

Administrative, Retiree Healthcare Benefits
& OPEB Trust

BUDGET



Fiscal

Year

2020-2021

LACERA's

BUDGET

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EXECUTIVE SUMMARY- LACERA Administrative Budget

In accordance with Government Code Section 31580.2 of The County Employees Retirement Law, and the Joint Organizational Governance Committee (JOGC) Charter we are pleased to present the FY 2020-2021 Proposed Administrative Budget for your consideration.

A budget should reflect the Mission, Vision, Values, and top priorities for an organization as outlined in its Strategic Plans and demonstrate how those plans will be implemented. The FY 2020-2021 Administrative Budget was created to support the mission and strategic goals of LACERA. (See Appendix A for LACERA's Strategic Plan).

Mission Statement:

Our mission is to produce, protect and provide the promised benefits through prudent investment and conservation of plan assets by the expert administration of the pension system while providing exceptional service to our members and beneficiaries.

Vision Statement:

Our vision is our pledge to be the premier retirement association through excellence in retirement law; commitment to teamwork; trust to safeguard assets; and service to members that is courteous, professional, and 100 percent accurate.

Our Values:

- Professionalism
- Respect
- Open Communications
- Fairness
- Integrity
- Teamwork

The LACERA management team is committed to working together across divisional boundaries to deliver a high level of service to our members. The budget development process includes a considerable amount of collaborative discussion and cross-divisional cooperation. This is done so that the budget reflects our mission, our values, and our organizational needs and goals.

Our approach to drafting the FY 2020-2021 spending plan was to develop a status quo budget with minimal changes from the prior year. At mid-year, we planned to return for approval of additional budgetary resources once metrics are developed to more fully address operational needs. We believe this staggered budget development approach will enable the new executive leadership time to develop the strategic direction and to support the management team with realigning resources.

The original FY 2020-2021 Preliminary Budget was transmitted to the JOGC for its consideration at the JOGC meeting scheduled for March. Unfortunately, that meeting was cancelled due to the rapidly moving and ever-evolving COVID-19 pandemic and the need for the Executive Team to devote its full attention to protecting the safety and health of our employees.

At the April JOGC meeting we presented a revised Preliminary Budget that included additional budgetary adjustments to address the “new normal” as we continue to rapidly transition to a secure remote work environment in response to the pandemic. The transition to this new work environment requires immediate changes to the technology and operational requirements of the organization. More modest budget changes may follow later in the year as we continue to navigate our way through unexpected operational challenges.

The budget consists of two major components: Salaries and Employee Benefits (S&EB) and Services and Supplies (S&S). The Proposed Administrative Budget request for FY 2020-2021 is \$97,726,389 representing a 3.3% increase from the previous year amount of \$94,599,990. This increase represents a 6.3% increase in S&EB costs and an 8.0% decrease in S&S costs.

Salaries and Employee Benefits

The majority of the Proposed Administrative Budget is S&EB costs. The 6.3% or \$4.7 million increase from the prior year can be attributed to the following:

- Three New Positions
- Three Upgraded Positions
- MOU Negotiated Increases
- Salary Step Increases
- Performance/Merit Increases

The significant changes from the prior year budget are highlighted below:

New and Upgraded Positions

We included a request for a *Public Information Officer (PIO)* to assist with coordinating and actively managing LACERA’s media responses and our social media platforms that we plan to launch in the upcoming fiscal year. We believe that having a dedicated public relations professional on staff will enhance our ability to respond to media inquiries expeditiously, and enhance our ability to provide information to our retired and active members in multiple ways. These alternative communication channels require a great deal of time, effort and thought to develop and manage given the short news cycles and need for publications and media outlets to produce content. The cost for adding this position to the budget is approximately \$124,000 annually. Although the PIO position is an existing ordinance position and thus will not require action by the County to add to our ordinance positions, it is possible that we may need to conduct a compensation study if it is determined this is a

below market rate once we begin recruiting.

We are requesting to add two permanent positions in the Procurement Unit at the level of *Procurement and Supply Clerk*. We discovered that the Procurement and Supply Clerk position was reclassified years ago to a Procurement Assistant II position. Previously the Supply Clerk position had arduous duties in the job classification. When the position was reclassified it no longer included the arduous capacity. This appears to be an oversight. As the Procurement Unit's responsibilities often include heavy lifting, the additional positions are needed to perform these tasks. The cost of adding these 2 positions is approximately \$134,000.

The recommendation to upgrade lower level positions to higher level ones by swapping out legacy items with more appropriate positions remains unchanged. These upgraded positions are needed to handle the higher level of work complexity, training responsibilities and supervision requirements needed to maximize our effectiveness in delivering exceptional services to our members.

Services and Supplies

The Services and Supplies (S&S) costs are reflective of the daily operational needs of the organization and are primarily based on historical expenditures adjusted for inflation. The 8.0% or \$1.6 million decrease in S&S costs relate to the following:

- Decrease mostly related to the management team's focus on efficiency and a concerted effort to budget more closely to actual expenditure.
- Decrease in Travel, Training and Education expenses expected to be reduced based on the COVID-19 Pandemic.
- Increase in technology costs related to our plan to implement a secure remote work environment.

Items to highlight in the S&S Budget include the following:

Transportation, Travel and Educational Expenses

Because of the unpredictable nature of the coronavirus and the uncertainty of the lasting effects of the disease on global, national and local communities, we will be continuing our no travel directive on international, national and local travel by staff. We will continue to monitor local, state and national health and travel warnings to inform our future decisions to relax the no travel policy for staff. However, we deem it highly unlikely that staff travel will resume to its pre-crisis level in the near future. As such, we reduced the travel and transportation budget by 31.7% and the educational expense budget by 19.2% from the prior year amount to reflect the anticipated travel constraints through the end of the calendar year.

In the meantime, and until the travel situation changes for the better, we are encouraging Trustees and staff to participate in educational conferences and training via webinar. Staff with educational requirements for licenses or certifications have been encouraged to obtain that education online at no or low cost, instead of traveling. From our research, many of these on-line offerings are free of charge and readily available to Trustees and staff. We will reassess our ability to perform business, legal and technical diligence with guidance from public health authorities.

The safety of our Trustees, employees and valued LACERA members will remain our primary focus moving forward. We will continue to deal with the aftermath of the pandemic on our operations while at the same time transitioning from the current COVID-19 operating state to the potential for a remote work environment being our “new normal”.

Remote Call Center

We are requesting supplemental funding in the amount of up to \$250,000 to pay for ongoing costs due to the establishment of a remote call center solution as part of LACERA’s response to the pandemic.

To support and sustain our call center operations under the anticipated “new normal”, we intend to maintain the remote call center for the foreseeable future. The Amazon Web Service (AWS) platform that was set up by Systems and tested by our Member Service teams went live on April 30, 2020. The remote call centers have restored LACERA’s ability to interact with our members as we had before the pandemic. Since that date we have handled over 4,800 hundred members in the Member Services call center and over 1,700 calls in our Retiree Healthcare call center.

Given the virtual call center was implemented as a quick solution with essential but limited functions, it does not provide for the full extent and features of our internal call center. For the long-term, we will research a solution to permanently enable our call center with remote capabilities containing all of our existing feature sets, such as member recordings linked to the member’s permanent record, detailed performance reports, and visual screen recordings. This budget request principally supports the COVID-19 remote call center while staff works to identify a more permanent solution that will enhance our remote service capabilities and become a permanent fixture in our disaster recovery and business continuity planning efforts.

Cloud Service Migration

As we are accelerating our plans to implement a secured remote workforce infrastructure, we are also stepping ahead to migrate more of our server operations into the cloud. The requested funding in the amount of \$300,000 is our initial investment to migrate a select number of key servers into the cloud. This separate effort will enhance our previous remote workforce project and transform LACERA into a more resilient organization and one with multiple redundancies. Our disaster recovery program will also benefit from having critical

systems available should LACERA's building become inoperable. As always, we need to strike the right balance between security and service. We will be engaging vendor resources to help us with the initial cloud migration process.

Workstation/Remote Office Equipment

Supplemental funding in the amount of \$250,000 is recommended to provide for the acquisition of computing equipment, including laptops and accessories for approximately 100 to 125 remote-working employees. During the COVID-19 emergency, IT staff deployed desktop computers for remote use. Using laptops and accessories designed for a remote work environment provides better utility and functionality, such as inclusion of webcams and microphones for meetings and member calls as well as larger screens.

LACERA Austerity Plan

In recognition of the harsh realities that this pandemic has had and will continue to exert on local public health resources, the economy, our plan sponsor and most importantly our members, we are proposing that LACERA adopt a COVID-19 Austerity Plan (CAP) to help guide us through these unprecedented times.

LACERA's operational funding is not dependent on the value of the pension fund assets, but rather the actuarial liabilities of the fund. As a result, it does not have the same financial pressures as our plan sponsor and other governmental agencies. In fact, based on our funding formula of twenty-one basis points applied to our actuarial liabilities, LACERA is estimating a \$59 million contingency reserve assuming all budget recommendations are approved by the Boards. This puts us in a solid budgetary position to weather this challenging and uncertain time.

Nonetheless, we believe it is prudent for LACERA as an organization to tighten its financial belt and implement the following CAP measures through FY 2020-21 at a minimum.

- Continue with the closure of our Member Services Center with the intent of eliminating all in-house counseling sessions during the work week and on Saturdays until reopening is consistent with public health professional guidelines. We will replace these in-house counseling sessions with virtual one-on-one sessions.
- Eliminate all non-essential in-person outreach efforts until it is deemed safe to resume local business operations by public health officials. We will replace these efforts with virtual opportunities
- Continue with the no travel directive for international, national and local travel by staff for due diligence and educational purposes until health and national advisories for international, domestic and local travel warnings are lifted.
- Postpone replacement of in office workstations and any other major building renovation project until further notice. The installation and upgrade of at-home

technical tools may be required and will be evaluated and approved on a case-by-case basis.

- Freeze the purchase of all non-essential items and equipment until further notice.
- Restrict overtime and the use of compensation time to the greatest extent possible given the remote work environment we are operating under.
- Implement a hard hiring freeze on non-essential permanent and temporary employees until further notice.
- Implement a soft hiring freeze on essential permanent and temporary staff required to continue the high functioning of the pension system, the first-class management of our investment operations, and the delivery of critical technology and vital administrative support services.
- Authority to hire essential pension and support staff will be thoroughly examined and solely determined by the Chief Executive Officer and for investment staffing purposes by the CEO in close consultation with the Chief Investment Officer.

Summary

The Proposed Administrative Budget request for FY 2020-2021 is \$97,726,389 representing a 3.3% increase from the previous year amount of \$94,599,990. The management team has worked diligently to draft a budget that supports LACERA's ongoing needs. While today we present a status quo budget, we look forward to collaborating with the new executive leadership to develop and prioritize a new strategic plan that incorporates bold and innovative ways to provide more efficient and cost-effective ways to serve our members.

For additional details related to the budget request, see the following sections:

- Budget Request Summary
- Salaries and Employee Benefits Detail
- Services and Supplies Detail
- Detail by Division

Board of Retirement

Mission Statement

We produce, protect, and provide the promised benefits.

The Board

Composed of eleven members:

- Two elected by active general members
- One elected by retired members
 - Retired members also elect an alternate member
- One elected by safety members
 - Safety members also have an alternate member
- Four members appointed by the Los Angeles County Board of Supervisors

Responsibilities

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



HERMAN B. SANTOS

Chair

Elected by General Members



VIVIAN H. GRAY

Vice Chair

Elected by General Members



GINA ZAPANTA

Secretary

Appointed by Board of Supervisors



JAMES P. HARRIS

Alternate Member

Elected by Retired Members



SHAWN R. KEHOE

Elected by Safety Members



KEITH KNOX

County Treasurer and Tax Collector
Ex-Officio Member



WAYNE MOORE

Appointed by Board of Supervisors



RONALD A. OKUM

Appointed by Board of Supervisors



WILLIAM R. PRYOR

Alternate Member
Elected by Safety Members



LES ROBBINS

Elected by Retired Members



THOMAS WALSH

Appointed by Board of Supervisors



Board of Investments

Mission Statement

We produce, protect, and provide the promised benefits.

The Board

Composed of nine members:

- Four members appointed by the Los Angeles County Board of Supervisors
- Elected members
 - Two elected by active general members
 - One elected by retired members
 - One elected by safety members
- County Treasurer and Tax Collector serves as an ex-officio member

