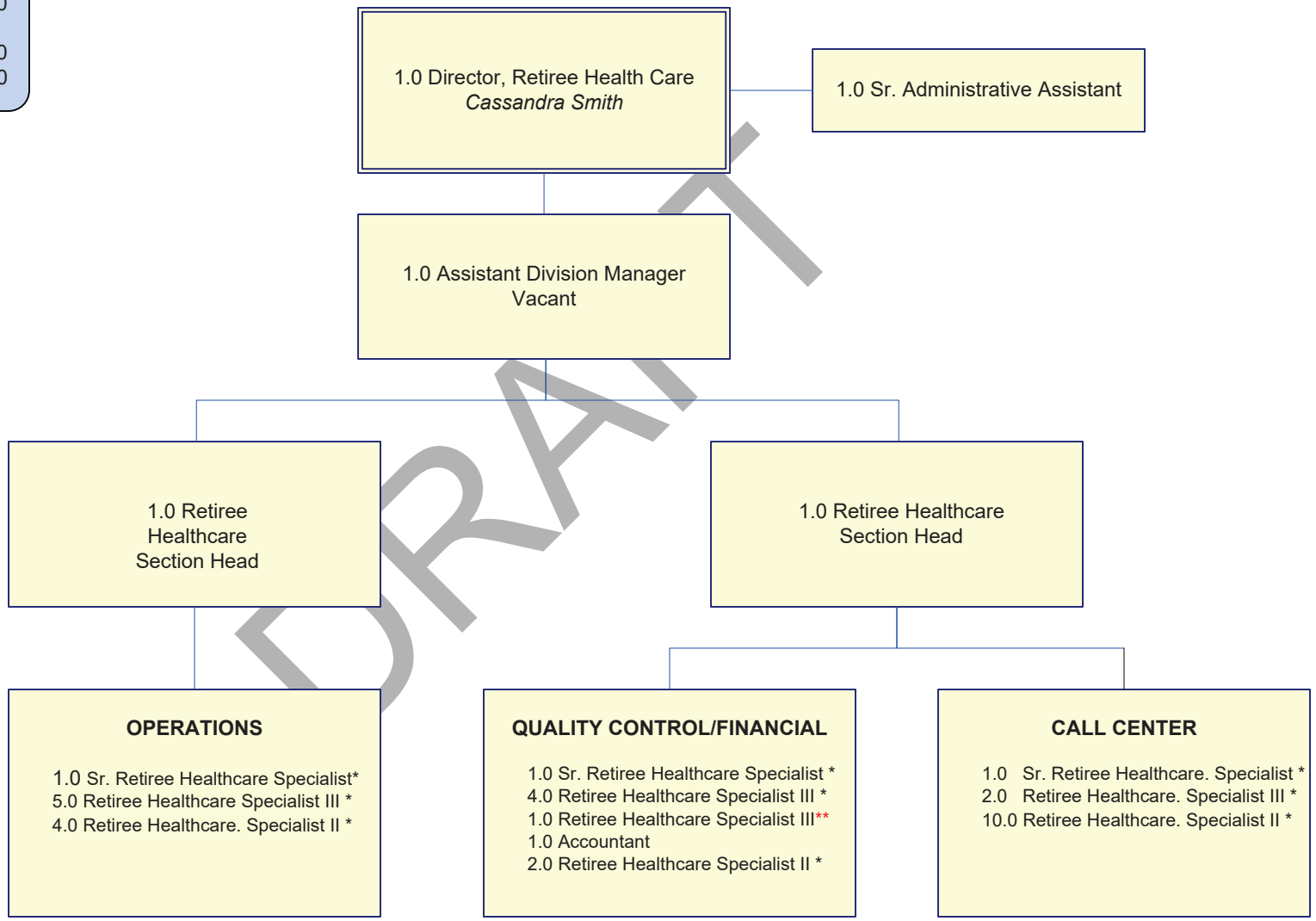
ATTACHMENT C

# RETIREE HEALTH CARE BENEFITS PROGRAM

## FISCAL YEAR 2026-2027

2025-2026 Bud. Pos.: 37.0
2025-2026 Hiring Plan: 37.0

2026-2027 Bud. Pos.: 37.0
2026-2027 Hiring Plan: 37.0




DRAFT

* Classification study for the position requested.
**Reclassify Quality Auditor I to Retiree Healthcare Specialist III

LACERA

October 30, 2026

**TO:** Each Trustee,
Joint Organizational Governance Committee

**FROM:** Jessica Baxter, Chief Administrative Officer

**FOR:** November 23, 2026 Joint Organizational Governance Committee Meeting

**SUBJECT: FY 2026-2027 Proposed Mid-Year Budget Adjustments**

## RECOMMENDATION

It is recommended that the Joint Organizational Governance Committee (JOGC) review and recommend that the Board of Retirement and Board of Investments approve the FY 2026-2027 Mid-Year Budget Adjustments to the LACERA Administrative Budget, including the addition of one Principal Staff Counsel position. No changes are recommended for the Retiree Health Care Benefits Program Budget.

## DISCUSSION

LACERA staff and management are responsible for monitoring and forecasting expenditures to ensure resources are used to meet the organization's needs. To support this responsibility, LACERA's Budget Policy, attached, includes a Mid-Year Budget Adjustment process to facilitate changes in priorities, goals, or economic conditions. This Policy permits the Chief Executive Officer (CEO) to transfer up to $1 million between major accounts without a limit on transferring within the same account. The Mid-Year budget review shall be presented to the JOGC for information or action if required.

Staff has completed the FY 2026-2027 Mid-Year Budget Review and the CEO has authorized account transfers within the Administrative Budget as detailed below. However, staff requests Boards approval for one new position of Principal Staff Counsel in the Legal Office. No additional appropriations or adjustments are necessary outside the CEO's authority. This memo is provided for recommendation and action purposes, reflecting LACERA's commitment to our values of transparency and accountability, and in compliance with LACERA's Budget Policy V.B.10.

## LACERA ADMINISTRATIVE BUDGET

In June, the Boards adopted LACERA's FY 2026-2027 Administrative Budget totaling $151,644,487. The Administrative Budget includes two major account categories: Salaries and Employee Benefits (S&EB), with an adopted budget of approximately $113.2 million, and Services and Supplies (S&S), with an adopted budget of approximately $38.5 million. Staff and management have reviewed the current and projected expenditures compared to the adopted administrative budget. No additional funding is requested; however, one new position is recommended. In reviewing the actual expenditures through the first quarter, staff identified a few line items where expenditures were greater than anticipated and identified offsetting under-expenditures in other line items. As a result, staff has recommended, and the CEO has authorized, the transfer of funds between various accounts as detailed below.

The Mid-Year adjustment is a net-zero reallocation of the adopted Administrative Budget. Approved requests are funded through transfers within and between existing major accounts. Of the reallocations, $535,400 moves from S&EB to S&S.* No additional appropriation is requested.

| Budget Category | Adopted Budget | Adjustment | Amended Budget | Change |
|---|---|---|---|---|
| Salaries and Employee Benefits | $113,166,587 | ($535,400) | $112,631,187 | (0.5%) |
| Services and Supplies | $38,477,900 | $535,400 | $39,013,300 | 1.4% |
| Total Administrative Budget | $151,644,487 | $0 | $151,644,487 | 0.0% |

***** $200,000 moves within S&EB, and $563,700 moves within S&S.

## Mid-Year Requests

| Transfer Type | Amount | Purpose |
|---|---|---|
| S&EB to S&S | $535,400 | Funds technology initiatives in Systems, including the DRS AI project, Member Experience Communication Platform (MECP) enhancements, and Business Intelligence resources. |
| Within S&EB | $200,000 | Moves Benefits Division funding from gross salaries to agency temporary staffing. |
| Within S&S | $563,700 | Reallocates existing S&S funding among approved operational and technology needs. |
| No-transfer requests | $0 | Administrative realignments and the Legal Office position request require no additional appropriation. |

## Principal Staff Counsel

LACERA requested the establishment of three Principal Staff Counsel positions, with the classification presented to the Board of Supervisors for approval in September 2026. While the FY 2026-2027 budget originally included funding for two positions, the April 2026 addition of the Disability Litigation Team to the Legal Office created the need for a third. The three Principal Staff Counsel positions will provide direct oversight of the Legal Office's functional teams, reduce the supervisory burden on Chief Counsel, strengthen management oversight and strategic planning, and support succession planning. A mid-year budget adjustment was requested to add the third position in FY 2026-2027, with the change carrying forward into future years. Funding is covered by the Legal Office's existing vacancy savings.

## CONCLUSION

The proposed amendments to the Administrative Budget result in a net-zero budget change and the addition of one Principal Staff Counsel in the Legal Office.

The proposed adjustments were well considered and represent funding necessary to maintain operations at peak levels and support the achievement of our strategic goals and initiatives.

We look forward to discussing our proposed budget adjustments with the JOGC in more detail at our meeting scheduled for November 23, 2026.

Attachments

CC: Luis Lugo
JJ Popowich
Steven P. Rice
Ted Granger
Ricki Contreras
Budget Unit

# LEGAL SERVICES

## FISCAL YEAR 2026-2027

2026-2027 Bud. Pos.: 34.0
2026-2027 Hiring Plan: 34.0

2026-2027 Bud. Pos.: 35.0
2026-2027 Hiring Plan: 35.0

1.0 Chief Counsel
*Steven Rice*

**Pending Board of Supervisors Approval**

1.0 Principal Staff Counsel Ø
*TBD*

**Pending Board of Supervisors Approval**

1.0 Principal Staff Counsel Ø
*TBD*

**Pending Board of Supervisors Approval**

+ 1.0 Principal Staff Counsel Ø
*TBD*

**INVESTMENTS & COMMERCIAL CONTRACTS SECTION**

3.0 Senior Staff Counsel
*Christine Roseland*
Vacant
Vacant

3.0 Staff Counsel
3.0 Legal Analyst
1.0 Senior Legal Secretary
2.0 Legal Secretary

**LITIGATION & EMPLOYMENT SECTION**

2.0 Senior Staff Counsel
*Michael Herrera*
*Jasmine Bath*

1.0 Staff Counsel
1.0 Senior Legal Secretary

**BENEFITS SECTION**

1.0 Senior Staff Counsel
*Jean Kim*

2.0 Staff Counsel
2.0 Legal Analyst
1.0 Senior Legal Secretary

**DISABILITY SECTION**

2.0 Senior Staff Counsel
*Frank Boyd*
*Allison Barrett*

1.0 Legal Analyst
1.0 Senior Legal Secretary

**DISABILITY LITIGATION OFFICE**

2.0 Senior Staff Counsel
*Eugenia Der*
*Jason Waller*

3.0 Senior Legal Secretary

+ Added position
Ø Not yet approved by Board of Supervisors (1.0 Principal Staff Counsel in Investments & Litigation Team and 1.0 Principal Staff Counsel in Benefits & Disability Team in Legal Services)

# BUDGET POLICY

**Authorizing Manager:** Luis Lugo, Chief Executive Officer

**Original Effective Date:** 05/20/2009 **Effective Date:** June 10, 2026

**Mandatory Review:** June 2027 (Annually)

**Approval Level:** Board of Retirement and Board of Investments

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## I. Purpose

This document sets forth the fiscal policy to ensure LACERA's budgeting practices align with prudent fiscal management for the allocation and utilization of resources to meet the organization's Mission, Vision and Values to support the goals of the Board of Retirement and Board of Investments' Strategic Plans. The policy also serves to increase the transparency of the budgeting process, which ensures stakeholders and members have insight into how LACERA manages its funds and meets its fiduciary obligations.

LACERA's budget encompasses three components: The Administrative Budget, the Retiree Healthcare Benefits Program (RHCBP) Budget, and the Other Post-Employment Benefits (OPEB) Trust.

The objective of this policy is to set out LACERA's budgeting principles, the timeline for the preparation of the budget, and the process and responsibilities for review, approval, and implementation of all three budget components.

## II. Scope

This Policy applies to the development, preparation, and implementation of all three components of LACERA's budget in accordance with the County Employees Retirement Law (CERL).

Any exceptions to this Policy must be requested in writing (clearly stating the basis for the exception) and approved by the Board of Retirement and Board of Investments.

## III. Legal Authority

Government Code Section 31580.2 of the County Employees Retirement Law (CERL) requires a budget covering the entire expense for the administration of the retirement system, shall be adopted by the Boards annually, and shall be charged against the earnings of the retirement fund. The expense incurred in any year may not exceed twenty-one hundredths of one percent (0.21%) of the accrued actuarial liability of the retirement system. The California Constitution, Article XVI, Section 17, requires that the Board shall defray the reasonable costs of administering the system.

Government Code Section 31596.1 provides that the expenses of investing its moneys, securing custodial bank services, securing actuarial services for the annual valuation and triennial

## III. Legal Authority (Continued)

experience study, and securing attorney services to assist with investment matters under Government Code Sections 31607 shall not be considered a cost of administering the system.

Section 31596.1 also provides that the cost of internal legal representation secured by the Board of Retirement and Board of Investments under Government Code Section 31529.1 for services previously performed by County Counsel are not administrative costs. Under Section 31529.1, legal representation within the scope of that statute is limited to one-hundredth of 1 percent of system assets in any budget year; investment legal expenses under Section 31607 are not similarly limited.

Government Code Section 31580.2(b) provides that expenditures for computer software, hardware, and technology consulting services in support of these computer products shall not be considered a cost of administration of the retirement system for purposes of this section.

Notwithstanding the non-investment exceptions, we include legal and technology costs in the administrative budget for transparency.

Government Code Sections 31691 and 31694 provide that the expenses of administering the RHCBP program and OPEB Trust may not be made from assets of the retirement fund. Therefore, such costs should not be part of the pension system's administrative budget.

## IV. Definitions

**Administrative Budget:** LACERA's annual Administrative Budget consists of two components: Salaries and Employee Benefits, and Services and Supplies.

**Appropriation:** Funds set aside for specific purposes outlined in the Adopted Budget.

**Budget:** The annual financial plan that outlines the resources and revenue needed to achieve LACERA's work plan to meet its Mission and Vision and LACERA's Board of Retirement Strategic Plan and Board of Investments Strategic Plan.

**Fiscal Year:** LACERA's fiscal year begins on July 1st and concludes on June 30th. LACERA shall follow a naming convention referencing the fiscal year ending date, for example, FY23 for the fiscal year ending June 30, 2023.

**Information Technology Coordination Council (ITCC):** Oversight body responsible for significant technology and system recommendations for incorporation into the Proposed Administrative Budget. Established to ensure the efficient and effective use of technology, collaboration across the organization, and that the strategic plan goals are achieved.

**Non-Administrative Expenses:** Expenses excluded from the Administrative Budget as specified in Government Code Section 31580.2(b), 31596.1, 31691, and 31694.

## IV. Definitions (Continued)

**Other Post-Employment Benefits (OPEB) Trust:** Trust funds established by Los Angeles County, LACERA, and the Los Angeles County Superior Court to pre-fund their Retiree Healthcare Benefit Program.

**Retiree Healthcare Benefits Program (RHCBP) Budget:** The RHCBP Budget reflects the resources and revenue required to administer retiree healthcare benefits to eligible members. These costs are funded through a monthly administrative fee via healthcare premiums, charged to program participants, or the plan sponsor if the member's benefit is fully subsidized.

**Statutory Appropriation Limit:** The limit of the Boards' authority to appropriate funds to administer the retirement system, established by Government Code Section 31580.2-- currently twenty-one hundredths) of one percent (.0021) of the actuarial accrued liability of the retirement fund. This limit does not include or apply to Non-Administrative Expenses.

**Unallocated Statutory Appropriation Balance:** The difference between the funds appropriated to meet the organization's operational needs and the statutory appropriation limit established by Government Code Section 31580.2.

## V. Policy Statement

This policy seeks to document LACERA's budgetary practices, consistent with its fiduciary duty of prudence.

### V.A. Budgetary Components

LACERA's budget encompasses three components: The Administrative Budget, the Retiree Healthcare Benefits Program (RHCBP) Budget and the Other Post-Employment Benefits (OPEB) Trust.

#### V.A.1. Administrative Budget

The Administrative Budget reflects the resources needed to achieve the organization's work plan, each Board's Strategic Plan and goals, and operational activities in support of pension administration and investment of plan assets required to deliver retirement benefits for LACERA members and beneficiaries. It consists of two primary components: Salaries and Employee Benefits (S&EB) and Services and Supplies (S&S).

S&EB costs consist of ongoing personnel costs for the organization, including salaries for permanent and temporary staff, overtime, and variable benefits. Variable benefits include retirement costs (pension, 457, and 401K plan costs), health insurance, OPEB contributions, and other employee benefits.

## V. Policy Statement (Continued)

S&S costs reflect the daily operational needs of the organization. Some examples include, but are not limited to, building expenses (rent, maintenance, insurance, security), information technology needs, professional and specialized services, legal fees, office supplies and equipment, education, travel, and insurance.

### V.A.2 Retiree Healthcare Benefits Program (RHCBP) Budget

The Retiree Healthcare Benefits Program provides healthcare benefits to LACERA membership on behalf of the fund's Plan Sponsors. The insurance premiums are borne solely by the participants of the plan, or the Plan Sponsor if the employee is eligible for such benefit. LACERA trust funds are not used for premium payments or for the administration of the Program. The direct costs and variable overhead costs associated with the administration of the RHC Benefits Program are charged to the plan sponsors and participating members via an administrative fee. These administrative fees are added to the monthly premium costs and are not included in the Administrative Budget.

There are four categories of expenses for the RHC Benefits Program:

- Direct Costs of Salaries and Employee Benefits
- Direct Services and Supplies
- Indirect Salaries and Employee Benefits
- Indirect Services and Supplies.

Indirect Salaries and Employee Benefits and Indirect Services and Supplies reflect the program's pro-rata share of internal LACERA staff, service, and supplies provided by Administrative Services, Information Technology, and Human Resources.

### V.A.3. Other Post-Employment Benefits (OPEB) Trust Budget

The County of Los Angeles (County), LACERA, and the Los Angeles County Superior Court (Court) utilize an OPEB Trust to pre-fund the Retiree Healthcare Program benefits. In FY 2012-2013, the County and LACERA established a trust to fund their program and the Court established its trust in FY 2016-17. Each agency's trust funds are reported separately in their financial statements. The Board of Investments of LACERA serves as the trustee and investment manager for the trusts.

The Trust Agreements stipulate that *"… the Trustee (LACERA) shall be entitled to payment or reimbursement of all of its reasonable and appropriate expenses incurred in administering or investing the Trust…"* Accordingly, LACERA seeks payment directly from the County and the Court to fund the OPEB Trust. To avoid the OPEB Trust assets being co-mingled with retirement fund assets, LACERA maintains separate accounting of the costs associated with administering the

## V. Policy Statement (Continued)

OPEB Trust. The costs of the OPEB Trusts are not part of LACERA's Administrative Budget.

There are four categories of expenses for the OPEB Trust:

- Direct Costs of Salaries and Employee Benefits;
- Direct Services and Supplies;
- Indirect Salaries and Employee Benefits; and

Indirect Services and Supplies. These expenses are allocated between the County, LACERA, and the Court based on an agreed methodology outlined in the OPEB Trust Agreement. At the close of each fiscal year, actual costs are reconciled, and variances are credited or debited to each entity.

### V.B. Process

The budget process consists of activities that encompass the development, implementation, and evaluation of the annual financial plan for the allocation of resources to support and accomplish organizational goals and strategic initiatives.

#### V.B.1. Budget Monitoring and Control

It is the responsibility of LACERA management to develop and prepare an annual budget in accordance with responsible fiscal management for the allocation and utilization of resources to meet the organization's Mission, Vision, Values and each Board's Strategic Plan.

#### V.B.2. Criteria

LACERA Management develops the annual proposed budget reflecting the enterprise priorities established through each Board's Strategic Plan. Criteria used by the organization to prioritize resources for the budget include, but are not limited to:

- Alignment with each Board's Strategic Plan
- Mitigating risk
- Defraying the reasonable costs of administering the system as required by Article XVI, Section 17 of the California Constitution.
- Compliance with laws, regulations, policies, procedures, and LACERA's Code of Ethical Conduct
- Technological advancements to support staff and improve service to LACERA's members
- Identifying opportunities for cost efficiencies
- Identifying opportunities to improve staff productivity and service to LACERA's members
- Staff career development and succession planning

## V. Policy Statement (Continued)

• Direction of the LACERA Board of Retirement and/or Board of Investments

### V.B.3 Alignment with Each Board's Strategic Plan

The first step in developing a budget is to consider what the organization expects to achieve in the upcoming fiscal year. Each Board's Strategic Plan lays out its strategic goals, objectives, and action plans to achieve LACERA's Mission, Vision, and Values. Those goals and objectives identify responsibilities, timelines, and the metrics that will be used to determine if the goals or objectives have been met. As part of the budget development process, it is the responsibility of LACERA Trustees and Management to ensure that the organization's budget or financial plan allocate the appropriate resources to achieve its strategic goals and objectives within the specified time frame.

### V.B.4 Annual Budget Development and Approval Calendar

| ***Date*** | ***Activity*** |
|---|---|
| By November 30 | Executive Office and Management review each Board's Strategic Plan initiatives for alignment with the upcoming Fiscal Year budget development cycle. |
| | Administrative Services Division provides each Division Manager a budget package with instructions for completing their proposed budget for the upcoming fiscal year, a budget preparation timetable with specific deadlines, a schedule of meeting dates with the Budget Unit, and a schedule of meeting dates with the Executive Office. |
| December | The Budget Unit, representatives from Human Resources and Systems meet with Division Managers and/or their designees to provide guidance in the development of their budget requests. |
| By January 15 | Division Managers and/or their designees submit their proposed budget to the Budget Unit. |
| By February 15 | The Executive Office meets with each Division Manager and/or their designees to discuss the Division's needs and provide direction to the Division Managers and Budget Unit. |
| March | Audit, Compliance, Risk & Ethics (ACRE) Committee review of the Internal Audit Division's and Ethics & Compliance Office's Proposed Budgets. |
| April | The Budget Unit prepares and distributes the proposed Administrative, RHCBP, and OPEB Trust Budgets to all Trustees and Division Managers. |
| April | Present proposed budget to JOGC for review and input. |
| By June 30 | Board of Retirement and Board of Investments review and approve final budget. |

## V. Policy Statement (Continued)

### V.B.5. Budget Adoption

The Board of Retirement and Board of Investments ("Boards") have the joint responsibility to approve the enterprise-wide budget and resource allocations for all funds by June 30th. The Boards have created the Joint Organizational Governance Committee (JOGC), to provide oversight of the budget preparation and planning. The Proposed Budget is presented to the JOGC in April for its review and direction. Staff incorporates direction from the JOGC, and the JOGC's recommendations are presented to both Boards. The Boards independently take action to approve and adopt a Final Adopted Budget by June 30th.

### V.B.6. Budget Appropriation

The Final Adopted Budget reflects the funds appropriated, or set aside, for specific purposes. For LACERA, funds are appropriated for two primary purposes, Salaries and Employee Benefits, and Services and Supplies.

Government Code Section 31580.2 states the annual budget for administrative expenses of a retirement system established under CERL may not exceed twenty-one hundredths of one percent (.0021) of the Actuarial Accrued Liability (AAL) of the retirement system. Each year, LACERA's statutory appropriation limit is identified in the Adopted Budget.

To the extent funding appropriated as part of the budget is less than the statutory appropriations limit, the Boards may take specific action at any point during the fiscal year to appropriate additional funds not to exceed the maximum amount established by statute. LACERA's budgeting process includes a Mid-Year Budget Adjustment proposal to facilitate changes in priorities, goals, or economic conditions. The difference between the funds appropriated to meet the organization's operational needs and the statutory appropriation limit shall be referred to as the "Unallocated Statutory Appropriation Balance."

Budgetary adjustments that do not fall within the authority of the Chief Executive Officer, as outlined in Section V.B.10 below, require the review and

recommendation by the JOGC for approval by both Boards as outlined in Section V.B. 11.

### V.B.7. Budget Monitoring and Reporting

Budget Unit staff monitors and analyzes Division and enterprise-wide expenditures throughout the year, consults with Division Managers to identify planned expenditures and project full year under/over expenditures by Division,

## V. Policy Statement (Continued)

and compares those estimates against the Adopted Budget. Significant budgetary variances are discussed and explained.

Budget Control Reports are prepared and provided to all Trustees and Management Staff on an outlined schedule within the fiscal year. These reports include year-to-date expenditures and projected expenditures compared to the budget. Budget adjustments impacting staffing levels or exceeding the CEO's authority referenced in Section V.B.10 shall be considered by the JOGC and approved by the Boards.

This budget monitoring and control activity occurs concurrently while the Proposed Budget for the upcoming fiscal year is being developed.

### V.B.8. Mid-Year Budget Review

By December 1, LACERA Executive Management will assess and evaluate the adequacy of the personnel and other resources included in the Final Adopted Budget and make recommendations to the JOGC for adjustments, if necessary, as described in Section V.B.6. JOGC recommendations shall be considered for approval by the Boards. As part of the mid-year budget, Executive Management may also address the progress and status of achieving the Boards' respective Strategic Plans.

### V.B.9. Mid-Year and Year-End Adjustments Within the Administrative Budget

As part of LACERA's budget monitoring and reporting activities, it may become necessary to amend the Final Adopted Budget. Amendments may take the form of transferring appropriations between line items within a major account, transferring appropriations between major accounts, or increasing total appropriations within the statutory limits established by the Government Code as discussed in Sections V.B.6 and V.B.10.

### V.B.10. Transferring Appropriations

LACERA's Administrative Budget has two major accounts, Salaries and Employee Benefits (S&EB), and Services and Supplies (S&S).

Within each major account are several line items with individual appropriations. The CEO has the authority to transfer appropriations not to exceed $1 million across major accounts and has full discretion and authority to transfer appropriations between line items within each major account. The CEO shall notify all Trustees of such actions at the next Board meeting and as part of the routine Budget Control Reporting.

## V. Policy Statement (Continued)

### V.B.11. Increasing Total Appropriations

Should unanticipated expenditures be required during the fiscal year beyond the total Adopted Budget amount, the Unappropriated Statutory Appropriation Balance is available. This balance represents the difference between the total statutory appropriation limit established under CERL and the Final Adopted Budget. To utilize these unappropriated funds, both Boards must approve a budget amendment, increasing the total annual appropriation. Such requests will first be considered by the JOGC for a recommendation to both Boards to take the required action.

### V.C. Audit, Compliance, Risk and Ethics (ACRE) Committee Oversight

The purpose of the ACRE Committee is to provide structured, systematic oversight of LACERA's governance, audit, risk management, ethics and compliance, and internal controls. The Committee assists the Boards in fulfilling their fiduciary oversight duties for LACERA's Audit Activity and Organizational Governance Activities, which include Ethics, Compliance and Enterprise Risk Management.

In support of this purpose, the ACRE Committee reviews and approves the Proposed Budgets for the Internal Audit Division and the Ethics and Compliance Office by Mid-March, which are then incorporated into LACERA's Administrative Proposed Budget reviewed by the JOGC in April or May.

## VI. References

The following information complements and supplements this document.

**Related Policies:**

- Actuarial Funding Policy
- OPEB Investment Policy Statement – OPEB Master Trust

**Related Internal Procedures**: Budget instructions provided annually; Questica Budget Guide (Internal Document)

**Related Forms/Templates:** Not Applicable; Data captured in Questica Budget System

**Other Related Information:**

- Joint Organizational Governance Charter
- ACRE Committee Charter

## VII. Version History

### VII.A. Approvals

**Policy Issue Date:** May 20, 2009

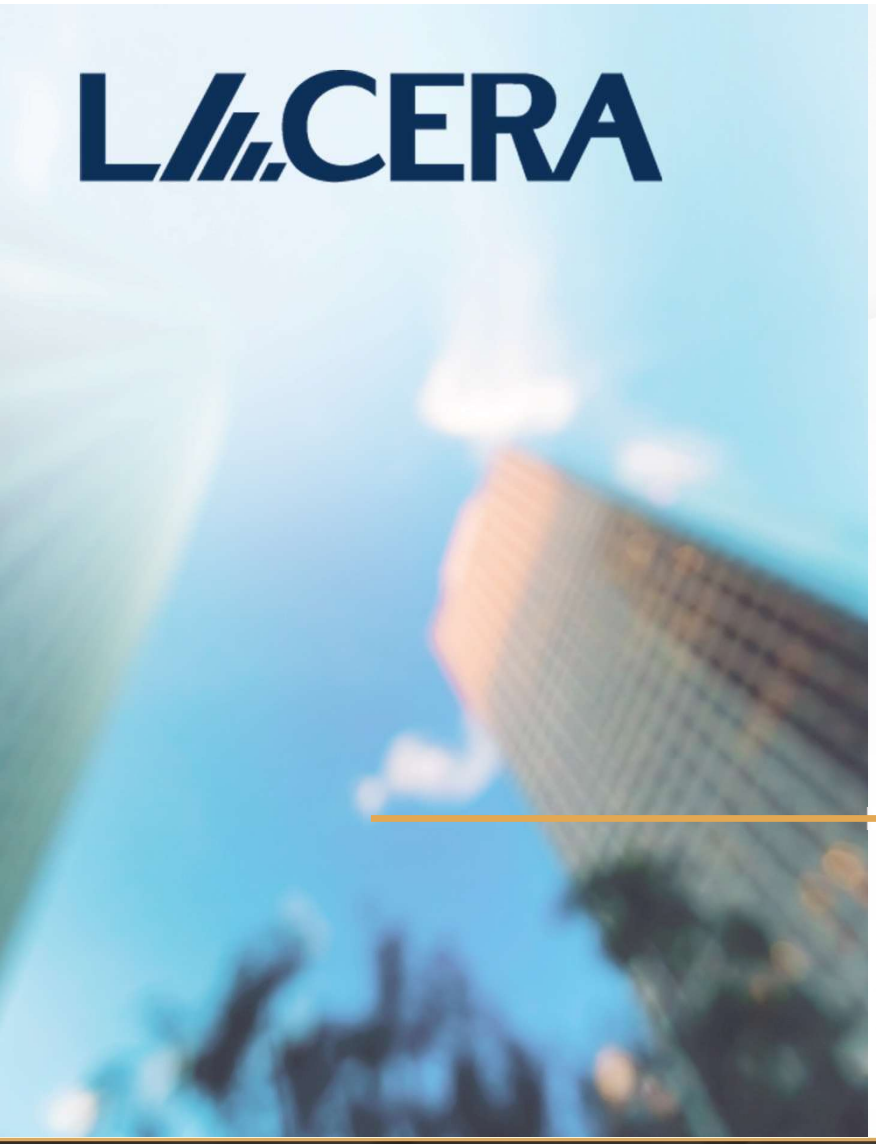
**Policy Effective Date:** *Effective June 10, 2026*

**Policy Update/Review Summary:**

- Updated and approved by the Board of Retirement and the Board of Investments on June 3, 2026, and June 10, 2026, respectively. Prior versions supersede and have no effect as of the stated approval date.
- Updated and approved by the Board of Retirement and the Board of Investments on June 5, 2024, and June 12, 2024, respectively.
- This policy was previously approved by the Board of Retirement on June 7, 2023, and the Board of Investments on June 14, 2023
- This policy was previously approved by the Board of Retirement on June 1, 2022, and Board of Investments on June 9, 2022

## VIII. Review/Approval

The Joint Organizational Governance Committee shall review and recommend that the Board of Retirement and the Board of Investments approve this policy annually when they adopt the Budget for the upcoming fiscal year.



# FY 2026–2027 Mid-Year Budget Adjustments

Executive summary • Budget-neutral reallocation

# FY 2026–2027 Mid-Year Budget Adjustments

Executive summary • Budget-neutral reallocation • Amounts rounded to the nearest dollar

**AMENDED BUDGET**
**$151.64M**
Total administrative budget

**REALLOCATION**
**$535.4K**
S&EB to S&S

**NET BUDGET CHANGE**
**$0**
Appropriation unchanged

**FINAL POSITIONS**
**510**
Increase of one

**EXECUTIVE SUMMARY**

The mid-year adjustment preserves the $151.64 million administrative budget and redirects $535,400 from Salaries and Employee Benefits to Services and Supplies within the CEO's authority. Priorities include professional services, education, disability support, postage, security, and a Budget Consultant funded within Services and Supplies. The overall appropriation remains unchanged.

## CHANGES IN CATEGORY

| LINE ITEM | APPROVED | CHANGE | AMENDED | % |
|---|---|---|---|---|
| Gross Salary | $63,695,583 | ($735,400) | $62,960,183 | (1.2%) |
| Professional & Specialized Services | $8,418,600 | $515,400 | $8,934,000 | 6.1% |
| Agency Temporary Staffing | $5,258,700 | $200,000 | $5,458,700 | 3.8% |
| Insurance | $1,363,000 | ($131,000) | $1,232,000 | (9.6%) |
| Educational Expenses | $2,308,200 | $108,700 | $2,416,900 | 4.7% |
| Computer Services & Support | $6,746,000 | ($82,700) | $6,663,300 | (1.2%) |

## NET DIVISION IMPACTS

| DIVISION | S&EB | S&S | NET CHANGE | ROLE |
|---|---|---|---|---|
| Systems | ($535,400) | $702,700 | $167,300 | Capacity shift |
| Human Resources | — | ($115,000) | ($115,000) | Funding source |
| Executive Office | — | ($100,000) | ($100,000) | Funding source |
| Member Services | — | $53,700 | $53,700 | Targeted support |
| Administrative Services | — | ($21,000) | ($21,000) | Funding source |
| Information Security | — | $15,000 | $15,000 | Targeted support |

### WHAT CHANGES

- Services & Supplies increases by $535,400 (+1.4%).
- Authorized staffing rises from 509 to 510.
- Legal Office adds one Principal Staff Counsel.

### WHAT REMAINS CONSTANT

- Total administrative budget remains $151,644,487.
- Net budget change is $0.
- The adjustment is funded through internal reallocations and identified savings.

### STAFFING CHANGE

Authorized positions increase by one, from 509 to 510, through the addition of one Principal Staff Counsel in the Legal Office. Salary and employee benefit costs are expected to be offset through savings from vacant positions.

Source: FY 2026–2027 Mid-Year Budget Adjustment summary. Amounts shown as provided; totals may vary due to rounding.

# Funding strategy balances transfers across budget categories

The workbook separately tracks cross-category transfers, within-category transfers, and items requiring no transfer.

## S&EB → S&S

**$535.4K**

Disability Retirement Services Artificial Intelligence Project, Member Experience Communication Platform (MECP) enhancements, and part of Business Intelligence resources

## Within S&EB

**$200.0K**

Benefits agency temporary staffing

## Within S&S

**$563.7K**

Budget Consultant, Gartner, security training, Genesys, compliance, equipment, medical advisor, and other reallocations

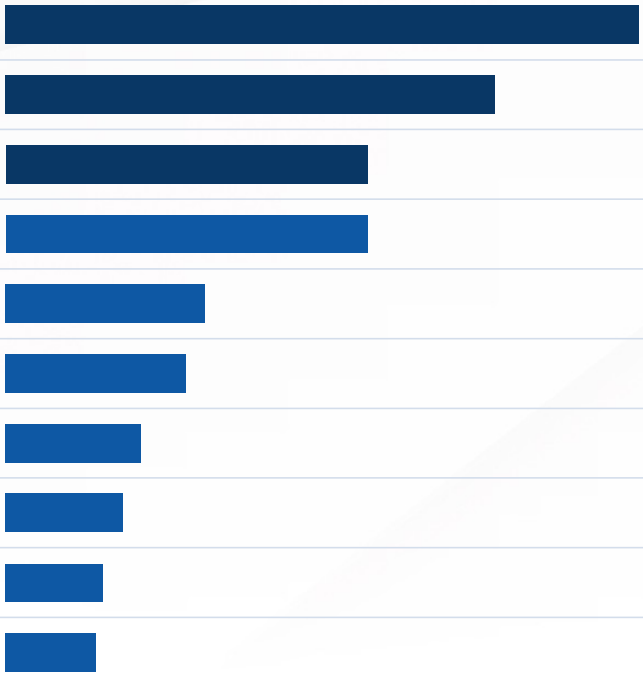
## No Transfer Required

**$0**

Principal Staff Counsel and administrative strategic-planning reallocations

# Approved requests span operations, technology, compliance, and specialist support

## TOP 10 BY REQUEST VALUE



| | | |
|---|---|---|
| **DRS AI Project** | **$350.0K** | Systems |
| **BI resources** | **$270.4K** | Systems |
| **Agency temporary staffing** | **$200.0K** | Benefits |
| MECP chatbot* | **$200.0K** | Systems |
| Budget Consultant | **$110.0K** | Administrative Services |
| KMS expert* | **$100.0K** | Systems |
| Medical Advisor | **$75.0K** | Disability Retirement Services |
| 45 Genesys licenses | **$65.0K** | Systems |
| Gartner access | **$53.7K** | Member Services |
| MECP enhancements | **$50.0K** | Systems |

* Amount shown; no fund transfer is required because funding remains within the same general ledger account.

# Systems requests form the strategic center of the amendment

The portfolio combines new capability, post-implementation support, compliance, and operational sustainability.

### DRS AI Project — $350K

Expanded first-year scope, including case indexing and document analysis.

### MECP Chatbot — $200K

Development and integration for lacera.gov, mylacera.gov, and Genesys agent assist.

### BI Resources — $270.4K

Data Engineer and Power BI Analyst support for production dashboards and the Cutter AI initiative.

### KMS Expert — $100K

Enterprise knowledge-management expertise with SharePoint, governance, taxonomy, Copilot readiness, and records coordination.

### Genesys Licenses — $65K

Forty-five additional licenses to support increased adoption.

### MECP Enhancements — $50K

Post-go-live features and enhancements identified by stakeholders and production use.

### 1099 Compliance — $50K

Support for anticipated regulatory changes and delayed vendor invoicing.

### Remote Equipment — $20K

Transfer for laptop pricing and increased remote-equipment demand.

# Other requests address service continuity, budget support, and specialist costs

**BENEFITS** — **$200K**

### Agency temporary support

Funded from Gross Salaries.

**DISABILITY RETIREMENT SERVICES** — **$75K**

### Medical Advisor

Funded from Photocopies of Documents; workbook notes a late County invoice.

**MEMBER SERVICES** — **$53.7K**

### Gartner access

Funded from Divisional Software – New.

**INTERNAL AUDIT** — **$40K**

### Gartner educational materials

Funded from Audits.

**INFORMATION SECURITY** — **$15K**

### NVIDIA AI learning hardware

Funded from Human Resources Consulting.

**LEGAL OFFICE** — **$0**

### Principal Staff Counsel

One additional position; no additional funds requested.

**ADMINISTRATIVE SERVICES**

### Budget Consultant

Funded from Human Resources Consulting and unspent funds in various insurance accounts.

**$110K**

# Appendix: change-request register

Status and funding strategy reproduced from the workbook summary.

| Division | Request | Amount | Funding strategy | Status |
|---|---|---|---|---|
| Administrative Services | Budget Consultant | $110,000 | S&S to S&S | Approved |
| Benefits | Agency temporary staffing | $200,000 | S&EB to S&EB | Approved |
| Disability Retirement Services | Medical Advisor | $75,000 | S&S to S&S | Approved |
| Information Security | NVIDIA AI learning hardware | $15,000 | S&S to S&S | Approved |
| Internal Audit | Gartner educational materials | $40,000 | S&S to S&S | Approved |
| Legal Office | Principal Staff Counsel | $0 | No transfer | Approved |
| Member Services | Gartner access | $53,700 | S&S to S&S | Approved |
| Systems | 1099 compliance | $50,000 | S&S to S&S | Approved |
| Systems | 45 Genesys licenses | $65,000 | S&S to S&S | Approved |
| Systems | BI resources | $270,400 | Mixed | Approved |
| Systems | DRS AI Project | $350,000 | S&EB to S&S | Approved |
| Systems | KMS expert | $100,000 | No transfer | Approved |
| Systems | MECP chatbot | $200,000 | No transfer | Approved |
| Systems | MECP enhancements | $50,000 | S&EB to S&S | Approved |
| Systems | Remote workforce equipment | $20,000 | S&S to S&S | Approved |

LACERA

November 9, 2026

TO: Each Trustee,
Joint Organizational Governance Committee

FROM: Jessica C. Rivas JR
Staff Counsel

FOR: Joint Organizational Governance Committee Meeting of November 23, 2026

**SUBJECT: Proposed Amendments to Conflict of Interest Code**

## Recommendation

That the Joint Organizational Governance Committee review the proposed amendments to LACERA's Conflict of Interest Code ("code") and recommend their approval to the Board of Retirement and Board of Investments.

## Legal Authority and Discussion

The Political Reform Act ("Act") requires every local government agency to review its code biennially. A conflict of interest code tells public officials, governmental employees, and consultants what financial interests they must disclose on their Statement of Economic Interests (Form 700).

The Act requires each local government agency to receive approval for any necessary amendments from their code reviewing body. LACERA's code reviewing body is the County of Los Angeles Board of Supervisors. The County has final editorial authority over the wording of the code. However, the Legal Office will work closely with the Conflict of Interest/Lobbyist Division of the Executive Office of the Board of Supervisors during the current biennial cycle to make necessary amendments.

At this stage in the process, we would like to inform the Committee of the current proposed amendments, solicit feedback, and learn if there are any questions or other additional suggestions. A copy of the current code is attached for your reference as Exhibit A and a version with the proposed changes setout below is attached as Exhibit B.

Changed Title & Required Disclosure

1. *Chief, Communications to Director, Communications*

In October 2026, the Board of Retirement and Board of Investments approved this classification title change and revised classification specifications. The new specifications reflect that the position exercises a high degree of independent judgment and discretion,

provides strategic communications leadership for the LACERA organization, oversees complex and sensitive projects, and is accountable for communications initiatives that have significant organizational and public-facing impact. The position is now aligned with the Division Manager classification. Accordingly, we are also recommending a change to the required disclosures for this position (from Category 4 to Categories 4 & 5), which aligns with the required disclosures for Division Manager.

New Positions

1. *Chief Ethics & Compliance Officer and Deputy Chief Ethics & Compliance Officer*

Staff holding these positions are currently required to file statements of economic interest because we included the positions on FPPC Form 804 Agency Report of New Positions in August 2026. They are required to disclose under Categories 1, 2, 3, and 5. Adding them to the code will eliminate the need for the use of Form 804.

2. *Accounting Officer & Investments Accounting Officer*

These are two new positions that work under the direction of the Chief Financial Officer and Assistant Chief Financial Officer and provide full supervisory responsibility of the General Accounting Section and Investments Accounting Section. They may serve as an immediate assistant to or act in the capacity of a higher-level accounting manager, work closely with division managers and executive management, and regularly attend and make formal presentations to Trustees as well as internal meetings with senior staff. We recommend that they disclose under Categories 4 & 5, which is aligned with the required disclosures for the Chief Financial Officer and Assistant Chief Financial Officer.

3. *Supervising Administrative Assistant II (Vendor Management Unit) and Administrative Services Analyst III (Vendor Management Unit)*

These are not new positions at LACERA, but we are recommending adding them to our code following review of all positions in the Vendor Management Unit (VMU) in the Administrative Services Division. Currently, only the Division Manager and Administrative Services Officer in this division are required to file.

The Supervising Administrative Assistant II (Vendor Management Unit) serves as the head of VMU. While its class specifications also apply to positions outside of VMU and do not expressly mention its role in contracting, the head of VMU has a lead role in procurement and contracting for the agency.

The Administrative Services Analyst III (Vendor Management Unit) also has class specifications that apply to positions outside of VMU, but they include amongst the examples of essential functions: "Analyzes, evaluates, and makes recommendations on purchasing, leasing, siting, equipping, maintenance and space planning for the facility" and "Prepares, reviews and evaluates Requests for Proposals for consultants and other vendors; selects and oversees the work of consultants and vendors hired to provide

services to LACERA."

We recommend that both positions disclose under Categories 4 and 5, which aligns with the disclosures required for the other two positions in this division that currently file.

**Conclusion**

Staff recommend that the Joint Organizational Governance Committee recommend approval of the proposed amendments to the Conflict of Interest Code to the Board of Retirement and Board of Investments. Following Board approval, the proposed amendments will be submitted to the County Board of Supervisors for final approval.

Reviewed and Approved:



Steven P. Rice
Chief Counsel

Attachments

cc: Luis A. Lugo JJ Popowich Jessica Baxter
Carly Ntoya Harper Wells

# EXHIBIT A

Conflict of Interest Code
of the

# LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION (LACERA)

## Incorporation of FPPC Regulation 18730 (2 California Code of Regulations, Section 18730) by Reference

The Political Reform Act (Government Code Section 81000, *et seq.*) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. Section 18730), which contains the terms of a standard conflict of interest code. After public notice and hearing, it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated by reference into the Los Angeles County Employees Retirement Association's ("Agency") Conflict of Interest Code. This regulation and the attached Appendices (or Exhibits) designating officials and employees and establishing economic disclosure categories shall constitute the Conflict of Interest Code of this agency.

## Place of Filing of Statements of Economic Interests

All Designated Positions required by this Conflict of Interest Code to submit a Statement of Economic Interests ("Statement") shall file their Statements with the Agency's Chief Executive Officer; or his or her designee.

The Agency shall retain the originals of Statements for all Designated Positions named in this Conflict of Interest Code. All retained Statements, original or copied, shall be available for public inspection and reproduction (Gov. Code Section 81008).

**LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION (LACERA)**

**EXHIBIT "A" – DISCLOSURE CATEGORIES**

## CATEGORY 1

Persons in this category shall disclose all interest in real property within the jurisdiction. Real property shall be deemed to be within the jurisdiction if the property or any part of it is located within or not more than two miles outside the boundaries of the County of Los Angeles or within two miles of any land owned or used by the Agency.

Persons are not required to disclose a residence, such as a home or vacation cabin, used exclusively as a personal residence; however, a residence in which a person rents out a room or for which a person claims a business deduction may be reportable.

## CATEGORY 2

Persons in this category shall disclose all investments and business positions in, and all income (including gifts, loans and travel payments) received from, business entities that are the type utilized by the Agency.

## CATEGORY 3

Persons in this category shall disclose all business positions and investments in business entities that are the type in which the Agency's trust funds are or may be invested (including securities, real estate and business entities), all income (including gifts, loans and travel payments) from such business entities, and all interests in real estate co-owned with or purchased from such business entities.

## CATEGORY 4

Persons in this category shall disclose all business positions, investments in, or income (including gifts, loans and travel payments) received from business entities that manufacture, provide or sell services and/or supplies of a type utilized by the Agency and associated with the job assignment of designated positions assigned to this disclosure category.

## CATEGORY 5

Persons in this category shall disclose all income (including gifts, loans and travel payments) from, investments in and business positions with any member the Agency, any agent or employee association representing any such member, and business positions with, investments in or income (including gifts, loans and travel payments) from any entity owned or controlled by any such member or any such member's spouse or other financial dependent.

**LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION**

**EXHIBIT "A" – DISCLOSURE CATEGORIES (Continued)**

**CATEGORY 6**

Persons in this category shall disclose all income (including gifts, loans and travel payments) received from any Agency member, or agent of any such Agency member, with a disability retirement application before the Board of Retirement (during the reporting period) and all business positions with, investments in, or income (including gifts, loans and travel payments) received, from any entity owned or controlled by any such member.

**LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION**

**EXHIBIT "B"**

| Designated Positions | Disclosure Categories |
|---|---|
| **Board of Retirement:** | |
| First Member (Treasurer and Tax Collector) | 1, 2, 5 |
| Alternate First Member (Chief Deputy, Treasurer and Tax Collector) | 1, 2, 5 |
| Second Member (Elected General Member) | 1, 2, 5 |
| Third Member (Elected General Member) | 1, 2, 5 |
| Fourth Member (Appointed by Board of Supervisors) | 1, 2, 5 |
| Fifth Member (Appointed by Board of Supervisors) | 1, 2, 5 |
| Sixth Member (Appointed by Board of Supervisors) | 1, 2, 5 |
| Seventh Member (Elected Safety Member) | 1, 2, 5 |
| Eighth Member (Elected Retired Member) | 1, 2, 5 |
| Ninth Member (Appointed by Board of Supervisors) | 1, 2, 5 |
| Alternate Safety Member (Elected by Safety Members) | 1, 2, 5 |
| Alternate Retired Member (Elected by Retired Members) | 1, 2, 5 |
| **Retirement Administration:** | |
| Assistant Executive Officer, LACERA, Unclassified | 1, 2, 3, 5 |
| Assistant Executive Officer, LACERA | 1, 2, 3, 5 |
| Deputy Chief Executive Officer, LACERA, Unclassified | 1, 2, 3, 5 |
| Senior Staff Counsel, LACERA | 1, 2, 3, 5 |
| Staff Counsel, LACERA | 1, 2, 3, 5 |
| Chief Counsel, LACERA (Disability Litigation Section) | 4, 6 |
| Senior Staff Counsel, LACERA (Disability Litigation Section) | 6 |
| Senior Investment Officer, LACERA | 1, 2, 3 |
| Finance Analyst III, LACERA | 1, 2, 3 |
| Finance Analyst II, LACERA | 1, 2, 3 |
| Chief, Internal Audit, LACERA | 4, 5 |
| Chief Financial Officer, LACERA | 4, 5 |
| Division Manager, LACERA | 4, 5 |
| Assistant Chief Financial Officer, LACERA | 4, 5 |
| Assistant Division Manager, LACERA | 4, 5 |
| Director, Human Resources, LACERA | 4 |
| Administrative Services Officer, LACERA | 4, 5 |
| Disability Retirement Specialist Supervisor | 4, 6 |
| Contract Analyst, LACERA | 4 |
| Special Assistant, LACERA | 4 |
| Creative Coordinator, LACERA | 4 |
| Chief, Communications, LACERA | 4 |
| Director, Retiree Health, LACERA | 4, 5 |
| Principal Internal Auditor, LACERA | 4, 5 |
| Chief, Quality Assurance and Metrics, LACERA | 4, 5 |
| Section Head, LACERA | 4, 5 |
| Information Systems Manager, LACERA | 4, 5 |

**LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION**

**EXHIBIT "B" (Continued)**

| **Designated Positions** | **Disclosure Categories** |
|---|---|
| Chief Information Technology Officer, LACERA, Unclassified | 4 |
| Information Security Officer, LACERA | 4 |
| Information Technology Manager II, LACERA | 4 |
| Information Technology Manager I, LACERA | 4 |
| Assistant Information Systems Manager, LACERA | 4 |
| Consultants/New Positions* | |

*Consultants/New Positions are included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in this code, subject to the following limitations:

The Chief Executive Officer or his or her designee may determine in writing that a particular consultant or new position, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with disclosure requirements in this section. Such written determination shall include a description of the consultant's or new position's duties and, based upon that description, a statement of the extent of disclosure requirements. The Chief Executive Officer or his or her designee's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict-of-interest code. (Gov. Code Section 81008.) The Chief Executive Officer or his or her designee shall inform the Board of Retirement of any such action.

Individuals who perform under contract the duties of any designated position shall be required to file Statements disclosing reportable interest in the categories assigned to that designated position.

**LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION**

**EXHIBIT "B" (Continued)**

**Officials Who Manage Public Investments:**

The following positions are not covered by the code because they must file under Government Code Section 87200 and, therefore, are listed for informational purposes only. All Statements filed by these positions must be filed with the Fair Political Practices Commission using their electronic filing system.

**Board of Investments:**

First Member (Treasurer and Tax Collector)
Alternate First Member (Chief Deputy, Treasurer and Tax Collector)
Second Member (Elected General Member)
Third Member (Elected General Member)
Fourth Member (Elected Safety Member)
Fifth Member (Appointed by Board of Supervisors)
Sixth Member (Appointed by Board of Supervisors)
Seventh Member (Appointed by Board of Supervisors)
Eighth Member (Elected Retired Member)
Ninth Member (Appointed by Board of Supervisors)

**LACERA Officials:**

Chief Executive Officer, LACERA
Chief Executive Officer, LACERA, Unclassified
Chief Counsel, LACERA
Chief Investment Officer, LACERA, Unclassified
Deputy Chief Investment Officer, LACERA, Unclassified
Principal Investment Officer, LACERA, Unclassified
Principal Investment Officer, LACERA
LACERA's independent contractors, consultants, and any of their employees, who pursuant to a contract with LACERA, manage public investments by performing the same or substantially all the same functions as the Chief Investment Officer or Principal Investment Officer.

## EFFECTIVE DATE: 12/10/2025

**Agency Report of:**
**New Positions**

**A Public Document**

**California Form 804**

**1. Agency Name** (Also include, Division, Department, or Region (if applicable))

Los Angeles County Employees Retirement Association

☐ **Amendment**

**Date of Original Filing:** _____ (month, day, year)

**Agency Contact**

Steven Rice, Chief Counsel

**Phone Number**

626-564-6000

**Email**

srice@lacera.gov

**2. New Position Information**

| Position Title/Classification and Job Summary | Assigned Category | OR | Disclosure Requirement | Assuming/Start Date (Optional) |
|---|---|---|---|---|
| Chief Ethics and Compliance Officer (class specifications attached) | 1, 2, 3, 5 | | | Start ___ ___ ___ m / d / yr |
| Deputy Chief Ethics and Compliance Officer (class specifications attached) | 1, 2, 3, 5 | | | Start ___ ___ ___ m / d / yr |
| | | | | Start ___ ___ ___ m / d / yr |
| | | | | Start ___ ___ ___ m / d / yr |
| | | | | Start ___ ___ ___ m / d / yr |
| | | | | Start ___ ___ ___ m / d / yr |
| | | | | Start ___ ___ ___ m / d / yr |

**3. Verification**

*I have read and understand FPPC Regulations 18700.3 and 18734. I have verified that the disclosure assignment(s) set forth above, is in accordance with its provisions.*

| Signature | Name | Title | (month, day, year) |
|---|---|---|---|
| | Luis Lugo | Chief Executive Officer | 8/24/2026 |

Comment: (Use this space or an attachment for any additional information.)

Print Clear

# Agency Report of: New Positions

**California Form 804**

## A Public Document

State and local government agencies may use this form to identify new positions that will make or participate in making governmental decisions on behalf of the agency. An individual in a newly created position must file a Statement of Economic Interests (Form 700) within 30 days of assuming office.

This form identifies the Statement of Economic Interests, Form 700, disclosure requirements for individuals serving in new positions. This form is for the agency's internal use and should be maintained by the agency in the same manner as the agency's conflict of interest code. For more information, refer to the FPPC website *www.fppc.ca.gov* and Regulations 18700.3 and 18734.

### Disclosure Requirements

- Disclosure requirements should conform to the range of duties.
- Alternatively, the agency must require an individual to file under the broadest disclosure category in the agency's conflict of interest code or, if the agency does not have a conflict of interest code, full disclosure.

Full disclosure includes reporting all investments, business positions, and interests in real property held on the date of assuming office and income received during the 12 months immediately preceding assuming office.

When a new position is added, in addition to completing this form, the agency should begin the process to amend the conflict of interest code.

*Examples:*

*An agency added a new data processing manager position. The individual will be assigned the same disclosure category that the agency's other IT staff are assigned.*

*An agency implemented a new licensing program and a new manager position was added. Because this was a new program, the agency provided a written description of the individual's disclosure requirements which included sources subject to the licensing procedures.*

*An agency reorganized and changed the duties of several positions listed in the conflict of interest code. This form is not required as positions are not new. The agency should begin to amend its conflict of interest code if the range of authority and types of decisions changed.*

*An agency changed the titles but not the duties and responsibilities of several positions. This form is not required. The agency must file an amendment to update the conflict of interest code.*

### Instructions

#### Part 1

Identify the agency, contact information, and provide the amendment explanation in the comment section when applicable.

#### Part 2

Identify the new position(s) and describe the position's duties. Identify the disclosure by:

- Assigning an existing category(s) in the agency's code, or
- Writing a disclosure requirement.

Complete if the agency knows the employment date.

#### Part 3

The agency's conflict of interest code should identify the position that is responsible for the verification.

### Example

Agency Report of: New Positions — A Public Document — California Form 804

1. Agency Name (Also include, Division, Department, or Region (if applicable)): CA Joint Powers Authority
☐ Amendment — Date of Original Filing: ____ (month, day, year)
Agency Contact: Smith, Adam Executive Director
Phone Number: 555-555-5555
Email: adam.smith@cjpa.ca.gov

2. New Position Information

| Position Title/Classification and Job Summary | Assigned Category | OR Disclosure Requirement | Assuming/Start Date (Optional) |
|---|---|---|---|
| Data Processing Manager (manages IT Dept) | 3 | | Start 3/3/xx |
| Licensing Director (duty statement attached) | 3 | All investments, business positions in business entities, and sources | Start 3/8/xx |
| Licensing Director (duty statement attached) | 3 | of income, including gifts, loans, and travel payments, from entities | Start __/__/__ |
| Licensing Director (duty statement attached) | 3 | that are of the type subject to licensing by the Department or are subject | Start __/__/__ |
| Licensing Director (duty statement attached) | 3 | to regulation by the Department. | Start __/__/__ |
| Licensing Director (duty statement attached) | 3 | (**Alternately**, attach a written explanation.) | Start __/__/__ |
| | | | Start __/__/__ |

3. Verification

*I have read and understand FPPC Regulations 18700.3 and 18734. I have verified that the disclosure assignment(s) set forth above, is in accordance with its provisions.*

Adam Smith (Signature) — Adam Smith (Name) — Executive Director (Title) — 3-10-XX (month, day, year)

Comment: (Use this space or an attachment for any additional information.)

LACERA

# Chief Ethics and Compliance Officer, LACERA

| | | | |
|---|---|---|---|
| **CLASS CODE** | 0808 | **SALARY** | $11,938.83 - $18,070.39 Monthly<br>$143,265.96 - $216,844.68 Annually |
| **ESTABLISHED DATE** | September 30, 2025 | **REVISION DATE** | December 18, 2025 |

## Definition

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

## Position Information

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

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

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

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

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

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

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

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

**Examples of Essential Job Functions**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Performs other related duties as assigned.

**Requirements**

**TRAINING AND EXPERIENCE:**

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

private sector organization.

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

**Additional Information**

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

**PHYSICAL CLASS:** 2 – Light

LACERA

# Deputy Chief Ethics and Compliance Officer, LACERA

| | | | |
|---|---|---|---|
| **CLASS CODE** | 0809 | **SALARY** | $10,820.64 Monthly<br>$129,847.68 Annually |
| **ESTABLISHED DATE** | September 30, 2025 | **REVISION DATE** | December 18, 2025 |

## Definition

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

## Position Information

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

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

In addition, incumbents must have refined written and oral communication skills to develop policies and procedures; conduct investigations and formulate recommendations; effectively present and convey ethics and compliance activities and concerns to the Chief Ethics and Compliance Officer, Chief Executive Officer, the Audit,

Compliance, Risk, and Ethics (ACRE) Committee, the Board of Retirement and the Board of Investments, and other LACERA Staff; and the ability to establish and maintain effective and collaborative working relationships with executive management, departmental managers, staff members, and other governmental agencies; and facilitate training.

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

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

**Examples of Essential Job Functions**

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

Assists the Chief Ethics and Compliance Officer, LACERA in overseeing the enterprise- wide ethics and compliance program.

Prepares reports to the Chief Executive Officer, Boards, and ACRE Committee as to the activities of the ethics and compliance program and assists in Board and committee education on ethics and compliance.
Assesses, evaluates, monitors, investigates, and prepares recommendations on ethics and compliance risks and culture.
Plans, organizes, directs, and evaluates the work of subordinate Ethics and Compliance Office staff, including evaluating employee performance, collaborating with staff to establish professional and personal development goals, and addressing performance deficiencies, as applicable.

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

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

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

Reviews and monitors third-party vendors for ethics and compliance risks.
Ensures the monitoring of controls to protect the privacy of member information and the confidentiality of information created, received, or shared by LACERA.
Provides ethics and compliance training and communication on risk awareness, ethical standards, governing laws, regulations, and policies, and procedures.
Reviews, monitors, and maintains channels for reporting of suspected misconduct and other ethics and compliance concerns, with a commitment to non-retaliation, and positive incentives for ethical and compliant behavior.

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

Conducts periodic measurements of organizational culture of ethics and compliance.

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

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

May perform in the absence of the Chief Ethics and Compliance Officer, LACERA. Performs other related duties as assigned.

**Requirements**

TRAINING AND EXPERIENCE:

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

**Additional Information**

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

**PHYSICAL CLASS:**

2–Light

# EXHIBIT B

Conflict of Interest Code
of the

# LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION (LACERA)

## Incorporation of FPPC Regulation 18730 (2 California Code of Regulations, Section 18730) by Reference

The Political Reform Act (Government Code Section 81000, *et seq.*) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. Section 18730), which contains the terms of a standard conflict of interest code. After public notice and hearing, it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated by reference into the Los Angeles County Employees Retirement Association's ("Agency") Conflict of Interest Code. This regulation and the attached Appendices (or Exhibits) designating officials and employees and establishing economic disclosure categories shall constitute the Conflict of Interest Code of this agency.

## Place of Filing of Statements of Economic Interests

All Designated Positions required by this Conflict of Interest Code to submit a Statement of Economic Interests ("Statement") shall file their Statements with the Agency's Chief Executive Officer; or his or her designee.

The Agency shall retain the originals of Statements for all Designated Positions named in this Conflict of Interest Code. All retained Statements, original or copied, shall be available for public inspection and reproduction (Gov. Code Section 81008).

**LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION (LACERA)**

**EXHIBIT "A" – DISCLOSURE CATEGORIES**

## CATEGORY 1

Persons in this category shall disclose all interest in real property within the jurisdiction. Real property shall be deemed to be within the jurisdiction if the property or any part of it is located within or not more than two miles outside the boundaries of the County of Los Angeles or within two miles of any land owned or used by the Agency.

Persons are not required to disclose a residence, such as a home or vacation cabin, used exclusively as a personal residence; however, a residence in which a person rents out a room or for which a person claims a business deduction may be reportable.

## CATEGORY 2

Persons in this category shall disclose all investments and business positions in, and all income (including gifts, loans and travel payments) received from, business entities that are the type utilized by the Agency.

## CATEGORY 3

Persons in this category shall disclose all business positions and investments in business entities that are the type in which the Agency's trust funds are or may be invested (including securities, real estate and business entities), all income (including gifts, loans and travel payments) from such business entities, and all interests in real estate co-owned with or purchased from such business entities.

## CATEGORY 4

Persons in this category shall disclose all business positions, investments in, or income (including gifts, loans and travel payments) received from business entities that manufacture, provide or sell services and/or supplies of a type utilized by the Agency and associated with the job assignment of designated positions assigned to this disclosure category.

## CATEGORY 5

Persons in this category shall disclose all income (including gifts, loans and travel payments) from, investments in and business positions with any member the Agency, any agent or employee association representing any such member, and business positions with, investments in or income (including gifts, loans and travel payments) from any entity owned or controlled by any such member or any such member's spouse or other financial dependent.

**LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION**

**EXHIBIT "A" – DISCLOSURE CATEGORIES (Continued)**

## CATEGORY 6

Persons in this category shall disclose all income (including gifts, loans and travel payments) received from any Agency member, or agent of any such Agency member, with a disability retirement application before the Board of Retirement (during the reporting period) and all business positions with, investments in, or income (including gifts, loans and travel payments) received, from any entity owned or controlled by any such member.

**LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION**

**EXHIBIT "B"**

| Designated Positions | Disclosure Categories |
|---|---|
| **Board of Retirement:** | |
| First Member (Treasurer and Tax Collector) | 1, 2, 5 |
| Alternate First Member (Chief Deputy, Treasurer and Tax Collector) | 1, 2, 5 |
| Second Member (Elected General Member) | 1, 2, 5 |
| Third Member (Elected General Member) | 1, 2, 5 |
| Fourth Member (Appointed by Board of Supervisors) | 1, 2, 5 |
| Fifth Member (Appointed by Board of Supervisors) | 1, 2, 5 |
| Sixth Member (Appointed by Board of Supervisors) | 1, 2, 5 |
| Seventh Member (Elected Safety Member) | 1, 2, 5 |
| Eighth Member (Elected Retired Member) | 1, 2, 5 |
| Ninth Member (Appointed by Board of Supervisors) | 1, 2, 5 |
| Alternate Safety Member (Elected by Safety Members) | 1, 2, 5 |
| Alternate Retired Member (Elected by Retired Members) | 1, 2, 5 |
| **Retirement Administration:** | |
| Assistant Executive Officer, LACERA, Unclassified | 1, 2, 3, 5 |
| Assistant Executive Officer, LACERA | 1, 2, 3, 5 |
| Deputy Chief Executive Officer, LACERA, Unclassified | 1, 2, 3, 5 |
| Senior Staff Counsel, LACERA | 1, 2, 3, 5 |
| Staff Counsel, LACERA | 1, 2, 3, 5 |
| Chief Ethics & Compliance Officer, LACERA | 1, 2, 3, 5 |
| Deputy Chief Ethics & Compliance Officer, LACERA | 1, 2, 3, 5 |
| Chief Counsel, LACERA (Disability Litigation Section) | 4, 6 |
| Senior Staff Counsel, LACERA (Disability Litigation Section) | 6 |
| Senior Investment Officer, LACERA | 1, 2, 3 |
| Finance Analyst III, LACERA | 1, 2, 3 |
| Finance Analyst II, LACERA | 1, 2, 3 |
| Chief, Internal Audit, LACERA | 4, 5 |
| Chief Financial Officer, LACERA | 4, 5 |
| Division Manager, LACERA | 4, 5 |
| Assistant Chief Financial Officer, LACERA | 4, 5 |
| Assistant Division Manager, LACERA | 4, 5 |
| Director, Human Resources, LACERA | 4 |
| Administrative Services Officer, LACERA | 4, 5 |
| Disability Retirement Specialist Supervisor | 4, 6 |
| Contract Analyst, LACERA | 4 |
| Special Assistant, LACERA | 4 |
| Creative Coordinator, LACERA | 4 |
| Director~~Chief~~, Communications, LACERA | 4, 5 |
| Director, Retiree Health, LACERA | 4, 5 |
| Principal Internal Auditor, LACERA | 4, 5 |
| Chief, Quality Assurance and Metrics, LACERA | 4, 5 |

**LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION**

**EXHIBIT "B" (Continued)**

| Designated Positions | Disclosure Categories |
|---|---|
| Section Head, LACERA | 4, 5 |
| Information Systems Manager, LACERA | 4, 5 |
| Supervising Administrative Assistant II, LACERA (Vendor Management Unit) | 4, 5 |
| Administrative Services Analyst III, LACERA (Vendor Management Unit) | 4, 5 |
| Accounting Officer, LACERA | 4, 5 |
| Investments Accounting Officer, LACERA | 4, 5 |
| Chief Information Technology Officer, LACERA, Unclassified | 4 |
| Information Security Officer, LACERA | 4 |
| Information Technology Manager II, LACERA | 4 |
| Information Technology Manager I, LACERA | 4 |
| Assistant Information Systems Manager, LACERA | 4 |
| Consultants/New Positions* | |

*Consultants/New Positions are included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in this code, subject to the following limitations:

The Chief Executive Officer or his or her designee may determine in writing that a particular consultant or new position, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with disclosure requirements in this section. Such written determination shall include a description of the consultant's or new position's duties and, based upon that description, a statement of the extent of disclosure requirements. The Chief Executive Officer or his or her designee's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict-of-interest code. (Gov. Code Section 81008.) The Chief Executive Officer or his or her designee shall inform the Board of Retirement of any such action.

Individuals who perform under contract the duties of any designated position shall be required to file Statements disclosing reportable interest in the categories assigned to that designated position.

**LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION**

**EXHIBIT "B" (Continued)**

**Officials Who Manage Public Investments:**

The following positions are not covered by the code because they must file under Government Code Section 87200 and, therefore, are listed for informational purposes only. All Statements filed by these positions must be filed with the Fair Political Practices Commission using their electronic filing system.

**Board of Investments:**

First Member (Treasurer and Tax Collector)
Alternate First Member (Chief Deputy, Treasurer and Tax Collector)
Second Member (Elected General Member)
Third Member (Elected General Member)
Fourth Member (Elected Safety Member)
Fifth Member (Appointed by Board of Supervisors)
Sixth Member (Appointed by Board of Supervisors)
Seventh Member (Appointed by Board of Supervisors)
Eighth Member (Elected Retired Member)
Ninth Member (Appointed by Board of Supervisors)

**LACERA Officials:**

Chief Executive Officer, LACERA
Chief Executive Officer, LACERA, Unclassified
Chief Counsel, LACERA
Chief Investment Officer, LACERA, Unclassified
Deputy Chief Investment Officer, LACERA, Unclassified
Principal Investment Officer, LACERA, Unclassified
Principal Investment Officer, LACERA
LACERA's independent contractors, consultants, and any of their employees, who pursuant to a contract with LACERA, manage public investments by performing the same or substantially all the same functions as the Chief Investment Officer or Principal Investment Officer.

## EFFECTIVE DATE:



# Conflict of Interest Code Updates

Jessica Rivas
Legal Office

# Background

- A conflict of interest code tells public officials, governmental employees, and consultants what financial interests they must disclose on their Statement of Economic Interests (Form 700).

- The California Political Reform Act ("Act") requires every local government agency to review its conflict of interest code **biennially**.
  - 2024 – most recent amendment cycle
  - 2025 – off cycle amendment required due to SB 852
  - 2026 – current amendment cycle

# Background

Basic components of our Conflict of Interest Code:

- Cover Page
- Disclosure Categories (Exhibit A)
- Designated Positions (Exhibit B)
- Consultant/New Positions
- Officials Who Manage Public Investments

# Background

Types of amendments:

- Add/delete positions
- Revise disclosure categories
- Revise titles of existing positions
- Other

# Proposed Changes

**New Positions**

- Chief Ethics & Compliance Officer and Deputy Chief Ethics & Compliance Officer
- Accounting Officer & Investments Accounting Officer
- Supervising Administrative Assistant II (Vendor Management Unit) and Administrative Services Analyst III (Vendor Management Unit)

**Revise Existing Position Title and Update Required Disclosures**

- Director, Communications

# Timeline

- November 2026 – JOGC
- December 2026 – BOR and BOI and submit to County (Executive Office of Board of Supervisors, Conflict of Interest/Lobbying Division)
- Summer/Fall 2027 – anticipated County BOS approval

# Thank You!

## Legal Office

### Questions?

jrivas@lacera.gov

**FOR INFORMATION ONLY**

October 30, 2026

TO: Each Trustee
Joint Organizational Governance Committee

FROM: Jessica Baxter
Chief Administrative Officer

FOR: November 23, 2026 Joint Organizational Governance Committee Meeting

SUBJECT: **FY 2025-2026 Final Budget Control Report**

Attached is a copy of the Final Budget Control Report for the LACERA Administrative, Retiree Health Care Benefits Program (RHCBP), and Other Post-Employment Benefits (OPEB) Trust Budget for FY 2025-2026.

## LACERA ADMINISTRATIVE BUDGET

The total operating expenses were $128,918,374. This represents an under expenditure of $17,346,638 or 11.9% compared to LACERA's administrative operating budget of $146,265,012.