Responsibilities

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



DAVID GREEN

Chair

Elected by General Members



HERMAN B. SANTOS

Vice Chair

Elected by General Members



WAYNE MOORE

Secretary

Appointed by Board of Supervisors



ALAN J. BERNSTEIN

Appointed by Board of Supervisors



ELIZABETH GREENWOOD

Appointed by Board of Supervisors



SHAWN R. KEHOE

Elected by Safety Members



KEITH KNOX

County Treasurer and Tax Collector
Ex-Officio Member



DAVID L. MUIR

Elected by Retired Members



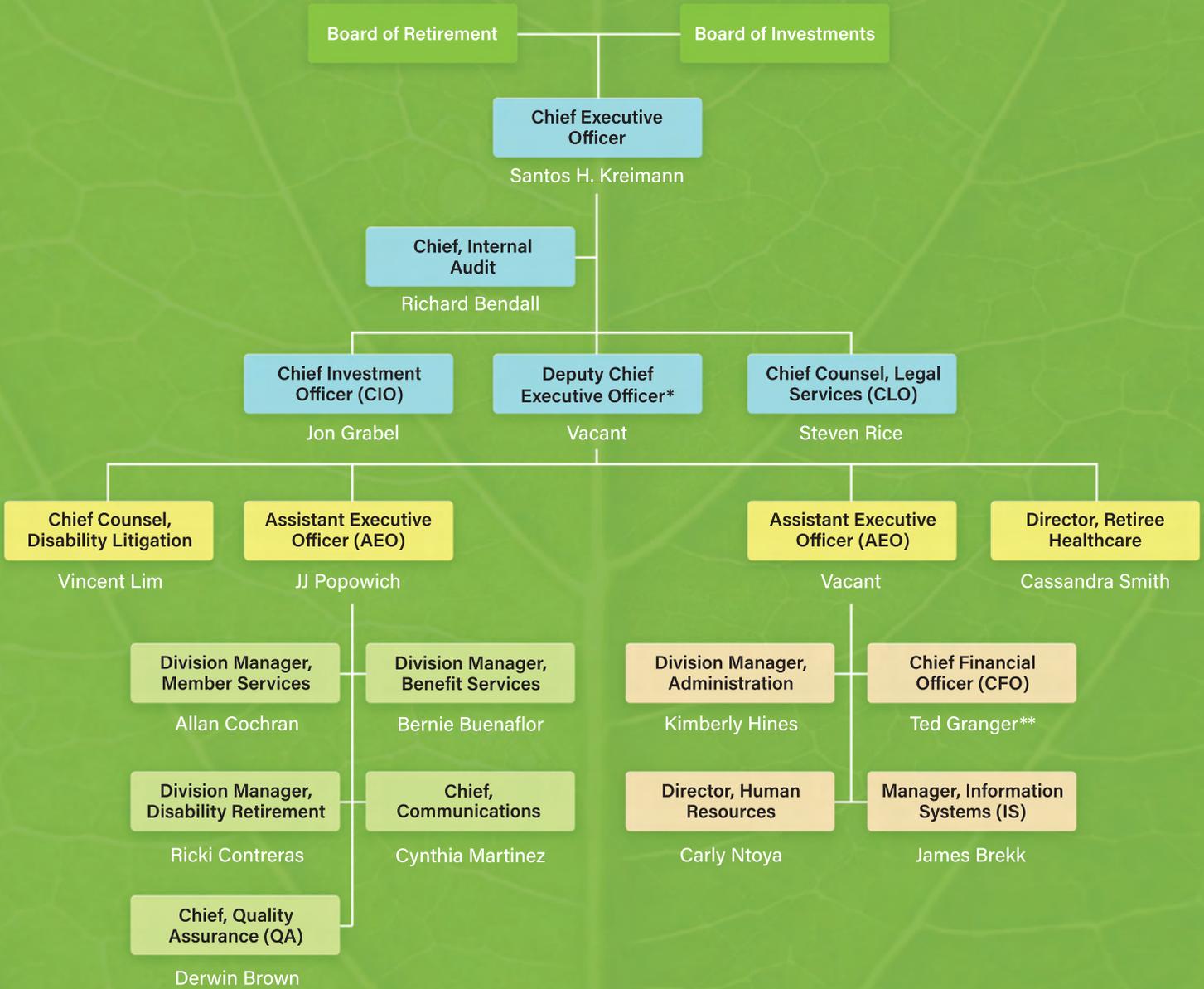
GINA V. SANCHEZ

Appointed by Board of Supervisors



LACERA

ORGANIZATIONAL CHART



*Pending Board of Supervisor's Approval

**Interim Assignment

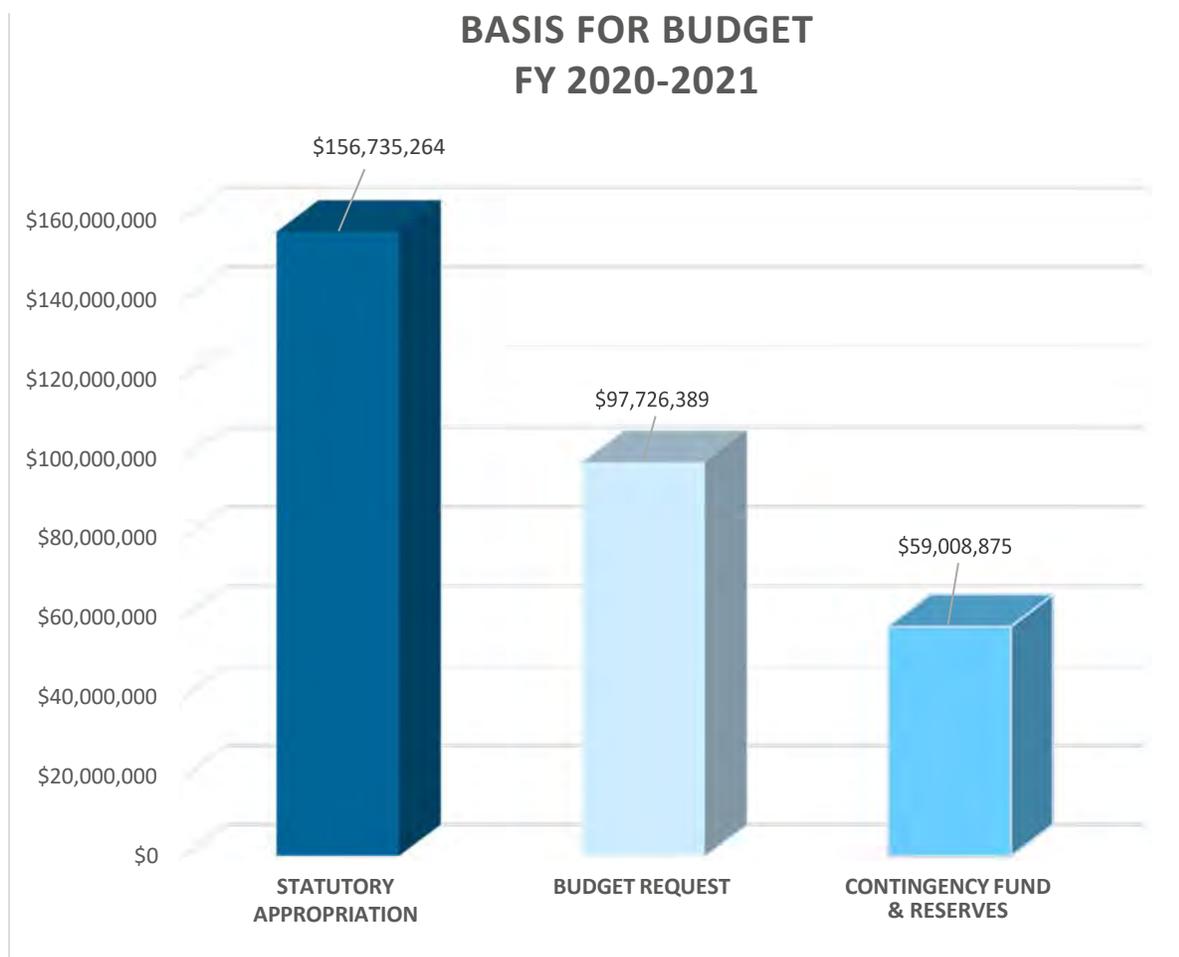
BUDGET POLICIES

LACERA's budgeting policies are based on legal statutes required under the 1937 Act, as well as policies set by LACERA's Board of Retirement and Board of Investments (the Boards).

Legal Requirement

Government Code 31580.2 requires the annual adoption of a budget covering the entire expense of administration of the retirement system. The code requires that the expenses be charged against the earnings of the retirement fund and that the expenses may not exceed twenty-one basis points (0.21%) of the accrued actuarial liability of the retirement system. Although expenses for computer software, hardware and computer technology consulting services are included in the Administrative Budget, such costs are not subject to the budget limit.

Per the 1937 Act, LACERA's Statutory Appropriation for FY 2020-2021 is \$156,735,264.



JOGC Oversight

In addition to the State Code, the budget is also guided by LACERA's Joint Organization Governance Committee (JOGC), which provides oversight during the annual budget development cycle. The process consists of staff developing a preliminary budget plan that consider and support the approved strategic plans and general operating needs. The preliminary budget is presented to the JOGC for review. Recommendations by the JOGC are presented to the Boards during the budget hearings. Both Boards will then independently take action on the JOGC's recommended proposed budget.

Contingency Funds

Contingency funds are available for unanticipated expenditures that may occur during the year. Use of Contingency funds must be approved by both Boards. The estimated contingency funds available is \$59,008,875.

NOTE: The Audit Committee (AC) will request approval from both the Board of Retirement and the Board of Investments to establish an Audit Reserve Fund against the contingency monies in the amount of \$500,000. These funds would be used to pay for additional audit work needed when a preliminary finding from existing audit activities warrant further investigation.

A delegation of both Board's authority would be needed to authorize the AC to spend the reserve funds as needed throughout the fiscal year without having to return to the Boards for further approval. Should the AC authorize the expenditure of all of the allotted amount, the contingency fund would be reduced to \$58,508,875.

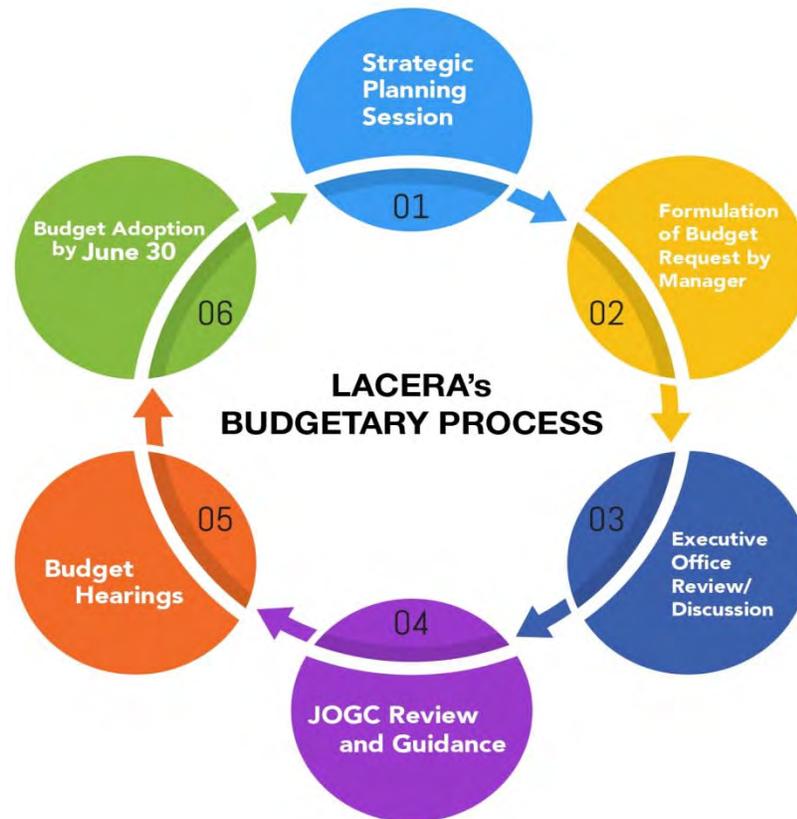
Retiree Health Care Benefits Program

Our Retiree Health Care Benefits Program provides health care benefits to our membership on behalf of our plan sponsor, the County of Los Angeles. The insurance premiums are born solely by the participants of the plan and Los Angeles County. LACERA trust funds are not used for premium payments. The direct costs and variable overhead costs associated with the administration of the Retiree Health Care Benefits Program are charged against the premium payments and, as such, are not included in the Administrative Budget.

Non-Administrative Expenses

As provided in Government Code Section 31596.1 the expenses of investing its moneys, securing custodial bank services, actuarial services and attorney services shall not be considered a cost of administering the system.

BUDGET PROCESS



LACERA's budget process includes 6 major stages as depicted in the diagram above. The budget process typically begins in October of each year and coincides with the Strategic Planning process. In October, the management team generally holds an offsite meeting to engage in team building exercises, and begin discussion about organizational priorities and strategic direction.

Between October and November, the management team begins to formulate their budget requests. Throughout the month of December, the Budget Team meets with the managers to gather information about what they will be requesting. This discussion helps the Budget Team and their partners begin to prepare costs and determine what will be needed to support the divisional and management requests.

Normally, the budget process parallels the Strategic Plan process. Ideally, the Strategic Plan process is also linked to the budget process to ensure the organization allocates the proper resources to see the plan through to fruition.

This year our process was done differently because our new CEO started in November 2019. The Strategic Plan was rolled over from the previous year to help the organization focus on meeting the already existing goals. This also allowed our new CEO time to evaluate where the organization is and marshal their efforts to see the plan through.

During the month of January, the management team meets with the Executive Office to present their proposed budgets. During this process, the Executive Office weighs the requests against the organizational goals and the Strategic Plan. These discussions help refine the requests and balance competing needs throughout the organization.

Also, during this stage the Executive Office meets with the Systems Division to review the various requests from the divisions and what those requests will need from a Systems aspect to support the requests. This too is a very labor intensive process that requires the Systems Division to cost out specific support needs that are changing on a daily basis as the requests are refined. At the end of this process, the Executive Office and the management team agree upon their divisional requests and the Budget Unit begins to assemble the budget.

The fourth and fifth stages include presenting the Preliminary Budget to the JOGC for review and guidance and presenting the Proposed Budget at the Budget Hearing for the review and discussion with the Boards and the public.

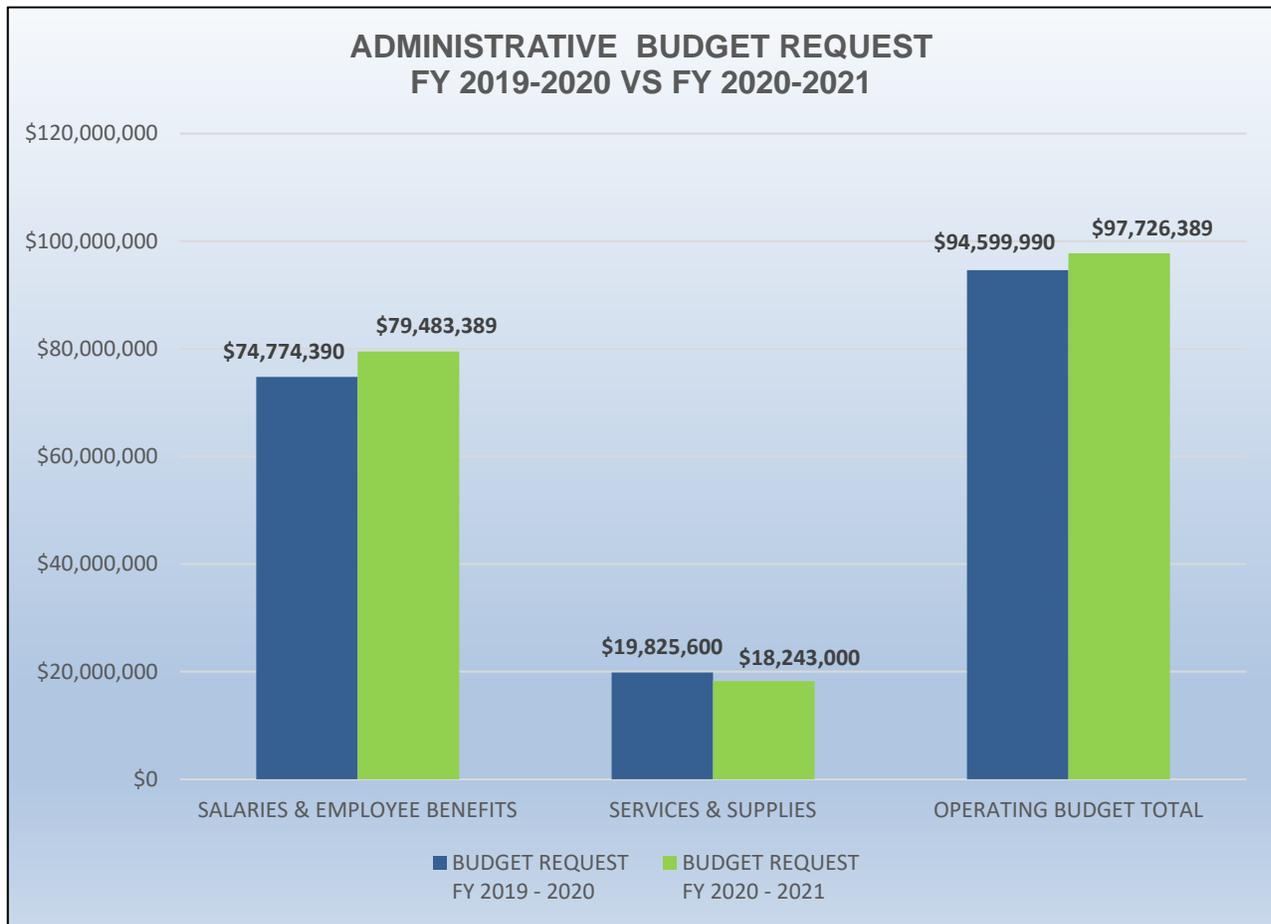
Lastly, the Proposed Budget is submitted for approval at the meetings of each Board.