Contributing factors to the under expenditure include, but are not limited to:

- Not all budgeted positions were filled, which impacted salaries and variable benefits.
- Lower than anticipated use of Professional & Specialized Services. The variance was primarily attributable to deferred audits due to staffing constraints, delays in planned human resources consulting engagements and procurement activities, reduced or deferred communications and outreach initiatives, and postponement of the Facilities Management System in favor of higher-priority divisional initiatives.
- Lower than expected building operation costs and renovations. Most of the under expenditure related to building costs stem from renovation projects that were delayed and also a three-month rent abatement due to a new leasing period.
- Lower than anticipated educational expenses. The variance was primarily attributable to lower registration fees and departmental training costs, cancellation of some training sessions, and reduced costs associated with virtual training.

The attached FY 2025-2026 Final Budget Control Report provides further details on the major factors contributing to the variances noted above.

## RETIREE HEALTH CARE BENEFITS PROGRAM (RHCBP) BUDGET

The total operating expenses were $12,065,858. This represents an under expenditure of $1,114,989 or 8.5% compared to the RHCBP operating budget of $13,180,848. The under expenditure was primarily due to unfilled budgeted positions, deferred projects and professional services, and lower-than-anticipated building operations and training costs.

## OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST BUDGET

The total operating expenses were $1,295,029. This represents an under expenditure of $4,402 or 0.3% compared to the OPEB Trust operating budget of $1,299,431. The under expenditure is attributable to lower than anticipated costs for OPEB Trust Services and Supplies specifically OPEB Trust Fiduciary Insurance and the absence of outside legal counsel fees during the reporting period.

## NOTABLE ACTIVITIES AND ACCOMPLISHMENTS

### Recruitment Activities

LACERA remains committed to having a well-trained and effective workforce and has dedicated resources toward this goal. We have struggled with high vacancy rates for several years. To address this challenge, in FY 2023-2024 we developed a Hiring Manager Playbook, began to automate some manual processes, and hired permanent new Human Resources (HR) positions, which were filled in the third quarter, resulting in significant positive momentum by year end. During FY 2025-2026, LACERA's Human Resources team established 25 new hiring lists and conducted four external recruitments, resulting in 58 hiring actions, comprising 19 promotions and 39 new hires. Staff attrition totaled 33 during the reporting period, partially offsetting recruitment gains. The year-end vacancy rate was approximately 17%.

### Information Technology Projects

In FY 2025-2026, LACERA continued its commitment to innovation and automation, and leveraging technology to better and more efficiently serve and support our members and staff. Our budget and expenditures reflect this commitment. A few highlights of technology projects that were completed in FY 2025-2026 include:

- Enhanced cybersecurity through secure access service edge (SASE), Microsoft Defender for Identity, and certificate automation
- Modernized infrastructure through VMware, Microsoft Exchange, and Veeam migrations
- Expanded enterprise platforms through Emburse/Certify, NeoGov, SharePoint, and ServiceNow automation

- Advanced data integration and analytics capabilities through employer health reporting, Questica, Microsoft Fabric, and Microsoft Purview initiatives
- Strengthened operational resilience through immutable storage, identity recovery, and environmental monitoring enhancements
- Reinforced public trust and security by migrating to the official .gov domain
- Improved member service and regulatory compliance through seamless online retirement elections and Public Employees' Pension Reform Act (PEPRA) final average compensation (FAC) realignment
- Reduced technical debt through the retirement of ten legacy applications

**CONCLUSION:**

Reasonable flexibility is incorporated into the Budget to ensure that sufficient resources are available, if needed. LACERA staff and management monitor plan expenditures throughout the year and exercise prudent decision-making with the understanding that a dollar expended is a dollar not invested. Managers will be available to address any questions.

**REVIEWED AND APPROVED:**



Luis Lugo
Chief Executive Officer

Attachment

c: JJ Popowich, Ricki Contreras, Jonathan Grabel, Ted Granger, Steven P. Rice, Harper Wells

JB:LL:jt




# FISCAL YEAR 2025-2026

# FINAL BUDGET CONTROL REPORT

# BASED ON EXPENDITURES AS OF JUNE 30, 2026

## ADMINISTRATIVE BUDGET

## RETIREE HEALTHCARE BENEFITS PROGRAM (RHCBP) BUDGET

## OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST BUDGET

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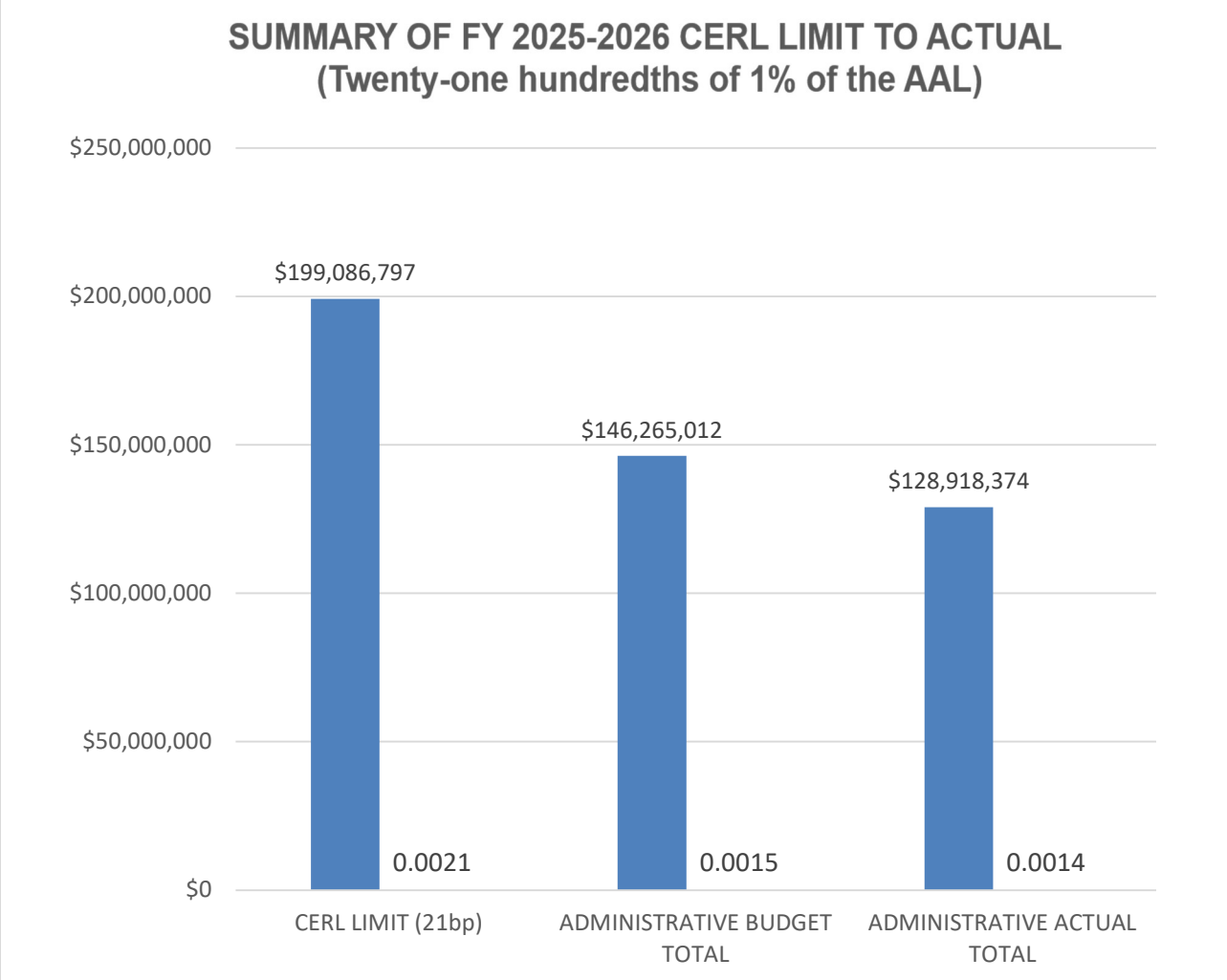
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## SECTION I - ADMINISTRATIVE BUDGET SUMMARY

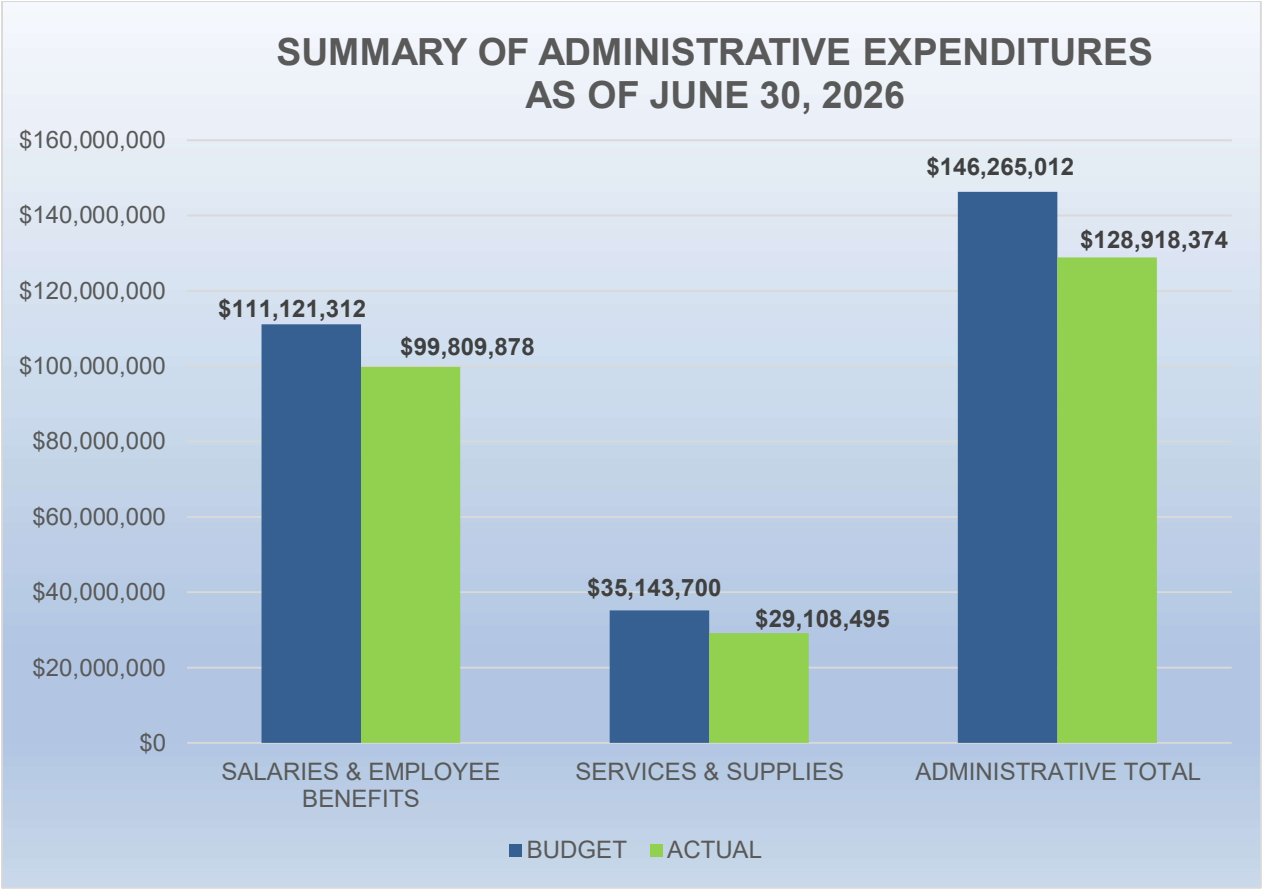
LACERA's Fiscal Year 2025-2026 ended June 30, 2026, with actual administrative expenses of $128,918,374 or 88.1% of the $146,265,012 administrative approved budget. This represents an under expenditure of $17,346,638 or 11.9% of the $146,265,012 administrative approved budget.

The FY 2025-2026 Budget is based on twenty-one hundredths of 1% (21 basis points) of the Actuarial Accrued Liability (AAL), referred to as the Budget Statutory Appropriation Limit. LACERA's operating budget is using 15 basis points for this fiscal year, although actual spending totals to only 14 basis points.



| SUMMARY OF ADMINISTRATIVE EXPENDITURES AS OF JUNE 30, 2026 | | | | | |
|---|---|---|---|---|---|
| **ADMINISTRATIVE EXPENSES** | **BUDGET** | **ACTUAL** | **OVER/(UNDER) BUDGET** | **% UTILIZED** | **% OVER/ (UNUTILIZED)** |
| SALARIES & EMPLOYEE BENEFITS | $111,121,312 | $99,809,878 | ($11,311,434) | 89.8% | (10.2%) |
| SERVICES & SUPPLIES | $35,143,700 | $29,108,495 | ($6,035,205) | 82.8% | (17.2%) |
| **ADMINISTRATIVE TOTAL** | **$146,265,012** | **$128,918,374** | **($17,346,638)** | **88.1%** | **(11.9%)** |

* All amounts rounded to the nearest dollar.



## Salaries and Employee Benefits (S&EB)

Salaries and Employee Benefits (S&EB) costs incurred as of June 30, 2026, were $99,809,878 or 89.8% of the $111,121,312 approved budget. This represents an under expenditure of $11,311,434 or 10.2% of the $111,121,312 administrative approved budget for this category. A summary of all S&EB expenses and explanations of significant variances are provided below.

**SUMMARY OF SALARIES AND EMPLOYEE BENEFITS BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | BUDGET | ACTUAL | OVER/(UNDER) BUDGET | % UTILIZED | % OVER/ (UNUTILIZED) |
|---|---|---|---|---|---|
| **SALARIES & OTHER PAYS** | | | | | |
| Permanent / County Temporary | $62,876,754 | $55,283,969 | ($7,592,784) | 87.9% | (12.1%) |
| Agency Temporary | 6,107,100 | 6,444,616 | 337,516 | 105.5% | 5.5% |
| LACERA Intern Program | 413,000 | 366,747 | (46,253) | 88.8% | (11.2%) |
| Stipends | 65,000 | 41,806 | (23,194) | 64.3% | (35.7%) |
| Overtime | 1,472,400 | 1,078,013 | (394,387) | 73.2% | (26.8%) |
| Bilingual Bonus | 20,400 | 17,550 | (2,850) | 86.0% | (14.0%) |
| Pay in Lieu of Salary Reduction | 0 | 0 | 0 | N/A | N/A |
| Transportation Allowance | 36,000 | 30,300 | (5,700) | 84.2% | (15.8%) |
| Rideshare Allowance | 70,300 | 3,598 | (66,702) | 5.1% | (94.9%) |
| Sickleave Buyback | 119,800 | 95,780 | (24,020) | 80.0% | (20.0%) |
| **TOTAL SALARIES & OTHER PAYS** | **$71,180,754** | **$63,362,380** | **($7,818,374)** | **89.0%** | **(11.0%)** |
| **VARIABLE BENEFITS** | | | | | |
| Retirement | 11,896,604 | 12,370,259 | 473,655 | 104.0% | 4.0% |
| FICA Contribution | 904,370 | 897,086 | (7,283) | 99.2% | (0.8%) |
| County Subsidy - Insurance | 3,651,760 | 2,918,959 | (732,801) | 79.9% | (20.1%) |
| Options Plan | 5,876,077 | 4,913,150 | (962,927) | 83.6% | (16.4%) |
| Life Insurance | 26,173 | 24,645 | (1,528) | 94.2% | (5.8%) |
| Health Insurance Temps | 22,541 | 18,435 | (4,106) | 81.8% | (18.2%) |
| Flexible Benefit Plan | 18,805 | 0 | (18,805) | 0.0% | (100.0%) |
| Thrift Plan / Horizons | 2,498,213 | 1,798,616 | (699,597) | 72.0% | (28.0%) |
| Savings Plan | 1,609,628 | 1,240,756 | (368,872) | 77.1% | (22.9%) |
| Pension Savings Plan | 59,193 | 6,586 | (52,607) | 11.1% | (88.9%) |
| Megaflex | 6,841,071 | 5,663,723 | (1,177,348) | 82.8% | (17.2%) |
| **TOTAL VARIABLE BENEFITS** | **$33,404,435** | **$29,852,216** | **($3,552,219)** | **89.4%** | **(10.6%)** |
| | | | | | |
| **OPEB CONTRIBUTION** | **$2,791,123** | **$2,855,591** | **$64,467** | **102.3%** | **2.3%** |
| | | | | | |
| **ADDITIONAL OPEB CONTRIBUTION** | **$0** | **$0** | **$0** | **N/A** | **N/A** |
| | | | | | |
| **OTHER BENEFITS** | **$3,745,000** | **$3,739,692** | **($5,308)** | **99.9%** | **(0.1%)** |
| | | | | | |
| **TOTAL EMPLOYEE BENEFITS** | **$39,940,558** | **$36,447,498** | **($3,493,060)** | **91.3%** | **(8.7%)** |
| | | | | | |
| **TOTAL SALARIES & EMPLOYEE BENEFITS** | **$111,121,312** | **$99,809,878** | **($11,311,434)** | **89.8%** | **(10.2%)** |

* All amounts rounded to the nearest dollar.

## Permanent Salaries & Variable Benefits

Permanent Salaries expenditures were $55,283,969 or 87.9% of the approved Permanent Salaries budget of $62,876,754. This represents an under expenditure of $7,592,784. This variance is the result of recruitment delays, hiring plan changes, and unplanned vacancies.

Variable Benefit expenditures were $29,852,216 or 89.4% of the approved Variable Benefits budget of $33,404,435. This represents an under expenditure of $3,552,219. These expenditures were lower than anticipated due to vacancies that correlate to reduced benefit costs.

At the end of the year, the status of vacant positions is reflected in the difference between budget and actual S&EB. Vacant positions are budgeted at the first step and the estimated time of the year the position will be filled. Salary savings are calculated by reducing the salary cost by the number of months it takes to hire against the position beyond what was budgeted. Vacancies are budgeted at six months unless otherwise specified on the hiring plan. Positions are hired at various stages or remain vacant for the entire year. This is reflected in the gap between budget and actual S&EB.

See table on page **5** for details related to vacant positions.

## Other Variances

### Agency Temporary

Agency Temporary staff expenditures were $6,444,616 or 105.5% of the adopted budget of $6,107,100. This represents an over expenditure of $337,516. Actual expenses for agency temporary staff have exceeded the original budget. The over expenditure on agency temporary staffing resulted from delays in hiring permanent personnel, which necessitated the division to engage agency staff to address immediate labor needs. Additionally, a higher number of agency temps were retained due to their specialized expertise in supporting ongoing critical projects.

### Overtime

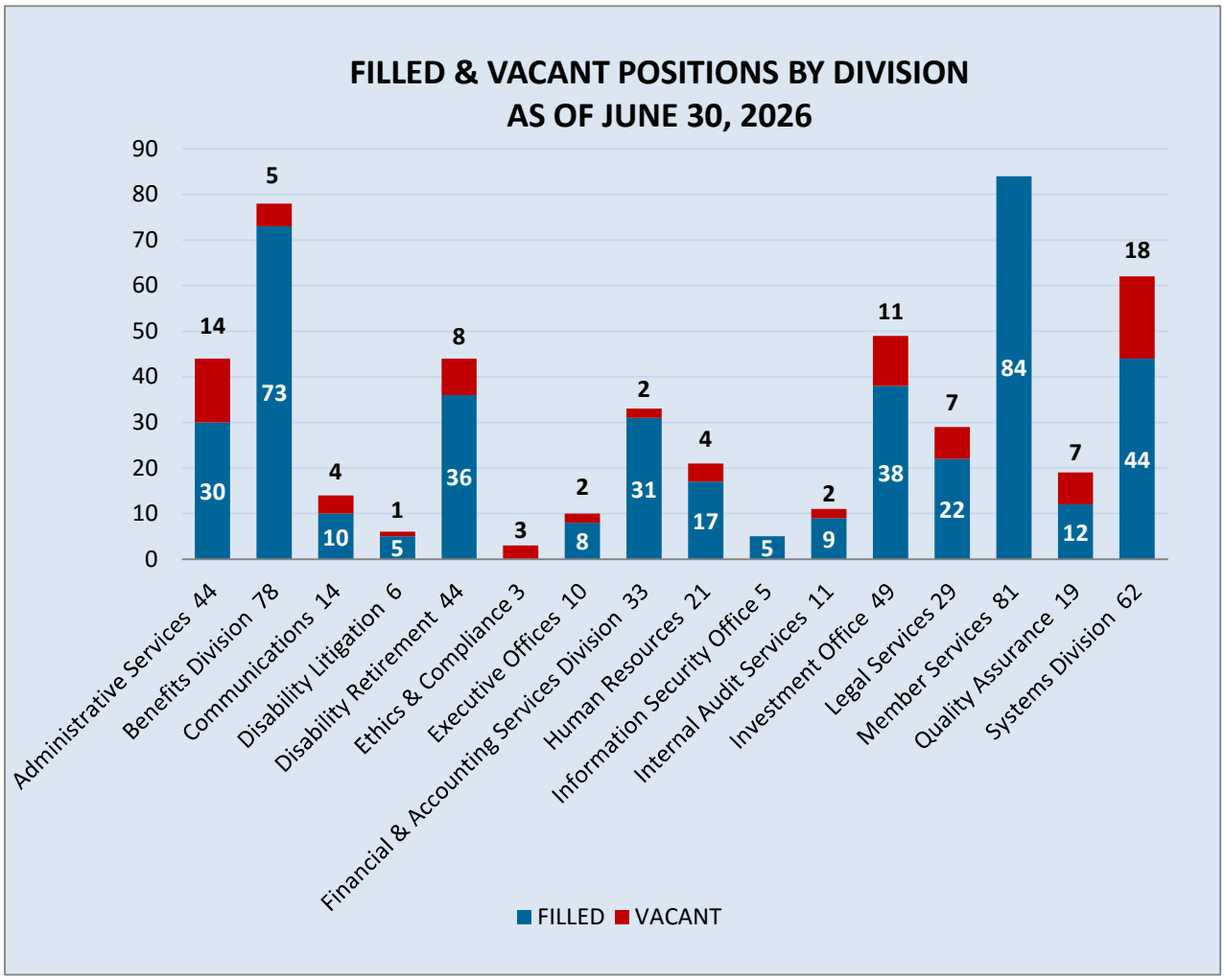
Overtime expenditures were $1,078,013 or 73.2% of the approved budget of $1,472,400. This represents an under expenditure of $394,387. This variance is attributable to lower than anticipated demand for overtime. The number of instances requiring staff to work beyond regular hours was significantly fewer than originally projected.

### LACERA Intern Program

LACERA Intern Program expenditures were $366,747 or 88.8% of the approved budget of $413,000. This represents an under expenditure of $46,253. A total of 17 Interns were planned for FY 2025-2026. However, only 12 Interns were hired which resulted in the under expenditure. Please note LACERA only pays for two (2) of the Investment Interns as the other two (2) are paid through the organization they are hired from.

## Vacancies

The LACERA Management Team is dedicated and committed to determining the level of need associated with every vacant position and fill those that are actually needed and planned to be filled. To address this critical need, LACERA greatly expanded outreach and utilized outside recruiters to fill specialized vacancies in the Investment Office, Legal Services, and Systems Division expending $227,597 on recruitment. We began the fiscal year with 91 staff vacancies out of 508 budgeted positions for a vacancy rate of approximately 17.9%. Great strides were made throughout the year with hiring staff, resulting in a 16.7% vacancy rate. Although this is an improvement from the prior fiscal year, it does not fully capture the comprehensive advancements achieved, as the rate is impacted by attrition. We concluded the fiscal year with 85 total vacancies.



## Services and Supplies (S&S)

Services and Supplies (S&S) costs incurred as of June 30, 2026, were $29,108,495 or 82.8% of the $35,143,700 administrative approved budget representing an under expenditure of $6,035,205 or 17.2% for this category. A summary of all S&S expenses and explanations of significant variances are provided below.

**SUMMARY OF SERVICES AND SUPPLIES**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| S&S CATEGORY | BUDGET | ACTUAL | OVER/(UNDER) BUDGET | % UTILIZED | % OVER/ (UNUTILIZED) |
|---|---|---|---|---|---|
| Auto Expenses | $52,300 | $67,546 | $15,246 | 129.2% | 29.2% |
| Communications | 355,000 | 424,159 | 69,159 | 119.5% | 19.5% |
| Transportation & Travel | 970,100 | 476,588 | (493,512) | 49.1% | (50.9%) |
| Postage | 1,269,000 | 1,470,184 | 201,184 | 115.9% | 15.9% |
| Stationery & Forms | 948,000 | 792,417 | (155,583) | 83.6% | (16.4%) |
| Office Supplies & Equipment | 855,500 | 687,422 | (168,078) | 80.4% | (19.6%) |
| Insurance | 1,331,900 | 1,234,609 | (97,291) | 92.7% | (7.3%) |
| Equipment Maintenance | 222,000 | 256,981 | 34,981 | 115.8% | 15.8% |
| Equipment Rents & Leases | 260,000 | 165,434 | (94,566) | 63.6% | (36.4%) |
| Building Costs | 7,695,000 | 4,774,559 | (2,920,441) | 62.0% | (38.0%) |
| Parking Fees | 561,000 | 558,303 | (2,697) | 99.5% | (0.5%) |
| Professional & Specialized Services | 5,351,500 | 3,831,685 | (1,519,815) | 71.6% | (28.4%) |
| Bank Services | 200,000 | 192,546 | (7,454) | 96.3% | (3.7%) |
| Legal Fees & Services | 2,460,000 | 2,941,519 | 481,519 | 119.6% | 19.6% |
| Disability Fees & Services | 3,340,200 | 3,235,325 | (104,875) | 96.9% | (3.1%) |
| Computer Services & Support | 6,575,000 | 6,246,816 | (328,184) | 95.0% | (5.0%) |
| Educational Expenses | 1,966,000 | 1,113,468 | (852,532) | 56.6% | (43.4%) |
| Miscellaneous | 731,200 | 638,934 | (92,266) | 87.4% | (12.6%) |
| **TOTAL** | **$35,143,700** | **$29,108,495** | **($6,035,205)** | **82.8%** | **(17.2%)** |

* All amounts rounded to the nearest dollar.

- Building Costs expenditures were $4,774,559 or 62.0% of the annual budget of $7,695,000. This under expenditure of $2,920,441 or 38.0% of the approved budget is primarily due to lower than anticipated expenditures for Building Operational Costs and Renovation Projects. Most of the under expenditure related to building costs stem from renovation projects that were delayed and 3-month rent abatement due to a new leasing period.

- Professional & Specialized Services expenditures were $3,831,685 or 71.6% of the annual budget in this category of $5,351,500. This represents an under expenditure of $1,519,815 or 28.4% of the approved budget. Variances in this category are outlined below:

    - Under expenditure of $244,061 for Audits. Several audits originally planned for FY 2025-2026 were removed from the Audit Plan due to staffing resource constraints. These audits will be performed in the future.

    - Under expenditure of $452,642 for Human Resources Consulting resulting from delays in executing planned consulting engagements. HR did not execute the planned activities this year such as RBS I exam revamp, HR study, and couldn't launch the Request for Statement of Qualifications (RFSQ) for various services.

    - Under expenditure of $261,550 for Public & Media Relations. Several planned communications and public outreach initiatives were delayed, scaled back, or funded through other organizational resources. As a result, expenditures were significantly lower than budgeted.

    - Under expenditure of $193,668 for Cloud Migration is attributed to the deferred procurement of the Facilities Management System, which was postponed in favor of higher-priority initiatives at the division level.

- Educational Expenses were $1,113,468 or 56.6% of the annual budget of $1,966,000. This under expenditure of $852,532 is mainly due to lower than anticipated costs for registration fees, and departmental training. Some training sessions were cancelled, while others were conducted virtually resulting in cost savings.

- Transportation & Travel expenditures were $476,588 or 49.1% of the annual budget of $970,100. This under expenditure of $493,512 or 50.9% was primarily due to lower-than-anticipated travel expenditures. Savings were realized through the deferral of planned travel and virtual participation in select conferences.

- Legal Fees & Services expenditures were $2,941,519 or 119.6% of the annual budget of $ 2,460,000. This over expenditure of $481,519 or 19.6% resulted from the final settlement of a confidential legal matter, with actual costs exceeding the amount budgeted.

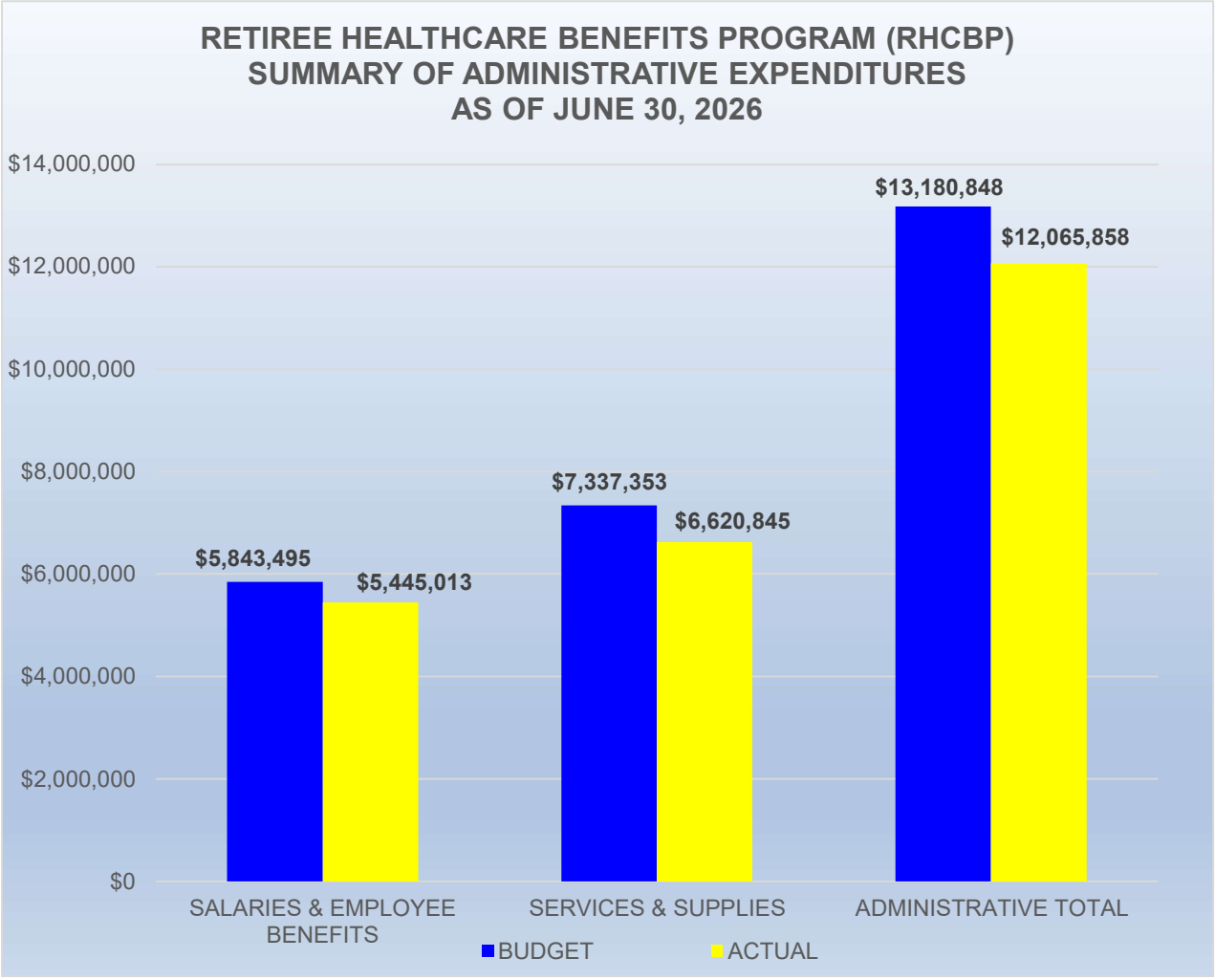
For additional details on LACERA expenses, see Appendix A.

## SECTION II - RETIREE HEALTHCARE BENEFITS BUDGET SUMMARY

Following is a summary of the Retiree Healthcare Benefits Program Final Budget Control Report for Fiscal Year 2025-2026 for the period ending June 30, 2026. The total program administrative expenses were $12,065,858 or 91.5% of the $13,180,848 approved administrative budget. This represents an under expenditure of $1,114,989 or 8.5% of the approved budget.

| RETIREE HEALTHCARE BENEFITS PROGRAM (RHCBP)<br>SUMMARY OF ADMINISTRATIVE EXPENDITURES<br>AS OF JUNE 30, 2026 | | | | | |
|---|---|---|---|---|---|
| **RHCBP** | **BUDGET** | **ACTUAL** | **OVER/(UNDER) BUDGET** | **% UTILIZED** | **% OVER/ (UNUTILIZED)** |
| SALARIES & EMPLOYEE BENEFITS | $5,843,495 | $5,445,013 | ($398,482) | 93.2% | (6.8%) |
| SERVICES & SUPPLIES | $7,337,353 | $6,620,845 | ($716,508) | 90.2% | (9.8%) |
| **ADMINISTRATIVE TOTAL** | **$13,180,848** | **$12,065,858** | **($1,114,989)** | **91.5%** | **(8.5%)** |

*All amounts rounded to the nearest dollar.



**Salaries & Employee Benefits (S&EB):**

Salaries & Employee Benefits costs were $5,445,013 or 93.2% of the $5,843,495 approved administrative budget. This represents an under expenditure of $398,482 or 6.8% of the approved budget. The variance reflects staff retirements and vacancies within the Retiree Healthcare Benefits Program.

**Services & Supplies (S&S):**

Services & Supplies costs were $6,620,845 or 90.2% of the $7,337,353 approved administrative budget. This represents an under expenditure of $716,508 or 9.8% of the $7,337,353 approved budget and is primarily due to the following factors:

- Operational Costs of $4,996,010 results in an under expenditure of $571,543 or 10.3% of the approved budget of $5,567,553. The under expenditure related to Operational Costs stem from 3-month rent abatement due to a new leasing period. The Departmental Overhead represents costs incurred by other LACERA Divisions to support the RHC mission. For FY 2025-2026, the RHC Departmental Overhead cost was lower than anticipated and is directly related to LACERA's overall under expenditures in both S&EB and S&S.

- Professional & Specialized Services costs of $1,173,526 results in an under expenditure of $161,674 or 12.1% of the approved budget of $1,335,200 and it is primarily due to unused Member Verification funds because annual data exchange cost to contract with the Social Security Administration (SSA) was not approved as anticipated during this fiscal year.

- Postage expenditures totaled $408,205, exceeding the approved budget by $58,205. This over expenditure was primarily due to an increase in mailed communications to members and increase in printing costs with the vendor.

- Legal Fees and Services of $0 is an under expenditure of $7,500 for the absence of outside legal counsel services.

For additional details on RHCBP expenses see Appendix B.