BUDGET REQUEST SUMMARY

Overview

The Administrative budget consists of two components, Salaries & Employee Benefits and Services and Supplies. The Proposed Administrative budget request for FY 2020-2021 is \$97,726,389. This represents a 3.3% increase from the prior year budget.

ADMINISTRATIVE BUDGET	BUDGET REQUEST FY 2019 - 2020	BUDGET REQUEST FY 2020 - 2021	VARIANCE	% CHANGE
SALARIES & EMPLOYEE BENEFITS	\$74,774,390	\$79,483,389	\$4,708,999	6.3%
SERVICES & SUPPLIES	\$19,825,600	\$18,243,000	(\$1,582,600)	-8.0%
OPERATING BUDGET TOTAL	\$94,599,990	\$97,726,389	\$3,126,399	3.3%



The chart below displays the total budgeted costs per division in comparison to the prior year.

DIVISION	BUDGET REQUEST FY 2019-2020	BUDGET REQUEST FY 2020-2021	VARIANCE	% CHANGE
Administrative Services	\$7,820,552	\$7,989,142	\$168,590	2.2%
Benefits	10,566,377	10,260,348	(306,029)	-2.9%
Board of Retirement	228,900	284,000	55,100	24.1%
Board of Investments	337,500	495,000	157,500	46.7%
Communications	2,457,549	3,085,151	627,602	25.5%
Disability Litigation	1,988,281	2,079,978	91,696	4.6%
Disability Retirement	8,707,507	8,730,604	23,097	0.3%
Executive Office	2,558,560	2,270,915	(287,646)	-11.2%
Financial & Accounting Services	4,529,440	4,165,022	(364,418)	-8.0%
Human Resources	3,974,474	3,871,758	(102,715)	-2.6%
Internal Audit	2,390,584	2,582,486	191,902	8.0%
Investment Office	12,926,234	14,434,263	1,508,029	11.7%
Legal Services	6,436,423	6,549,462	113,039	1.8%
Member Services	9,014,633	9,761,207	746,574	8.3%
Quality Assurance	3,327,189	3,384,955	57,767	1.7%
Systems	17,335,787	17,782,099	446,312	2.6%
TOTAL	\$94,599,990	\$97,726,389	\$3,126,399	3.3%

For additional details see the Expenses by Division section.

Salaries & Employee Benefits

Salaries & Employee Benefit (S&EB) costs consist of the ongoing personnel costs for the organization. These costs include the salaries, the variable benefit costs (i.e., retirement costs, county subsidy of insurance costs, option plan costs, life insurance, 457 and 401K plan costs, etc.), agency temporary staff, and overtime costs, OPEB costs, and other benefit costs. These costs are budgeted at \$79.5 million and represent a 6.3% increase from the prior year.

S&EB CATEGORY	BUDGET REQUEST FY 2019 - 2020	BUDGET REQUEST FY 2020 - 2021	VARIANCE	% CHANGE
SALARIES & OTHER PAYS				
Permanent / County Temporary	\$43,949,835	\$48,117,819	\$4,167,985	9.5%
Agency Temporary	3,318,600	1,669,500	(1,649,100)	-49.7%
LACERA Intern Program	144,000	0	(144,000)	-100.0%
Stipends	65,000	65,000	0	0.0%
Overtime	612,100	801,900	189,800	31.0%
Bilingual Bonus	24,000	21,600	(2,400)	-10.0%
Transportation Allowance	0	0	0	0.0%
Rideshare Allowance	121,000	70,300	(50,700)	-41.9%
Sickleave Buyback	66,500	66,500	0	0.0%
Reserve For Remuneration	0	0	0	0.0%
TOTAL SALARIES & OTHER PAYS	\$48,301,035	\$50,812,619	\$2,511,584	5.2%
VARIABLE BENEFITS				
Retirement	8,140,238	9,006,465	866,227	10.6%
FICA Contribution	700,698	779,718	79,020	11.3%
County Subsidy - Insurance	2,382,392	2,654,602	272,210	11.4%
Options Plan	4,099,576	4,311,976	212,400	5.2%
Life Insurance	19,368	18,735	(633)	-3.3%
Health Insurance Temps	205,164	277,043	71,879	35.0%
Flexible Benefit Plan	71,384	41,806	(29,578)	-41.4%
Thrift Plan / Horizons	1,419,490	1,508,445	88,955	6.3%
Savings Plan	1,005,787	1,131,574	125,787	12.5%
Pension Savings Plan	17,530	36,850	19,320	110.2%
Megaflex	4,255,973	4,707,637	451,664	10.6%
TOTAL VARIABLE BENEFITS	\$22,317,598	\$24,474,851	\$2,157,253	9.7%
OPEB CONTRIBUTION	\$951,757	\$1,234,919	\$283,162	29.8%
OTHER BENEFITS	\$3,204,000	\$2,961,000	(\$243,000)	-7.6%
TOTAL EMPLOYEE BENEFITS	\$26,473,355	\$28,670,770	\$2,197,415	8.3%
TOTAL SALARIES & EMPLOYEE BENEFITS	\$74,774,390	\$79,483,389	\$4,708,999	6.3%

Assumptions

The following assumptions were used in developing the S&EB portion of the budgets:

- Salaries are budgeted based on projected yearly costs by position.
- Vacant positions are budgeted at the first step and salary savings are calculated by reducing the salary cost by the number of months it takes to hire against the position. We estimate the vacancy at six months unless otherwise specified.

Increased Costs

As salary costs increase a corresponding increase in variable benefits is included. Variable benefit costs average 50.78% of salaries.

Additional Staff

Staffing changes as outlined below include additional positions in the Administrative Services and Communications Divisions in the amount of \$259,120.

DIVISION		POSTION TITLE	ANNUAL SALARY	VARIABLE BENEFITS	BUDGET IMPACT
Administrative Services	2.0	Procurement & Supply Clerk	\$89,158	\$45,274	\$134,432
Communications	1.0	Public Information Officer	\$82,695	\$41,993	\$124,688
Total	3.0		\$171,853	\$87,267	\$259,120

Other cost increases are attributed to the following:

Negotiated Salary Increases (MOU)

This represents salary increases negotiated through a Memorandum of Understanding that will take effect on January 2021. The salary increase ranges from 2.5% to 3.5% depending on the classification. The total annual cost is estimated to be \$800,899.

Performance/Merit Increases

This represents a performance/merit-based salary increase for Tier I and Tier II employees. The increase ranges from 2% to 4% depending on the staff performance rating. The total cost is estimated to be \$445,272.

Salary Step Increases

This represents step increases for staff that are not at the top of their designated salary range. These increases are budgeted at 5.5%. The total cost is estimated to be \$357,666.

Additional Staff Detail

Administrative Services Division: Procurement

No. of Positions	Title of Requested Position	Division/Section
2	Procurement and Supply Clerk	Procurement

Administrative Services Division is requesting to add two permanent positions at the Procurement and Supply Clerk level. It was discovered that the Procurement Assistant II position does not include the arduous capacity in their job description. As the Procurement Unit responsibilities often include heavy lifting, the additional positions are needed to perform these tasks.

Communications Division

No. of Positions	Title of Requested Position	Division/Section
1	Public Information Officer	Communications

We included a request for a *Public Information Officer (PIO)* to assist with coordinating and actively managing LACERA's media responses and our social media platforms that we plan to launch in the upcoming fiscal year. We believe that having a dedicated public relations professional on staff will enhance our ability to respond to media inquiries expeditiously, and enhance our ability to provide information to our retired and active members in multiple ways. These alternative communication channels require a great deal of time, effort and thought to develop and manage given the short news cycles and need for publications and media outlets to produce content.

Position Upgrade Request

Also included in the budget is a request to upgrade four positions. Details of these requests are listed below:

Internal Audit

No. of Positions	Current Position	Upgraded Position
1	Internal Auditor	Senior Internal Auditor

The budget request includes the deletion of one currently vacant Internal Auditor position and the addition of one Senior Internal Auditor to better align staffing levels with the amount of complex work. The increased complexity of audits results in the need for more experienced auditors.

Investment Office

No. of Positions	Current Position	Upgraded Position
2	Finance Analyst I	Finance Analyst II

A classification study completed in June 2019 resulted in the upgrade of two Finance Analyst I positions to Finance Analyst II positions.

Total Budgeted Positions

Based on the proposal to add 3 new positions, LACERA's total budgeted positions count will be 459.

DIVISION	BUDGETED POSITIONS FY2019-2020	CHANGE	BUDGETED POSITIONS FY2020-2021
ADMINISTRATIVE	34	2	36
BENEFITS	71		71
COMMUNICATIONS	13	1	14
DISABILITY LITIGATION	7		7
DISABILITY RETIREMENT	41		41
EXECUTIVE OFFICE	8		8
FASD	30		30
HUMAN RESOURCES	13		13
INTERNAL AUDIT	11		11
INVESTMENT	44		44
LEGAL SERVICES	26		26
MEMBER SERVICES	79		79
QUALITY ASSURANCE	19		19
SYSTEMS	60		60
TOTAL	456	3	459

SERVICES & SUPPLIES

Services and Supplies (S&S) costs are reflective of the daily operational needs of the organization and are primarily based on historical expenditures adjusted for inflation. For FY 2020-2021 these costs are budgeted at \$18.2 million and represent an 8.0% decrease from the prior year. The proposed expenses have been reduced through the management team's focus on efficiency and concerted effort to budget more closely to actual expenditures. Another notable area of reduction relates to offsite related costs associated with travel & education expenses because of the COVID-19 pandemic.

S&S CATEGORY	BUDGET REQUEST FY 2019-2020	BUDGET REQUEST FY 2020-2021	VARIANCE	% CHANGE
Auto Expenses	\$191,600	\$36,800	(\$154,800)	-80.8%
Communications	736,400	710,000	(26,400)	-3.6%
Transportation & Travel	1,148,200	784,000	(364,200)	-31.7%
Postage	993,400	991,400	(2,000)	-0.2%
Stationery & Forms	573,800	640,100	66,300	11.6%
Office Supplies & Equipment	846,100	837,000	(9,100)	-1.1%
Insurance	733,500	714,900	(18,600)	-2.5%
Equipment Maintenance	627,500	638,000	10,500	1.7%
Equipment Rents & Leases	310,000	310,000	0	0.0%
Building Costs	2,305,000	2,175,000	(130,000)	-5.6%
Parking Fees	502,000	377,000	(125,000)	-24.9%
Professional & Specialized Services	2,685,100	2,691,200	6,100	0.2%
Bank Services	230,000	204,000	(26,000)	-11.3%
Legal Fees & Services	612,500	435,500	(177,000)	-28.9%
Disability Fees & Services	2,168,000	2,086,000	(82,000)	-3.8%
Computer Services & Support	3,176,900	2,908,300	(268,600)	-8.5%
Educational Expenses	1,511,300	1,221,700	(289,600)	-19.2%
Miscellaneous	474,300	482,100	7,800	1.6%
TOTAL	\$19,825,600	\$18,243,000	(\$1,582,600)	-8.0%

LACERA

FISCAL YEAR 2020-2021

SALARIES AND EMPLOYEE BENEFITS
CATEGORY SUMMARY

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2 0 1 9 - 2 0 2 0			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Gross Salaries	\$48,117,819	\$43,949,835	\$18,332,549	\$41,281,500	\$6,836,319	16.6%	\$4,167,985	9.5%
Salary Differential	-	-	-	-	-	-	-	-
Permanent Salaries	\$48,117,819	\$43,949,835	\$18,332,549	\$41,281,500	\$6,836,319	16.6%	\$4,167,985	9.5%
Outside Agency Temporary Staffing	1,669,500	3,318,600	1,044,191	2,196,550	(527,050)	-24.0%	(1,649,100)	-49.7%
LACERA Intern Program	0	144,000	582	12,000	(12,000)	-100.0%	(144,000)	-100.0%
Variable Benefits								
Retirement	9,006,465	8,140,238	3,155,606	7,373,100	1,633,365	22.2%	866,227	10.6%
FICA Contribution	779,718	700,698	292,097	673,809	105,909	15.7%	79,020	11.3%
County Subsidy - Insurance	2,654,602	2,382,392	812,973	1,948,900	705,702	36.2%	272,210	11.4%
Options Plan	4,311,976	4,099,576	1,549,351	3,711,980	599,996	16.2%	212,400	5.2%
Life Insurance	18,735	19,368	6,497	16,460	2,275	13.8%	(633)	-3.3%
Health Insurance Temps	277,043	205,164	67,186	153,300	123,743	80.7%	71,879	35.0%
Flexible Benefit Plan	41,806	71,384	14,090	31,500	10,306	32.7%	(29,578)	-41.4%
Thrift Plan/Horizons	1,508,445	1,419,490	512,614	1,192,700	315,745	26.5%	88,955	6.3%
Savings Plan	1,131,574	1,005,787	397,362	925,300	206,274	22.3%	125,787	12.5%
Pension Savings Plan	36,850	17,530	10,759	25,220	11,630	46.1%	19,320	110.2%
Megaflex	4,707,637	4,255,973	1,608,735	3,946,500	761,137	19.3%	451,664	10.6%
Total	24,474,851	22,317,598	8,427,269	19,998,769	4,476,082	22.4%	2,157,253	9.7%
Other Benefits	2,961,000	3,204,000	1,300,739	3,187,900	(226,900)	-7.1%	(243,000)	-7.6%
OPEB Contribution	1,234,919	951,757	493,422	947,150	287,769	30.4%	283,162	29.8%
Stipends	65,000	65,000	25,508	65,000	0	0.0%	0	0.0%
Overtime	801,900	612,100	370,325	843,900	(42,000)	-5.0%	189,800	31.0%
Bilingual Bonus	21,600	24,000	9,850	22,500	(900)	-4.0%	(2,400)	-10.0%
Reserves for Remuneration	0	0	0	0	0	0.0%	0	0.0%
Sickleave Buyback	66,500	66,500	17,911	52,800	13,700	25.9%	0	0.0%
Rideshare Allowance	70,300	121,000	19,455	119,280	(48,980)	-41.1%	(50,700)	-41.9%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
S&EB TOTAL	\$79,483,389	\$74,774,390	\$30,041,801	\$68,727,349	\$10,756,040	15.7%	\$4,708,999	6.3%

*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SALARIES AND EMPLOYEE BENEFITS
DIVISION SUMMARY

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2 0 1 9 - 2 0 2 0			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		BUDGET	YTD		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
			(12-31-19)	PROJECTION				
Administrative Services	3,921,942	\$3,481,752	\$1,473,344	\$3,305,125	\$616,817	18.7%	\$440,189.71	12.6%
Benefits	10,193,448	10,482,377	4,126,402	9,410,100	783,348	8.3%	(288,929)	-2.8%
Communications	2,073,051	1,459,349	701,893	1,529,650	543,401	35.5%	613,702	42.1%
Disability Litigation	2,035,878	1,902,981	824,219	1,876,200	159,678	8.5%	132,896	7.0%
Disability Retirement	6,364,804	6,197,007	2,473,525	5,801,547	563,257	9.7%	167,797	2.7%
Executive Office	1,976,215	1,861,060	550,337	1,492,300	483,915	32.4%	115,154	6.2%
Financial & Accounting Services	3,907,922	4,223,840	1,731,227	3,740,600	167,322	4.5%	(315,918)	-7.5%
Human Resources	2,316,658	2,439,274	951,501	2,133,200	183,458	8.6%	(122,615)	-5.0%
Internal Audit	2,121,686	1,851,084	813,963	1,834,500	287,186	15.7%	270,602	14.6%
Investment Office	14,096,963	12,361,834	5,426,504	12,358,250	1,738,713	14.1%	1,735,129	14.0%
Legal Services	5,768,262	5,385,123	2,159,230	4,974,338	793,924	16.0%	383,139	7.1%
Member Services	9,691,407	8,919,633	3,695,028	8,431,159	1,260,248	14.9%	771,774	8.7%
Quality Assurance	3,290,455	3,177,189	1,241,843	2,785,580	504,875	18.1%	113,267	3.6%
Systems Division	11,724,699	11,031,888	3,872,787	9,054,800	2,669,899	29.5%	692,812	6.3%
S&EB TOTAL	79,483,389	\$74,774,390	\$30,041,801	\$68,727,349	\$10,756,040	15.7%	\$4,708,999	6.3%

*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
AGENCY TEMPORARY STAFFING
DIVISION SUMMARY

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2 0 1 9 - 2 0 2 0			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		BUDGET	YTD		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
			(12-31-19)	PROJECTION				
Administrative Services	\$75,700	\$54,000	\$79,390	\$143,800	(\$68,100)	-47.4%	\$21,700	40.2%
Benefits	0	809,700	170,783	341,600	(341,600)	-100.0%	(809,700)	-100.0%
Communications	0	47,800	25,401	47,800	(47,800)	-100.0%	(47,800)	-100.0%
Disability Litigation	8,700	0	0	0	8,700	0.0%	8,700	0.0%
Disability Retirement	28,000	36,000	7,258	36,000	(8,000)	-22.2%	(8,000)	-22.2%
Executive Office	0	0	0	0	0	0.0%	0	0.0%
Financial & Accounting Services	255,900	424,200	140,615	350,000	(94,100)	-26.9%	(168,300)	-39.7%
Human Resources	47,700	26,200	23,741	47,500	200	0.4%	21,500	82.1%
Internal Audit	0	0	0	0	0	0.0%	0	0.0%
Investment Office	0	0	0	0	0	0.0%	0	0.0%
Legal Services	53,500	60,000	11,127	58,000	(4,500)	-7.8%	(6,500)	-10.8%
Member Services	0	160,700	60,114	120,250	(120,250)	-100.0%	(160,700)	-100.0%
Quality Assurance	0	0	0	0	0	0.0%	0	0.0%
Systems Division	1,200,000	1,700,000	525,763	1,051,600	148,400	14.1%	(500,000)	-29.4%
TOTAL	\$1,669,500	\$3,318,600	\$1,044,191	\$2,196,550	(\$527,050)	-24.0%	(\$1,649,100)	-49.7%

*All amounts rounded to the nearest dollar.

LACERA
BUDGET REQUEST INFORMATION
AGENCY TEMPORARY STAFFING
HISTORY OF EXPENDITURES

DIVISION	FYE 2018		FYE 2019		FYE 2020		FYE 2021
	Budget	Actual	Budget	Actual	Budget	Projection	Budget
Administrative Services	\$122,500	\$202,123	\$114,000	\$97,002	\$54,000	\$143,800	\$75,700
Benefits	24,400	57,435	0	97,390	809,700	341,600	0
Communications	143,300	21,198	102,500	18,315	47,800	47,800	0
Disability Litigation	0	0	0	0	0	0	8,700
Disability Retirement	104,200	40,318	42,009	46,525	36,000	36,000	28,000
Executive Office	0	0	0	0	0	0	0
Financial Services	143,200	351,042	296,300	417,710	424,200	350,000	255,900
Human Resources	39,200	109,680	101,100	93,245	26,200	47,500	47,700
Internal Audit	26,100	38,810	0	8,346	0	0	0
Investment Office	35,000	900	0	0	0	0	0
Legal Services	68,000	118,929	118,700	57,928	60,000	58,000	53,500
Member Services	75,100	121,427	129,300	152,329	160,700	120,250	0
Quality Assurance	0	0	0	0	0	0	0
Systems	1,527,000	1,759,983	992,000	1,849,848	1,700,000	1,051,600	1,200,000
GRAND TOTAL	\$2,308,000	\$2,821,845	\$1,895,909	\$2,838,638	\$3,318,600	\$2,196,550	\$1,669,500

*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
OVERTIME REQUEST
DIVISION SUMMARY

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Administrative Services	\$ 43,700	\$31,500	\$3,402	\$25,000	\$18,700	74.8%	\$12,200	38.7%
Benefits	371,600	197,800	159,330	400,000	(28,400)	-7.1%	173,800	87.9%
Communications	3,300	3,000	1,037	2,300	1,000	43.5%	299	10.0%
Disability Litigation	0	0	0	0	0	0.0%	0	0.0%
Disability Retirement	9,500	12,400	7,807	12,000	(2,500)	-20.8%	(2,900)	-23.4%
Executive Office	25,000	3,000	15,348	33,000	(8,000)	-24.2%	22,000	733.4%
Financial & Accounting Services	68,400	74,300	42,422	55,800	12,600	22.6%	(5,900)	-7.9%
Human Resources	1,500	1,500	1,044	1,500	(0)	0.0%	0	0.0%
Internal Audit	4,800	3,000	390	1,000	3,800	380.0%	1,800	60.0%
Investment Office	1,000	0	0	0	1,000	0.0%	1,000	0.0%
Legal Services	12,500	35,000	389	6,000	6,500	108.3%	(22,500)	-64.3%
Member Services	130,500	119,500	95,988	213,000	(82,500)	-38.7%	10,999	9.2%
Quality Assurance	0	1,000	2,695	4,300	(4,300)	-100.0%	(1,000)	-100.0%
Systems Division	130,100	130,100	40,473	90,000	40,100	44.6%	0	0.0%
TOTAL	\$801,900	\$612,100	\$370,325	\$843,900	(\$42,000)	-5.0%	\$189,800	31.0%

*All amounts rounded to the nearest dollar.

LACERA

BUDGET REQUEST INFORMATION

OVERTIME
HISTORY OF EXPENDITURES

DIVISION	FYE 2018		FYE 2019		FYE 2020		FYE 2021
	Budget	Actual	Budget	Actual	Budget	Projection	Budget
Administrative Services	\$20,200	\$44,619	\$28,007	\$45,852	\$31,500	\$25,000	\$43,700
Benefits	175,400	274,246	191,075	356,121	197,800	400,000	371,600
Communications	6,900	5,480	3,600	1,861	3,000	2,300	3,300
Disability Litigation	0	61	0	3	0	0	0
Disability Retirement	14,000	12,148	11,972	23,813	12,400	12,000	9,500
Executive Office	3,100	40,315	6,376	61,205	3,000	33,000	25,000
Financial Services	52,900	51,380	63,720	48,042	74,300	55,800	68,400
Human Resources	6,200	1,844	1,403	1,372	1,500	1,500	1,500
Internal Audit	2,000	137	3,327	108	3,000	1,000	4,800
Investment Office	0	134	2,000	574	0	0	1,000
Legal Services	35,000	1,037	36,144	6,086	35,000	6,000	12,500
Member Services	115,400	201,391	115,400	209,193	119,500	213,000	130,500
Quality Assurance	1,000	881	1,871	4,289	1,000	4,300	0
Systems	130,100	150,962	130,100	142,695	130,100	90,000	130,100
GRAND TOTAL	\$562,200	\$784,635	\$594,995	\$901,216	\$612,100	\$843,900	\$801,900

*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
BILINGUAL BONUS
SUMMARY

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2 0 1 9 - 2 0 2 0			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Benefits Division	\$2,400	\$2,400	\$1,900	\$4,800	(\$2,400)	-50.0%	\$0	0.0%
Legal Services	2,400	0	700	2,100	300	14.3%	2,400	0.0%
Member Services Division	16,800	21,600	7,250	15,600	1,200	7.7%	(4,800)	-22.2%
TOTAL	\$21,600	\$24,000	\$9,850	\$22,500	(\$900)	-4.0%	(\$2,400)	-10.0%

*All amounts rounded to the nearest dollar.

LACERA

BUDGET REQUEST INFORMATION

VACANT POSITIONS
SUMMARY

Division	Budgeted Positions FY 2019-2020	Vacancy (as of 04/30/20)	%	Budgeted Positions FY 2020-2021*	Vacancy	%
Administrative Services	34	6	18%	36	8	22%
Benefits	71	2	3%	71	2	3%
Communications	13	3	23%	14	4	29%
Disability Litigation	7	0	0%	7	0	0%
Disability Retirement Services	41	1	2%	41	1	2%
Executive Ø	8	2	25%	8	2	25%
Financial Accounting Services	30	7	23%	30	7	23%
Human Resources	13	1	8%	13	1	8%
Internal Audit	11	1	9%	11	1	9%
Investments Ø	44	6	14%	44	6	14%
Legal Services Ø	26	5	19%	26	5	19%
Member Services	79	5	6%	79	5	6%
Quality Assurance	19	2	11%	19	2	11%
Systems Ø	60	23	38%	60	23	38%
LACERA Total	456	64	14%	459	67	15%

* Includes new requested positions.

Ø Includes six (6) budgeted positions not yet approved by Board of Supervisors.

LACERA
FISCAL YEAR 2020-2021
SERVICES AND SUPPLIES
DIVISION SUMMARY

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2 0 1 9 - 2 0 2 0			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Administrative Services	4,067,200	\$4,338,800	\$2,133,030	\$4,085,632	(\$18,432)	-0.5%	(\$271,600)	-6.3%
Benefits	66,900	84,000	41,212	71,800	(4,900)	-6.8%	(17,100)	-20.4%
Board of Retirement	284,000	228,900	25,720	80,600	203,400	252.4%	55,100	24.1%
Board of Investment	495,000	337,500	60,396	180,000	315,000	175.0%	157,500	46.7%
Communications	1,012,100	998,200	340,354	880,500	131,600	14.9%	13,900	1.4%
Disability Litigation	44,100	85,300	20,591	62,400	(18,300)	-29.3%	(41,200)	-48.3%
Disability Retirement	2,365,800	2,510,500	978,056	2,346,100	19,700	0.8%	(144,700)	-5.8%
Executive Office	294,700	697,500	51,042	447,600	(152,900)	-34.2%	(402,800)	-57.7%
Financial & Accounting Services	257,100	305,600	76,580	277,800	(20,700)	-7.5%	(48,500)	-15.9%
Human Resources	1,555,100	1,535,200	619,443	1,406,600	148,500	10.6%	19,900	1.3%
Internal Audit	460,800	539,500	123,544	382,400	78,400	20.5%	(78,700)	-14.6%
Investment Office	337,300	564,400	160,025	441,000	(103,700)	-23.5%	(227,100)	-40.2%
Legal Services	781,200	1,051,300	846,675	1,379,400	(598,200)	-43.4%	(270,100)	-25.7%
Member Services	69,800	95,000	24,658	86,200	(16,400)	-19.0%	(25,200)	-26.5%
Quality Assurance	94,500	150,000	14,353	125,500	(31,000)	-24.7%	(55,500)	-37.0%
Systems	6,057,400	6,303,900	2,322,647	5,920,700	136,700	2.3%	(246,500)	-3.9%
S&S TOTAL	\$18,243,000	\$19,825,600	\$7,838,324	\$18,174,232	\$68,768	0.4%	(\$1,582,600)	-8.0%

*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SERVICES AND SUPPLIES
CATEGORY SUMMARY

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2 0 1 9 - 2 0 2 0		COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET		
		YTD		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE	
		BUDGET	(12-31-19)					PROJECTION
Auto Expense	\$36,800	\$191,600	\$57,313	\$135,400	(\$98,600)	-72.8%	(\$154,800)	-80.8%
Communications	710,000	736,400	285,870	695,600	14,400	2.1%	(26,400)	-3.6%
Transportation and Travel	784,000	1,148,200	245,473	751,900	32,100	4.3%	(364,200)	-31.7%
Postage	991,400	993,400	522,618	971,310	20,090	2.1%	(2,000)	-0.2%
Stationery and Forms	640,100	573,800	188,116	526,200	113,900	21.6%	66,300	11.6%
Office Supplies and Equipment	837,000	846,100	302,720	792,600	44,400	5.6%	(9,100)	-1.1%
Insurance	714,900	733,500	674,521	674,522	40,378	6.0%	(18,600)	-2.5%
Equipment Maintenance	638,000	627,500	113,994	596,400	41,600	7.0%	10,500	1.7%
Equipment Rents and Leases	310,000	310,000	114,848	307,000	3,000	1.0%	0	0.0%
Building Costs	2,175,000	2,305,000	878,521	2,162,100	12,900	0.6%	(130,000)	-5.6%
Parking Fees	377,000	502,000	200,285	377,000	0	0.0%	(125,000)	-24.9%
Professional and Spec. Svcs.	2,691,200	2,685,100	871,994	2,431,500	259,700	10.7%	6,100	0.2%
Bank Services	204,000	230,000	40,495	200,000	4,000	2.0%	(26,000)	-11.3%
Legal Fees and Services	435,500	612,500	591,184	788,100	(352,600)	-44.7%	(177,000)	-28.9%
Disability Fees and Services	2,086,000	2,168,000	867,279	2,040,000	46,000	2.3%	(82,000)	-3.8%
Computer Services and Support	2,908,300	3,176,900	1,312,265	3,116,800	(208,500)	-6.7%	(268,600)	-8.5%
Educational Expense	1,221,700	1,511,300	332,877	1,160,600	61,100	5.3%	(289,600)	-19.2%
Miscellaneous	482,100	474,300	237,949	447,200	34,900	7.8%	7,800	1.6%
S&S TOTAL	\$18,243,000	\$19,825,600	\$7,838,324	\$18,174,232	\$68,768	0.4%	(\$1,582,600)	-8.0%

*All amounts rounded to the nearest dollar.