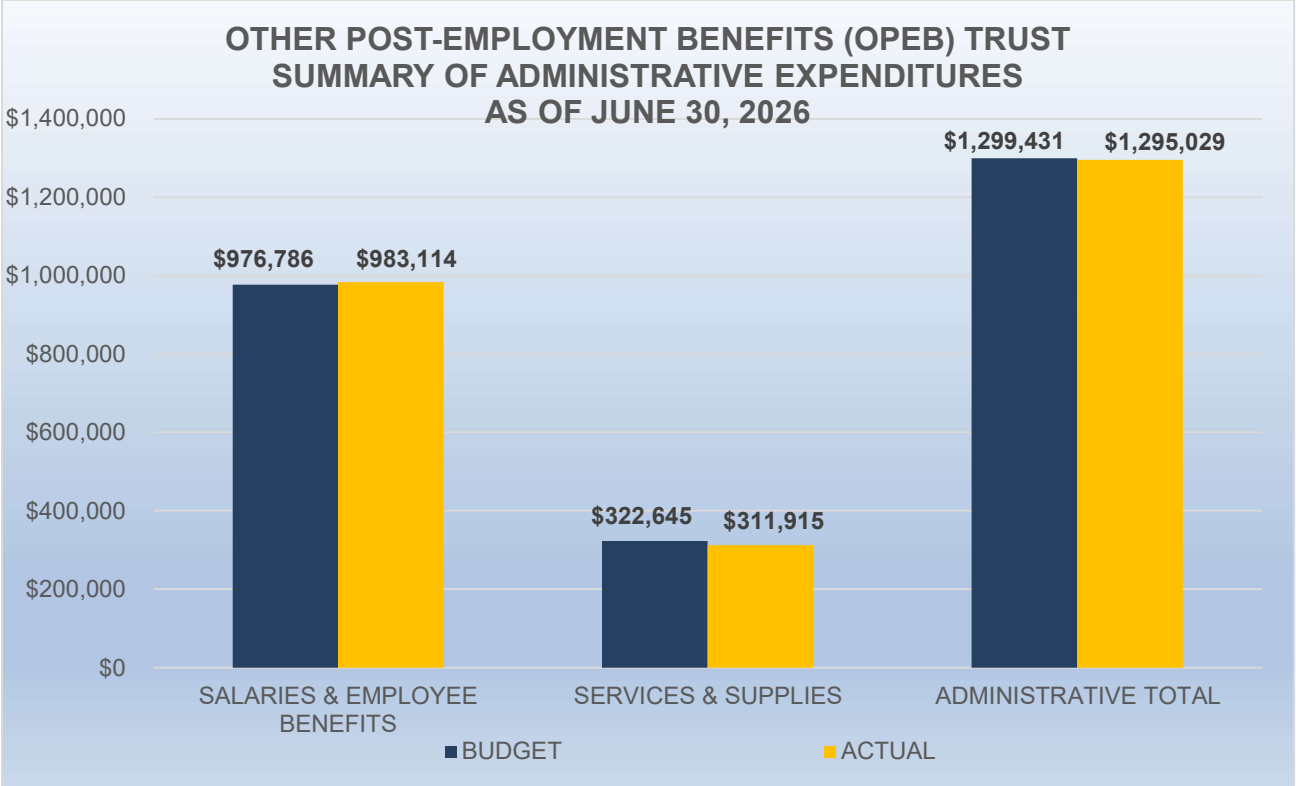
## SECTION III - OTHER POST-EMPLOYMENT BENEFITS BUDGET SUMMARY

Following is a summary of the Final Budget Control Report for Other Post-Employment Benefits (OPEB) Trust for the period ending June 30, 2026. The total OPEB Trust administrative expenses were $1,295,029 or 99.7% of the $1,299,431 approved administrative budget. This represents an under expenditure of $4,402 or 0.3% of the approved budget.

**OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST**
**SUMMARY OF ADMINISTRATIVE EXPENDITURES**
**AS OF JUNE 30, 2026**

| OPEB TRUST | BUDGET | ACTUAL | OVER/(UNDER) BUDGET | % UTILIZED | % OVER/ (UNUTILIZED) |
|---|---|---|---|---|---|
| SALARIES & EMPLOYEE BENEFITS | $976,786 | $983,114 | $6,328 | 100.6% | 0.6% |
| SERVICES & SUPPLIES | $322,645 | $311,915 | ($10,730) | 96.7% | (3.3%) |
| **ADMINISTRATIVE TOTAL** | **$1,299,431** | **$1,295,029** | **($4,402)** | **99.7%** | **(0.3%)** |

* All amounts rounded to the nearest dollar.




The under expenditure is attributed to lower than anticipated costs for Services and Supplies, specifically OPEB Trust Fiduciary Insurance and the absence of outside legal counsel fees during the reporting period.

For additional details on OPEB Trust expenses see Appendix C.

# APPENDIX A

**FISCAL YEAR 2025-2026**

**LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION (LACERA)**

**BUDGET CONTROL REPORT**

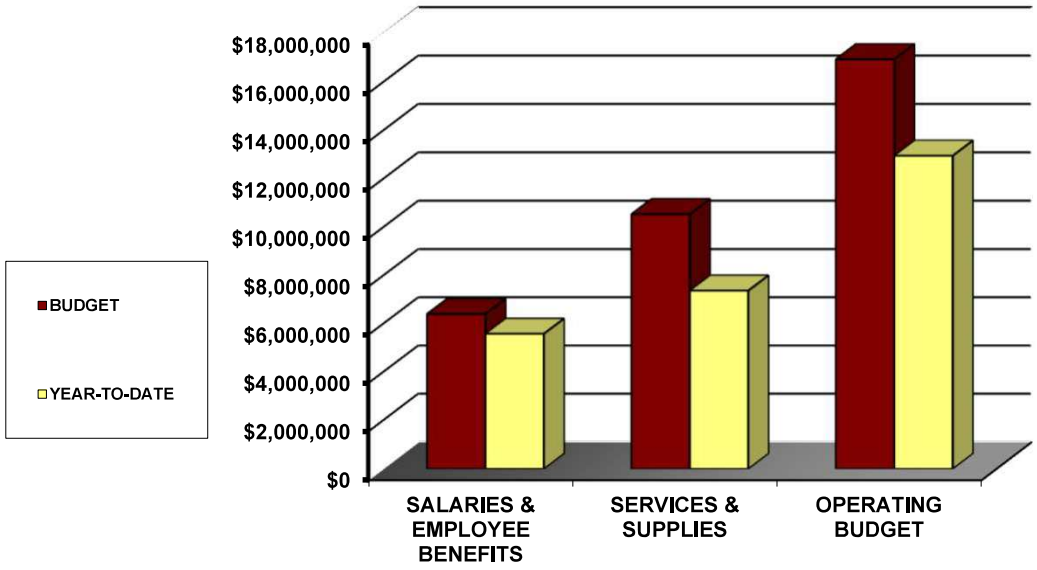
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

# ADMINISTRATIVE SERVICES

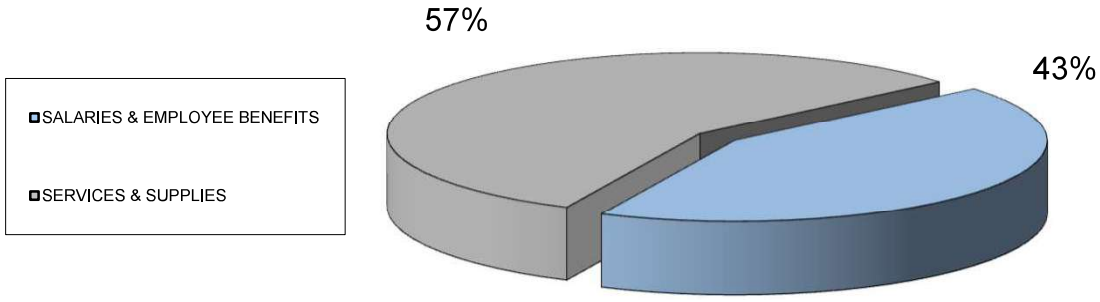
## BUDGET CONTROL REPORT - FISCAL YEAR 2025-2026
## BASED ON EXPENDITURES AS OF JUNE 30, 2026

| CATEGORY | BUDGET | YEAR-TO-DATE | OVER / (UNDER) BUDGET |
|---|---|---|---|
| SALARIES & EMPLOYEE BENEFITS | $6,402,524 | $5,581,307 | ($821,216) |
| SERVICES & SUPPLIES | $10,536,400 | $7,370,723 | ($3,165,677) |
| **OPERATING BUDGET** | **$16,938,924** | **$12,952,031** | **($3,986,893)** |

**Budgeted Positions** 44
**Filled Positions** 30




### Total Expenditures by Category



**FISCAL YEAR 2025-2026**

**ADMINISTRATIVE SERVICES DIVISION**

**SUMMARY OF SALARIES AND EMPLOYEE BENEFITS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|
| SALARIES & OTHER PAYS | | | |
| PERMANENT / COUNTY TEMPORARY | $3,586,967 | $2,820,508 | ($766,459) |
| AGENCY TEMPORARY | 350,900 | 742,404 | 391,504 |
| LACERA INTERN PROGRAM | 0 | 0 | 0 |
| STIPENDS | 0 | 0 | 0 |
| OVERTIME | 54,500 | 15,488 | (39,012) |
| BILINGUAL BONUS | 0 | 0 | 0 |
| PAY IN LIEU OF SALARY REDUCTION | 0 | 0 | 0 |
| TRANSPORTATION ALLOWANCE | 0 | 0 | 0 |
| RIDESHARE ALLOWANCE | 6,900 | 3,118 | (3,782) |
| SICKLEAVE BUYBACK | 7,300 | 3,976 | (3,324) |
| **TOTAL SALARIES & OTHER PAYS** | **$4,006,567** | **$3,585,493** | **($421,073)** |
| VARIABLE BENEFITS | | | |
| RETIREMENT | 627,332 | 685,807 | 58,475 |
| FICA CONTRIBUTION | 52,011 | 44,151 | (7,860) |
| COUNTY SUBSIDY - INSURANCE | 171,387 | 92,255 | (79,132) |
| OPTIONS PLAN | 814,750 | 543,962 | (270,788) |
| LIFE INSURANCE | 2,192 | 2,114 | (78) |
| HEALTH INSURANCE TEMPS | 0 | 0 | 0 |
| FLEXIBLE BENEFIT PLAN | 11,598 | 0 | (11,598) |
| THRIFT PLAN / HORIZONS | 143,479 | 86,809 | (56,670) |
| SAVINGS PLAN | 38,450 | 24,578 | (13,872) |
| PENSION SAVINGS PLAN | 0 | 0 | 0 |
| MEGAFLEX | 163,411 | 141,296 | (22,115) |
| **TOTAL VARIABLE BENEFITS** | **$2,024,610** | **$1,620,972** | **($403,638)** |
| **OPEB CONTRIBUTION** | **159,308** | **162,981** | **3,674** |
| **ADDITIONAL OPEB CONTRIBUTION** | **0** | **0** | **0** |
| **OTHER BENEFITS** | **212,039** | **211,861** | **(179)** |
| **TOTAL EMPLOYEE BENEFITS** | **$2,395,957** | **$1,995,814** | **($400,143)** |
| **TOTAL SALARIES & EMPLOYEE BENEFITS** | **$6,402,524** | **$5,581,307** | **($821,216)** |

*All amounts rounded to the nearest dollar.

**FISCAL YEAR 2025-2026**

**ADMINISTRATIVE SERVICES DIVISION**

**DETAIL OF SERVICES AND SUPPLIES ACCOUNTS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|---|
| | **AUTO EXPENSES** | | | |
| 9102 | AUTO MAINTENANCE/REPAIR | $11,000 | $4,065 | ($6,935) |
| 9103 | GAS | 1,000 | 317 | (683) |
| 9106 | SPECIAL ORDER - AUTOMOBILE | 22,000 | 50,000 | 28,000 |
| | TOTAL | 34,000 | 54,382 | 20,382 |
| | **TRANSPORTATION AND TRAVEL** | | | |
| 9181 | TRANSPORTATION | 2,300 | 3,089 | 789 |
| 9182 | TRAVEL | 45,100 | 16,038 | (29,062) |
| | TOTAL | 47,400 | 19,128 | (28,272) |
| | **POSTAGE** | | | |
| 9201 | POSTAGE METER | 410,000 | 409,929 | (71) |
| | TOTAL | 410,000 | 409,929 | (71) |
| | **STATIONERY AND FORMS** | | | |
| 9264 | MISC STATIONERY & FORMS | 1,000 | 0 | (1,000) |
| | TOTAL | 1,000 | 0 | (1,000) |
| | **OFFICE SUPPLIES AND EQUIPMENT** | | | |
| 9302 | SPECIAL ORDERS/MINOR EQUIP | 25,000 | 8,965 | (16,035) |
| 9305 | SAFETY AND HEALTH SUPPLIES | 66,400 | 21,115 | (45,285) |
| 9307 | STANDARD STOCK | 90,000 | 67,177 | (22,823) |
| 9337 | OFFICE FURNISHINGS | 60,000 | 110,299 | 50,299 |
| 9352 | ERGONOMIC ITEMS | 1,500 | 1,977 | 477 |
| | TOTAL | 242,900 | 209,535 | (33,365) |
| | **INSURANCE** | | | |
| 9381 | FIDUCIARY INSURANCE | 457,600 | 448,439 | (9,161) |
| 9382 | UMBRELLA POLICY | 20,500 | 18,425 | (2,075) |
| 9384 | EARTHQUAKE/FLOOD | 111,500 | 93,589 | (17,911) |
| 9386 | CRIME INSURANCE POLICY | 26,900 | 22,414 | (4,486) |
| 9387 | BUSINESS PACKAGE | 63,900 | 60,453 | (3,447) |
| 9388 | EMPLOYMENT PRACTICE LIABILITY INSURANCE | 291,400 | 253,088 | (38,312) |
| 9390 | CYBER LIABILITY INSURANCE | 351,100 | 333,728 | (17,372) |
| 9391 | TERRORISM INSURANCE | 9,000 | 4,471 | (4,529) |
| | TOTAL | 1,331,900 | 1,234,609 | (97,291) |
| | **EQUIPMENT MAINTENANCE** | | | |
| 9426 | SECURITY SYSTEM (PANIC BUTTONS) | 27,000 | 900 | (26,100) |
| | TOTAL | 27,000 | 900 | (26,100) |
| | **EQUIPMENT RENTS AND LEASES** | | | |
| 9452 | MAILING EQUIPMENT | 40,000 | 46,408 | 6,408 |
| | TOTAL | 40,000 | 46,408 | 6,408 |

**FISCAL YEAR 2025-2026**

**ADMINISTRATIVE SERVICES DIVISION**

**DETAIL OF SERVICES AND SUPPLIES ACCOUNTS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|---|
| | **BUILDING COSTS** | | | |
| 9476 | BUILDING OPERATIONAL COSTS | $6,500,000 | $4,562,818 | ($1,937,182) |
| 9477 | OVERTIME HVAC/LIGHTING | 100,000 | 78,798 | (21,202) |
| 9480 | FACILITIES MAINTENANCE | 175,000 | 78,912 | (96,088) |
| 9481 | RENOVATION PROJECTS | 920,000 | 54,031 | (865,969) |
| | TOTAL | 7,695,000 | 4,774,559 | (2,920,441) |
| | **PROFESSIONAL AND SPECIALIZED SERVICES** | | | |
| 9511 | SECURITY SERVICES | 168,000 | 137,014 | (30,986) |
| 9540 | CONSULTING AND CONTRACTING SERVICES | 40,000 | 0 | (40,000) |
| 9552 | BUSINESS CONTINUITY SERVICES | 75,000 | 45,600 | (29,400) |
| 9553 | ARCHIVE/ OFF-SITE STORAGE | 90,000 | 135,575 | 45,575 |
| 9677 | SHREDDING SERVICE | 90,000 | 57,854 | (32,146) |
| 9685 | COURIER SERVICE | 10,000 | 7,044 | (2,956) |
| 9686 | FURNITURE OFF-SITE STORAGE | 30,000 | 37,004 | 7,004 |
| 9688 | UNIVERSAL MAIL DELIVERY SERVICE | 10,000 | 32,565 | 22,565 |
| 9689 | NEXT DAY MAIL DELIVERY SERVICE | 35,000 | 27,234 | (7,766) |
| 9723 | BROKERAGE SERVICES FEE | 98,000 | 98,000 | 0 |
| | TOTAL | 646,000 | 577,891 | (68,109) |
| | **EDUCATIONAL EXPENSES** | | | |
| 9961 | MEMBERSHIPS | 7,000 | 2,020 | (4,980) |
| 9962 | REGISTRATION FEES | 41,700 | 14,192 | (27,508) |
| 9963 | EDUCATIONAL MATERIALS | 500 | 9,861 | 9,361 |
| | TOTAL | 49,200 | 26,073 | (23,127) |
| | **MISCELLANEOUS** | | | |
| 9986 | MISCELLANEOUS | 12,000 | 17,310 | 5,310 |
| | TOTAL | 12,000 | 17,310 | 5,310 |
| | **GRAND TOTAL** | **$10,536,400** | **$7,370,723** | **($3,165,677)** |

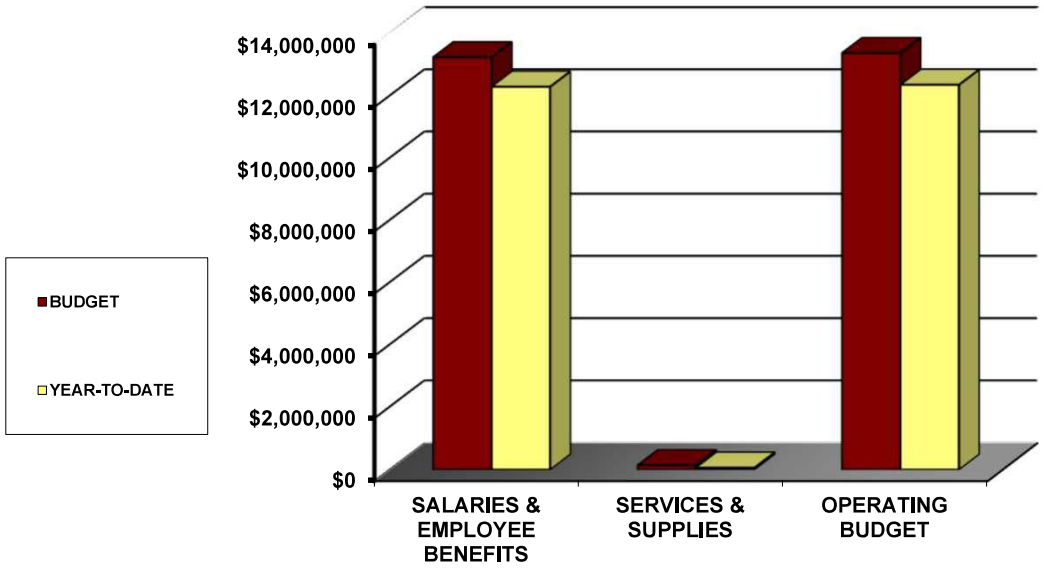
*All amounts rounded to the nearest dollar.

# BENEFITS DIVISION

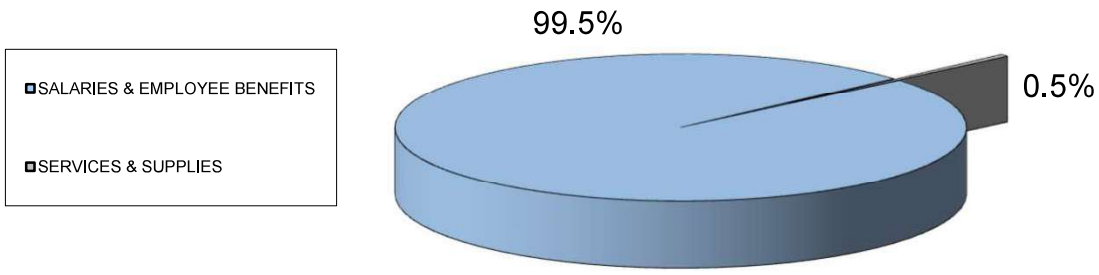
## BUDGET CONTROL REPORT - FISCAL YEAR 2025-2026
## BASED ON EXPENDITURES AS OF JUNE 30, 2026

| CATEGORY | BUDGET | YEAR-TO-DATE | OVER / (UNDER) BUDGET |
|---|---|---|---|
| SALARIES & EMPLOYEE BENEFITS | $13,237,934 | $12,287,628 | ($950,307) |
| SERVICES & SUPPLIES | $136,900 | $62,125 | ($74,775) |
| **OPERATING BUDGET** | **$13,374,834** | **$12,349,752** | **($1,025,082)** |

**Budgeted Positions** 78
**Filled Positions** 73




### Total Expenditures by Category



**FISCAL YEAR 2025-2026**

**BENEFITS DIVISION**

**SUMMARY OF SALARIES AND EMPLOYEE BENEFITS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|
| SALARIES & OTHER PAYS | | | |
| PERMANENT / COUNTY TEMPORARY | $7,565,746 | $6,922,950 | ($642,795) |
| AGENCY TEMPORARY | 0 | 237,649 | 237,649 |
| LACERA INTERN PROGRAM | 0 | 0 | 0 |
| STIPENDS | 0 | 0 | 0 |
| OVERTIME | 579,700 | 538,258 | (41,442) |
| BILINGUAL BONUS | 3,600 | 3,600 | 0 |
| PAY IN LIEU OF SALARY REDUCTION | 0 | 0 | 0 |
| TRANSPORTATION ALLOWANCE | 0 | 0 | 0 |
| RIDESHARE ALLOWANCE | 16,300 | 0 | (16,300) |
| SICKLEAVE BUYBACK | 35,000 | 29,266 | (5,734) |
| **TOTAL SALARIES & OTHER PAYS** | **$8,200,346** | **$7,731,723** | **($468,622)** |
| VARIABLE BENEFITS | | | |
| RETIREMENT | 1,654,039 | 1,632,022 | (22,018) |
| FICA CONTRIBUTION | 109,288 | 114,008 | 4,720 |
| COUNTY SUBSIDY - INSURANCE | 164,832 | 106,489 | (58,343) |
| OPTIONS PLAN | 1,802,326 | 1,490,738 | (311,588) |
| LIFE INSURANCE | 9,411 | 8,661 | (750) |
| HEALTH INSURANCE TEMPS | 0 | 13,316 | 13,316 |
| FLEXIBLE BENEFIT PLAN | 0 | 0 | 0 |
| THRIFT PLAN / HORIZONS | 301,484 | 234,258 | (67,226) |
| SAVINGS PLAN | 35,360 | 32,453 | (2,906) |
| PENSION SAVINGS PLAN | 27,320 | 1,335 | (25,985) |
| MEGAFLEX | 150,278 | 127,151 | (23,127) |
| **TOTAL VARIABLE BENEFITS** | **$4,254,339** | **$3,760,430** | **($493,909)** |
| **OPEB CONTRIBUTION** | **336,014** | **343,763** | **7,749** |
| **ADDITIONAL OPEB CONTRIBUTION** | **0** | **0** | **0** |
| **OTHER BENEFITS** | **447,236** | **451,712** | **4,476** |
| **TOTAL EMPLOYEE BENEFITS** | **$5,037,589** | **$4,555,904** | **($481,684)** |
| **TOTAL SALARIES & EMPLOYEE BENEFITS** | **$13,237,934** | **$12,287,628** | **($950,307)** |

*All amounts rounded to the nearest dollar.

**FISCAL YEAR 2025-2026**

**BENEFITS DIVISION**

**DETAIL OF SERVICES AND SUPPLIES ACCOUNTS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|---|
| | **TRANSPORTATION AND TRAVEL** | | | |
| 9181 | TRANSPORTATION | $2,100 | $2,632 | $532 |
| 9182 | TRAVEL | 12,600 | 12,814 | 214 |
| | TOTAL | 14,700 | 15,446 | 746 |
| | **OFFICE SUPPLIES AND EQUIPMENT** | | | |
| 9302 | SPECIAL ORDERS/MINOR EQUIP | 3,400 | 121 | (3,279) |
| | TOTAL | 3,400 | 121 | (3,279) |
| | **PROFESSIONAL AND SPECIALIZED SERVICES** | | | |
| 9516 | RECORD SEARCHES | 1,000 | 12,153 | 11,153 |
| 9572 | PENSION BENEFIT INFORMATION | 20,000 | 200 | (19,800) |
| 9674 | MEMBER VERIFICATION | 44,200 | 29,647 | (14,553) |
| | TOTAL | 65,200 | 42,000 | (23,200) |
| | **EDUCATIONAL EXPENSES** | | | |
| 9961 | MEMBERSHIPS | 2,400 | 811 | (1,589) |
| 9962 | REGISTRATION FEES | 49,000 | 2,576 | (46,424) |
| 9963 | EDUCATIONAL MATERIALS | 200 | 0 | (200) |
| | TOTAL | 51,600 | 3,387 | (48,213) |
| | **MISCELLANEOUS** | | | |
| 9986 | MISCELLANEOUS | 2,000 | 1,171 | (829) |
| | TOTAL | 2,000 | 1,171 | (829) |
| | **GRAND TOTAL** | **$136,900** | **$62,125** | **($74,775)** |

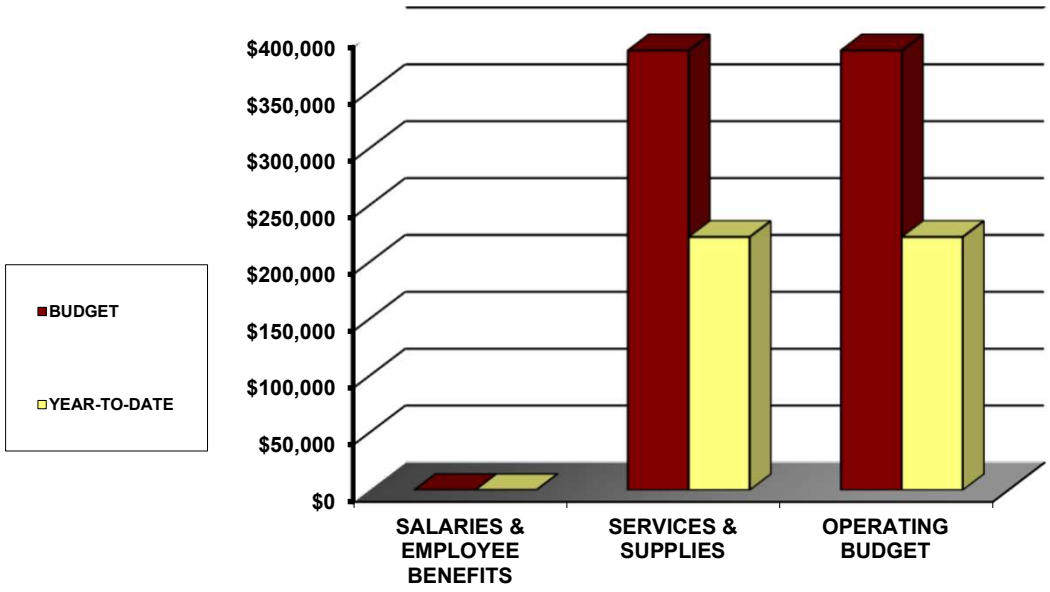
*All amounts rounded to the nearest dollar.

# BOARD OF RETIREMENT

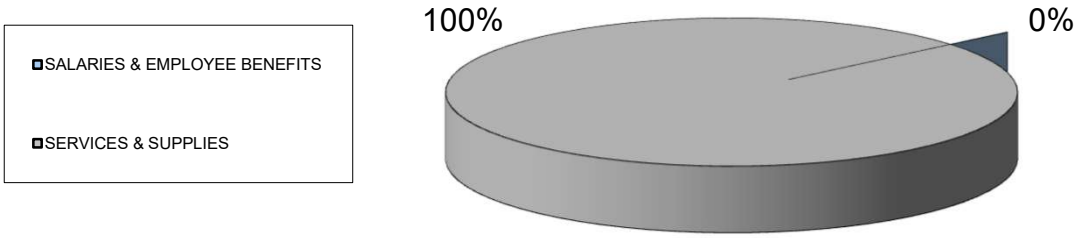
## BUDGET CONTROL REPORT - FISCAL YEAR 2025-2026
## BASED ON EXPENDITURES AS OF JUNE 30, 2026

| CATEGORY | BUDGET | YEAR-TO-DATE | OVER / (UNDER) BUDGET |
|---|---|---|---|
| SALARIES & EMPLOYEE BENEFITS | $0 | $0 | $0 |
| SERVICES & SUPPLIES | $386,500 | $222,572 | ($163,928) |
| **OPERATING BUDGET** | **$386,500** | **$222,572** | **($163,928)** |

**Board of Retirement** **12**




### Total Expenditures by Category



**FISCAL YEAR 2025-2026**

**BOARD OF RETIREMENT**

**DETAIL OF SERVICES AND SUPPLIES ACCOUNTS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|---|
| | **TRANSPORTATION AND TRAVEL** | | | |
| 9181 | TRANSPORTATION | $11,000 | $7,057 | ($3,943) |
| 9182 | TRAVEL | 82,500 | 17,880 | (64,620) |
| | TOTAL | 93,500 | 24,938 | (68,562) |
| | **EDUCATIONAL EXPENSES** | | | |
| 9961 | MEMBERSHIPS | 44,000 | 13 | (43,987) |
| 9962 | REGISTRATION FEES | 50,000 | 23,587 | (26,413) |
| 9963 | EDUCATIONAL MATERIALS | 12,000 | 7,195 | (4,805) |
| | TOTAL | 106,000 | 30,795 | (75,206) |
| | **MISCELLANEOUS** | | | |
| 9983 | OFF-SITE BOARD MEETING EXPENSE | 175,000 | 153,174 | (21,826) |
| 9984 | FOOD/BEVERAGES | 12,000 | 13,666 | 1,666 |
| | TOTAL | 187,000 | 166,840 | (20,160) |
| | **GRAND TOTAL** | **$386,500** | **$222,572** | **($163,928)** |

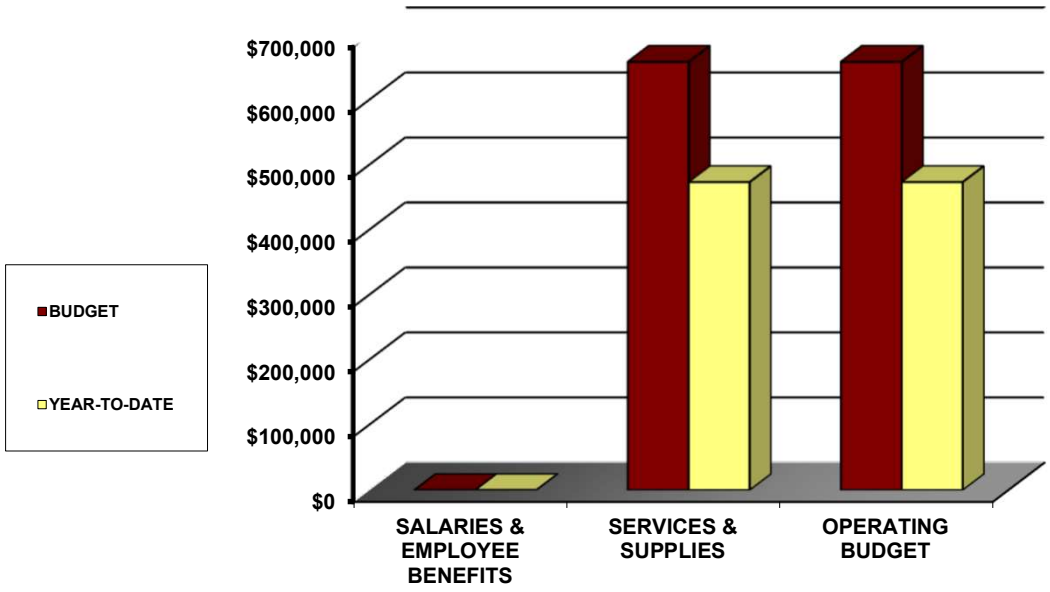
*All amounts rounded to the nearest dollar.

# BOARD OF INVESTMENTS

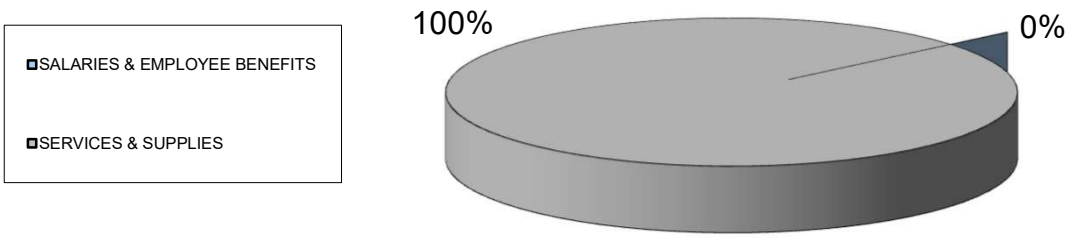
## BUDGET CONTROL REPORT - FISCAL YEAR 2025-2026
## BASED ON EXPENDITURES AS OF JUNE 30, 2026

| CATEGORY | BUDGET | YEAR-TO-DATE | OVER / (UNDER) BUDGET |
|---|---|---|---|
| SALARIES & EMPLOYEE BENEFITS | $0 | $0 | $0 |
| SERVICES & SUPPLIES | $659,000 | $473,940 | ($185,060) |
| **OPERATING BUDGET** | **$659,000** | **$473,940** | **($185,060)** |

**Board of Investment** **10**




### Total Expenditures by Category



**FISCAL YEAR 2025-2026**

**BOARD OF INVESTMENTS**

**DETAIL OF SERVICES AND SUPPLIES ACCOUNTS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|---|
| | **TRANSPORTATION AND TRAVEL** | | | |
| 9181 | TRANSPORTATION | $26,000 | $13,428 | ($12,572) |
| 9182 | TRAVEL | 220,000 | 104,754 | (115,246) |
| | TOTAL | 246,000 | 118,182 | (127,818) |
| | **EDUCATIONAL EXPENSES** | | | |
| 9961 | MEMBERSHIPS | 81,000 | 117,589 | 36,589 |
| 9962 | REGISTRATION FEES | 125,000 | 48,629 | (76,371) |
| 9963 | EDUCATIONAL MATERIALS | 10,000 | 13,632 | 3,632 |
| | TOTAL | 216,000 | 179,850 | (36,150) |
| | **MISCELLANEOUS** | | | |
| 9983 | OFF-SITE BOARD MEETING EXPENSE | 180,000 | 160,797 | (19,203) |
| 9984 | FOOD/BEVERAGES | 17,000 | 15,111 | (1,889) |
| | TOTAL | 197,000 | 175,907 | (21,093) |
| | **GRAND TOTAL** | **$659,000** | **$473,940** | **($185,060)** |

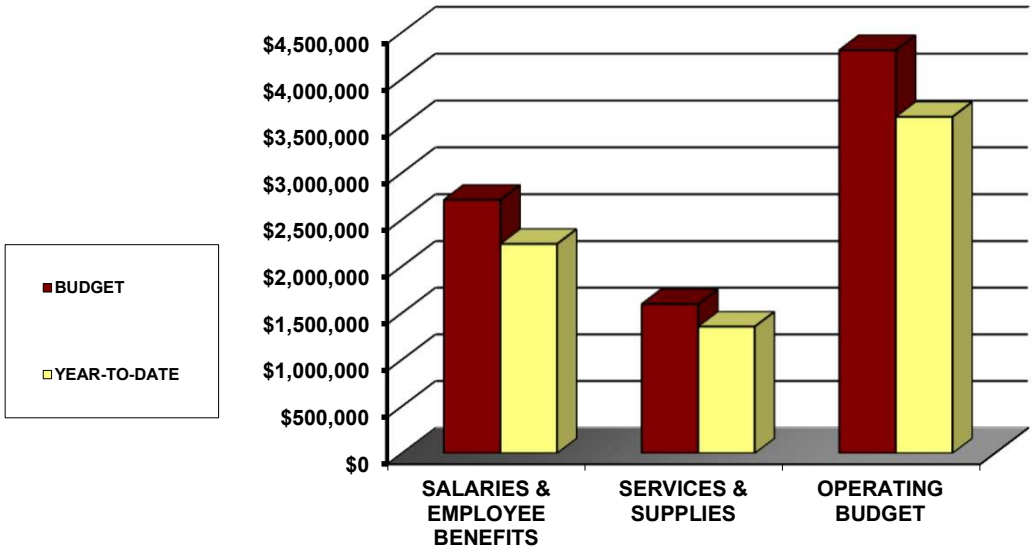
*All amounts rounded to the nearest dollar.