**The historical "Educational Expense" and "Miscellaneous" subcategory totals have been revised for the FY 2019-2020 Budget to reflect finalized figures.



BOARD OF RETIREMENT

Budget Request Highlights

Fiscal

Year

2020-2021

Mission

Produce, Protect, and Provide the Promised Benefits

INTRODUCTION

The Board of Retirement is responsible for the administration of the retirement system, the retiree healthcare program, and the review and processing of disability retirement applications. The Board must execute its duties with care, skill, prudence, and diligence. The Board is comprised of eleven members. Four of its members are appointed by the Los Angeles County Board of Supervisors; two are elected by active general members; safety members elect one member and one alternate member, retired members also elect one member and one alternate member. The law requires the County Treasurer and Tax Collector to serve as an ex-officio member.

SERVICES AND SUPPLIES

The Board's Services and Supplies budget request is based on actual expenditure trends. To continue our efforts to improve transparency, costs associated with the Board of Retirement's annual offsite meeting, monthly refreshments/lunches, and memberships have been transferred from the Executive Office's Services & Supplies budget and will now be reported under the Board's budget.

LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

BOARD OF RETIREMENT

	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET		
	PROPOSED BUDGET 2020-2021	YTD		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE	
		BUDGET	(12-31-19)					PROJECTION
Salaries & Employees Benefits	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%	
Services & Supplies	284,000	228,900	25,720	80,600	203,400	252.4%	55,100	24.1%
OPERATING BUDGET	\$284,000	\$228,900	\$25,720	\$80,600	\$203,400	252.4%	\$55,100	24.1%

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SERVICES & SUPPLIES ACCOUNT SUMMARY

BOARD OF RETIREMENT

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
COMMUNICATIONS	\$0	\$3,400	\$300	\$1,600	(\$1,600)	-100.0%	(\$3,400)	-100.0%
TRANSPORTATION & TRAVEL	146,000	153,000	16,195	52,000	94,000	180.8%	(7,000)	-4.6%
EDUCATIONAL EXPENSES	68,000	72,500	9,225	27,000	41,000	151.9%	(4,500)	-6.2%
MISCELLANEOUS	70,000	0	0	0	70,000	0.0%	70,000	0.0%
TOTAL	\$284,000	\$228,900	\$25,720	\$80,600	\$203,400	252.4%	\$55,100	24.1%

*All amounts rounded to the nearest dollar.



Mission
Produce, Protect, and Provide the Promised Benefits

INTRODUCTION

The Board of Investments is responsible for establishing LACERA’s investment policy and objectives, as well as exercising authority and control over the investment management of the Fund. The Board must execute its duties with care, skill, prudence, and diligence. The Board is comprised of nine members. Four members are appointed by the Los Angeles County Board of Supervisors; two are elected by active general members; and both safety members and retired members elect one member each. The law requires the County Treasurer and Tax Collector to serve as an ex-officio member.

SERVICES AND SUPPLIES

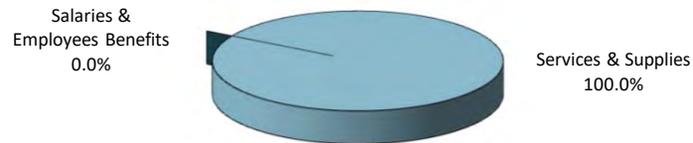
The Board’s Services and Supplies budget request is based on actual expenditure trends. To continue our efforts to improve transparency, costs associated with the Board of Investments’ annual offsite meeting, monthly refreshments/lunches, and memberships have been transferred from the Executive Office’s Services & Supplies budget and will now be reported under the Board’s budget.

LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

BOARD OF INVESTMENTS

	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
	YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
	BUDGET	(12-31-19)	PROJECTION				
Salaries & Employees Benefits	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
Services & Supplies	495,000	337,500	180,000	315,000	175.0%	157,500	46.7%
OPERATING BUDGET	\$495,000	\$337,500	\$180,000	\$315,000	175.0%	\$157,500	46.7%

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2020-2021

SERVICES & SUPPLIES ACCOUNT SUMMARY

BOARD OF INVESTMENTS

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
COMMUNICATIONS	\$0	\$2,000	\$300	\$2,000	(\$2,000)	-100.0%	(\$2,000)	-100.0%
TRANSPORTATION & TRAVEL	245,000	235,000	35,340	117,000	128,000	109.4%	10,000	4.3%
EDUCATIONAL EXPENSES	175,000	100,500	24,756	61,000	114,000	186.9%	74,500	74.1%
MISCELLANEOUS	75,000	0	0	0	75,000	0.0%	75,000	0.0%
TOTAL	\$495,000	\$337,500	\$60,396	\$180,000	\$315,000	175.0%	\$157,500	46.7%

*All amounts rounded to the nearest dollar.



Mission

Administrative Services collaborates with all LACERA Divisions to provide quality services through people, technology and innovation.

- People. We are a professional team dedicated to customer service and motivated to achieve excellence.
- Technology. We provide superior customer service through the creative use of technology.
- Innovation. We partner with LACERA to promote creative ideas to surpass customer expectations.

INTRODUCTION

The Administrative Services Division (ASD) provides the operational infrastructure that supports the divisions in administering LACERA programs and services. In short, we ensure that each person has the right resources to do their jobs.

Specific functions include:

- Procurement
- Facilities Management
- Budget Development and Monitoring
- Document Processing (Imaging/ Mail Room / Copy Services)
- Business Continuity
- Business Insurance
- Health and Safety
- Records and Information Management

- Risk Management
- Contract Compliance
- Rideshare Administration

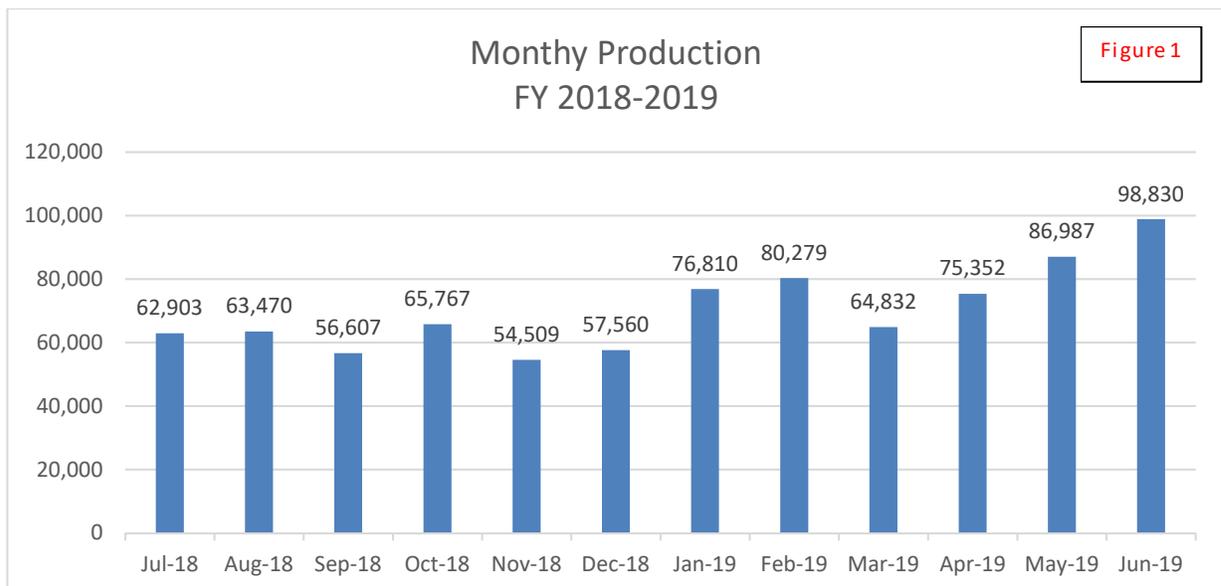
STAFFING

Administrative Services has 34 budgeted full-time positions. We are requesting to add two permanent positions in the Procurement Unit at the level of Procurement & Supply Clerk. We discovered that the Procurement & Supply Clerk position was reclassified years ago to a Procurement Assistant II position. Previously the Supply Clerk position had arduous in the job classification. When the position was reclassified it no longer included the arduous capacity. This appears to be an oversight. As the Procurement Unit’s responsibilities often include heavy lifting, the additional positions are needed to perform these tasks.

Overtime

Overtime is necessary during periods of heightened activity related to budget preparation, renovation, special projects and for the Document Processing Center (DPC) staff during the “March Rush”. The majority of the overtime budget request is for the DPC as this unit is responsible for imaging (prepare, scan, and index) member and business records into LACERA’s member database (Workspace). The DPC provides the following services; mail room, copy services, centralized scanning of business documents, management and distribution of E-enterprise checks, and manages the electronic deposit of checks made payable to LACERA.

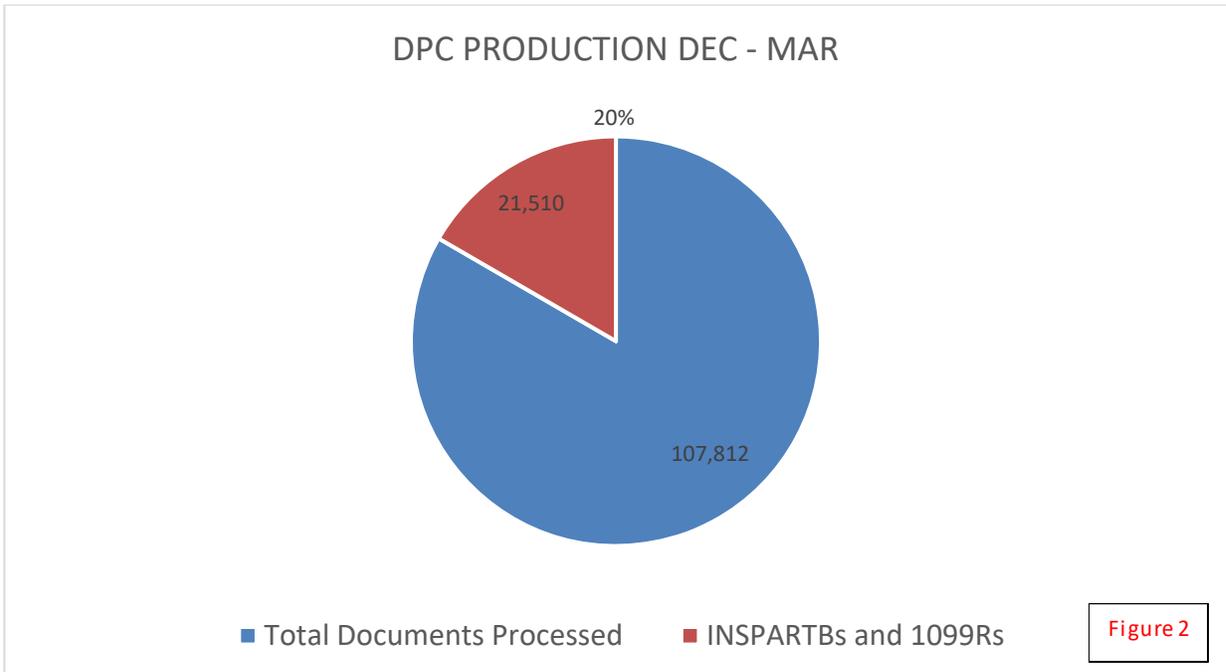
The DPC is requesting to budget 150 hours of overtime for the Document Processing Coordinator position and 520 hours for the Document Processing Assistant position to support the annual spike in retirement applications and Medicare Part B Premium Verifications and 1099R mailings. During “March Madness” the DPC experiences a workload increase. See Figure 1.



Agency Temporary Request

To assist with the March Rush, the DPC is also requesting three full-time agency temporary personnel to work from January through April to assist with the timely processing of Medicare Part B Premium Verifications (INSPARTBs) and undeliverable 1099R tax forms. The agency temporary employees will also assist with the copy center services, return of member documents, scanning, and act as back-ups for the mail room and receptionist.

In 2019, the DPC processed 19,441 Medicare Part B Premium Verifications and 2,069 undeliverable 1099Rs. That is equivalent to 20%* of the DPC production for the months of December through March. See Figure 2.



* Total amount of scanned documents - 107,812

Part B Premium Verifications 1099Rs scanned- 21,510

Figure 2 Calculate total percent increase of scanned documents
(107,812/21,510 = .1995 *100 = 20%)

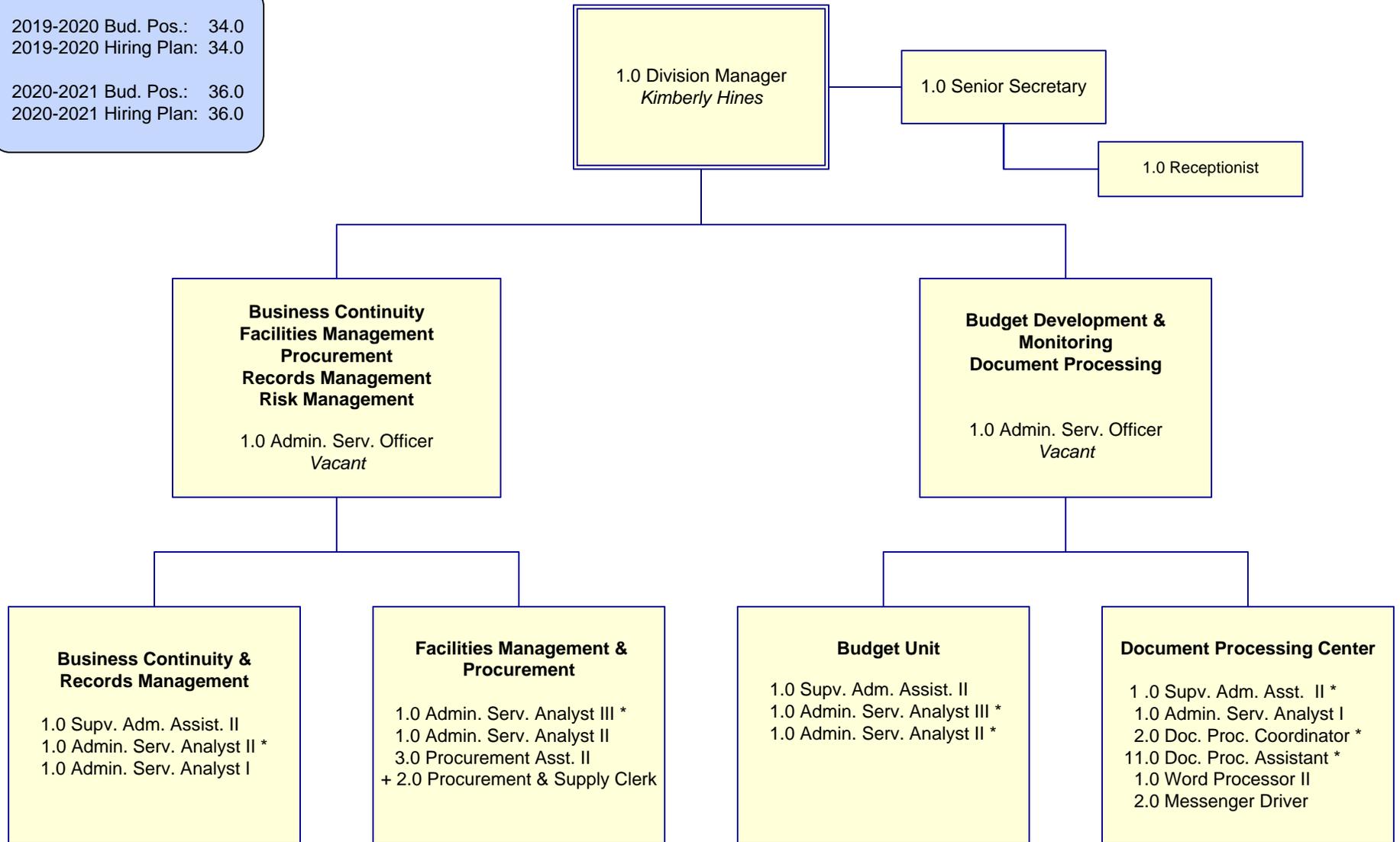
SERVICES AND SUPPLIES

The Services and Supplies budget has no significant changes from the FY 2019-20 budgets. There are, however, various line items that include small increases attributable to vendor or overall supplier cost increases.

ADMINISTRATIVE SERVICES DIVISION

FISCAL YEAR 2020-2021

2019-2020 Bud. Pos.: 34.0
 2019-2020 Hiring Plan: 34.0
 2020-2021 Bud. Pos.: 36.0
 2020-2021 Hiring Plan: 36.0



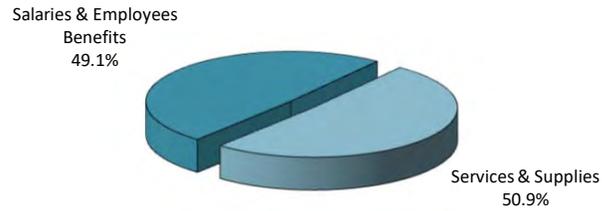
+ Added position
 * Classification study for the position requested

LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

ADMINISTRATIVE SERVICES DIVISION

	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET		
	PROPOSED BUDGET 2020-2021	YTD		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE	
		BUDGET	(12-31-19)					PROJECTION
Salaries & Employees Benefits	\$3,921,942	\$3,481,752	\$1,473,344	\$3,305,125	\$616,817	18.7%	\$440,190	12.6%
Services & Supplies	4,067,200	4,338,800	2,133,030	4,085,632	(18,432)	-0.5%	(271,600)	-6.3%
OPERATING BUDGET	\$7,989,142	\$7,820,552	\$3,606,374	\$7,390,757	\$598,385	8.1%	\$168,590	2.2%

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2020-2021

SALARIES AND EMPLOYEE BENEFITS SUMMARY

ADMINISTRATIVE SERVICES DIVISION

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Total LACERA Salaries	\$2,351,705	\$2,054,258	\$841,542	\$1,890,000	\$461,705	24.4%	\$297,447	14.5%
Total Agency Temp Salaries	75,700	54,000	79,390	143,800	(68,100)	-47.4%	21,700	40.2%
Employee Benefits (Variable)	1,231,566	1,128,451	454,142	1,035,225	196,341	19.0%	103,115	9.1%
Employee Benefits (Other)	144,716	149,758	65,453	149,000	(4,284)	-2.9%	(5,042)	-3.4%
OPEB Contribution	60,355	44,486	25,672	44,200	16,155	36.6%	15,869	35.7%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	43,700	31,500	3,402	25,000	18,700	74.8%	12,200	38.7%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	7,300	7,300	1,817	5,900	1,400	23.7%	0	0.0%
Rideshare Allowance	6,900	12,000	1,926	12,000	(5,100)	-42.5%	(5,100)	-42.5%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$3,921,942	\$3,481,752	\$1,473,344	\$3,305,125	\$616,817	18.7%	\$440,190	12.6%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$3,921,942	\$3,481,752	\$1,473,344	\$3,305,125	\$616,817	18.7%	\$440,190	12.6%

*All amounts rounded to the nearest dollar.

Note: All Permanent Salaries and Employee Benefits include amounts through 11/30/19, except Agency Temporary includes amounts through 12/31/19 and Rideshare Allowance includes amounts through 8/31/19.

LACERA
FISCAL YEAR 2020-2021
SALARIES

ADMINISTRATIVE SERVICES DIVISION

2020-2021 BUDGET

FILLED POSITIONS	# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT
00773A	1	LS12	15,131	181,577
00423A	2	105F	17,739	212,864
00421A	1	96J	6,432	77,182
00420A	3	92J	19,046	228,553
00439A	1	88H	6,790	81,481
00464A	3	87B	16,728	200,733
00419A	2	83E	8,966	107,589
00472A	2	82H	10,330	123,962
00448A	1	81G	5,014	60,170
00471A	9	79H	37,750	453,004
00466A	1	75D	3,599	43,190
00461A	2	73J	7,096	85,152

POSITIONS 28 1,855,458

VACANT POSITIONS	# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
00410A	2	LS9	8,291	99,486	99,486	74,615	
00423A	1	105F	7,311	87,737			43,869
00421A	1	96J	5,770	69,245			34,623
00471A	2	79H	3,634	43,609		32,707	21,805
00467A	2	80F	3,715	44,579	89,158		
					188,644	107,321	100,296

POSITIONS 8 396,261

TOTAL POSITIONS 36

GROSS SALARIES 2,251,719

ANTICIPATED MOU SALARY INCREASE ** 39,405

ANTICIPATED STEP AND/OR MERIT SALARY INCREASE 50,594

BONUS 9,987

120-DAY RETIREE(S) 0

TOTAL SALARIES 2,351,705

MAPP Tier I and Tier II positions are shown at actual salaries as of 1/1/20.
 Represented/Non-Represented positions are shown at actual salaries as of 1/1/20.
 Represented positions shown in blue
 Vacancies are shown at the 1st Step
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.75% to calculate anticipated MOU increase

LACERA

FISCAL YEAR 2020-2021

SERVICES & SUPPLIES ACCOUNT SUMMARY

ADMINISTRATIVE SERVICES DIVISION

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		2019-2020			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	YTD (12-31-19)	PROJECTION				
AUTO EXPENSE	\$12,500	\$162,100	\$49,923	\$115,500	(\$103,000)	-89.2%	(\$149,600)	-92.3%
TRANSPORTATION & TRAVEL	8,500	9,000	6,347	9,000	(500)	-5.6%	(500)	-5.6%
POSTAGE	301,400	301,400	201,385	301,310	90	0.0%	0	0.0%
STATIONERY & FORMS	3,500	1,000	21	1,000	2,500	250.0%	2,500	250.0%
OFFICE SUPPLIES & EQUIPMENT	301,000	289,000	119,544	299,000	2,000	0.7%	12,000	4.2%
INSURANCE	714,900	733,500	674,521	674,522	40,378	6.0%	(18,600)	-2.5%
EQUIPMENT MAINTENANCE	5,800	12,300	1,442	10,300	(4,500)	-43.7%	(6,500)	-52.8%
EQUIPMENT RENTS & LEASES	310,000	310,000	114,848	307,000	3,000	1.0%	0	0.0%
BUILDING COSTS	2,175,000	2,305,000	878,521	2,162,100	12,900	0.6%	(130,000)	-5.6%
PROFESSIONAL & SPEC. SRVCS.	213,000	188,000	76,157	186,000	27,000	14.5%	25,000	13.3%
EDUCATIONAL EXPENSES	6,600	12,500	4,521	5,900	700	11.9%	(5,900)	-47.2%
MISCELLANEOUS	15,000	15,000	5,801	14,000	1,000	7.1%	0	0.0%
TOTAL	\$4,067,200	\$4,338,800	\$2,133,030	\$4,085,632	(\$18,432)	-0.5%	(\$271,600)	-6.3%

*All amounts rounded to the nearest dollar.



Mission

The **Benefits Division** is responsible for maintaining retirement plan accounts and processing retirement plan transactions in compliance with the County Employees Retirement Law of 1937, the Board of Retirement Regulations, and organizational policies.

INTRODUCTION

“Aspiring to perfection through teamwork”

-Benefits Slogan

“We start by respecting our nature: people by themselves are imperfect. However, with teamwork, technology, creativity, and a commitment to excellence, we can aspire to much more. For this reason, while 98% accuracy is our defined goal, our vision is PERFECTION.”

Over the past year, the Benefits Division continued to pursue the highest quality standards. Once again, the Division met its 98 percent quality target.

The Division also continued to pursue its strategy of continuous process improvement under the leadership of the Process Management Group (PMG) and its partners throughout LACERA, including the Legal Office, Member Services, Quality Assurance, Systems, Internal Audit, Disability Retirement, Retiree Healthcare, and the Executive Office. Much of this work was focused on process efficiency, but much of it was focused on legal compliance and accuracy as well.

Key milestone achievements include, but are not limited to:

- New Collections Rules and Tools
- New Purchase Contract Rules and Tools
- New PEPRAs Forfeiture Appeals Rules and Tools
- New Retro-Pay Rules, Processes and Tools
- New Disability Reciprocity Rules and Tools
- New Benefit Staging Analyst function focused on Early Disability Counseling and Payroll Checking
- Enhanced Services from the Benefit Protection Unit (BPU) supporting other Units throughout LACERA
- New Workspace Metrics Tools
- Launched the first phase of the Microfiche Tagging Project involving 15 agency temporary staff.

STAFFING

Keeping Pace with Our Members:

Over the past several years, the volume of member transactions has steadily increased. Furthermore, as a byproduct of LACERA's continuous efforts to improve accuracy and legal compliance, processing transactions has become more time-consuming. Also, un-planned special projects and extended absences have further stretched Benefits resources.

We have identified several areas within the Division where volume and increased complexity have led to an increase in service level delays.

- **Advanced Payroll Unit (APU):** This unit is responsible for complex retirement payroll transactions, such as disability retirements, payroll retroactive adjustments and payroll corrections. The volume and complexity of transactions have steadily risen over the years, especially with the influx of PEPRAs member retirements and disability applications.
- **Death Legal Unit (DLU):** This unit manages Death-related transactions, as well as those involving a specialized knowledge of legal procedures and calculations. The volume of transactions has steadily risen over the years.
- **Benefit Protection Unit (BPU):** This unit protects our members and the fund from losses due to member identity and status discrepancies. This work enhances the quality of LACERA's service to those members whose benefits are most at risk due to potential fraud, lost contact, or a disputed status.

The Benefit Protection Unit's workload has steadily increased since inception in 2015, which was aggravated by unanticipated special projects

and security incidents requiring BPU's attention. Furthermore, staffing reductions have reduced the work this unit is able to perform, even though the volume of service requests continues to rise.

- **Account Settlements Unit (ASU):** This unit takes appropriate action to resolve account imbalances and outstanding payables or receivables. Recent legal opinions and Board policies have increased the compliance requirements of the collections, retroactive contribution adjustments and mandatory distribution processes. This has elevated the need for stronger analytical skills and tools to manage these new complexities.
- **Process Management Group (PMG):** PMG was established as a means of centralizing and standardizing the "Process Documentation and Management" functions of the Benefits Division, and as a means of coordinating documentation between the Division and our partners throughout LACERA. This group also coordinates audit follow-up, escalation monitoring functions, and process improvement initiatives within the Division. This team has a significant backlog of projects to address, which has increased along with the volume of work described above.

Recognizing the solution to these issues is not always adding staffing resources, we will be focusing on developing clear business metrics that can be used to help analyze and develop a combination of improved efficiency through training, improved tools and work processes, and automation and self-service wherever feasible and prudent. These metrics will serve to guide our efforts to improve our service, and if necessary, form a foundation for any future requests for additional staffing.

Other Staffing Requests:

Benefits has relied on the use of overtime to supplement its regular production strategies and to help limit the increase in lengthening service levels. As in the past, overtime is being requested to manage the workload imbalances related to the annual increase in activity during "March Madness" and persistently high volumes of purchases and retirement elections associated with the retirements. However, in alignment with LACERA's consideration of the impacts of the COVID-19 pandemic, we have reduced our overtime request and will be looking to improve efficiency and automation of our workforce.

Special Clean-up Project: Benefits and its partners in Member Services and Systems will be planning the staffing requirements for the next phase of the Special Clean-up Project. In this next phase, more experienced staff will be reviewing the accounts and initiating corrective action as needed. A planning report will be provided to the Operation Oversight Committee in the coming months, and any additional budgetary requests will be submitted mid-year.