# COMMUNICATIONS

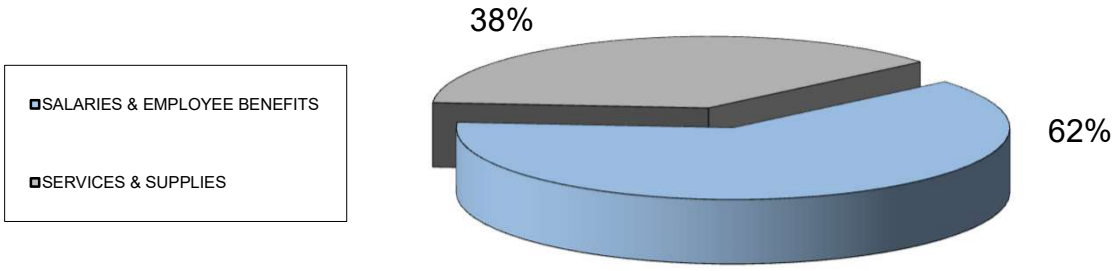
## BUDGET CONTROL REPORT - FISCAL YEAR 2025-2026
## BASED ON EXPENDITURES AS OF JUNE 30, 2026

| CATEGORY | BUDGET | YEAR-TO-DATE | OVER / (UNDER) BUDGET |
|---|---|---|---|
| SALARIES & EMPLOYEE BENEFITS | $2,713,931 | $2,242,585 | ($471,346) |
| SERVICES & SUPPLIES | $1,598,400 | $1,357,277 | ($241,123) |
| **OPERATING BUDGET** | **$4,312,331** | **$3,599,863** | **($712,469)** |

**Budgeted Positions** **14**
**Filled Positions** **10**




### Total Expenditures by Category



**FISCAL YEAR 2025-2026**

**COMMUNICATIONS**

**SUMMARY OF SALARIES AND EMPLOYEE BENEFITS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|
| SALARIES & OTHER PAYS | | | |
| PERMANENT / COUNTY TEMPORARY | $1,402,621 | $1,196,772 | ($205,849) |
| AGENCY TEMPORARY | 400,100 | 249,916 | (150,184) |
| LACERA INTERN PROGRAM | 0 | 0 | 0 |
| STIPENDS | 0 | 0 | 0 |
| OVERTIME | 4,600 | 1,319 | (3,281) |
| BILINGUAL BONUS | 0 | 0 | 0 |
| PAY IN LIEU OF SALARY REDUCTION | 0 | 0 | 0 |
| TRANSPORTATION ALLOWANCE | 0 | 0 | 0 |
| RIDESHARE ALLOWANCE | 1,000 | 0 | (1,000) |
| SICKLEAVE BUYBACK | 3,500 | 1,319 | (2,181) |
| **TOTAL SALARIES & OTHER PAYS** | **$1,811,821** | **$1,449,327** | **($362,493)** |
| VARIABLE BENEFITS | | | |
| RETIREMENT | 243,256 | 282,000 | 38,744 |
| FICA CONTRIBUTION | 20,338 | 18,677 | (1,661) |
| COUNTY SUBSIDY - INSURANCE | 113,214 | 66,445 | (46,769) |
| OPTIONS PLAN | 135,792 | 106,125 | (29,667) |
| LIFE INSURANCE | 311 | 295 | (16) |
| HEALTH INSURANCE TEMPS | 0 | 0 | 0 |
| FLEXIBLE BENEFIT PLAN | 0 | 0 | 0 |
| THRIFT PLAN / HORIZONS | 56,105 | 30,614 | (25,491) |
| SAVINGS PLAN | 35,788 | 21,820 | (13,968) |
| PENSION SAVINGS PLAN | 0 | 0 | 0 |
| MEGAFLEX | 152,099 | 121,254 | (30,845) |
| **TOTAL VARIABLE BENEFITS** | **$756,903** | **$647,229** | **($109,674)** |
| **OPEB CONTRIBUTION** | **62,294** | **63,731** | **1,437** |
| **ADDITIONAL OPEB CONTRIBUTION** | **0** | **0** | **0** |
| **OTHER BENEFITS** | **82,914** | **82,299** | **(615)** |
| **TOTAL EMPLOYEE BENEFITS** | **$902,111** | **$793,258** | **($108,853)** |
| **TOTAL SALARIES & EMPLOYEE BENEFITS** | **$2,713,931** | **$2,242,585** | **($471,346)** |

*All amounts rounded to the nearest dollar.

**FISCAL YEAR 2025-2026**

**COMMUNICATIONS**

**DETAIL OF SERVICES AND SUPPLIES ACCOUNTS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|---|
| | **TRANSPORTATION AND TRAVEL** | | | |
| 9181 | TRANSPORTATION | $700 | $812 | $112 |
| 9182 | TRAVEL | 16,900 | 1,977 | (14,923) |
| | TOTAL | 17,600 | 2,789 | (14,811) |
| | **POSTAGE** | | | |
| 9205 | NEWSLETTER POSTAGE | 227,000 | 257,509 | 30,509 |
| 9207 | ANNUAL BENEFITS STATEMENT POSTAGE | 122,000 | 168,985 | 46,985 |
| 9210 | MISCELLANEOUS MAILINGS | 60,000 | 37,925 | (22,075) |
| | TOTAL | 409,000 | 464,419 | 55,419 |
| | **STATIONERY AND FORMS** | | | |
| 9235 | PLANS BROCHURES | 80,000 | 39,829 | (40,171) |
| 9237 | SURVIVOR - BROCHURES | 1,000 | 0 | (1,000) |
| 9239 | WITHDRAWAL/RECIPROCITY - BROCHURES | 10,000 | 11,556 | 1,556 |
| 9240 | ANNUAL REPORT | 55,000 | 49,310 | (5,690) |
| 9242 | ANNUAL BENEFITS STATEMENT | 150,000 | 94,735 | (55,265) |
| 9246 | FORMS | 25,000 | 31,677 | 6,677 |
| 9249 | LACERA CALENDARS | 10,000 | 9,546 | (454) |
| 9253 | NEW MEMBER WELCOME PACKAGE | 20,000 | 37,159 | 17,159 |
| 9255 | PRE-RET GUIDE | 35,000 | 9,060 | (25,940) |
| 9256 | POSTSCRIPT PRINTING | 100,000 | 118,866 | 18,866 |
| 9257 | PREMIUM ITEMS | 10,000 | 0 | (10,000) |
| 9259 | RETIREES - INSERTS | 14,000 | 7,590 | (6,410) |
| 9261 | SPOTLIGHT PRINTING | 100,000 | 102,996 | 2,996 |
| 9262 | SURVEY | 12,000 | 0 | (12,000) |
| 9263 | UNANTICIPATED PROJECTS | 40,000 | 13,480 | (26,520) |
| 9265 | SPECIALIZED MAILINGS | 0 | 10,428 | 10,428 |
| 9266 | DIRECT DEPOSIT BROCHURES | 3,500 | 8,736 | 5,236 |
| 9267 | Q & A BROCHURES | 10,000 | 2,052 | (7,948) |
| 9268 | TRANSFER BROCHURES | 2,000 | 3,957 | 1,957 |
| 9269 | DISABILITY RETIREMENT PACKETS | 20,000 | 31,960 | 11,960 |
| 9274 | STATIONERY | 80,000 | 87,739 | 7,739 |
| 9280 | ANNUAL BENEFIT STATEMENT PDF/CD'S | 16,000 | 31,335 | 15,335 |
| 9281 | ESTIMATE PACKAGE | 3,500 | 3,575 | 75 |
| 9282 | NEW RETIREE PACKAGE | 5,000 | 0 | (5,000) |
| 9283 | POWER OF ATTORNEY | 15,000 | 18,866 | 3,866 |
| 9285 | RETIREMENT UNIVERSITY | 85,000 | 59,243 | (25,757) |
| 9286 | COMMUNITY PROPERTY GUIDE | 10,000 | 0 | (10,000) |
| 9288 | BOARD ELECTIONS (PRINT & MAIL) | 35,000 | 8,724 | (26,276) |
| | TOTAL | 947,000 | 792,417 | (154,583) |
| | **OFFICE SUPPLIES AND EQUIPMENT** | | | |
| 9302 | SPECIAL ORDERS/MINOR EQUIP | 10,000 | 6,565 | (3,435) |
| | TOTAL | 10,000 | 6,565 | (3,435) |

**FISCAL YEAR 2025-2026**

**COMMUNICATIONS**

**DETAIL OF SERVICES AND SUPPLIES ACCOUNTS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|---|
| | **PROFESSIONAL AND SPECIALIZED SERVICES** | | | |
| 9624 | BOARD MEMBER SCROLLS | $5,000 | $1,494 | ($3,506) |
| 9627 | NEWSLETTER MAILINGS | 30,000 | 40,931 | 10,931 |
| 9628 | HR CONFERENCE/FORUM | 2,000 | 550 | (1,450) |
| 9673 | PHOTOCOPIES OF DOCUMENTS | 25,000 | 0 | (25,000) |
| 9719 | CAMPAIGNS | 70,000 | 16,043 | (53,957) |
| 9726 | WIRE SERVICE | 3,000 | 853 | (2,147) |
| 9727 | MISCELLANEOUS VIDEO PRODUCTION | 50,000 | 25,173 | (24,827) |
| | TOTAL | 185,000 | 85,045 | (99,955) |
| | **EDUCATIONAL EXPENSES** | | | |
| 9961 | MEMBERSHIPS | 2,000 | 1,200 | (800) |
| 9962 | REGISTRATION FEES | 25,000 | 4,192 | (20,808) |
| 9963 | EDUCATIONAL MATERIALS | 2,000 | 0 | (2,000) |
| | TOTAL | 29,000 | 5,392 | (23,608) |
| | **MISCELLANEOUS** | | | |
| 9986 | MISCELLANEOUS | 800 | 652 | (148) |
| | TOTAL | 800 | 652 | (148) |
| | **GRAND TOTAL** | **$1,598,400** | **$1,357,277** | **($241,123)** |

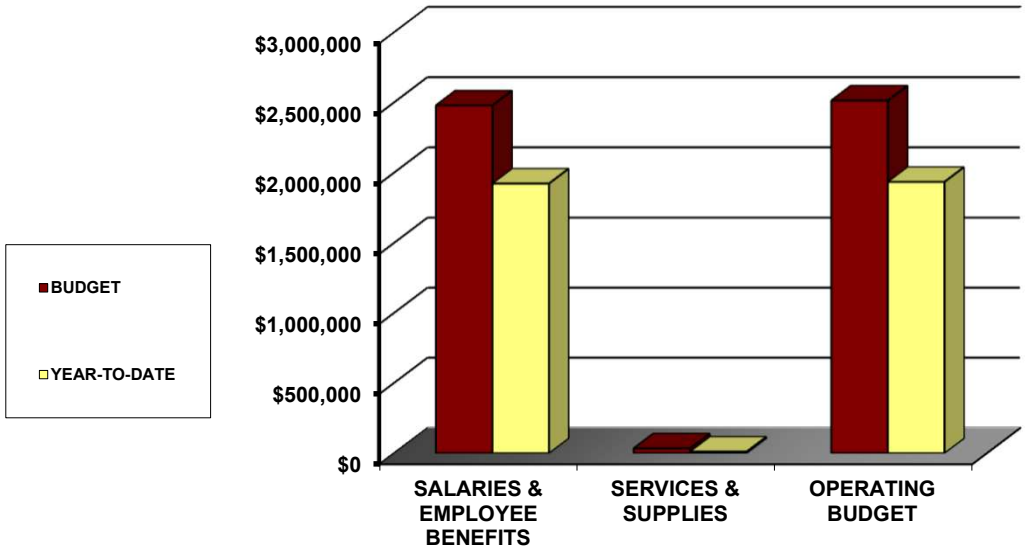
*All amounts rounded to the nearest dollar.

# DISABILITY LITIGATION

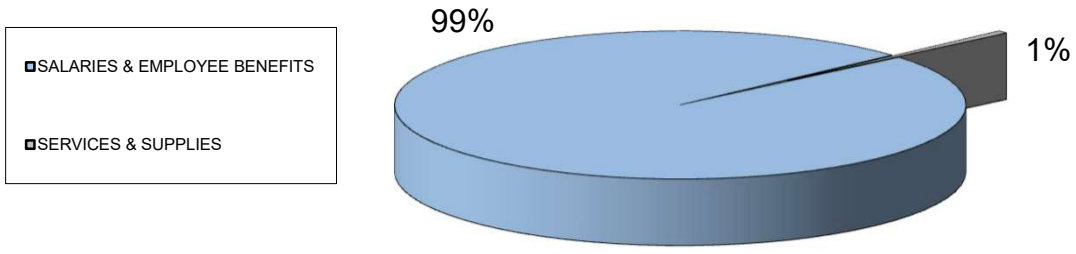
## BUDGET CONTROL REPORT - FISCAL YEAR 2025-2026
## BASED ON EXPENDITURES AS OF JUNE 30, 2026

| CATEGORY | BUDGET | YEAR-TO-DATE | OVER / (UNDER) BUDGET |
|---|---|---|---|
| SALARIES & EMPLOYEE BENEFITS | $2,481,377 | $1,924,987 | ($556,390) |
| SERVICES & SUPPLIES | $35,100 | $11,875 | ($23,225) |
| **OPERATING BUDGET** | **$2,516,477** | **$1,936,862** | **($579,615)** |

**Budgeted Positions** 6
**Filled Positions** 5




### Total Expenditures by Category



**FISCAL YEAR 2025-2026**

**DISABILITY LITIGATION**

**SUMMARY OF SALARIES AND EMPLOYEE BENEFITS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|
| SALARIES & OTHER PAYS | | | |
| PERMANENT / COUNTY TEMPORARY | $1,485,700 | $1,143,601 | ($342,099) |
| AGENCY TEMPORARY | 0 | 0 | 0 |
| LACERA INTERN PROGRAM | 0 | 0 | 0 |
| STIPENDS | 0 | 0 | 0 |
| OVERTIME | 3,000 | 301 | (2,699) |
| BILINGUAL BONUS | 0 | 0 | 0 |
| PAY IN LIEU OF SALARY REDUCTION | 0 | 0 | 0 |
| TRANSPORTATION ALLOWANCE | 0 | 0 | 0 |
| RIDESHARE ALLOWANCE | 900 | 0 | (900) |
| SICKLEAVE BUYBACK | 0 | 0 | 0 |
| **TOTAL SALARIES & OTHER PAYS** | **$1,489,600** | **$1,143,902** | **($345,698)** |
| VARIABLE BENEFITS | | | |
| RETIREMENT | 358,543 | 279,991 | (78,553) |
| FICA CONTRIBUTION | 21,543 | 17,310 | (4,232) |
| COUNTY SUBSIDY - INSURANCE | 86,456 | 53,911 | (32,545) |
| OPTIONS PLAN | 0 | 0 | 0 |
| LIFE INSURANCE | 0 | 0 | 0 |
| HEALTH INSURANCE TEMPS | 0 | 0 | 0 |
| FLEXIBLE BENEFIT PLAN | 0 | 0 | 0 |
| THRIFT PLAN / HORIZONS | 59,428 | 38,716 | (20,712) |
| SAVINGS PLAN | 59,428 | 52,644 | (6,784) |
| PENSION SAVINGS PLAN | 0 | 0 | 0 |
| MEGAFLEX | 252,569 | 183,833 | (68,736) |
| **TOTAL VARIABLE BENEFITS** | **$837,967** | **$626,406** | **($211,561)** |
| **OPEB CONTRIBUTION** | **65,984** | **67,505** | **1,521** |
| **ADDITIONAL OPEB CONTRIBUTION** | **0** | **0** | **0** |
| **OTHER BENEFITS** | **87,825** | **87,173** | **(652)** |
| **TOTAL EMPLOYEE BENEFITS** | **$991,777** | **$781,084** | **($210,692)** |
| **TOTAL SALARIES & EMPLOYEE BENEFITS** | **$2,481,377** | **$1,924,987** | **($556,390)** |

*All amounts rounded to the nearest dollar.

**FISCAL YEAR 2025-2026**

**DISABILITY LITIGATION**

**DETAIL OF SERVICES AND SUPPLIES ACCOUNTS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|---|
| | **AUTO EXPENSES** | | | |
| 9102 | AUTO MAINTENANCE/REPAIR | $1,000 | $279 | ($721) |
| 9103 | GAS | 800 | 373 | (427) |
| 9105 | LICENSE FEES | 600 | 0 | (600) |
| | TOTAL | 2,400 | 653 | (1,747) |
| | **TRANSPORTATION AND TRAVEL** | | | |
| 9181 | TRANSPORTATION | 800 | 50 | (750) |
| 9182 | TRAVEL | 6,500 | 0 | (6,500) |
| | TOTAL | 7,300 | 50 | (7,250) |
| | **OFFICE SUPPLIES AND EQUIPMENT** | | | |
| 9302 | SPECIAL ORDERS/MINOR EQUIP | 1,300 | 196 | (1,104) |
| | TOTAL | 1,300 | 196 | (1,104) |
| | **PROFESSIONAL AND SPECIALIZED SERVICES** | | | |
| 9673 | PHOTOCOPIES OF DOCUMENTS | 300 | 0 | (300) |
| | TOTAL | 300 | 0 | (300) |
| | **LEGAL FEES AND SERVICES** | | | |
| 9772 | OUTSIDE LEGAL COUNSEL | 2,500 | 0 | (2,500) |
| 9777 | LITIGATION SUPPORT | 500 | 0 | (500) |
| | TOTAL | 3,000 | 0 | (3,000) |
| | **EDUCATIONAL EXPENSES** | | | |
| 9961 | MEMBERSHIPS | 2,500 | 1,694 | (806) |
| 9962 | REGISTRATION FEES | 3,000 | 0 | (3,000) |
| 9963 | EDUCATIONAL MATERIALS | 15,000 | 9,283 | (5,717) |
| | TOTAL | 20,500 | 10,977 | (9,523) |
| | **MISCELLANEOUS** | | | |
| 9986 | MISCELLANEOUS | 300 | 0 | (300) |
| | TOTAL | 300 | 0 | (300) |
| | **GRAND TOTAL** | **$35,100** | **$11,875** | **($23,225)** |

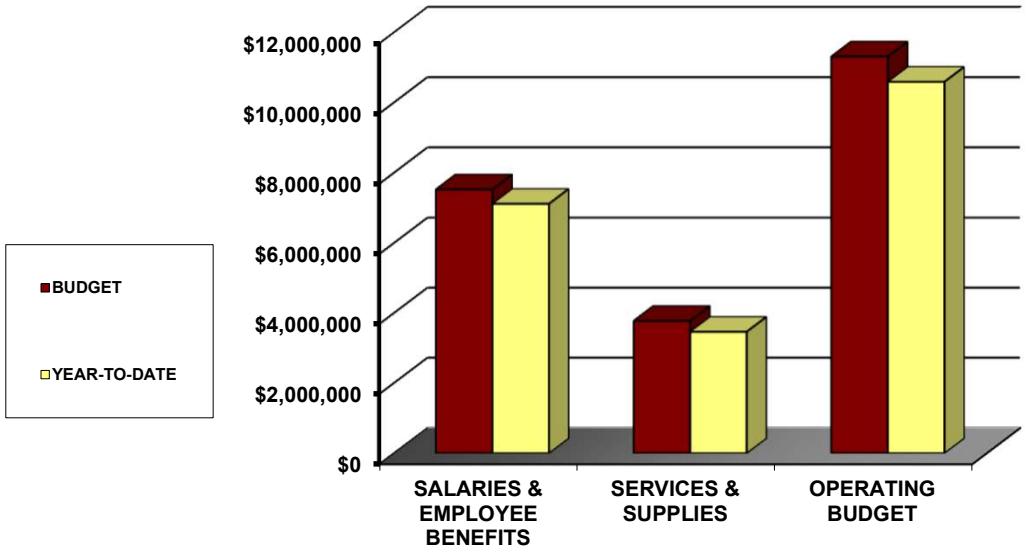
*All amounts rounded to the nearest dollar.

# DISABILITY RETIREMENT

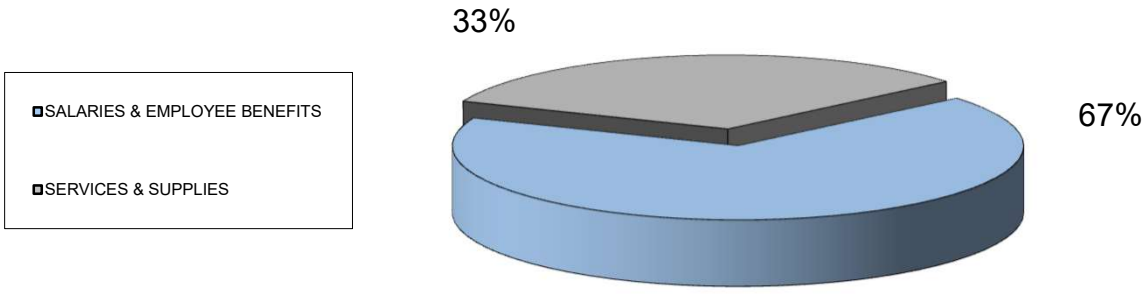
## BUDGET CONTROL REPORT - FISCAL YEAR 2025-2026
## BASED ON EXPENDITURES AS OF JUNE 30, 2026

| CATEGORY | BUDGET | YEAR-TO-DATE | OVER / (UNDER) BUDGET |
|---|---|---|---|
| SALARIES & EMPLOYEE BENEFITS | $7,533,582 | $7,123,553 | ($410,029) |
| SERVICES & SUPPLIES | $3,782,900 | $3,472,357 | ($310,543) |
| **OPERATING BUDGET** | **$11,316,482** | **$10,595,910** | **($720,572)** |

**Budgeted Positions** **44**
**Filled Positions** **36**




### Total Expenditures by Category



**FISCAL YEAR 2025-2026**

**DISABILITY RETIREMENT**

**SUMMARY OF SALARIES AND EMPLOYEE BENEFITS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|
| SALARIES & OTHER PAYS | | | |
| PERMANENT / COUNTY TEMPORARY | $4,110,752 | $3,700,276 | ($410,475) |
| AGENCY TEMPORARY | 420,000 | 578,211 | 158,211 |
| LACERA INTERN PROGRAM | 0 | 0 | 0 |
| STIPENDS | 0 | 0 | 0 |
| OVERTIME | 59,400 | 142,057 | 82,657 |
| BILINGUAL BONUS | 0 | 0 | 0 |
| PAY IN LIEU OF SALARY REDUCTION | 0 | 0 | 0 |
| TRANSPORTATION ALLOWANCE | 0 | 0 | 0 |
| RIDESHARE ALLOWANCE | 4,500 | 0 | (4,500) |
| SICKLEAVE BUYBACK | 6,000 | 1,933 | (4,067) |
| **TOTAL SALARIES & OTHER PAYS** | **$4,600,652** | **$4,422,476** | **($178,175)** |
| VARIABLE BENEFITS | | | |
| RETIREMENT | 916,722 | 965,568 | 48,846 |
| FICA CONTRIBUTION | 58,554 | 60,205 | 1,650 |
| COUNTY SUBSIDY - INSURANCE | 445,646 | 357,537 | (88,109) |
| OPTIONS PLAN | 271,583 | 146,202 | (125,382) |
| LIFE INSURANCE | 2,145 | 768 | (1,377) |
| HEALTH INSURANCE TEMPS | 0 | 0 | 0 |
| FLEXIBLE BENEFIT PLAN | 0 | 0 | 0 |
| THRIFT PLAN / HORIZONS | 161,530 | 118,297 | (43,233) |
| SAVINGS PLAN | 124,034 | 106,488 | (17,545) |
| PENSION SAVINGS PLAN | 0 | 0 | 0 |
| MEGAFLEX | 527,143 | 516,638 | (10,505) |
| **TOTAL VARIABLE BENEFITS** | **$2,507,357** | **$2,271,703** | **($235,654)** |
| **OPEB CONTRIBUTION** | **182,571** | **186,779** | **4,209** |
| **ADDITIONAL OPEB CONTRIBUTION** | **0** | **0** | **0** |
| **OTHER BENEFITS** | **243,003** | **242,595** | **(408)** |
| **TOTAL EMPLOYEE BENEFITS** | **$2,932,930** | **$2,701,077** | **($231,853)** |
| **TOTAL SALARIES & EMPLOYEE BENEFITS** | **$7,533,582** | **$7,123,553** | **($410,029)** |

*All amounts rounded to the nearest dollar.

**FISCAL YEAR 2025-2026**

**DISABILITY RETIREMENT**

**DETAIL OF SERVICES AND SUPPLIES ACCOUNTS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|---|
| | **TRANSPORTATION AND TRAVEL** | | | |
| 9181 | TRANSPORTATION | $1,500 | $2,403 | $903 |
| 9182 | TRAVEL | 6,500 | 9,400 | 2,900 |
| | TOTAL | 8,000 | 11,804 | 3,804 |
| | **OFFICE SUPPLIES AND EQUIPMENT** | | | |
| 9302 | SPECIAL ORDERS/MINOR EQUIP | 1,500 | 937 | (563) |
| | TOTAL | 1,500 | 937 | (563) |
| | **PROFESSIONAL AND SPECIALIZED SERVICES** | | | |
| 9673 | PHOTOCOPIES OF DOCUMENTS | 225,000 | 136,339 | (88,661) |
| 9695 | JOB ANALYST | 55,000 | 27,190 | (27,810) |
| | TOTAL | 280,000 | 163,529 | (116,471) |
| | **LEGAL FEES AND SERVICES** | | | |
| 9772 | OUTSIDE LEGAL COUNSEL | 130,000 | 51,373 | (78,627) |
| | TOTAL | 130,000 | 51,373 | (78,627) |
| | **DISABILITY FEES AND SERVICES** | | | |
| 9802 | HEARING OFFICER FEES | 100,000 | 42,590 | (57,410) |
| 9803 | MEDICAL FEES | 3,200,000 | 3,164,768 | (35,232) |
| 9804 | COURT REPORTER | 25,000 | 25,027 | 27 |
| 9805 | INVESTIGATIVE SERVICES | 15,000 | 2,723 | (12,278) |
| 9806 | DATABASE SEARCHES | 200 | 218 | 18 |
| | TOTAL | 3,340,200 | 3,235,325 | (104,875) |
| | **EDUCATIONAL EXPENSES** | | | |
| 9961 | MEMBERSHIPS | 200 | 0 | (200) |
| 9962 | REGISTRATION FEES | 20,000 | 9,191 | (10,809) |
| 9963 | EDUCATIONAL MATERIALS | 500 | 200 | (300) |
| | TOTAL | 20,700 | 9,391 | (11,309) |
| | **MISCELLANEOUS** | | | |
| 9986 | MISCELLANEOUS | 2,500 | 0 | (2,500) |
| | TOTAL | 2,500 | 0 | (2,500) |
| | **GRAND TOTAL** | **$3,782,900** | **$3,472,357** | **($310,543)** |

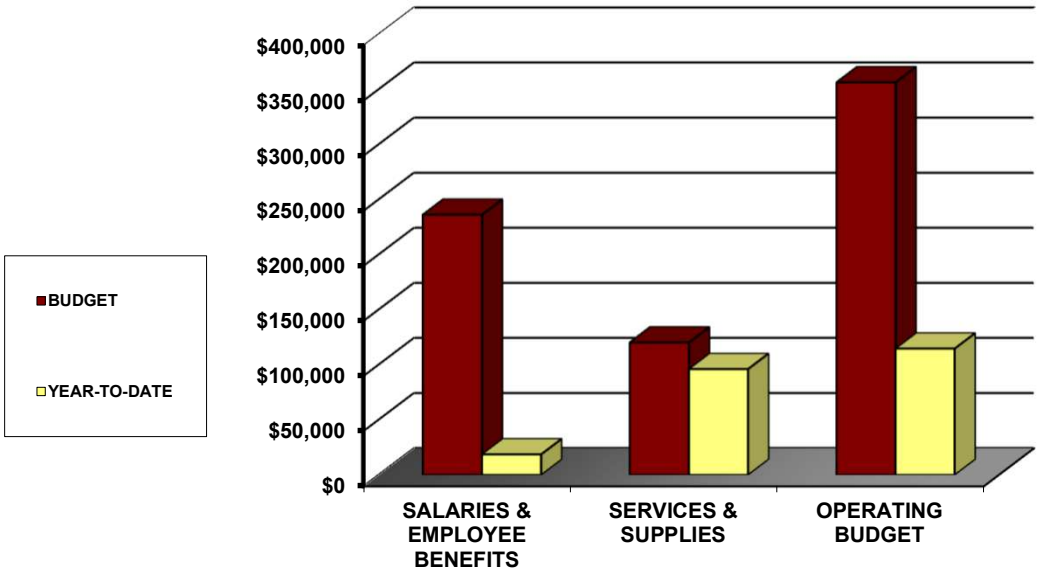
*All amounts rounded to the nearest dollar.

# ETHICS AND COMPLIANCE OFFICE

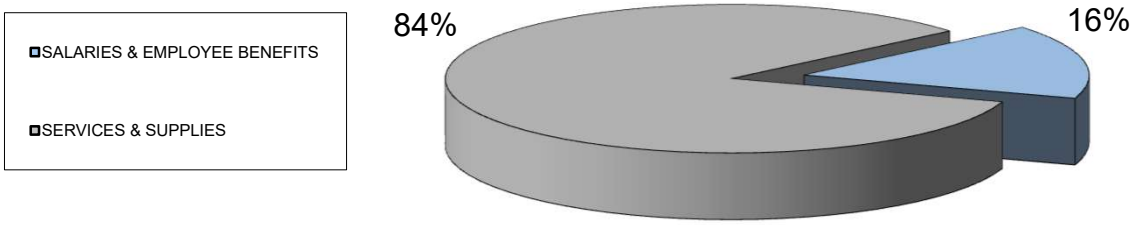
## BUDGET CONTROL REPORT - FISCAL YEAR 2025-2026
## BASED ON EXPENDITURES AS OF JUNE 30, 2026

| CATEGORY | BUDGET | YEAR-TO-DATE | OVER / (UNDER) BUDGET |
|---|---|---|---|
| SALARIES & EMPLOYEE BENEFITS | $236,141 | $18,558 | ($217,583) |
| SERVICES & SUPPLIES | $120,200 | $96,020 | ($24,180) |
| **OPERATING BUDGET** | **$356,341** | **$114,578** | **($241,763)** |

**Budgeted Positions** **3**
**Filled Positions** **0**




### Total Expenditures by Category



**FISCAL YEAR 2025-2026**

**ETHICS AND COMPLIANCE OFFICE**

**SUMMARY OF SALARIES AND EMPLOYEE BENEFITS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|
| SALARIES & OTHER PAYS | | | |
| PERMANENT / COUNTY TEMPORARY | $172,614 | $563 | ($172,051) |
| AGENCY TEMPORARY | 0 | 0 | 0 |
| LACERA INTERN PROGRAM | 0 | 0 | 0 |
| STIPENDS | 0 | 0 | 0 |
| OVERTIME | 0 | 0 | 0 |
| BILINGUAL BONUS | 0 | 0 | 0 |
| PAY IN LIEU OF SALARY REDUCTION | 0 | 0 | 0 |
| TRANSPORTATION ALLOWANCE | 0 | 0 | 0 |
| RIDESHARE ALLOWANCE | 0 | 0 | 0 |
| SICKLEAVE BUYBACK | 0 | 0 | 0 |
| **TOTAL SALARIES & OTHER PAYS** | **$172,614** | **$563** | **($172,051)** |
| VARIABLE BENEFITS | | | |
| RETIREMENT | 0 | 21 | 21 |
| FICA CONTRIBUTION | 2,503 | 0 | (2,503) |
| COUNTY SUBSIDY - INSURANCE | 0 | 0 | 0 |
| OPTIONS PLAN | 0 | 0 | 0 |
| LIFE INSURANCE | 0 | 0 | 0 |
| HEALTH INSURANCE TEMPS | 0 | 0 | 0 |
| FLEXIBLE BENEFIT PLAN | 0 | 0 | 0 |
| THRIFT PLAN / HORIZONS | 6,905 | 0 | (6,905) |
| SAVINGS PLAN | 6,905 | 0 | (6,905) |
| PENSION SAVINGS PLAN | 0 | 0 | 0 |
| MEGAFLEX | 29,344 | 0 | (29,344) |
| **TOTAL VARIABLE BENEFITS** | **$45,656** | **$21** | **($45,635)** |
| **OPEB CONTRIBUTION** | **7,666** | **7,844** | **178** |
| **ADDITIONAL OPEB CONTRIBUTION** | **0** | **0** | **0** |
| **OTHER BENEFITS** | **10,204** | **10,129** | **(75)** |
| **TOTAL EMPLOYEE BENEFITS** | **$63,527** | **$17,995** | **($45,532)** |
| **TOTAL SALARIES & EMPLOYEE BENEFITS** | **$236,141** | **$18,558** | **($217,583)** |

*All amounts rounded to the nearest dollar.

**FISCAL YEAR 2025-2026**

**ETHICS AND COMPLIANCE OFFICE**

**DETAIL OF SERVICES AND SUPPLIES ACCOUNTS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|---|
| | **TRANSPORTATION AND TRAVEL** | | | |
| 9181 | TRANSPORTATION | $3,500 | $859 | ($2,641) |
| 9182 | TRAVEL | 8,000 | 1,605 | (6,395) |
| | TOTAL | 11,500 | 2,464 | (9,036) |
| | **OFFICE SUPPLIES AND EQUIPMENT** | | | |
| 9302 | SPECIAL ORDERS/MINOR EQUIP | 1,200 | 0 | (1,200) |
| | TOTAL | 1,200 | 0 | (1,200) |
| | **PROFESSIONAL AND SPECIALIZED SERVICES** | | | |
| 9728 | ETHICS & COMPLIANCE CONSULTING | 35,000 | 35,210 | 210 |
| | TOTAL | 35,000 | 35,210 | 210 |
| | **LEGAL FEES AND SERVICES** | | | |
| 9772 | OUTSIDE LEGAL COUNSEL | 27,000 | 23,825 | (3,175) |
| | TOTAL | 27,000 | 23,825 | (3,175) |
| | **EDUCATIONAL EXPENSES** | | | |
| 9961 | MEMBERSHIPS | 8,000 | 6,885 | (1,115) |
| 9962 | REGISTRATION FEES | 7,500 | 26,459 | 18,959 |
| 9963 | EDUCATIONAL MATERIALS | 30,000 | 291 | (29,709) |
| | TOTAL | 45,500 | 33,635 | (11,865) |
| | **MISCELLANEOUS** | | | |
| 9986 | MISCELLANEOUS | 0 | 886 | 886 |
| | TOTAL | 0 | 886 | 886 |
| | **GRAND TOTAL** | **$120,200** | **$96,020** | **($24,180)** |

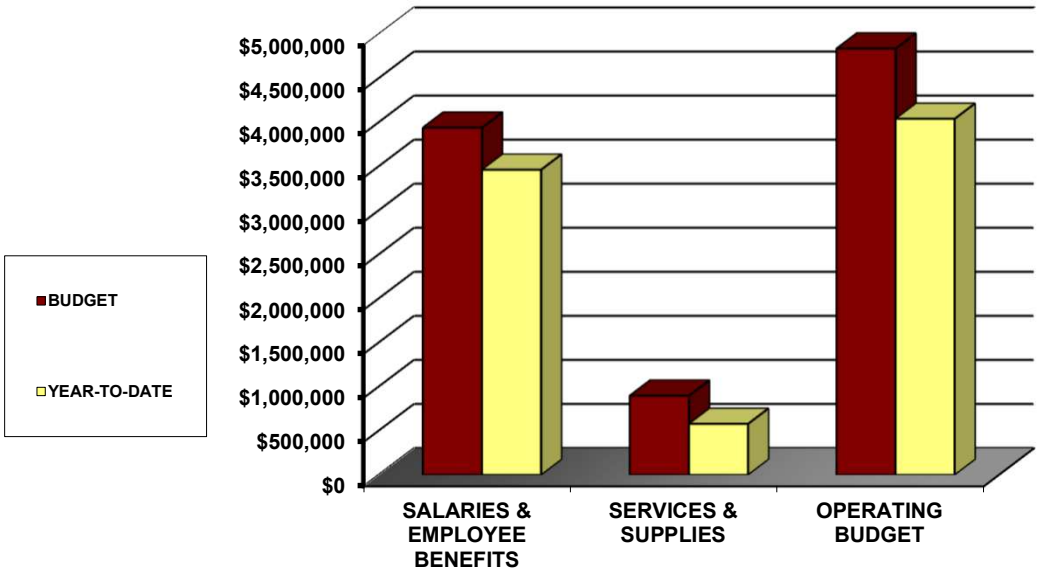
*All amounts rounded to the nearest dollar.