SERVICES AND SUPPLIES

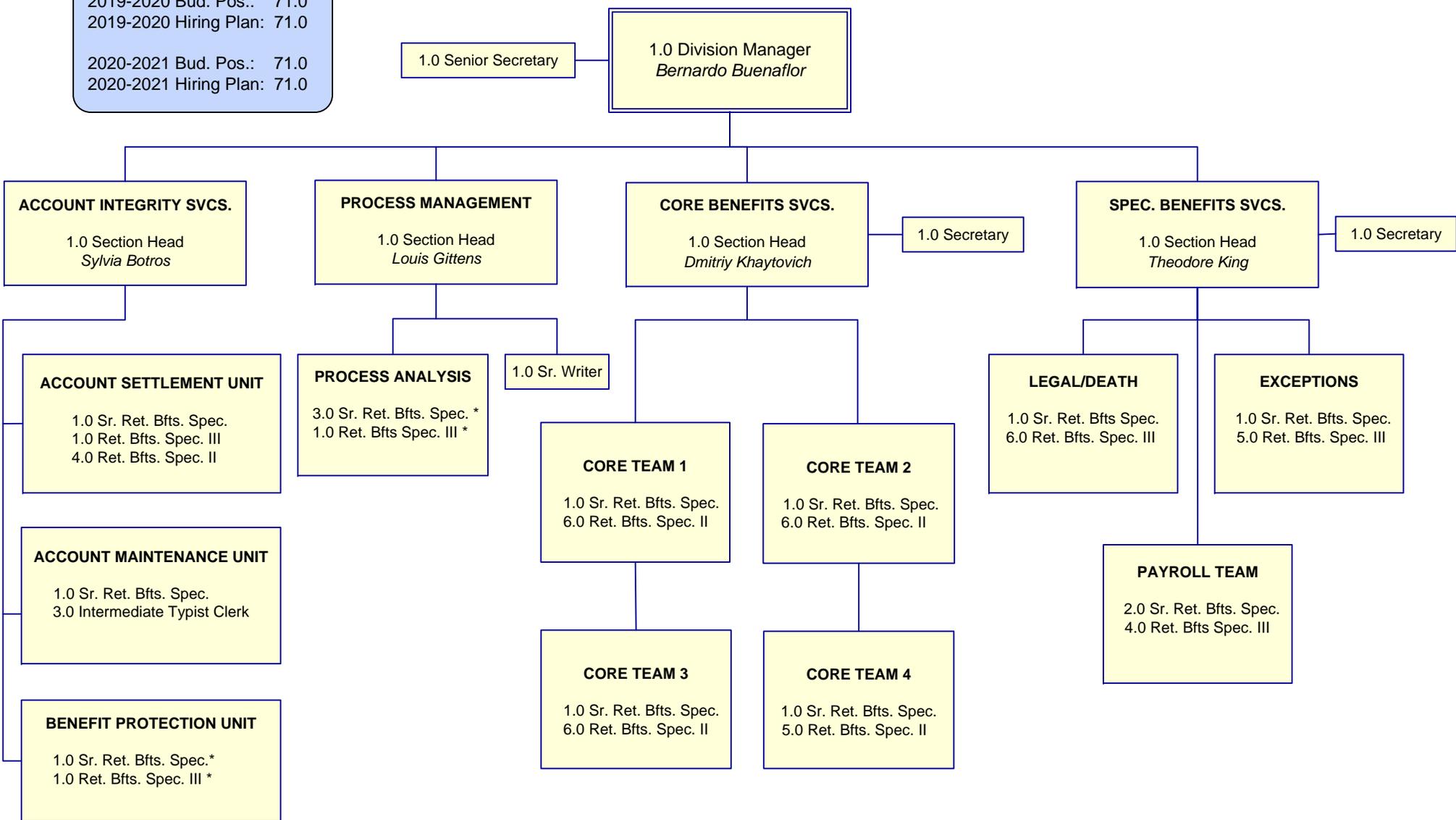
The following line items were reduced to bring them in alignment with historical actuals and out of consideration for LACERA's response to the COVID-19 pandemic:

- Transportation and Travel
- Office Supplies and Equipment
- Educational Expenses

BENEFITS DIVISION

FISCAL YEAR 2020-2021

2019-2020 Bud. Pos.: 71.0
 2019-2020 Hiring Plan: 71.0
 2020-2021 Bud. Pos.: 71.0
 2020-2021 Hiring Plan: 71.0



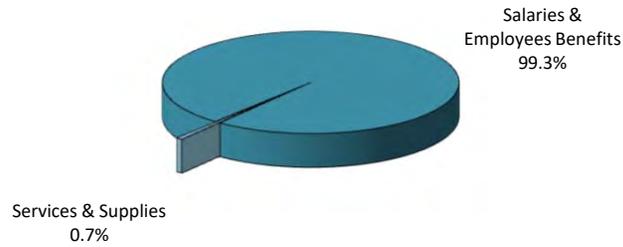
* Classification study for the position requested

LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

BENEFITS DIVISION

	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET		
	PROPOSED BUDGET 2020-2021	YTD		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE	
		BUDGET	(12-31-19)					PROJECTION
Salaries & Employees Benefits	\$10,193,448	\$10,482,377	\$4,126,402	\$9,410,100	\$783,348	8.3%	(\$288,929)	-2.8%
Services & Supplies	66,900	84,000	41,212	71,800	(4,900)	-6.8%	(17,100)	-20.4%
OPERATING BUDGET	\$10,260,348	\$10,566,377	\$4,167,613	\$9,481,900	\$778,448	8.2%	(\$306,029)	-2.9%

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SALARIES AND EMPLOYEE BENEFITS SUMMARY

BENEFITS DIVISION

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		BUDGET	YTD		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
			(12-31-19)	PROJECTION				
Total LACERA Salaries	\$5,916,222	\$5,497,822	\$2,353,537	\$5,297,100	\$619,122	11.7%	\$418,400	7.6%
Total Agency Temp Salaries	0	809,700	170,783	341,600	(341,600)	-100.0%	(809,700)	-100.0%
Employee Benefits (Variable)	3,359,026	3,413,799	1,188,022	2,809,800	549,226	19.5%	(54,772)	-1.6%
Employee Benefits (Other)	364,063	400,798	169,555	398,800	(34,737)	-8.7%	(36,735)	-9.2%
OPEB Contribution	151,837	119,058	73,816	118,500	33,337	28.1%	32,778	27.5%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	371,600	197,800	159,330	400,000	(28,400)	-7.1%	173,800	87.9%
Bilingual Bonus	2,400	2,400	1,900	4,800	(2,400)	-50.0%	0	0.0%
Sick Leave Buyback	12,000	12,000	4,524	11,500	500	4.3%	0	0.0%
Rideshare Allowance	16,300	29,000	4,935	28,000	(11,700)	-41.8%	(12,700)	-43.8%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$10,193,448	\$10,482,377	\$4,126,402	\$9,410,100	\$783,348	8.3%	(\$288,929)	-2.8%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$10,193,448	\$10,482,377	\$4,126,402	\$9,410,100	\$783,348	8.3%	(\$288,929)	-2.8%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are through 11/30/2019, except for Agency Temp Salaries which are through 12/31/2019 and Rideshare Allowance which is through 8/31/19.

LACERA
FISCAL YEAR 2020-2021
SALARIES

BENEFITS DIVISION

2020-2021 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT			
00773A	DIVISION MANAGER	1	LS12	15,358	184,301			
00772A	SECTION HEAD, LACERA	4	LS9	39,309	471,707			
00784A	SENIOR WRITER	1	104E	9,613	115,354			
01312A	SENIOR RETIREMENT BENEFITS SPECIALIST	13	100G	102,715	1,232,585			
01311A	RETIREMENT BENEFITS SPECIALIST III	17	095B	119,334	1,432,008			
00439A	SENIOR SECRETARY	1	88H	6,077	72,928			
01310A	RETIREMENT BENEFITS SPECIALIST II	27	88G	149,022	1,788,263			
00438A	SECRETARY	2	82E	10,536	126,432			
00445A	INTERMEDIATE TYPIST-CLERK	3	74D	10,726	128,713			
POSITIONS		69			5,552,291			
VACANT POSITIONS		# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
01312A	SENIOR RETIREMENT BENEFITS SPECIALIST	1	100G	6,400	76,804	76,804		
01311A	RETIREMENT BENEFITS SPECIALIST III	1	095B	5,520	66,237	66,237		
POSITIONS		2			143,041	143,041	0	0
TOTAL POSITIONS		71						
GROSS SALARIES					5,695,332			
ANTICIPATED MOU SALARY INCREASE**					99,668			
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE					65,793			
BONUS					55,429			
120-DAY RETIREE(S)					0			
TOTAL SALARIES					5,916,222			

MAPP Tier I and Tier II positions are shown at actual salaries as of 1/1/20.
Represented/Non-Represented positions are shown at actual salaries as of 1/1/20.

Represented positions shown in blue

Vacancies are shown at the 1st Step

*All amounts rounded to the nearest dollar.

** Gross salaries are multiplied by 1.75% to calculate anticipated MOU increase

LACERA
FISCAL YEAR 2020-2021
SERVICES & SUPPLIES ACCOUNT SUMMARY

BENEFITS DIVISION

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
TRANSPORTATION & TRAVEL	\$6,000	\$12,000	\$6,462	\$10,300	(\$4,300)	-41.7%	(\$6,000)	-50.0%
OFFICE SUPPLIES & EQUIPMENT	3,700	4,500	2,932	3,500	200	5.7%	(800)	-17.8%
PROFESSIONAL & SPEC. SRVCS.	40,000	37,000	24,071	39,500	500	1.3%	3,000	8.1%
EDUCATIONAL EXPENSES	15,700	29,000	7,181	17,700	(2,000)	-11.3%	(13,300)	-45.9%
MISCELLANEOUS	1,500	1,500	567	800	700	87.5%	0	0.0%
TOTAL	\$66,900	\$84,000	\$41,212	\$71,800	(\$4,900)	-6.8%	(\$17,100)	-20.4%

*All amounts rounded to the nearest dollar.



Mission

Our mission is to provide a full range of professional in-house communications services and create essential retirement information for LACERA members.

INTRODUCTION

Communications services include creative visioning, project management, public relations and strategic marketing, graphic design, photography, writing and editing, and video production. We create print materials, videos, and web design and content across our four websites (lacera.com, Intranet, HR Pros, and Board Resources).

ANNUAL PROJECTS

Following are some of Communications Division's regular projects throughout the year.

- Quarterly *PostScript* and *Spotlight* newsletters
- Themed Comprehensive Annual Financial Report, Popular Annual Financial Report, and Who We Are brochure
- Retirement Law Book
- Cost-of-living inserts
- Collateral for annual events such as the Take Our Daughters and Sons to Work Day, Employee Wellness Fair, and Forum
- Retiree Healthcare annual mailings
- Budget binders
- HR conference coordination and collateral
- Retiree payday, board, and staff calendars

2019 ACCOMPLISHMENTS AND ONGOING PROJECTS

This year, Communications Division completed its regular projects, while taking on additional responsibilities to help achieve the Boards' strategic goals:

- Redesign of LACERA.com including: project planning, leading multidivisional project team, coordinating content audit and prototype testing, defining needs of a new content management system (CMS), and writing/graphic design. The next phases are approval of content, design, and implementation of the CMS. *In progress.*
- Redesign of the Annual Retirement Benefits Statement, including: project planning, and coordinating with Systems Division for the addition of new, customized information fields from member database. *In progress.*
- Redesign of the Retirement Summary and Application Form (formerly the Retirement Benefits Estimate), including implementing the wish list of multiple stakeholders and subject matter experts in a dynamic (member-specific) form design. *In progress.*
- Redesign of the *Pre-Retirement Guide*, in coordination with multiple internal stakeholders and subject matter experts. *In progress.*
- Creation of Quality Assurance and Metrics e-learning video modules. *First module pending approval.*
- Revision of service credit purchase applications. *Pending approval.*
- Coordination, hosting, and collateral for three HR Pros information conferences held at LACERA. *Completed.*
- Expanded coordination role in the Employee Forum and production of a LACERA public relations video now posted on lacera.com. *Completed.*
- Redesign of the *Community Property Guide*. *Completed.*
- Direct deposit public relations and promotion campaign. *Completed.*
- Homeless initiative campaign and brochure creation. *Completed.*
- Ethics Hotline campaign creation and implementation. *Completed.*

STAFFING

Over the last several years, Communications has focused on filling open positions and restructuring our division. Between 2017 and 2019, we hired seven permanent employees—about 2/3 of our staff. During the same time period, one Senior Writer resigned and our Web Support Technician retired, resulting in a great loss of institutional knowledge. In 2020, Communications plans to fill the Senior Writer, Web Support Technician, and Media Artist positions.

Communications requests the immediate addition of a Public Information Officer (PIO) to meet increasing media requests and required communications to the public.

Our division primarily focuses on creating print, web, and video content about LACERA benefits produced for our members, internal staff, the public, and other entities. In addition to recurring projects such as annual reports and newsletters, our Senior Writer and Writer IIs currently fulfill ongoing communications requests from various divisions and work on long-term projects related to the Boards' strategic goals, such as the website and annual benefits statement redesigns.

A PIO's duties are significantly different from these types of communications as the PIO is primarily a spokesperson for the organization and the main contact person for media outlets. The PIO will be responsible for creating and enabling communication between the organization and both news media outlets and the general public. It will be up to the PIO to make sure any statements released to the press and the public follow LACERA guidelines, are accurate, and adhere to official policy or laws. One of the first responsibilities of the PIO will be to develop a media strategy drafted in conjunction with the guidance of the CEO.

The Public Information Officer duties and responsibilities will require the ability to do the following:

- Communicate critical information effectively to the public
- Write press releases and prepare information for distribution by media outlets
- Draft speeches
- Respond to requests for information from media outlets

Help maintain and uphold a certain image and identity for LACERA

When LACERA has critical information that needs to get to the general public, we disseminate the information through a variety of strategies. The Public Information Officer will be working behind the scenes writing speeches, gathering information, and working with the Executive Office, management, and staff to plan what the organization will do next and how information will be handled.

A liaison between LACERA and the public has become increasingly necessary to issue press releases and answer queries from the media.

Communications' output continues to increase because of our efforts to:

- Foster collaboration within our division
- Strengthen relationships with other LACERA divisions
- Streamline our production processes
- Identify and strategically apply the strengths of our individual team members

GOALS

FY 2020–21 promises to be a time of continued positive change, growth, and evolution. We are committed to meeting the annual and day-to-day needs of LACERA's various divisions to better serve our members.

Specific Short-Term Goals:

Professional development of staff in the areas of team building and collaboration

Move the HR Pros conference to an offsite location to accommodate demand (holding event on one day instead of three)

Develop a Social Media strategy and policy

Long-Term Goals:

- Establish and maintain a cohesive look for all print and digital materials and member communications
- Automate our project request and tracking process through an online platform, to boost efficiency and provide convenience for internal clients

SERVICES AND SUPPLIES

Each of the Communications Division's line items was carefully reviewed. Moderate line item increases in the services and supplies budget are requested in light of increased vendor costs and addition of staff members.

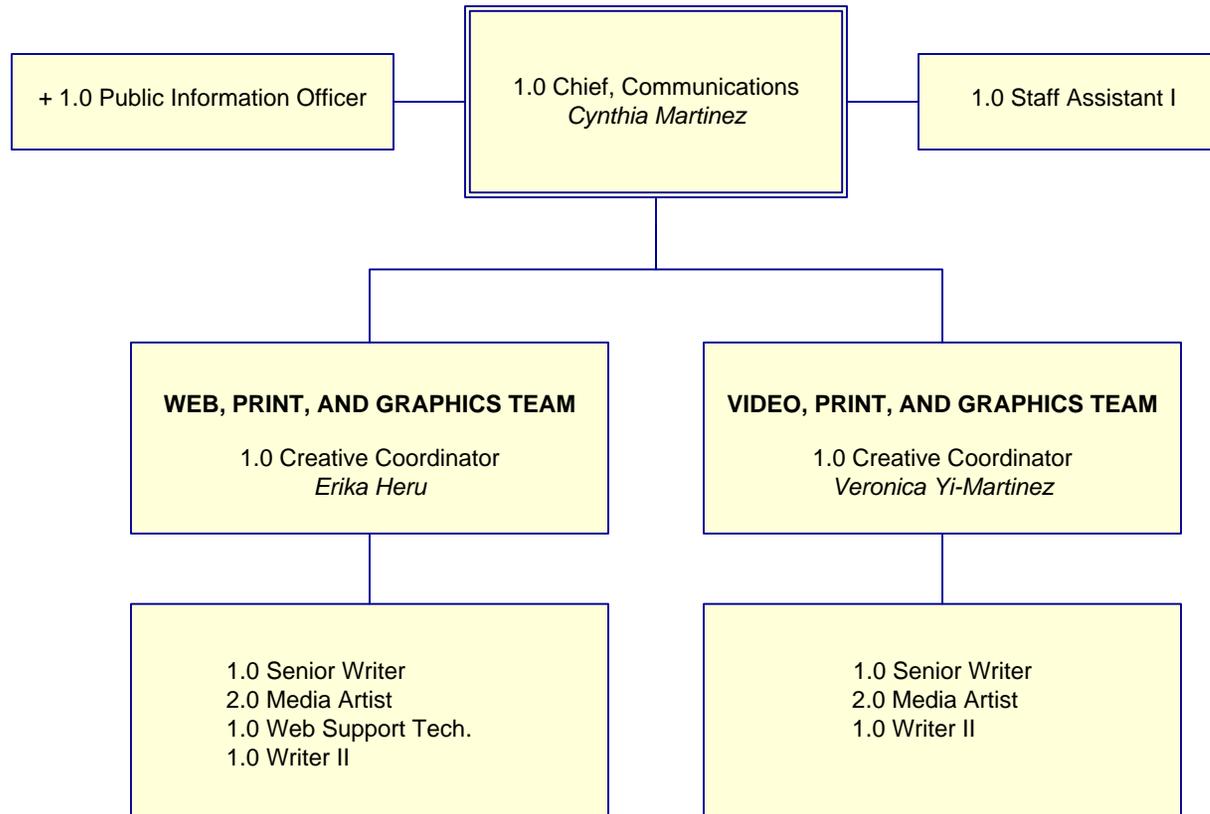
Thank you for your continued confidence in and support of the Communications Division.