# EXECUTIVE OFFICE

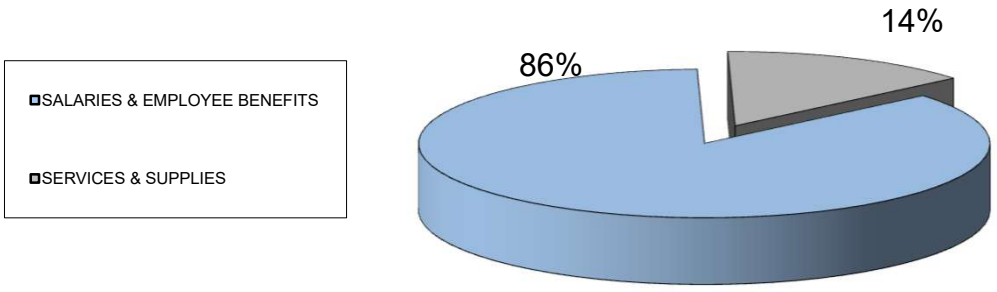
## BUDGET CONTROL REPORT - FISCAL YEAR 2025-2026
## BASED ON EXPENDITURES AS OF JUNE 30, 2026

| CATEGORY | BUDGET | YEAR-TO-DATE | OVER / (UNDER) BUDGET |
|---|---|---|---|
| SALARIES & EMPLOYEE BENEFITS | $3,939,117 | $3,462,540 | ($476,577) |
| SERVICES & SUPPLIES | $898,100 | $578,005 | ($320,095) |
| **OPERATING BUDGET** | **$4,837,217** | **$4,040,545** | **($796,671)** |

**Budgeted Positions** 10
**Filled Positions** 8




### Total Expenditures by Category



**FISCAL YEAR 2025-2026**

**EXECUTIVE OFFICE**

**SUMMARY OF SALARIES AND EMPLOYEE BENEFITS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|
| SALARIES & OTHER PAYS | | | |
| PERMANENT / COUNTY TEMPORARY | $2,193,198 | $2,047,975 | ($145,223) |
| AGENCY TEMPORARY | 141,200 | 5,954 | (135,246) |
| LACERA INTERN PROGRAM | 0 | 0 | 0 |
| STIPENDS | 65,000 | 41,806 | (23,194) |
| OVERTIME | 28,400 | 44,333 | 15,933 |
| BILINGUAL BONUS | 0 | 0 | 0 |
| PAY IN LIEU OF SALARY REDUCTION | 0 | 0 | 0 |
| TRANSPORTATION ALLOWANCE | 14,400 | 8,700 | (5,700) |
| RIDESHARE ALLOWANCE | 1,400 | 0 | (1,400) |
| SICKLEAVE BUYBACK | 0 | 0 | 0 |
| **TOTAL SALARIES & OTHER PAYS** | **$2,443,598** | **$2,148,769** | **($294,829)** |
| VARIABLE BENEFITS | | | |
| RETIREMENT | 469,694 | 409,321 | (60,373) |
| FICA CONTRIBUTION | 30,575 | 35,533 | 4,958 |
| COUNTY SUBSIDY - INSURANCE | 198,404 | 136,812 | (61,592) |
| OPTIONS PLAN | 0 | 0 | 0 |
| LIFE INSURANCE | 0 | 0 | 0 |
| HEALTH INSURANCE TEMPS | 0 | 0 | 0 |
| FLEXIBLE BENEFIT PLAN | 0 | 0 | 0 |
| THRIFT PLAN / HORIZONS | 87,744 | 54,935 | (32,809) |
| SAVINGS PLAN | 87,744 | 74,264 | (13,480) |
| PENSION SAVINGS PLAN | 0 | 0 | 0 |
| MEGAFLEX | 373,062 | 355,562 | (17,500) |
| **TOTAL VARIABLE BENEFITS** | **$1,247,222** | **$1,066,426** | **($180,796)** |
| **OPEB CONTRIBUTION** | **93,649** | **95,808** | **2,159** |
| **ADDITIONAL OPEB CONTRIBUTION** | **0** | **0** | **0** |
| **OTHER BENEFITS** | **154,647** | **151,537** | **(3,111)** |
| **TOTAL EMPLOYEE BENEFITS** | **$1,495,519** | **$1,313,771** | **($181,747)** |
| **TOTAL SALARIES & EMPLOYEE BENEFITS** | **$3,939,117** | **$3,462,540** | **($476,577)** |

*All amounts rounded to the nearest dollar.

**FISCAL YEAR 2025-2026**

**EXECUTIVE OFFICE**

**DETAIL OF SERVICES AND SUPPLIES ACCOUNTS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|---|
| | **AUTO EXPENSES** | | | |
| 9102 | AUTO MAINTENANCE/REPAIR | $5,000 | $3,088 | ($1,912) |
| 9103 | GAS | 4,500 | 4,245 | (255) |
| 9105 | LICENSE FEES | 1,000 | 671 | (329) |
| | TOTAL | 10,500 | 8,003 | (2,497) |
| | **TRANSPORTATION AND TRAVEL** | | | |
| 9181 | TRANSPORTATION | 4,100 | 1,848 | (2,252) |
| 9182 | TRAVEL | 64,000 | 14,923 | (49,077) |
| | TOTAL | 68,100 | 16,771 | (51,329) |
| | **OFFICE SUPPLIES AND EQUIPMENT** | | | |
| 9302 | SPECIAL ORDERS/MINOR EQUIP | 3,000 | 2,717 | (283) |
| | TOTAL | 3,000 | 2,717 | (283) |
| | **PROFESSIONAL AND SPECIALIZED SERVICES** | | | |
| 9543 | LEGISLATIVE CONSULTING | 280,000 | 300,297 | 20,297 |
| 9672 | IMPROVEMENT PROJECTS | 80,000 | 120,049 | 40,049 |
| 9716 | PUBLIC & MEDIA RELATIONS | 320,000 | 58,450 | (261,550) |
| 9724 | STRATEGIC PLANNING | 25,000 | 0 | (25,000) |
| | TOTAL | 705,000 | 478,796 | (226,204) |
| | **EDUCATIONAL EXPENSES** | | | |
| 9961 | MEMBERSHIPS | 25,000 | 21,042 | (3,958) |
| 9962 | REGISTRATION FEES | 48,000 | 16,753 | (31,247) |
| 9963 | EDUCATIONAL MATERIALS | 10,000 | 16,821 | 6,821 |
| | TOTAL | 83,000 | 54,615 | (28,385) |
| | **MISCELLANEOUS** | | | |
| 9982 | EMPLOYEE RECOGNITION PROGRAM | 2,000 | 1,250 | (750) |
| 9984 | FOOD/BEVERAGES | 22,500 | 15,498 | (7,002) |
| 9986 | MISCELLANEOUS | 4,000 | 355 | (3,645) |
| | TOTAL | 28,500 | 17,103 | (11,397) |
| | **GRAND TOTAL** | **$898,100** | **$578,005** | **($320,095)** |

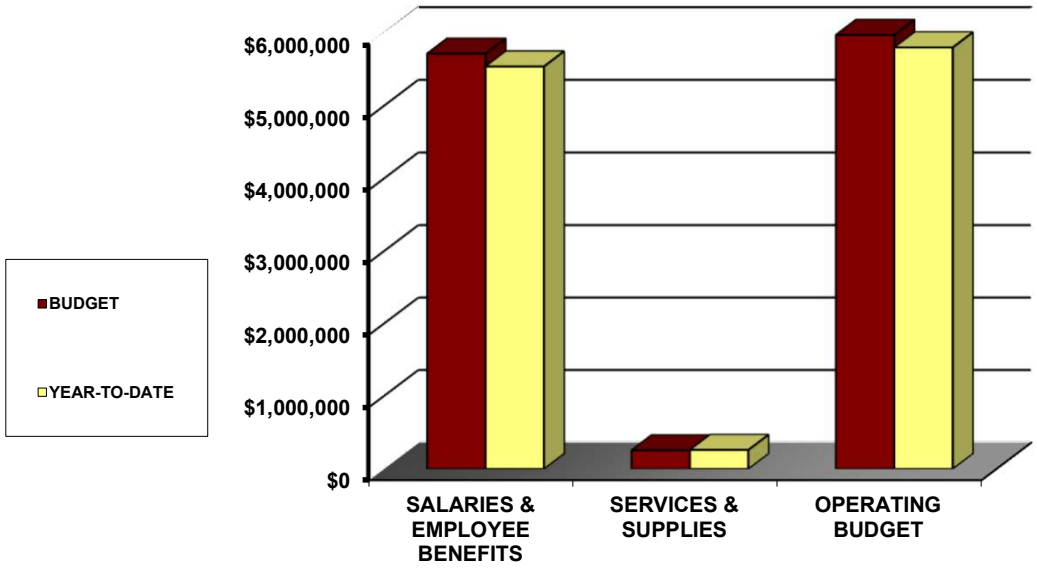
*All amounts rounded to the nearest dollar.

# FINANCIAL AND ACCOUNTING SERVICES

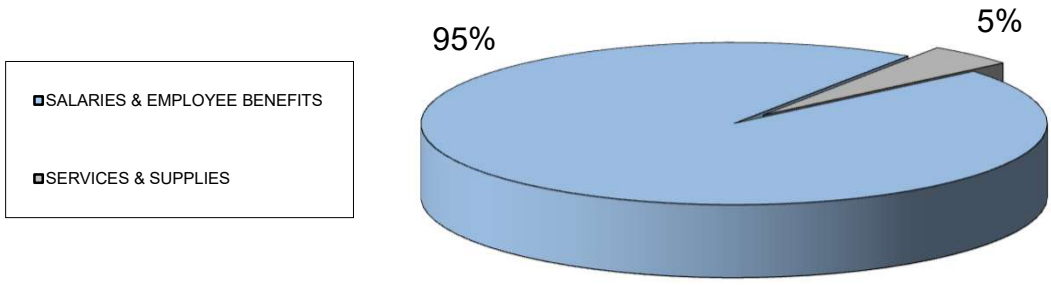
## BUDGET CONTROL REPORT - FISCAL YEAR 2025-2026
## BASED ON EXPENDITURES AS OF JUNE 30, 2026

| CATEGORY | BUDGET | YEAR-TO-DATE | OVER / (UNDER) BUDGET |
|---|---|---|---|
| SALARIES & EMPLOYEE BENEFITS | $5,724,192 | $5,547,676 | ($176,516) |
| SERVICES & SUPPLIES | $257,000 | $261,621 | $4,621 |
| **OPERATING BUDGET** | **$5,981,192** | **$5,809,297** | **($171,895)** |

**Budgeted Positions** 33
**Filled Positions** 31




### Total Expenditures by Category



**FISCAL YEAR 2025-2026**

**FINANCIAL AND ACCOUNTING SERVICES DIVISION**

**SUMMARY OF SALARIES AND EMPLOYEE BENEFITS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|
| SALARIES & OTHER PAYS | | | |
| PERMANENT / COUNTY TEMPORARY | $3,166,408 | $3,193,750 | $27,342 |
| AGENCY TEMPORARY | 526,500 | 281,720 | (244,780) |
| LACERA INTERN PROGRAM | 0 | 0 | 0 |
| STIPENDS | 0 | 0 | 0 |
| OVERTIME | 62,300 | 51,063 | (11,237) |
| BILINGUAL BONUS | 0 | 0 | 0 |
| PAY IN LIEU OF SALARY REDUCTION | 0 | 0 | 0 |
| TRANSPORTATION ALLOWANCE | 0 | 0 | 0 |
| RIDESHARE ALLOWANCE | 7,500 | 480 | (7,020) |
| SICKLEAVE BUYBACK | 12,000 | 8,700 | (3,300) |
| **TOTAL SALARIES & OTHER PAYS** | **$3,774,708** | **$3,535,713** | **($238,996)** |
| VARIABLE BENEFITS | | | |
| RETIREMENT | 629,111 | 746,899 | 117,788 |
| FICA CONTRIBUTION | 45,135 | 49,666 | 4,530 |
| COUNTY SUBSIDY - INSURANCE | 73,880 | 38,687 | (35,193) |
| OPTIONS PLAN | 617,235 | 643,609 | 26,374 |
| LIFE INSURANCE | 2,198 | 2,426 | 228 |
| HEALTH INSURANCE TEMPS | 0 | 0 | 0 |
| FLEXIBLE BENEFIT PLAN | 0 | 0 | 0 |
| THRIFT PLAN / HORIZONS | 124,511 | 116,280 | (8,231) |
| SAVINGS PLAN | 24,687 | 18,974 | (5,713) |
| PENSION SAVINGS PLAN | 0 | 0 | 0 |
| MEGAFLEX | 104,921 | 62,966 | (41,954) |
| **TOTAL VARIABLE BENEFITS** | **$1,621,678** | **$1,679,507** | **$57,828** |
| **OPEB CONTRIBUTION** | **140,628** | **143,872** | **3,243** |
| **ADDITIONAL OPEB CONTRIBUTION** | **0** | **0** | **0** |
| **OTHER BENEFITS** | **187,177** | **188,585** | **1,408** |
| **TOTAL EMPLOYEE BENEFITS** | **$1,949,484** | **$2,011,963** | **$62,479** |
| **TOTAL SALARIES & EMPLOYEE BENEFITS** | **$5,724,192** | **$5,547,676** | **($176,516)** |

*All amounts rounded to the nearest dollar.

**FISCAL YEAR 2025-2026**

**FINANCIAL AND ACCOUNTING SERVICES DIVISION**

**DETAIL OF SERVICES AND SUPPLIES ACCOUNTS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|---|
| | **TRANSPORTATION AND TRAVEL** | | | |
| 9181 | TRANSPORTATION | $3,000 | $1,941 | ($1,059) |
| 9182 | TRAVEL | 26,000 | 23,488 | (2,512) |
| | TOTAL | 29,000 | 25,429 | (3,571) |
| | **OFFICE SUPPLIES AND EQUIPMENT** | | | |
| 9302 | SPECIAL ORDERS/MINOR EQUIP | 6,000 | 571 | (5,429) |
| | TOTAL | 6,000 | 571 | (5,429) |
| | **BANK SERVICES** | | | |
| 9753 | BANK CHARGES - STATE STREET | 200,000 | 192,546 | (7,454) |
| | TOTAL | 200,000 | 192,546 | (7,454) |
| | **EDUCATIONAL EXPENSES** | | | |
| 9961 | MEMBERSHIPS | 7,000 | 6,958 | (42) |
| 9962 | REGISTRATION FEES | 7,000 | 8,388 | 1,388 |
| 9963 | EDUCATIONAL MATERIALS | 6,000 | 26,883 | 20,883 |
| | TOTAL | 20,000 | 42,228 | 22,228 |
| | **MISCELLANEOUS** | | | |
| 9986 | MISCELLANEOUS | 2,000 | 847 | (1,153) |
| | TOTAL | 2,000 | 847 | (1,153) |
| | **GRAND TOTAL** | **$257,000** | **$261,621** | **$4,621** |

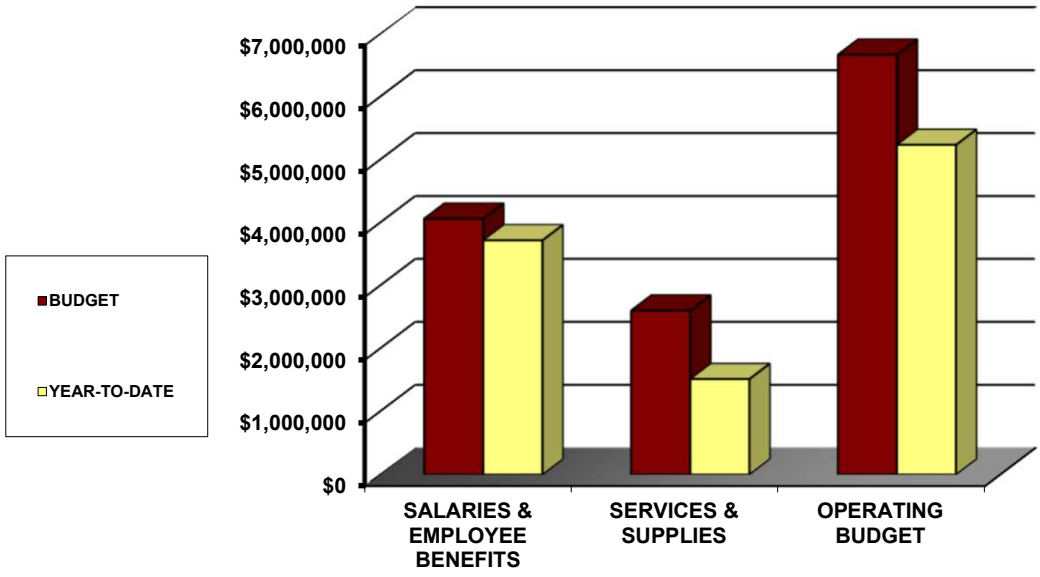
*All amounts rounded to the nearest dollar.

# HUMAN RESOURCES

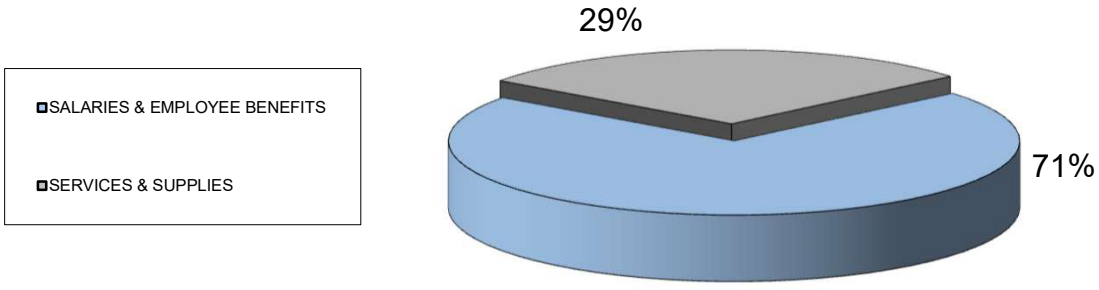
## BUDGET CONTROL REPORT - FISCAL YEAR 2025-2026
## BASED ON EXPENDITURES AS OF JUNE 30, 2026

| CATEGORY | BUDGET | YEAR-TO-DATE | OVER / (UNDER) BUDGET |
|---|---|---|---|
| SALARIES & EMPLOYEE BENEFITS | $4,064,506 | $3,721,112 | ($343,395) |
| SERVICES & SUPPLIES | $2,605,700 | $1,516,267 | ($1,089,433) |
| **OPERATING BUDGET** | **$6,670,206** | **$5,237,378** | **($1,432,828)** |

**Budgeted Positions** 21
**Filled Positions** 17




### Total Expenditures by Category



**FISCAL YEAR 2025-2026**

**HUMAN RESOURCES**

**SUMMARY OF SALARIES AND EMPLOYEE BENEFITS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|
| SALARIES & OTHER PAYS | | | |
| PERMANENT / COUNTY TEMPORARY | $2,137,582 | $1,906,799 | ($230,783) |
| AGENCY TEMPORARY | 28,000 | 9,422 | (18,578) |
| LACERA INTERN PROGRAM | 413,000 | 366,747 | (46,253) |
| STIPENDS | 0 | 0 | 0 |
| OVERTIME | 6,700 | 7,183 | 483 |
| BILINGUAL BONUS | 0 | 0 | 0 |
| PAY IN LIEU OF SALARY REDUCTION | 0 | 0 | 0 |
| TRANSPORTATION ALLOWANCE | 0 | 0 | 0 |
| RIDESHARE ALLOWANCE | 1,700 | 0 | (1,700) |
| SICKLEAVE BUYBACK | 0 | 0 | 0 |
| **TOTAL SALARIES & OTHER PAYS** | **$2,586,982** | **$2,290,151** | **($296,831)** |
| VARIABLE BENEFITS | | | |
| RETIREMENT | 386,207 | 481,261 | 95,054 |
| FICA CONTRIBUTION | 31,422 | 31,231 | (191) |
| COUNTY SUBSIDY - INSURANCE | 291,356 | 233,260 | (58,096) |
| OPTIONS PLAN | 0 | 0 | 0 |
| LIFE INSURANCE | 0 | 0 | 0 |
| HEALTH INSURANCE TEMPS | 0 | 0 | 0 |
| FLEXIBLE BENEFIT PLAN | 0 | 0 | 0 |
| THRIFT PLAN / HORIZONS | 86,681 | 65,497 | (21,184) |
| SAVINGS PLAN | 86,681 | 67,154 | (19,527) |
| PENSION SAVINGS PLAN | 0 | 0 | 0 |
| MEGAFLEX | 368,395 | 324,493 | (43,902) |
| **TOTAL VARIABLE BENEFITS** | **$1,250,742** | **$1,202,896** | **($47,846)** |
| **OPEB CONTRIBUTION** | **97,290** | **99,534** | **2,244** |
| **ADDITIONAL OPEB CONTRIBUTION** | **0** | **0** | **0** |
| **OTHER BENEFITS** | **129,493** | **128,531** | **(962)** |
| **TOTAL EMPLOYEE BENEFITS** | **$1,477,525** | **$1,430,961** | **($46,564)** |
| **TOTAL SALARIES & EMPLOYEE BENEFITS** | **$4,064,506** | **$3,721,112** | **($343,395)** |

*All amounts rounded to the nearest dollar.

**FISCAL YEAR 2025-2026**

**HUMAN RESOURCES**

**DETAIL OF SERVICES AND SUPPLIES ACCOUNTS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|---|
| | **TRANSPORTATION AND TRAVEL** | | | |
| 9181 | TRANSPORTATION | $1,200 | $1,273 | $73 |
| 9182 | TRAVEL | 17,000 | 3,432 | (13,568) |
| | TOTAL | 18,200 | 4,704 | (13,496) |
| | **OFFICE SUPPLIES AND EQUIPMENT** | | | |
| 9302 | SPECIAL ORDERS/MINOR EQUIP | 3,000 | 4,630 | 1,630 |
| | TOTAL | 3,000 | 4,630 | 1,630 |
| | **PARKING FEES** | | | |
| 9491 | GATEWAY PLAZA | 560,000 | 558,303 | (1,697) |
| 9492 | MUSIC CENTER | 1,000 | 0 | (1,000) |
| | TOTAL | 561,000 | 558,303 | (2,697) |
| | **PROFESSIONAL AND SPECIALIZED SERVICES** | | | |
| 9504 | PAYROLL SERVICES | 125,000 | 142,648 | 17,648 |
| 9510 | FINGERPRINTING SERVICES | 5,300 | 6,716 | 1,416 |
| 9512 | PAYROLL ENV, DUPLICATE W2'S - AUD | 300 | 345 | 45 |
| 9513 | PERSONNEL SRVCS - HUMAN RESOURCES | 68,000 | 84,304 | 16,304 |
| 9547 | HUMAN RESOURCES CONSULTING | 500,000 | 47,358 | (452,642) |
| 9694 | BACKGROUND CHECKS | 5,000 | 14,082 | 9,082 |
| 9700 | OHS PHYSICALS | 1,000 | 0 | (1,000) |
| 9711 | REQUEST FOR ACCOMMODATIONS | 35,000 | 9,293 | (25,707) |
| 9718 | LEAVE CASE MANAGEMENT PROGRAM | 47,500 | 21,574 | (25,926) |
| 9721 | ORGANIZATIONAL PROGRAMS | 50,000 | 0 | (50,000) |
| | TOTAL | 837,100 | 326,322 | (510,778) |
| | **COMPUTER SERVICES & SUPPORT** | | | |
| 9838 | MISC SOFTWARE PACKAGES | 150,000 | 64,294 | (85,706) |
| | TOTAL | 150,000 | 64,294 | (85,706) |
| | **EDUCATIONAL EXPENSES** | | | |
| 9961 | MEMBERSHIPS | 11,000 | 9,720 | (1,280) |
| 9962 | REGISTRATION FEES | 50,000 | 40,257 | (9,743) |
| 9963 | EDUCATIONAL MATERIALS | 6,000 | 1,814 | (4,186) |
| 9966 | DEPARTMENTAL TRAINING | 420,000 | 89,393 | (330,607) |
| 9967 | TUITION REIMBURSEMENT PROGRAM | 75,000 | 66,943 | (8,057) |
| 9968 | MOU TRAINING ALLOCATION | 100,000 | 72,588 | (27,412) |
| 9969 | MENTORING PROGRAM | 50,000 | 9,350 | (40,650) |
| 9970 | FORUM/SUMMIT | 38,500 | 15,704 | (22,796) |
| | TOTAL | 750,500 | 305,770 | (444,731) |

**FISCAL YEAR 2025-2026**

**HUMAN RESOURCES**

**DETAIL OF SERVICES AND SUPPLIES ACCOUNTS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|---|
| | **MISCELLANEOUS** | | | |
| 9981 | RECRUITMENT | $250,000 | $227,597 | ($22,403) |
| 9986 | MISCELLANEOUS | 3,900 | 2,059 | (1,841) |
| 9989 | WEB DAY | 5,000 | 4,540 | (460) |
| 9990 | RIDESHARE | 2,000 | 0 | (2,000) |
| 9991 | MANAGEMENT OFFSITE | 25,000 | 18,048 | (6,952) |
| | TOTAL | 285,900 | 252,245 | (33,655) |
| | **GRAND TOTAL** | **$2,605,700** | **$1,516,267** | **($1,089,433)** |

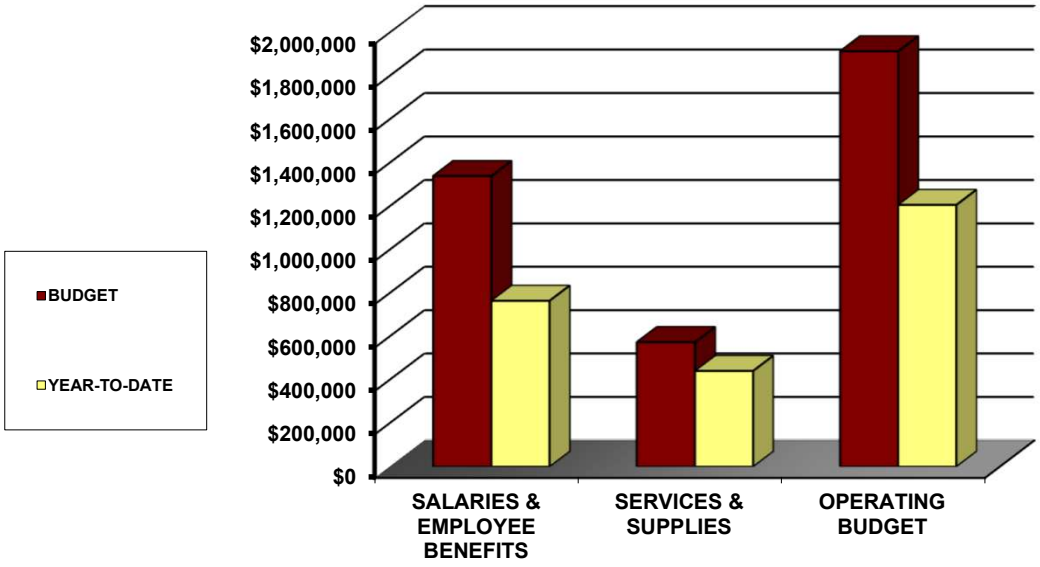
*All amounts rounded to the nearest dollar.

# INFORMATION SECURITY OFFICE

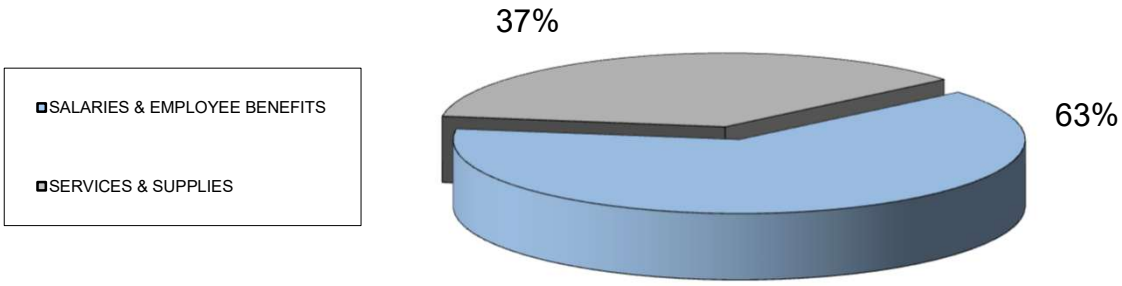
## BUDGET CONTROL REPORT - FISCAL YEAR 2025-2026
## BASED ON EXPENDITURES AS OF JUNE 30, 2026

| CATEGORY | BUDGET | YEAR-TO-DATE | OVER / (UNDER) BUDGET |
|---|---|---|---|
| SALARIES & EMPLOYEE BENEFITS | $1,339,442 | $765,097 | ($574,345) |
| SERVICES & SUPPLIES | $574,200 | $441,441 | ($132,759) |
| **OPERATING BUDGET** | **$1,913,642** | **$1,206,538** | **($707,103)** |

**Budgeted Positions** **5**
**Filled Positions** **5**




### Total Expenditures by Category



**FISCAL YEAR 2025-2026**

**INFORMATION SECURITY**

**SUMMARY OF SALARIES AND EMPLOYEE BENEFITS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|
| SALARIES & OTHER PAYS | | | |
| PERMANENT / COUNTY TEMPORARY | $789,039 | $435,257 | ($353,782) |
| AGENCY TEMPORARY | 213,000 | 0 | (213,000) |
| LACERA INTERN PROGRAM | 0 | 0 | 0 |
| STIPENDS | 0 | 0 | 0 |
| OVERTIME | 0 | 0 | 0 |
| BILINGUAL BONUS | 0 | 0 | 0 |
| PAY IN LIEU OF SALARY REDUCTION | 0 | 0 | 0 |
| TRANSPORTATION ALLOWANCE | 0 | 0 | 0 |
| RIDESHARE ALLOWANCE | 0 | 0 | 0 |
| SICKLEAVE BUYBACK | 0 | 0 | 0 |
| **TOTAL SALARIES & OTHER PAYS** | **1,002,039** | **435,257** | **(566,782)** |
| VARIABLE BENEFITS | | | |
| RETIREMENT | 47,015 | 102,288 | 55,273 |
| FICA CONTRIBUTION | 11,441 | 6,910 | (4,531) |
| COUNTY SUBSIDY - INSURANCE | 0 | 54,632 | 54,632 |
| OPTIONS PLAN | 0 | 0 | 0 |
| LIFE INSURANCE | 0 | 0 | 0 |
| HEALTH INSURANCE TEMPS | 0 | 0 | 0 |
| FLEXIBLE BENEFIT PLAN | 0 | 0 | 0 |
| THRIFT PLAN / HORIZONS | 31,562 | 17,137 | (14,425) |
| SAVINGS PLAN | 31,562 | 9,167 | (22,394) |
| PENSION SAVINGS PLAN | 0 | 0 | 0 |
| MEGAFLEX | 134,137 | 57,560 | (76,577) |
| **TOTAL VARIABLE BENEFITS** | **$255,716** | **$247,694** | **($8,022)** |
| **OPEB CONTRIBUTION** | **35,044** | **35,851** | **807** |
| **ADDITIONAL OPEB CONTRIBUTION** | **0** | **0** | **0** |
| **OTHER BENEFITS** | **46,643** | **46,295** | **(348)** |
| **TOTAL EMPLOYEE BENEFITS** | **$337,403** | **$329,840** | **($7,563)** |
| **TOTAL SALARIES & EMPLOYEE BENEFITS** | **$1,339,442** | **$765,097** | **($574,345)** |

*All amounts rounded to the nearest dollar.

**FISCAL YEAR 2025-2026**

**INFORMATION SECURITY**

**DETAIL OF SERVICES AND SUPPLIES ACCOUNTS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|---|
| | **TRANSPORTATION AND TRAVEL** | | | |
| 9181 | TRANSPORTATION | $2,200 | $810 | ($1,390) |
| 9182 | TRAVEL | 14,000 | 5,288 | (8,712) |
| | TOTAL | 16,200 | 6,099 | (10,101) |
| | **OFFICE SUPPLIES AND EQUIPMENT** | | | |
| 9302 | SPECIAL ORDERS/MINOR EQUIP | 0 | 208 | 208 |
| | TOTAL | 0 | 208 | 208 |
| | **PROFESSIONAL AND SPECIALIZED SERVICES** | | | |
| 9714 | SECURITY ASSESSMENT & MONITORING | 108,000 | 100,597 | (7,403) |
| 9725 | SOFTWARE SUBSCRIPTION SERVICES | 415,000 | 322,048 | (92,952) |
| | TOTAL | 523,000 | 422,645 | (100,355) |
| | **EDUCATIONAL EXPENSES** | | | |
| 9961 | MEMBERSHIPS | 15,000 | 270 | (14,730) |
| 9962 | REGISTRATION FEES | 20,000 | 10,225 | (9,775) |
| 9963 | EDUCATIONAL MATERIALS | 0 | 1,995 | 1,995 |
| | TOTAL | 35,000 | 12,490 | (22,510) |
| | **GRAND TOTAL** | **$574,200** | **$441,441** | **($132,759)** |

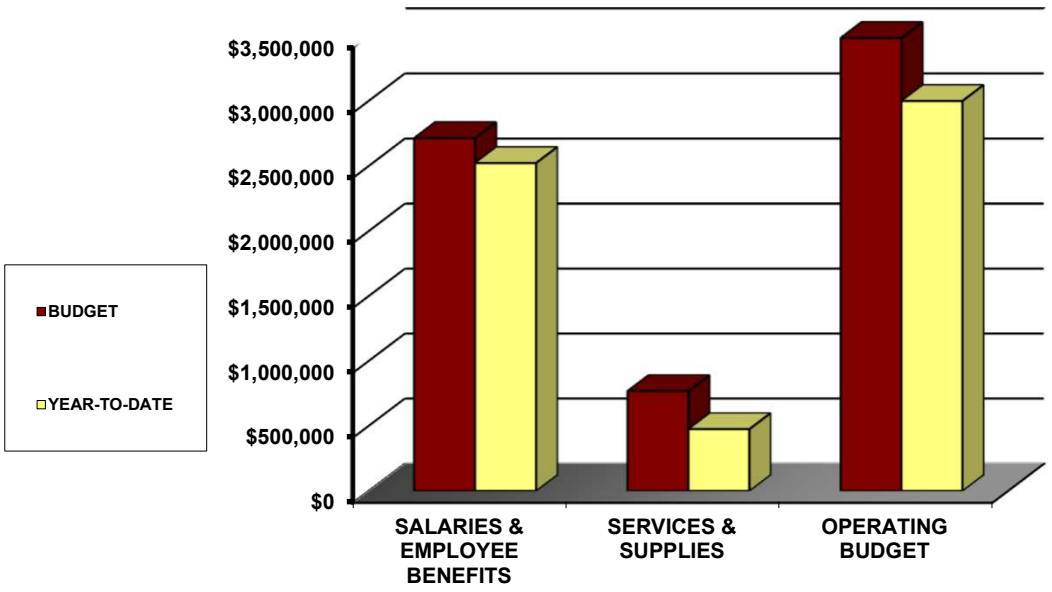
*All amounts rounded to the nearest dollar.

# INTERNAL AUDIT SERVICES

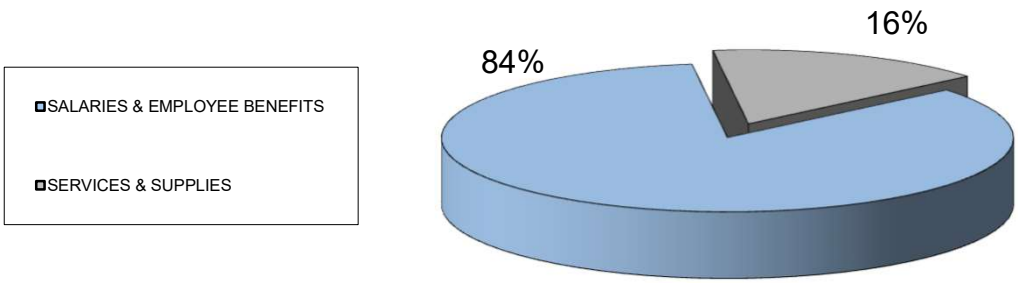
## BUDGET CONTROL REPORT - FISCAL YEAR 2025-2026
## BASED ON EXPENDITURES AS OF JUNE 30, 2026

| CATEGORY | BUDGET | YEAR-TO-DATE | OVER / (UNDER) BUDGET |
|---|---|---|---|
| SALARIES & EMPLOYEE BENEFITS | $2,715,679 | $2,524,688 | ($190,992) |
| SERVICES & SUPPLIES | $769,200 | $476,346 | ($292,854) |
| **OPERATING BUDGET** | **$3,484,879** | **$3,001,034** | **($483,846)** |

**Budgeted Positions** 11
**Filled Positions** 9




### Total Expenditures by Category



**FISCAL YEAR 2025-2026**

**INTERNAL AUDIT SERVICES**

**SUMMARY OF SALARIES AND EMPLOYEE BENEFITS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|
| SALARIES & OTHER PAYS | | | |
| PERMANENT / COUNTY TEMPORARY | $1,685,619 | $1,521,142 | ($164,477) |
| AGENCY TEMPORARY | 0 | 0 | 0 |
| LACERA INTERN PROGRAM | 0 | 0 | 0 |
| STIPENDS | 0 | 0 | 0 |
| OVERTIME | 5,700 | 1,275 | (4,425) |
| BILINGUAL BONUS | 0 | 0 | 0 |
| PAY IN LIEU OF SALARY REDUCTION | 0 | 0 | 0 |
| TRANSPORTATION ALLOWANCE | 0 | 0 | 0 |
| RIDESHARE ALLOWANCE | 1,500 | 0 | (1,500) |
| SICKLEAVE BUYBACK | 0 | 0 | 0 |
| **TOTAL SALARIES & OTHER PAYS** | **$1,692,819** | **$1,522,417** | **($170,402)** |
| VARIABLE BENEFITS | | | |
| RETIREMENT | 297,403 | 368,909 | 71,505 |
| FICA CONTRIBUTION | 23,522 | 24,437 | 915 |
| COUNTY SUBSIDY - INSURANCE | 114,524 | 97,115 | (17,409) |
| OPTIONS PLAN | 0 | 2,431 | 2,431 |
| LIFE INSURANCE | 143 | 13 | (130) |
| HEALTH INSURANCE TEMPS | 0 | 0 | 0 |
| FLEXIBLE BENEFIT PLAN | 7,207 | 0 | (7,207) |
| THRIFT PLAN / HORIZONS | 64,889 | 47,787 | (17,102) |
| SAVINGS PLAN | 64,889 | 59,946 | (4,943) |
| PENSION SAVINGS PLAN | 0 | 0 | 0 |
| MEGAFLEX | 275,777 | 226,141 | (49,635) |
| **TOTAL VARIABLE BENEFITS** | **$848,354** | **$826,778** | **($21,575)** |
| **OPEB CONTRIBUTION** | **74,863** | **76,590** | **1,726** |
| **ADDITIONAL OPEB CONTRIBUTION** | **0** | **0** | **0** |
| **OTHER BENEFITS** | **99,644** | **98,903** | **(741)** |
| **TOTAL EMPLOYEE BENEFITS** | **$1,022,861** | **$1,002,271** | **($20,590)** |
| **TOTAL SALARIES & EMPLOYEE BENEFITS** | **$2,715,679** | **$2,524,688** | **($190,992)** |

*All amounts rounded to the nearest dollar.

**FISCAL YEAR 2025-2026**

**INTERNAL AUDIT SERVICES**

**DETAIL OF SERVICES AND SUPPLIES ACCOUNTS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|---|
| | **TRANSPORTATION AND TRAVEL** | | | |
| 9181 | TRANSPORTATION | $2,000 | $2,871 | $871 |
| 9182 | TRAVEL | 15,000 | 14,763 | (237) |
| | TOTAL | 17,000 | 17,634 | 634 |
| | **OFFICE SUPPLIES AND EQUIPMENT** | | | |
| 9302 | SPECIAL ORDERS/MINOR EQUIP | 1,200 | 458 | (742) |
| | TOTAL | 1,200 | 458 | (742) |
| | **PROFESSIONAL AND SPECIALIZED SERVICES** | | | |
| 9541 | AUDITS | 650,000 | 405,939 | (244,061) |
| 9702 | AUDIT COMMITTEE CONSULTANT | 50,000 | 30,263 | (19,737) |
| | TOTAL | 700,000 | 436,202 | (263,798) |
| | **EDUCATIONAL EXPENSES** | | | |
| 9961 | MEMBERSHIPS | 12,000 | 4,793 | (7,207) |
| 9962 | REGISTRATION FEES | 35,000 | 16,696 | (18,304) |
| 9963 | EDUCATIONAL MATERIALS | 3,500 | 300 | (3,200) |
| | TOTAL | 50,500 | 21,788 | (28,712) |
| | **MISCELLANEOUS** | | | |
| 9986 | MISCELLANEOUS | 500 | 264 | (236) |
| | TOTAL | 500 | 264 | (236) |
| | **GRAND TOTAL** | **$769,200** | **$476,346** | **($292,854)** |

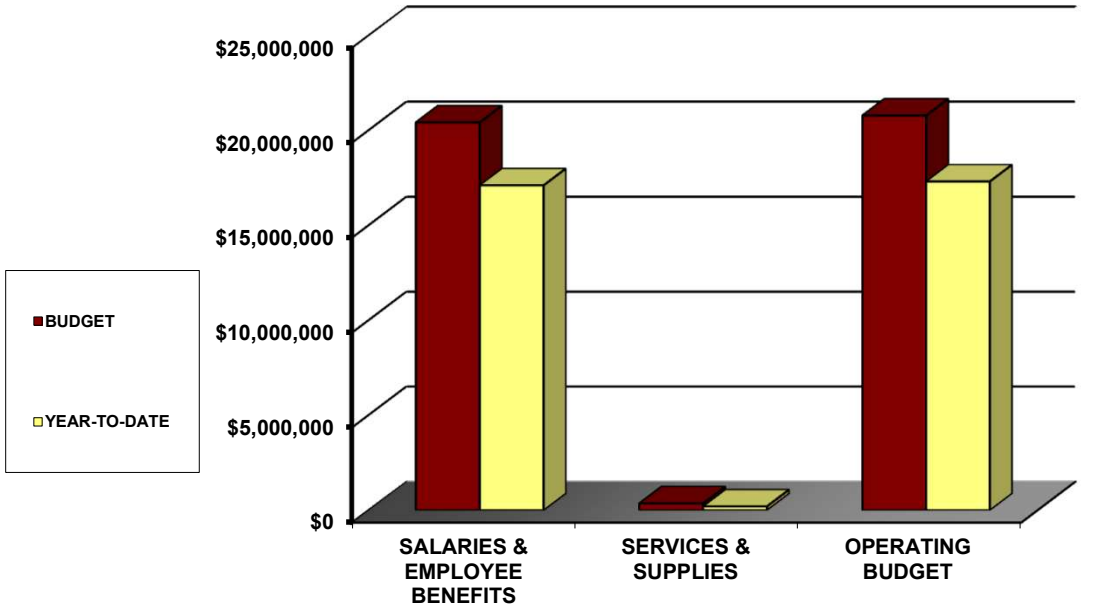
*All amounts rounded to the nearest dollar.

# INVESTMENT OFFICE

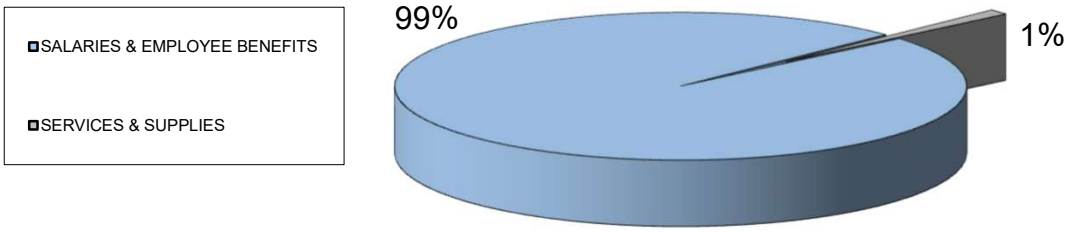
## BUDGET CONTROL REPORT - FISCAL YEAR 2025-2026
## BASED ON EXPENDITURES AS OF JUNE 30, 2026

| CATEGORY | BUDGET | YEAR-TO-DATE | OVER / (UNDER) BUDGET |
|---|---|---|---|
| SALARIES & EMPLOYEE BENEFITS | $20,429,811 | $17,118,649 | ($3,311,163) |
| SERVICES & SUPPLIES | $361,500 | $201,764 | ($159,736) |
| **OPERATING BUDGET** | **$20,791,311** | **$17,320,412** | **($3,470,899)** |

**Budgeted Positions** 49
**Filled Positions** 38




### Total Expenditures by Category



**FISCAL YEAR 2025-2026**

**INVESTMENT OFFICE**

**SUMMARY OF SALARIES AND EMPLOYEE BENEFITS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|
| SALARIES & OTHER PAYS | | | |
| PERMANENT / COUNTY TEMPORARY | $12,628,744 | $10,812,059 | ($1,816,684) |
| AGENCY TEMPORARY | 0 | 0 | 0 |
| LACERA INTERN PROGRAM | 0 | 0 | 0 |
| STIPENDS | 0 | 0 | 0 |
| OVERTIME | 800 | 0 | (800) |
| BILINGUAL BONUS | 0 | 0 | 0 |
| PAY IN LIEU OF SALARY REDUCTION | 0 | 0 | 0 |
| TRANSPORTATION ALLOWANCE | 14,400 | 14,400 | 0 |
| RIDESHARE ALLOWANCE | 5,000 | 0 | (5,000) |
| SICKLEAVE BUYBACK | 0 | 0 | 0 |
| **TOTAL SALARIES & OTHER PAYS** | **$12,648,944** | **$10,826,459** | **($1,822,484)** |
| VARIABLE BENEFITS | | | |
| RETIREMENT | 2,381,059 | 1,793,336 | (587,722) |
| FICA CONTRIBUTION | 180,711 | 178,799 | (1,912) |
| COUNTY SUBSIDY - INSURANCE | 795,993 | 631,156 | (164,837) |
| OPTIONS PLAN | 0 | 0 | 0 |
| LIFE INSURANCE | 0 | 0 | 0 |
| HEALTH INSURANCE TEMPS | 0 | 0 | 0 |
| FLEXIBLE BENEFIT PLAN | 0 | 0 | 0 |
| THRIFT PLAN / HORIZONS | 498,512 | 305,529 | (192,983) |
| SAVINGS PLAN | 498,512 | 341,488 | (157,024) |
| PENSION SAVINGS PLAN | 0 | 4,714 | 4,714 |
| MEGAFLEX | 2,118,677 | 1,722,270 | (396,406) |
| **TOTAL VARIABLE BENEFITS** | **$6,473,464** | **$4,977,294** | **($1,496,170)** |
| **OPEB CONTRIBUTION** | **560,876** | **573,918** | **13,042** |
| **ADDITIONAL OPEB CONTRIBUTION** | **0** | **0** | **0** |
| **OTHER BENEFITS** | **746,528** | **740,978** | **(5,551)** |
| **TOTAL EMPLOYEE BENEFITS** | **$7,780,868** | **$6,292,190** | **($1,488,678)** |
| **TOTAL SALARIES & EMPLOYEE BENEFITS** | **$20,429,811** | **$17,118,649** | **($3,311,163)** |

*All amounts rounded to the nearest dollar.

**FISCAL YEAR 2025-2026**

**INVESTMENT OFFICE**

**DETAIL OF SERVICES AND SUPPLIES ACCOUNTS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|---|
| | **TRANSPORTATION AND TRAVEL** | | | |
| 9181 | TRANSPORTATION | $33,000 | $17,651 | ($15,349) |
| 9182 | TRAVEL | 186,000 | 94,841 | (91,159) |
| | TOTAL | 219,000 | 112,492 | (106,508) |
| | **OFFICE SUPPLIES AND EQUIPMENT** | | | |
| 9302 | SPECIAL ORDERS/MINOR EQUIP | 3,500 | 179 | (3,321) |
| | TOTAL | 3,500 | 179 | (3,321) |
| | **EDUCATIONAL EXPENSES** | | | |
| 9961 | MEMBERSHIPS | 85,000 | 35,819 | (49,181) |
| 9962 | REGISTRATION FEES | 20,000 | 19,757 | (243) |
| 9963 | EDUCATIONAL MATERIALS | 30,000 | 30,808 | 808 |
| | TOTAL | 135,000 | 86,384 | (48,616) |
| | **MISCELLANEOUS** | | | |
| 9986 | MISCELLANEOUS | 4,000 | 2,708 | (1,292) |
| | TOTAL | 4,000 | 2,708 | (1,292) |
| | **GRAND TOTAL** | **$361,500** | **$201,764** | **($159,736)** |

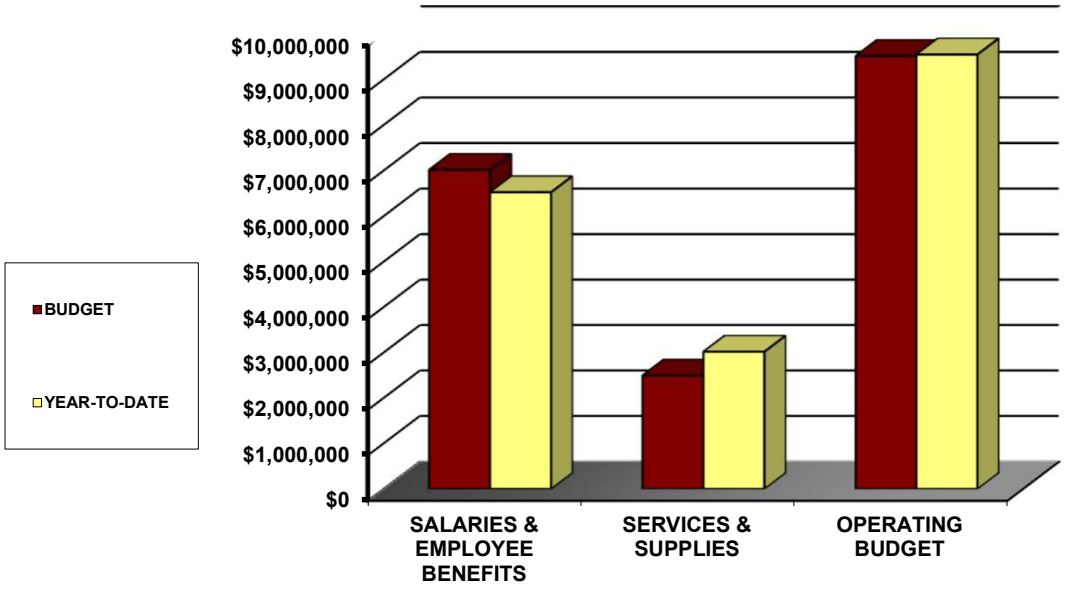
*All amounts rounded to the nearest dollar.

# LEGAL SERVICES

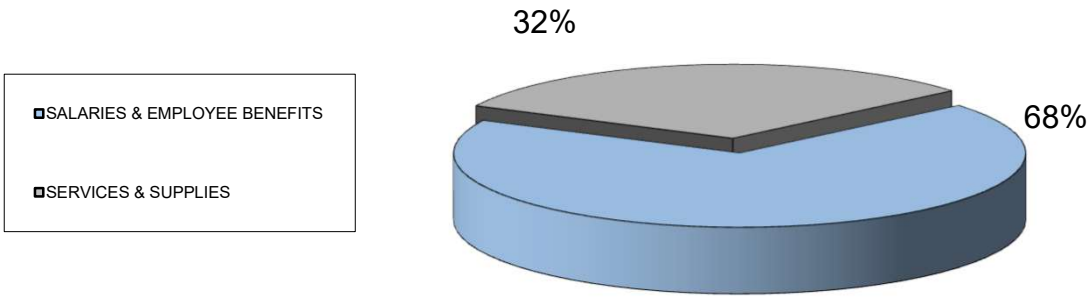
## BUDGET CONTROL REPORT - FISCAL YEAR 2025-2026
## BASED ON EXPENDITURES AS OF JUNE 30, 2026

| CATEGORY | BUDGET | YEAR-TO-DATE | OVER / (UNDER) BUDGET |
|---|---|---|---|
| SALARIES & EMPLOYEE BENEFITS | $7,019,735 | $6,527,789 | ($491,946) |
| SERVICES & SUPPLIES | $2,496,900 | $3,022,052 | $525,152 |
| **OPERATING BUDGET** | **$9,516,635** | **$9,549,841** | **$33,206** |

**Budgeted Positions** 29
**Filled Positions** 22




### Total Expenditures by Category



**FISCAL YEAR 2025-2026**

**LEGAL SERVICES**

**SUMMARY OF SALARIES AND EMPLOYEE BENEFITS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|
| SALARIES & OTHER PAYS | | | |
| PERMANENT / COUNTY TEMPORARY | $4,096,800 | $3,707,635 | ($389,165) |
| AGENCY TEMPORARY | 127,400 | 173,622 | 46,222 |
| LACERA INTERN PROGRAM | 0 | 0 | 0 |
| STIPENDS | 0 | 0 | 0 |
| OVERTIME | 21,000 | 16,417 | (4,583) |
| BILINGUAL BONUS | 0 | 0 | 0 |
| PAY IN LIEU OF SALARY REDUCTION | 0 | 0 | 0 |
| TRANSPORTATION ALLOWANCE | 0 | 0 | 0 |
| RIDESHARE ALLOWANCE | 2,500 | 0 | (2,500) |
| SICKLEAVE BUYBACK | 0 | 0 | 0 |
| **TOTAL SALARIES & OTHER PAYS** | **$4,247,700** | **$3,897,674** | **($350,026)** |
| VARIABLE BENEFITS | | | |
| RETIREMENT | 789,034 | 836,981 | 47,947 |
| FICA CONTRIBUTION | 59,269 | 61,837 | 2,567 |
| COUNTY SUBSIDY - INSURANCE | 477,719 | 443,744 | (33,976) |
| OPTIONS PLAN | 0 | 0 | 0 |
| LIFE INSURANCE | 0 | 4 | 4 |
| HEALTH INSURANCE TEMPS | 0 | 0 | 0 |
| FLEXIBLE BENEFIT PLAN | 0 | 0 | 0 |
| THRIFT PLAN / HORIZONS | 163,502 | 116,287 | (47,215) |
| SAVINGS PLAN | 163,502 | 140,167 | (23,335) |
| PENSION SAVINGS PLAN | 0 | 0 | 0 |
| MEGAFLEX | 694,882 | 604,574 | (90,308) |
| **TOTAL VARIABLE BENEFITS** | **$2,347,908** | **$2,203,593** | **($144,315)** |
| **OPEB CONTRIBUTION** | **181,950** | **186,146** | **4,196** |
| **ADDITIONAL OPEB CONTRIBUTION** | **0** | **0** | **0** |
| **OTHER BENEFITS** | **242,177** | **240,376** | **(1,800)** |
| **TOTAL EMPLOYEE BENEFITS** | **$2,772,035** | **$2,630,115** | **($141,920)** |
| **TOTAL SALARIES & EMPLOYEE BENEFITS** | **$7,019,735** | **$6,527,789** | **($491,946)** |

*All amounts rounded to the nearest dollar.

**FISCAL YEAR 2025-2026**

**LEGAL SERVICES**

**DETAIL OF SERVICES AND SUPPLIES ACCOUNTS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|---|
| | **AUTO EXPENSES** | | | |
| 9102 | AUTO MAINTENANCE/REPAIR | $3,000 | $2,831 | ($169) |
| 9103 | GAS | 2,000 | 1,677 | (323) |
| 9105 | LICENSE FEES | 400 | 0 | (400) |
| | TOTAL | 5,400 | 4,508 | (892) |
| | **TRANSPORTATION AND TRAVEL** | | | |
| 9181 | TRANSPORTATION | 6,000 | 1,492 | (4,508) |
| 9182 | TRAVEL | 35,000 | 7,795 | (27,205) |
| | TOTAL | 41,000 | 9,287 | (31,713) |
| | **OFFICE SUPPLIES AND EQUIPMENT** | | | |
| 9302 | SPECIAL ORDERS/MINOR EQUIP | 7,500 | 2,877 | (4,623) |
| | TOTAL | 7,500 | 2,877 | (4,623) |
| | **PROFESSIONAL AND SPECIALIZED SERVICES** | | | |
| 9673 | PHOTOCOPIES OF DOCUMENTS | 4,000 | 650 | (3,350) |
| | TOTAL | 4,000 | 650 | (3,350) |
| | **LEGAL FEES AND SERVICES** | | | |
| 9771 | ATTORNEY FEES AWARDS/SETTLEMENTS | 50,000 | 492,492 | 442,492 |
| 9772 | OUTSIDE LEGAL COUNSEL | 2,200,000 | 2,365,080 | 165,080 |
| 9777 | LITIGATION SUPPORT | 50,000 | 8,750 | (41,250) |
| | TOTAL | 2,300,000 | 2,866,321 | 566,321 |
| | **EDUCATIONAL EXPENSES** | | | |
| 9961 | MEMBERSHIPS | 20,000 | 23,538 | 3,538 |
| 9962 | REGISTRATION FEES | 30,000 | 9,954 | (20,046) |
| 9963 | EDUCATIONAL MATERIALS | 85,000 | 104,631 | 19,631 |
| | TOTAL | 135,000 | 138,123 | 3,123 |
| | **MISCELLANEOUS** | | | |
| 9986 | MISCELLANEOUS | 4,000 | 286 | (3,714) |
| | TOTAL | 4,000 | 286 | (3,714) |
| | **GRAND TOTAL** | **$2,496,900** | **$3,022,052** | **$525,152** |

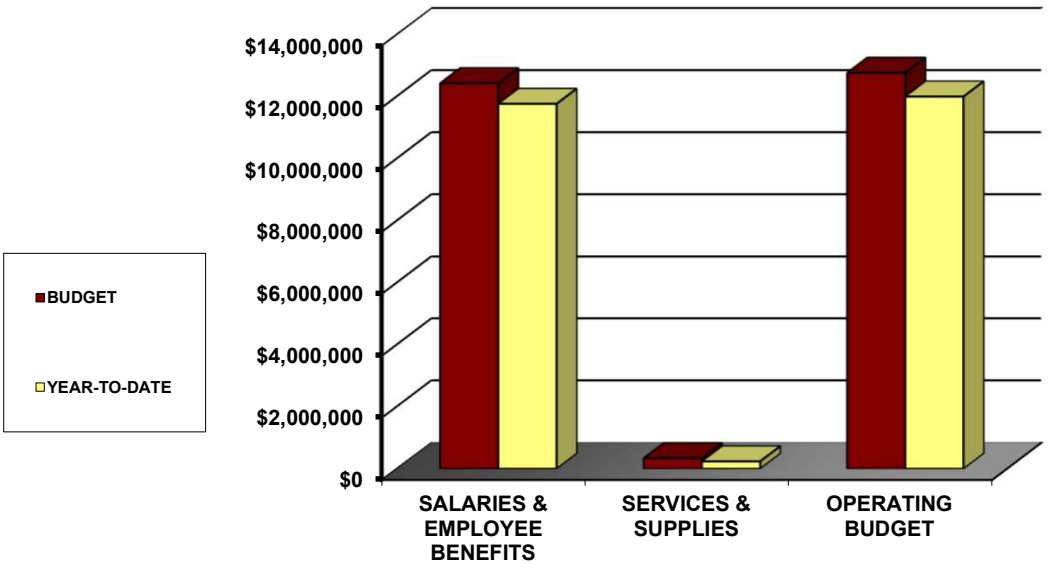
*All amounts rounded to the nearest dollar.

# MEMBER SERVICES

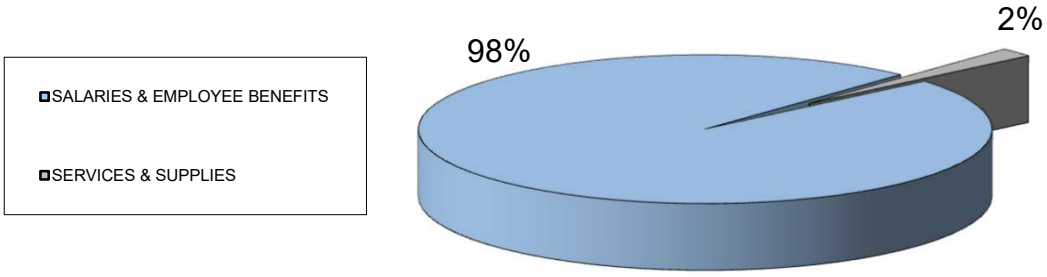
## BUDGET CONTROL REPORT - FISCAL YEAR 2025-2026
## BASED ON EXPENDITURES AS OF JUNE 30, 2026

| CATEGORY | BUDGET | YEAR-TO-DATE | OVER / (UNDER) BUDGET |
|---|---|---|---|
| SALARIES & EMPLOYEE BENEFITS | $12,424,890 | $11,763,340 | ($661,550) |
| SERVICES & SUPPLIES | $337,600 | $235,893 | ($101,707) |
| **OPERATING BUDGET** | **$12,762,490** | **$11,999,233** | **($763,257)** |

**Budgeted Positions** 81
**Filled Positions** 84




### Total Expenditures by Category



**FISCAL YEAR 2025-2026**

**MEMBER SERVICES**

**SUMMARY OF SALARIES AND EMPLOYEE BENEFITS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|
| SALARIES & OTHER PAYS | | | |
| PERMANENT / COUNTY TEMPORARY | $7,343,857 | $6,994,936 | ($348,922) |
| AGENCY TEMPORARY | 0 | 0 | 0 |
| LACERA INTERN PROGRAM | 0 | 0 | 0 |
| STIPENDS | 0 | 0 | 0 |
| OVERTIME | 397,900 | 125,664 | (272,236) |
| BILINGUAL BONUS | 16,800 | 13,950 | (2,850) |
| PAY IN LIEU OF SALARY REDUCTION | 0 | 0 | 0 |
| TRANSPORTATION ALLOWANCE | 0 | 0 | 0 |
| RIDESHARE ALLOWANCE | 10,000 | 0 | (10,000) |
| SICKLEAVE BUYBACK | 27,000 | 27,020 | 20 |
| **TOTAL SALARIES & OTHER PAYS** | **$7,795,557** | **$7,161,570** | **($633,988)** |
| VARIABLE BENEFITS | | | |
| RETIREMENT | 1,304,841 | 1,691,419 | 386,577 |
| FICA CONTRIBUTION | 106,404 | 110,008 | 3,605 |
| COUNTY SUBSIDY - INSURANCE | 183,369 | 73,702 | (109,667) |
| OPTIONS PLAN | 1,777,637 | 1,566,428 | (211,208) |
| LIFE INSURANCE | 6,793 | 7,248 | 455 |
| HEALTH INSURANCE TEMPS | 22,541 | 5,119 | (17,422) |
| FLEXIBLE BENEFIT PLAN | 0 | 0 | 0 |
| THRIFT PLAN / HORIZONS | 293,528 | 251,639 | (41,889) |
| SAVINGS PLAN | 27,396 | 24,572 | (2,824) |
| PENSION SAVINGS PLAN | 30,120 | 537 | (29,583) |
| MEGAFLEX | 116,431 | 97,525 | (18,906) |
| **TOTAL VARIABLE BENEFITS** | **$3,869,059** | **$3,828,198** | **($40,861)** |
| **OPEB CONTRIBUTION** | **326,157** | **333,680** | **7,524** |
| **ADDITIONAL OPEB CONTRIBUTION** | **0** | **0** | **0** |
| **OTHER BENEFITS** | **434,117** | **439,892** | **5,775** |
| **TOTAL EMPLOYEE BENEFITS** | **$4,629,333** | **$4,601,770** | **($27,562)** |
| **TOTAL SALARIES & EMPLOYEE BENEFITS** | **$12,424,890** | **$11,763,340** | **($661,550)** |

*All amounts rounded to the nearest dollar.

**FISCAL YEAR 2025-2026**

**MEMBER SERVICES**

**DETAIL OF SERVICES AND SUPPLIES ACCOUNTS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|---|
| | **TRANSPORTATION AND TRAVEL** | | | |
| 9181 | TRANSPORTATION | $16,800 | $8,165 | ($8,635) |
| 9182 | TRAVEL | 36,200 | 26,483 | (9,717) |
| | TOTAL | 53,000 | 34,648 | (18,352) |
| | **OFFICE SUPPLIES AND EQUIPMENT** | | | |
| 9302 | SPECIAL ORDERS/MINOR EQUIP | 10,000 | 11,854 | 1,854 |
| | TOTAL | 10,000 | 11,854 | 1,854 |
| | **PROFESSIONAL AND SPECIALIZED SERVICES** | | | |
| 9540 | CONSULTING AND CONTRACTING SERVICES | 122,000 | 105,300 | (16,700) |
| 9673 | PHOTOCOPIES OF DOCUMENTS | 6,500 | 1,234 | (5,267) |
| 9724 | STRATEGIC PLANNING | 91,400 | 77,000 | (14,400) |
| | TOTAL | 219,900 | 183,534 | (36,367) |
| | **EDUCATIONAL EXPENSES** | | | |
| 9961 | MEMBERSHIPS | 1,000 | 0 | (1,000) |
| 9962 | REGISTRATION FEES | 51,000 | 4,735 | (46,265) |
| 9963 | EDUCATIONAL MATERIALS | 200 | 0 | (200) |
| | TOTAL | 52,200 | 4,735 | (47,465) |
| | **MISCELLANEOUS** | | | |
| 9986 | MISCELLANEOUS | 1,500 | 1,123 | (377) |
| 9992 | FACILITIES RENTAL | 1,000 | 0 | (1,000) |
| | TOTAL | 2,500 | 1,123 | (1,377) |
| | **GRAND TOTAL** | **$337,600** | **$235,893** | **($101,707)** |

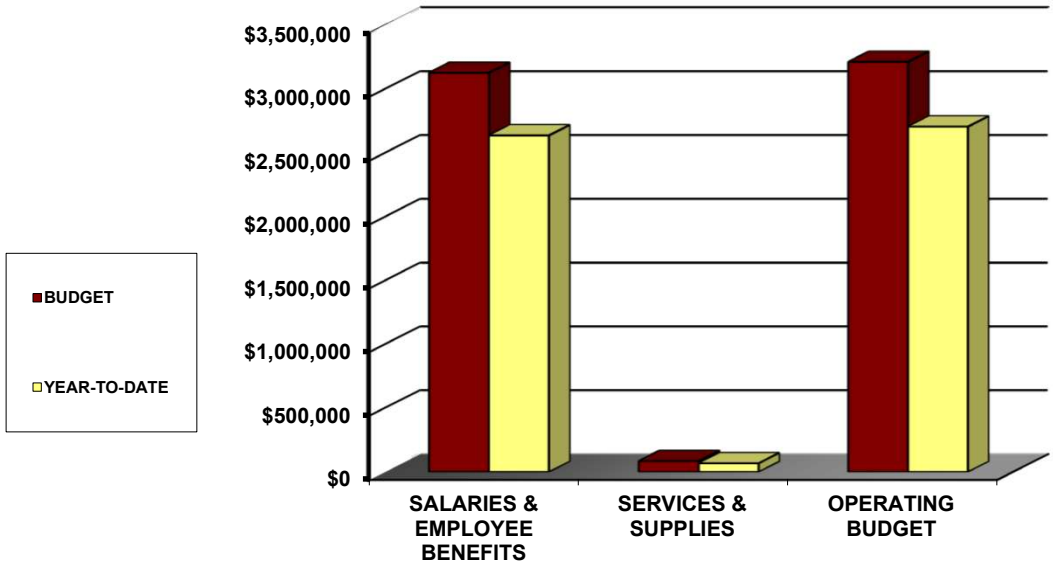
*All amounts rounded to the nearest dollar.

# QUALITY ASSURANCE

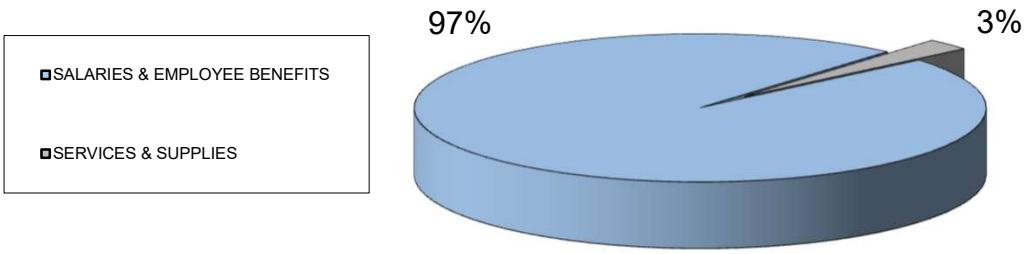
## BUDGET CONTROL REPORT - FISCAL YEAR 2025-2026
## BASED ON EXPENDITURES AS OF JUNE 30, 2026

| CATEGORY | BUDGET | YEAR-TO-DATE | OVER / (UNDER) BUDGET |
|---|---|---|---|
| SALARIES & EMPLOYEE BENEFITS | $3,129,520 | $2,639,554 | ($489,966) |
| SERVICES & SUPPLIES | $86,100 | $68,824 | ($17,276) |
| **OPERATING BUDGET** | **$3,215,620** | **$2,708,378** | **($507,242)** |

**Budgeted Positions** 19
**Filled Positions** 12




### Total Expenditures by Category



**FISCAL YEAR 2025-2026**

**QUALITY ASSURANCE**

**SUMMARY OF SALARIES AND EMPLOYEE BENEFITS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|
| SALARIES & OTHER PAYS | | | |
| PERMANENT / COUNTY TEMPORARY | $1,885,458 | $1,569,960 | ($315,498) |
| AGENCY TEMPORARY | 0 | 0 | 0 |
| LACERA INTERN PROGRAM | 0 | 0 | 0 |
| STIPENDS | 0 | 0 | 0 |
| OVERTIME | 12,300 | 829 | (11,471) |
| BILINGUAL BONUS | 0 | 0 | 0 |
| PAY IN LIEU OF SALARY REDUCTION | 0 | 0 | 0 |
| TRANSPORTATION ALLOWANCE | 0 | 0 | 0 |
| RIDESHARE ALLOWANCE | 2,200 | 0 | (2,200) |
| SICKLEAVE BUYBACK | 1,000 | 0 | (1,000) |
| **TOTAL SALARIES & OTHER PAYS** | **$1,900,958** | **$1,570,789** | **($330,169)** |
| VARIABLE BENEFITS | | | |
| RETIREMENT | 412,967 | 385,516 | (27,451) |
| FICA CONTRIBUTION | 26,582 | 25,111 | (1,471) |
| COUNTY SUBSIDY - INSURANCE | 129,156 | 112,039 | (17,117) |
| OPTIONS PLAN | 24,689 | 14,176 | (10,513) |
| LIFE INSURANCE | 244 | 235 | (8) |
| HEALTH INSURANCE TEMPS | 0 | 0 | 0 |
| FLEXIBLE BENEFIT PLAN | 0 | 0 | 0 |
| THRIFT PLAN / HORIZONS | 73,329 | 48,368 | (24,961) |
| SAVINGS PLAN | 69,790 | 51,675 | (18,115) |
| PENSION SAVINGS PLAN | 0 | 0 | 0 |
| MEGAFLEX | 296,609 | 235,349 | (61,260) |
| **TOTAL VARIABLE BENEFITS** | **$1,033,366** | **$872,470** | **($160,897)** |
| **OPEB CONTRIBUTION** | **83,739** | **85,668** | **1,929** |
| **ADDITIONAL OPEB CONTRIBUTION** | **0** | **0** | **0** |
| **OTHER BENEFITS** | **111,457** | **110,629** | **(828)** |
| **TOTAL EMPLOYEE BENEFITS** | **$1,228,562** | **$1,068,766** | **($159,796)** |
| **TOTAL SALARIES & EMPLOYEE BENEFITS** | **$3,129,520** | **$2,639,554** | **($489,966)** |

*All amounts rounded to the nearest dollar.

**FISCAL YEAR 2025-2026**

**QUALITY ASSURANCE**

**DETAIL OF SERVICES AND SUPPLIES ACCOUNTS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|---|
| | **TRANSPORTATION AND TRAVEL** | | | |
| 9181 | TRANSPORTATION | $1,200 | $480 | ($720) |
| 9182 | TRAVEL | 8,400 | 2,906 | (5,494) |
| | TOTAL | 9,600 | 3,385 | (6,215) |
| | **OFFICE SUPPLIES AND EQUIPMENT** | | | |
| 9302 | SPECIAL ORDERS/MINOR EQUIP | 1,000 | 397 | (603) |
| | TOTAL | 1,000 | 397 | (603) |
| | **PROFESSIONAL AND SPECIALIZED SERVICES** | | | |
| 9715 | COST EFFECTIVE MANAGEMENT (CEM) | 59,000 | 59,000 | 0 |
| | TOTAL | 59,000 | 59,000 | 0 |
| | **EDUCATIONAL EXPENSES** | | | |
| 9961 | MEMBERSHIPS | 6,000 | 2,390 | (3,610) |
| 9962 | REGISTRATION FEES | 10,000 | 3,651 | (6,349) |
| 9963 | EDUCATIONAL MATERIALS | 300 | 0 | (300) |
| | TOTAL | 16,300 | 6,041 | (10,259) |
| | **MISCELLANEOUS** | | | |
| 9986 | MISCELLANEOUS | 200 | 0 | (200) |
| | TOTAL | 200 | 0 | (200) |
| | **GRAND TOTAL** | **$86,100** | **$68,824** | **($17,276)** |

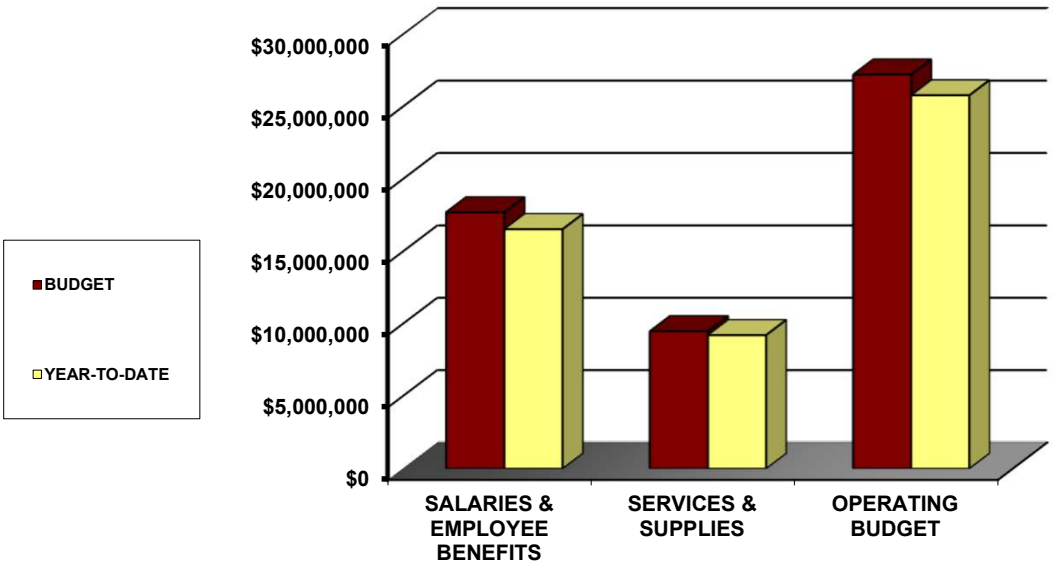
*All amounts rounded to the nearest dollar.

# SYSTEMS DIVISION

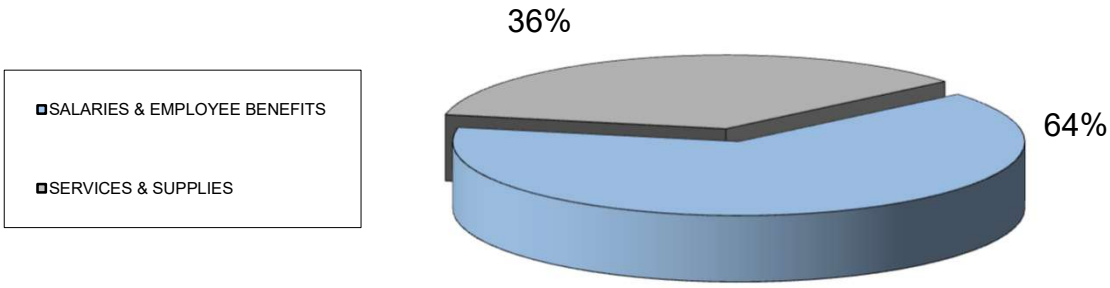
## BUDGET CONTROL REPORT - FISCAL YEAR 2025-2026
## BASED ON EXPENDITURES AS OF JUNE 30, 2026

| CATEGORY | BUDGET | YEAR-TO-DATE | OVER / (UNDER) BUDGET |
|---|---|---|---|
| SALARIES & EMPLOYEE BENEFITS | $17,728,931 | $16,560,817 | ($1,168,114) |
| SERVICES & SUPPLIES | $9,502,000 | $9,239,393 | ($262,607) |
| **OPERATING BUDGET** | **$27,230,931** | **$25,800,210** | **($1,430,721)** |

**Budgeted Positions** **62**
**Filled Positions** **44**




### Total Expenditures by Category



**FISCAL YEAR 2025-2026**

**SYSTEMS DIVISION**

**SUMMARY OF SALARIES AND EMPLOYEE BENEFITS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|
| SALARIES & OTHER PAYS | | | |
| PERMANENT / COUNTY TEMPORARY | $8,625,651 | $7,309,787 | ($1,315,864) |
| AGENCY TEMPORARY | 3,900,000 | 4,165,719 | 265,719 |
| LACERA INTERN PROGRAM | 0 | 0 | 0 |
| STIPENDS | 0 | 0 | 0 |
| OVERTIME | 236,100 | 133,826 | (102,274) |
| BILINGUAL BONUS | 0 | 0 | 0 |
| PAY IN LIEU OF SALARY REDUCTION | 0 | 0 | 0 |
| TRANSPORTATION ALLOWANCE | 7,200 | 7,200 | 0 |
| RIDESHARE ALLOWANCE | 8,900 | 0 | (8,900) |
| SICKLEAVE BUYBACK | 28,000 | 23,567 | (4,433) |
| **TOTAL SALARIES & OTHER PAYS** | **$12,805,851** | **$11,640,098** | **($1,165,753)** |
| VARIABLE BENEFITS | | | |
| RETIREMENT | 1,379,379 | 1,708,920 | 329,541 |
| FICA CONTRIBUTION | 125,072 | 119,206 | (5,866) |
| COUNTY SUBSIDY - INSURANCE | 405,824 | 421,175 | 15,351 |
| OPTIONS PLAN | 432,065 | 399,478 | (32,587) |
| LIFE INSURANCE | 2,736 | 2,879 | 144 |
| HEALTH INSURANCE TEMPS | 0 | 0 | 0 |
| FLEXIBLE BENEFIT PLAN | 0 | 0 | 0 |
| THRIFT PLAN / HORIZONS | 345,026 | 266,464 | (78,562) |
| SAVINGS PLAN | 254,903 | 215,366 | (39,536) |
| PENSION SAVINGS PLAN | 1,753 | 0 | (1,753) |
| MEGAFLEX | 1,083,337 | 887,111 | (196,225) |
| **TOTAL VARIABLE BENEFITS** | **$4,030,094** | **$4,020,600** | **($9,494)** |
| **OPEB CONTRIBUTION** | **383,091** | **391,920** | **8,829** |
| **ADDITIONAL OPEB CONTRIBUTION** | **0** | **0** | **0** |
| **OTHER BENEFITS** | **509,896** | **508,199** | **(1,696)** |
| **TOTAL EMPLOYEE BENEFITS** | **$4,923,081** | **$4,920,720** | **($2,361)** |
| **TOTAL SALARIES & EMPLOYEE BENEFITS** | **$17,728,931** | **$16,560,817** | **($1,168,114)** |

*All amounts rounded to the nearest dollar.

**FISCAL YEAR 2025-2026**

**SYSTEMS DIVISION**

**DETAIL OF SERVICES AND SUPPLIES ACCOUNTS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|---|
| | **COMMUNICATIONS** | | | |
| 9121 | MOBILE DEVICES SERVICE & EQUIPMENT | $140,000 | $137,765 | ($2,235) |
| 9124 | ENTERPRISE INTERNET CONNECTION | 100,000 | 130,384 | 30,384 |
| 9125 | TELEPHONE CONNECTION | 100,000 | 156,010 | 56,010 |
| 9133 | TELEPHONE SYSTEM SUPPLIES & MODIFICATIONS | 10,000 | 0 | (10,000) |
| 9135 | TELEPHONE SYSTEM MAINTENANCE | 5,000 | 0 | (5,000) |
| | TOTAL | 355,000 | 424,159 | 69,159 |
| | **TRANSPORTATION AND TRAVEL** | | | |
| 9181 | TRANSPORTATION | 3,000 | 8,136 | 5,136 |
| 9182 | TRAVEL | 50,000 | 43,203 | (6,797) |
| | TOTAL | 53,000 | 51,339 | (1,661) |
| | **POSTAGE** | | | |
| 9208 | MONTHLY RETIREE CHECK MAILING | 450,000 | 595,837 | 145,837 |
| | TOTAL | 450,000 | 595,837 | 145,837 |
| | **OFFICE SUPPLIES AND EQUIPMENT** | | | |
| 9302 | SPECIAL ORDERS/MINOR EQUIP | 15,000 | 7,049 | (7,951) |
| 9306 | COMPUTER SUPPLIES | 60,000 | 31,166 | (28,834) |
| 9332 | COMPUTER MONITORS | 45,000 | 20,406 | (24,594) |
| 9336 | COMPUTER PRINTER | 50,000 | 15,886 | (34,114) |
| 9344 | COMPUTER ACCESSORIES | 15,000 | 261 | (14,739) |
| 9345 | COMPUTER PERIPHERALS | 30,000 | 11,671 | (18,329) |
| 9347 | STORAGE MEDIA | 5,000 | 261 | (4,739) |
| 9348 | BOARD MEMBER TECH SUPPORT | 40,000 | 16,084 | (23,916) |
| 9354 | REMOTE WORKFORCE EQUIPMENT | 300,000 | 343,393 | 43,393 |
| | TOTAL | 560,000 | 446,178 | (113,822) |
| | **EQUIPMENT MAINTENANCE** | | | |
| 9411 | AUDIOVISUAL MAINTENANCE | 40,000 | 12,790 | (27,210) |
| 9412 | KEY CARD SECURITY SYSTEM (DAS) | 50,000 | 67,333 | 17,333 |
| 9414 | LAN HARDWARE MAINTENANCE | 25,000 | 78,733 | 53,733 |
| 9419 | ON-SITE PRINTER MAINTENANCE | 10,000 | 46,760 | 36,760 |
| 9424 | EQUIP MAINT - UPS - SERVER ROOM | 15,000 | 19,113 | 4,113 |
| 9436 | EQUIP MAINT - AIR CONDITIONING | 40,000 | 26,734 | (13,266) |
| 9439 | SURVEILLANCE SYSTEM | 2,500 | 2,622 | 122 |
| 9442 | FIRE SUPPRESSION SYSTEM | 2,500 | 0 | (2,500) |
| 9443 | GENERATOR SYSTEM | 10,000 | 1,997 | (8,003) |
| | TOTAL | 195,000 | 256,081 | 61,081 |
| | **EQUIPMENT RENTS AND LEASES** | | | |
| 9463 | PRODUCTION COPIERS - LEASES | 220,000 | 119,026 | (100,974) |
| | TOTAL | 220,000 | 119,026 | (100,974) |

**FISCAL YEAR 2025-2026**

**SYSTEMS DIVISION**

**DETAIL OF SERVICES AND SUPPLIES ACCOUNTS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|---|
| | **PROFESSIONAL AND SPECIALIZED SERVICES** | | | |
| 9502 | EDP CHARGES - ISD | $175,000 | $258,745 | $83,745 |
| 9509 | AUDITOR CONTROLLER - PAYROLL SERVICES | 57,000 | 65,000 | 8,000 |
| 9574 | KNOWLEDGE & DOC MGMT PROJECTS | 250,000 | 197,400 | (52,600) |
| 9680 | IRON MOUNTAIN MEDIA STORAGE | 30,000 | 26,453 | (3,547) |
| 9681 | RETIREE PAYROLL PRINTING | 180,000 | 235,463 | 55,463 |
| 9717 | CLOUD MIGRATION | 250,000 | 56,332 | (193,668) |
| 9722 | MAINFRAME SERVICES | 150,000 | 181,469 | 31,469 |
| | TOTAL | 1,092,000 | 1,020,862 | (71,138) |
| | **COMPUTER SERVICES & SUPPORT** | | | |
| 9831 | LAN SOFTWARE & LIC - NEW | 100,000 | 136,935 | 36,935 |
| 9832 | LAN SOFTWARE & LIC - EXISTING | 1,805,000 | 1,785,154 | (19,846) |
| 9833 | MAINFRAME SOFTWARE & LIC - EXISTING | 1,300,000 | 1,222,577 | (77,423) |
| 9843 | LAN NETWORK HARDWARE - NEW | 75,000 | 70,268 | (4,732) |
| 9882 | BOARDROOM OPERATION MGMT SYSTEMS (I & II) | 75,000 | 73,629 | (1,371) |
| 9932 | DIVISIONAL SOFTWARE - NEW | 320,000 | 254,109 | (65,891) |
| 9933 | DIVISIONAL SOFTWARE - EXISTING | 676,000 | 733,979 | 57,979 |
| 9934 | ENTERPRISE SOFTWARE - NEW | 1,005,000 | 584,748 | (420,252) |
| 9935 | ENTERPRISE SOFTWARE - EXISTING | 1,069,000 | 1,321,123 | 252,123 |
| | TOTAL | 6,425,000 | 6,182,523 | (242,477) |
| | **EDUCATIONAL EXPENSES** | | | |
| 9961 | MEMBERSHIPS | 85,000 | 85,837 | 837 |
| 9962 | REGISTRATION FEES | 60,000 | 50,248 | (9,752) |
| 9963 | EDUCATIONAL MATERIALS | 5,000 | 5,710 | 710 |
| | TOTAL | 150,000 | 141,795 | (8,205) |
| | **MISCELLANEOUS** | | | |
| 9986 | MISCELLANEOUS | 2,000 | 1,593 | (407) |
| | TOTAL | 2,000 | 1,593 | (407) |
| | **GRAND TOTAL** | **$9,502,000** | **$9,239,393** | **($262,607)** |

*All amounts rounded to the nearest dollar.

# APPENDIX B

**FISCAL YEAR 2025-2026**

**RETIREE HEALTHCARE BENEFITS PROGRAM**

**BUDGET CONTROL REPORT**

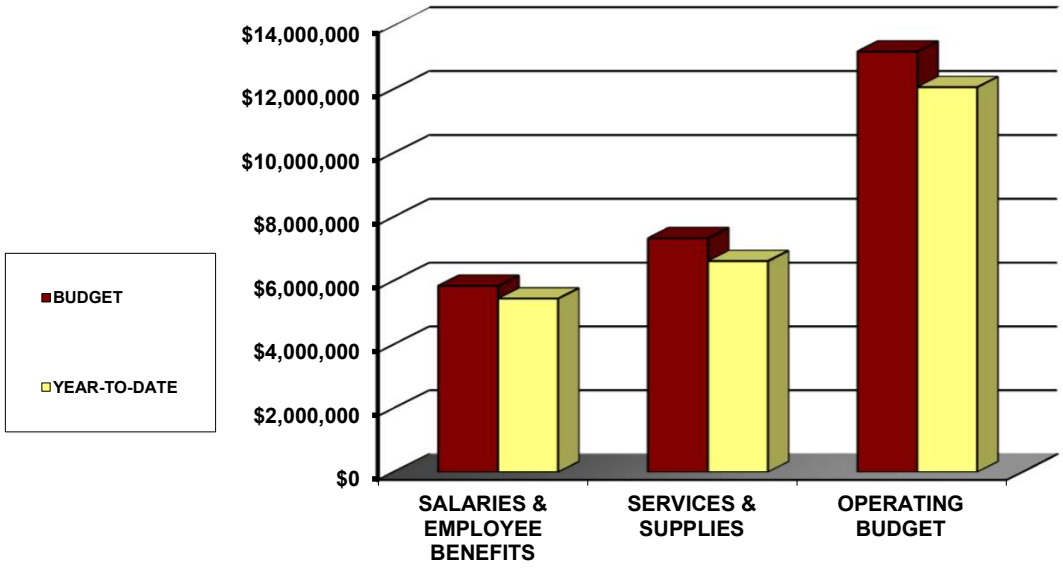
**BASED ON EXPENDITURES AS OF**
**JUNE 30, 2026**

# RETIREE HEALTHCARE BENEFITS PROGRAM

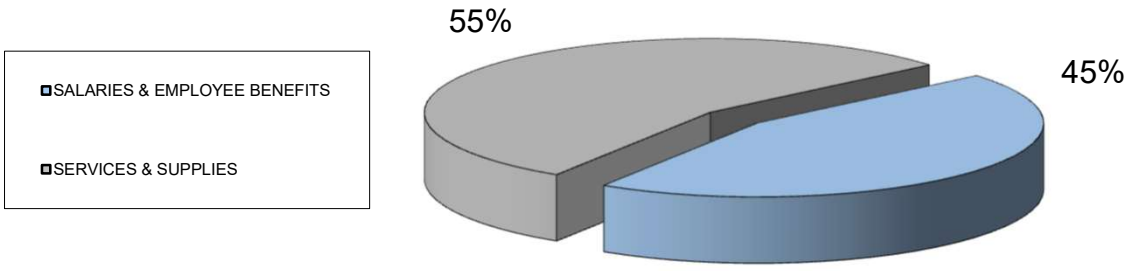
## BUDGET CONTROL REPORT - FISCAL YEAR 2025-2026
## BASED ON EXPENDITURES AS OF JUNE 30, 2026

| CATEGORY | BUDGET | YEAR-TO-DATE | OVER / (UNDER) BUDGET |
|---|---|---|---|
| SALARIES & EMPLOYEE BENEFITS | $5,843,495 | $5,445,013 | ($398,482) |
| SERVICES & SUPPLIES | $7,337,353 | $6,620,845 | ($716,508) |
| **OPERATING BUDGET** | **$13,180,848** | **$12,065,858** | **($1,114,989)** |

**Budgeted Positions** 37
**Filled Positions** 34




### Total Expenditures by Category



**FISCAL YEAR 2025-2026**

**RETIREE HEALTH CARE BENEFITS PROGRAM**

**SUMMARY OF SALARIES AND EMPLOYEE BENEFITS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|
| SALARIES & OTHER PAYS | | | |
| PERMANENT / COUNTY TEMPORARY | $3,554,789 | $3,258,447 | ($296,341) |
| AGENCY TEMPORARY | 73,300 | 81,328 | 8,028 |
| LACERA INTERN PROGRAM | 0 | 0 | 0 |
| STIPENDS | 0 | 0 | 0 |
| OVERTIME | 143,200 | 162,542 | 19,342 |
| BILINGUAL BONUS | 3,600 | 3,600 | 0 |
| PAY IN LIEU OF SALARY REDUCTION | 0 | 0 | 0 |
| TRANSPORTATION ALLOWANCE | 0 | 0 | 0 |
| RIDESHARE ALLOWANCE | 3,600 | 0 | (3,600) |
| SICKLEAVE BUYBACK | 13,000 | 14,419 | 1,419 |
| **TOTAL SALARIES & OTHER PAYS** | **$3,791,489** | **$3,520,336** | **($271,153)** |
| VARIABLE BENEFITS | | | |
| RETIREMENT | 679,058 | 779,087 | 100,029 |
| FICA CONTRIBUTION | 51,544 | 46,649 | (4,895) |
| COUNTY SUBSIDY - INSURANCE | 66,649 | 38,212 | (28,437) |
| OPTIONS PLAN | 740,682 | 655,347 | (85,335) |
| LIFE INSURANCE | 2,951 | 3,399 | 449 |
| HEALTH INSURANCE TEMPS | 22,541 | 0 | (22,541) |
| FLEXIBLE BENEFIT PLAN | 0 | 0 | 0 |
| THRIFT PLAN / HORIZONS | 142,192 | 107,300 | (34,892) |
| SAVINGS PLAN | 32,064 | 23,657 | (8,406) |
| PENSION SAVINGS PLAN | 20,179 | 674 | (19,505) |
| MEGAFLEX | 136,271 | 108,942 | (27,329) |
| **TOTAL VARIABLE BENEFITS** | **$1,894,130** | **$1,763,268** | **($130,862)** |
| **OPEB CONTRIBUTION** | **157,877** | **161,410** | **3,533** |
| **ADDITIONAL OPEB CONTRIBUTION** | **0** | **0** | **0** |
| **OTHER BENEFITS** | **0** | **0** | **0** |
| **TOTAL EMPLOYEE BENEFITS** | **$2,052,006** | **$1,924,677** | **($127,329)** |
| **TOTAL SALARIES & EMPLOYEE BENEFITS** | **$5,843,495** | **$5,445,013** | **($398,482)** |

*All amounts rounded to the nearest dollar.

**FISCAL YEAR 2025-2026**

**RETIREE HEALTH CARE BENEFITS PROGRAM**

**DETAIL OF SERVICES AND SUPPLIES ACCOUNTS**
**BASED ON EXPENDITURES AS OF JUNE 30, 2026**

| | | BUDGET | YTD ACTUAL | OVER/(UNDER) BUDGET |
|---|---|---|---|---|
| | **TRANSPORTATION AND TRAVEL** | | | |
| 9181 | TRANSPORTATION | $1,500 | $2,002 | $502 |
| 9182 | TRAVEL | 30,000 | 13,668 | (16,332) |
| | TOTAL | 31,500 | 15,670 | (15,830) |
| | **POSTAGE** | | | |
| 9212 | SPECIAL RETIREE MAILINGS | 350,000 | 408,205 | 58,205 |
| | TOTAL | 350,000 | 408,205 | 58,205 |
| | **OFFICE SUPPLIES AND EQUIPMENT** | | | |
| 9302 | SPECIAL ORDERS/MINOR EQUIP | 5,000 | 1,519 | (3,481) |
| | TOTAL | 5,000 | 1,519 | (3,481) |
| | **OPERATIONAL COSTS** | | | |
| 9482 | RENT | 224,200 | 160,115 | (64,085) |
| 9483 | DEPARTMENTAL OVERHEAD | 5,343,353 | 4,835,895 | (507,458) |
| | TOTAL | 5,567,553 | 4,996,010 | (571,543) |
| | **PROFESSIONAL AND SPECIALIZED SERVICES** | | | |
| 9541 | AUDITS | 129,200 | 129,755 | 555 |
| 9545 | HEALTH CARE CONSULTING | 762,000 | 741,100 | (20,900) |
| 9674 | MEMBER VERIFICATION | 90,000 | 0 | (90,000) |
| 9573 | OPEB VALUATION | 354,000 | 302,671 | (51,329) |
| | TOTAL | 1,335,200 | 1,173,526 | (161,674) |
| | **BANK SERVICES** | | | |
| 9753 | BANK CHARGES - STATE STREET | 21,500 | 16,690 | (4,810) |
| | TOTAL | 21,500 | 16,690 | (4,810) |
| | **LEGAL FEES AND SERVICES** | | | |
| 9772 | OUTSIDE LEGAL COUNSEL | 7,500 | 0 | (7,500) |
| | TOTAL | 7,500 | 0 | (7,500) |
| | **EDUCATIONAL EXPENSES** | | | |
| 9961 | MEMBERSHIPS | 3,500 | 3,400 | (100) |
| 9962 | REGISTRATION FEES | 15,000 | 5,826 | (9,174) |
| 9963 | EDUCATIONAL MATERIALS | 300 | 0 | (300) |
| | TOTAL | 18,800 | 9,226 | (9,574) |
| | **MISCELLANEOUS** | | | |
| 9986 | MISCELLANEOUS | 300 | 0 | (300) |
| | TOTAL | 300 | 0 | (300) |
| | **GRAND TOTAL** | **$7,337,353** | **$6,620,845** | **($716,508)** |

*All amounts rounded to the nearest dollar.

# APPENDIX C

**FISCAL YEAR 2025-2026**

**OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST**

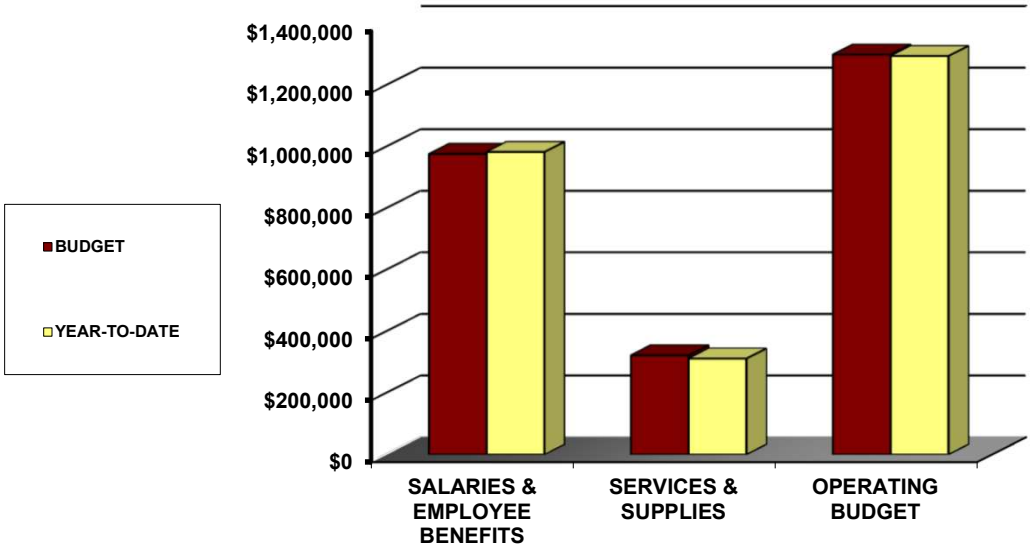
**BUDGET CONTROL REPORT**

**BASED ON EXPENDITURES AS OF**
**JUNE 30, 2026**

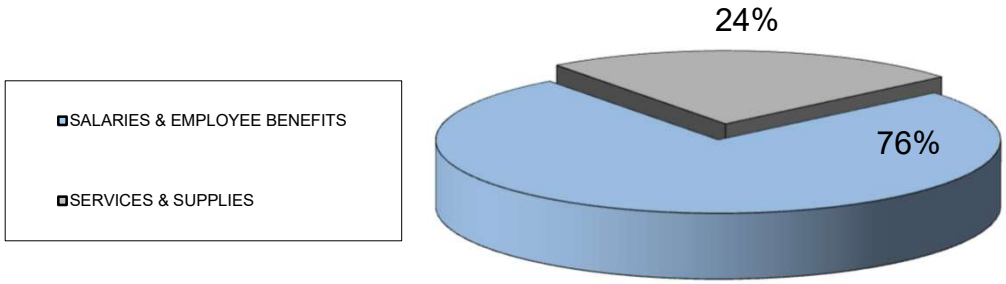
# OTHER POST-EMPLOYMENT BENEFITS TRUST

## BUDGET CONTROL REPORT - FISCAL YEAR 2025-2026
## BASED ON EXPENDITURES AS OF JUNE 30, 2026

| CATEGORY | BUDGET | YEAR-TO-DATE | OVER / (UNDER) BUDGET |
|---|---|---|---|
| SALARIES & EMPLOYEE BENEFITS | $976,786 | $983,114 | $6,328 |
| SERVICES & SUPPLIES | $322,645 | $311,915 | ($10,730) |
| **OPERATING BUDGET** | **$1,299,431** | **$1,295,029** | **($4,402)** |




**Total Expenditures by Category**



LACERA

**FOR INFORMATION ONLY**

October 27, 2026

**TO:** Each Trustee,
Joint Organizational Governance Committee
Nicole Mi, Chair
Shawn R. Kehoe, Vice Chair
Patrick Jones, Trustee
Debbie Martin, Trustee
JP Harris, Trustee
Wayne Moore, Trustee
Les Robbins, Trustee
Aleen Langton, Trustee

**FROM:** Jessica Baxter
Chief Administrative Officer

James C. Beasley Jr., CBCP, CCEP
Supervising Administrative Assistant II

**FOR:** November 23, 2026, Joint Operation Organizational Committee Meeting

**SUBJECT:** **Facilities Project Update: Boardroom and Second-Floor Renovation Projects**

**EXECUTIVE SUMMARY**

Staff is overseeing two facilities projects designed to modernize how the organization conducts Board business, serves members, and supports employees: a renovation of the first-floor Boardroom and a buildout of the second floor. The second-floor work will add a new Human Resources suite, a state-of-the-art Training Center, a dedicated Disability Hearing Room, two lactation rooms, and a wellness/relaxation room. This memo summarizes the background of each project, progress to date, and upcoming milestones.

Both projects are on track. With design and construction-document review complete, the Boardroom renovation is advancing to contractor bidding; construction is expected to start between mid-December 2026 and early January 2027 and finish early July 2027. The second-floor renovation is approximately 75% to 80% complete and within budget, with the Human Resources suite scheduled for completion by December 23, 2026, and the Training Center to follow in early January 2027.

## FIRST-FLOOR BOARDROOM PROJECT

### *Project Background*

The first-floor Boardroom serves as the main venue for LACERA Board and Committee meetings, disability retirement hearings, and other large gatherings. The renovation will deliver a modern, accessible, and secure space that better serves trustees, members, and the public, whether they participate in person or remotely. Key design features include:

- Improved accessibility throughout the room, entrances, and waiting areas;
- Separate access for trustees and the public, strengthening security and privacy;
- Upgraded audiovisual and meeting technology to support in-person and hybrid meetings;
- Additional restroom capacity and lobby seating for members of the public; and
- A flexible layout that can adapt to future seating and operational needs.

### *Current Status*

The construction documents, which incorporate the final Boardroom space plan presented at the August 24, 2026 Joint Operation Organizational Committee (JOGC) meeting, underwent formal stakeholder review on October 12, 2026. Staff are now doing a final check of the design and Boardroom technology requirements to confirm all operational needs are met before submitting the project to the city for permits and releasing it for contractor bidding.

### *Schedule*

Once construction begins, the work is expected to take approximately 18 to 28 weeks. The anticipated milestones are:

| Milestone | Target Timeframe |
|---|---|
| Release project for contractor bidding | Late October / Early November 2026 |
| Select contractor and order long-lead materials | Late November – December 2026 |
| Begin construction* | Mid-December 2026 – Early January 2027 |
| Complete construction | Early July 2027 |

*City of Pasadena inspection schedules are currently experiencing staffing-related delays, which may impact the start of the construction.

## SECOND-FLOOR RENOVATION PROJECT

### *Project Background*

The second-floor renovation converts the second floor into modern, purpose-built space serving staff, members, and organizational operations, including:

- **Human Resources Suite** – A new home for the Human Resources Division, designed to provide greater privacy and a more functional, accessible workspace for staff and visitors.
- **Training Center** – Two new state-of-the-art training classrooms equipped with modern technology, expanding the organization's capacity to deliver staff training and professional development.
- **Disability Hearing Room** – A dedicated room for disability cases, providing a private, accessible, and professional setting for hearings.
- **Lactation Rooms** – Two private, dedicated rooms that give nursing employees a comfortable and secure space during the workday.
- **Wellness/Relaxation Room** – A quiet space where staff can take a break, rest, and recharge, supporting employee health and well-being.

### *Current Status*

Furniture and obsolete equipment have been removed, and demolition is complete. Electrical is complete, drywall is nearly finished, and work on interior finishes is underway. The project is approximately 75% to 80% complete and within budget. To reduce the impact on nearby work areas, crews are installing protective barriers and, when possible, performing noisy work outside regular business hours.

### *Schedule*

The Human Resources suite is on schedule for completion by December 23, 2026, so the division can relocate as planned; partial occupancy is available if needed. Due to the custom features in the training classrooms, the Training Center may not be finished until the first week of January 2027. After the space is turned over and furnished, staff will test all classroom equipment and train instructors before classes begin. A brief delay will not disrupt scheduled training, since the existing 6th Floor Training Room remains available.

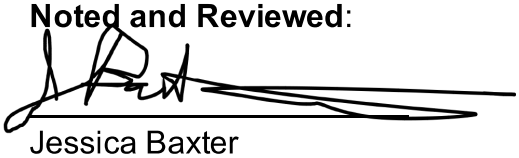
## NEXT STEPS

Staff will continue coordinating with the architect, building management, contractors, technology partners, furniture vendors, and internal stakeholders to:

- Release the Boardroom project for contractor bidding and select a contractor by December 2026;
- Obtain required City permits and begin Boardroom construction between mid-December 2026 and early January 2027;
- Complete second-floor interior finishes and relocate the Human Resources Division by December 23, 2026;
- Complete the Training Center, test classroom technology, and prepare instructors for classes in early January 2027; and
- Continue monitoring schedules, budgets, and risks for both projects.

Staff will continue to keep the Committee informed as both projects reach key construction and occupancy milestones.

**Noted and Reviewed**:



Jessica Baxter
Chief Administrative Officer