2019-2020 Bud. Pos.: 13.0
2019-2020 Hiring Plan: 13.0

2020-2021 Bud. Pos.: 14.0
2020-2021 Hiring Plan: 14.0

COMMUNICATIONS

FISCAL YEAR 2020-2021



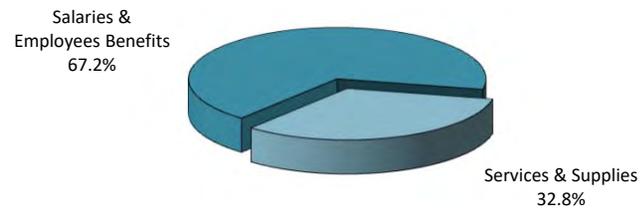
+ Added position

LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

COMMUNICATIONS

	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET		
	PROPOSED BUDGET 2020-2021	YTD		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE	
		BUDGET	(12-31-19)					PROJECTION
Salaries & Employees Benefits	\$2,073,051	\$1,459,349	\$701,893	\$1,529,650	\$543,401	35.5%	\$613,702	42.1%
Services & Supplies	1,012,100	998,200	340,354	880,500	131,600	14.9%	13,900	1.4%
OPERATING BUDGET	\$3,085,151	\$2,457,549	\$1,042,246	\$2,410,150	\$675,001	28.0%	\$627,602	25.5%

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SALARIES & EMPLOYEE BENEFITS SUMMARY

COMMUNICATIONS

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Total LACERA Salaries	\$1,264,352	\$952,162	\$444,730	\$963,200	\$301,152	31.3%	\$312,189	32.8%
Total Agency Temp Salaries	0	47,800	25,401	47,800	(47,800)	-100.0%	(47,800)	-100.0%
LACERA Intern Program	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	690,647	360,853	191,472	425,150	265,497	62.4%	329,794	91.4%
Employee Benefits (Other)	77,804	69,414	26,836	69,000	8,804	12.8%	8,390	12.1%
OPEB Contribution	32,449	20,620	12,177	20,500	11,949	58.3%	11,829	57.4%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	3,300	3,000	1,037	2,300	1,000	43.5%	299	10.0%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	3,500	3,500	0	0	3,500	0.0%	0	0.0%
Rideshare Allowance	1,000	2,000	240	1,700	(700)	-41.2%	(1,000)	-50.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$2,073,051	\$1,459,349	\$701,893	\$1,529,650	\$543,401	35.5%	\$613,702	42.1%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$2,073,051	\$1,459,349	\$701,893	\$1,529,650	\$543,401	35.5%	\$613,702	42.1%

*All amounts rounded to the nearest dollar.

Note: All Permanent Salaries and Employee Benefits include amounts through 11/30/19, except Agency Temporary includes amounts through 12/31/19 and Rideshare Allowance includes amounts through 8/31/19.

LACERA
FISCAL YEAR 2020-2021
SALARIES

COMMUNICATIONS

2020-2021 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	MO.	ACTUAL RATE	ANNUAL AMOUNT				
00794A	CHIEF, COMMUNICATIONS	1	LS10		12,337	148,040				
00779A	CREATIVE COORDINATOR	2	106F		16,746	200,956				
00784A	SENIOR WRITER	1	104E		7,912	94,946				
00789A	MEDIA ARTIST	3	098J		22,327	267,925				
00786A	WRITER II	2	094L		10,985	131,823				
00426A	STAFF ASSISTANT I	1	084F		4,367	52,405				
POSITIONS		10					896,096			
VACANT POSITIONS		# POS.	SCHEDULE	MO.	1ST STEP RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS	
00784A	SENIOR WRITER	1	104E		7,098	85,178	85,178			
00465A	PUBLIC INFORMATION OFFICER	1	103D		6,891	82,695	82,695			
00789A	MEDIA ARTIST	1	098J		6,092	73,107	73,107			
00787A	WEB SUPPORT TECHNICIAN	1	94L		5,493	65,912	65,912			
POSITIONS		4					306,892		0	0
TOTAL POSITIONS		14								
GROSS SALARIES						1,202,989				
ANTICIPATED MOU SALARY INCREASE**						21,052				
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE						40,311				
BONUS						0				
120-DAY RETIREE(S)						0				
TOTAL SALARIES						1,264,352				

MAPP Tier I and Tier II positions are shown at actual salaries as of 1/1/20.
 Represented/Non-Represented positions are shown at actual salaries as of 1/1/20.
 Represented positions shown in blue
 Vacancies are shown at the 1st Step
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.75% to calculate anticipated MOU increase

LACERA
FISCAL YEAR 2020-2021
SERVICES AND SUPPLIES

COMMUNICATIONS

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
TRANSPORTATION & TRAVEL	\$8,000	\$14,000	\$600	\$7,700	\$300	3.9%	(\$6,000)	-42.9%
POSTAGE	300,000	312,000	132,204	290,000	10,000	3.4%	(12,000)	-3.8%
STATIONERY & FORMS	636,600	572,800	188,095	525,200	111,400	21.2%	63,800	11.1%
OFFICE SUPPLIES & EQUIPMENT	8,000	12,500	2,616	6,500	1,500	23.1%	(4,500)	-36.0%
PROFESSIONAL & SPEC. SRVCS.	32,000	43,500	6,793	32,000	0	0.0%	(11,500)	-26.4%
COMPUTER SERVICES & SUPPORT	16,500	20,500	2,004	5,400	11,100	205.6%	(4,000)	-19.5%
EDUCATIONAL EXPENSES	10,400	22,300	7,603	13,100	(2,700)	-20.6%	(11,900)	-53.4%
MISCELLANEOUS	600	600	440	600	0	0.0%	0	0.0%
TOTAL	\$1,012,100	\$998,200	\$340,354	\$880,500	\$131,600	14.9%	\$13,900	1.4%

*All amounts rounded to the nearest dollar.



Mission

Our mission is to provide timely and effective legal representation to LACERA in disability retirement and service-connected survivor's benefit appeals. The goal of the Disability Litigation Office is to achieve impartial justice based on the facts and the law.

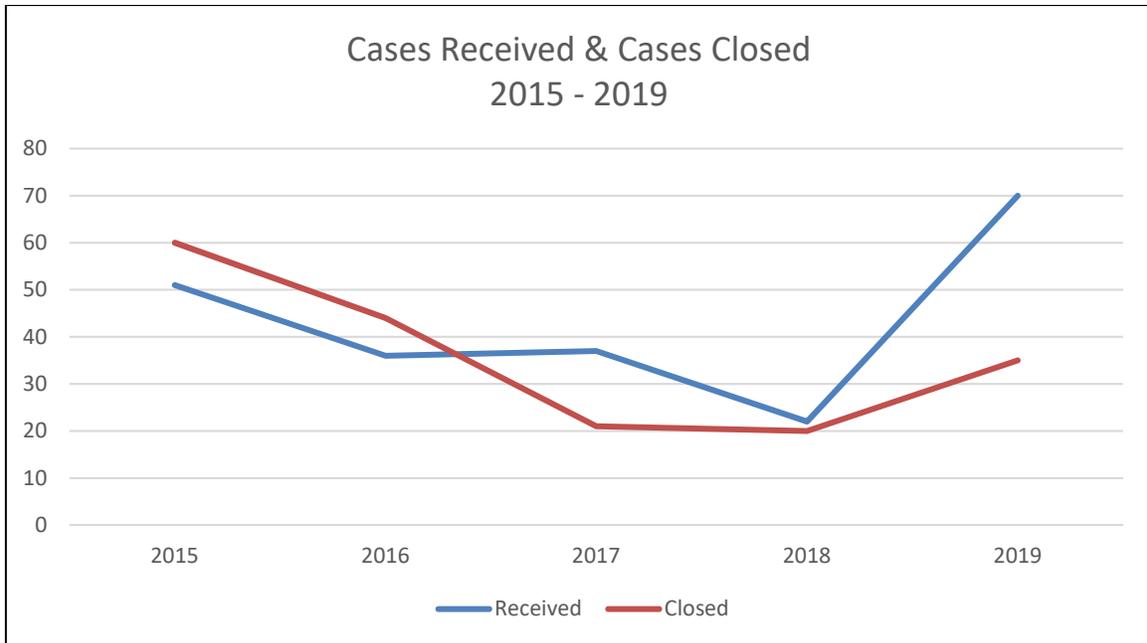
INTRODUCTION

The Disability Litigation Office (DLO) is a legal unit at LACERA that is separate from and independent of the Legal Office. The Chief Counsel, Disability Litigation, reports directly to the Chief Executive Officer. Established in 1996, the Disability Litigation Office has a staff of four attorneys and three secretaries. Our mission is to provide LACERA with legal representation for disability retirement and service-connected survivor's benefit appeals at the administrative level.

INVENTORY OF CASES

The DLO has 118 active cases as of January 10, 2020. The average age of these active cases is two years and 24 days. Keep in mind that under Rule 32 of the Board's *Procedures for Disability Retirement Hearings*, applicants must bring their cases to hearing within three years from the date of the notification of the assignment of the referee.

Over the past five years, from 2015 to 2019, the number of cases received and the number of cases closed has fluctuated; however, the number of cases received and the number of cases closed have generally tracked together, as demonstrated by the graph:



There was a spike in the number of cases received from 2018 to 2019 because of the influx of the Earlier Effective Date correction appeals. This temporary upward trend for Earlier Effective Date cases is not anticipated to continue because the deadline for applicants to file for the correction appeal expired on December 31, 2019.

Based on the historical statistics, it is reasonable to assume that the DLO will receive something in the neighborhood of 30 regular¹ cases in 2020.

In terms of how quickly a case is litigated, the average lifespan for all cases that were closed from 2006 to 2019 was 2 years, 7 months, and 23 days.

STAFFING

There are currently seven budgeted full-time positions. No additional staff positions are being requested at this time.

SERVICES AND SUPPLIES

We are reducing our request for funds for outside counsel because of an anticipated reduction in the number of conflict appeals. Outside counsel is used in appeals where the applicant is an employee of LACERA, where the applicant is the survivor of an employee of LACERA, where there is an actual conflict of interest, or where there is an appearance of impropriety.

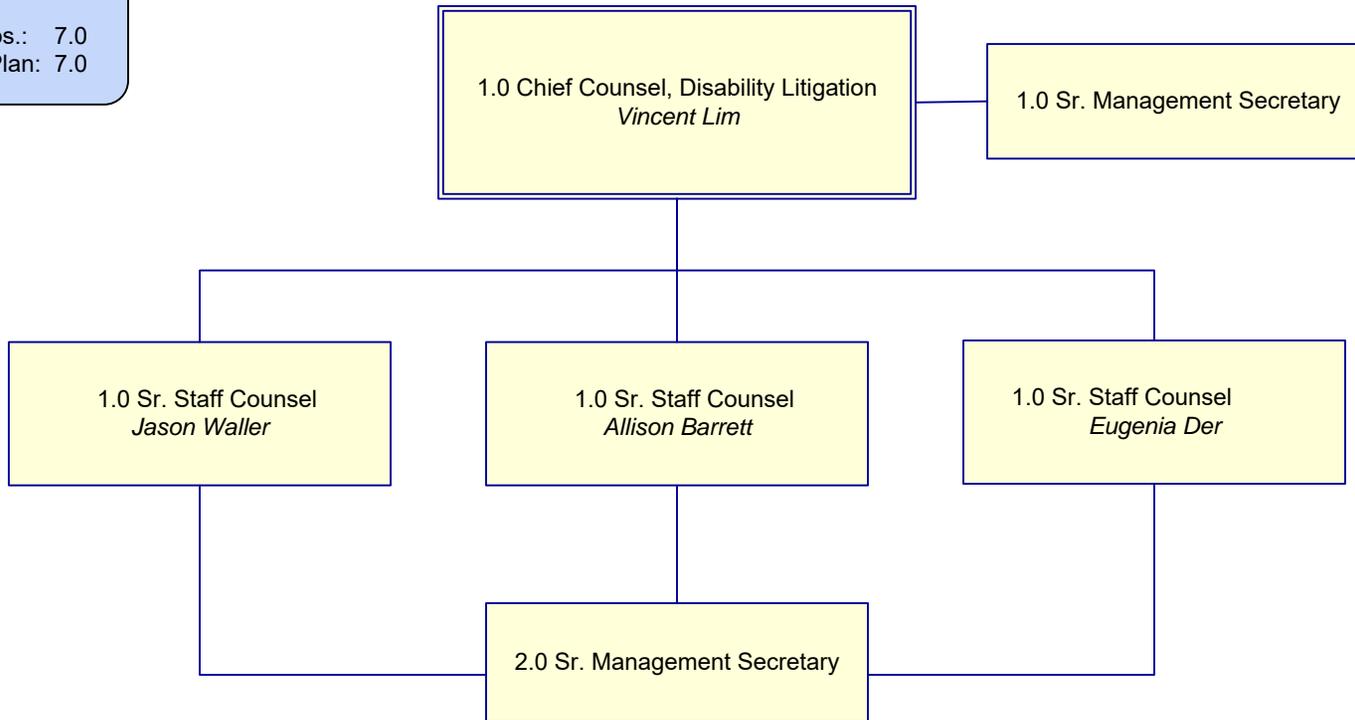
¹ Regular cases are cases that are not Earlier Effective Date correction appeals.

DISABILITY LITIGATION

FISCAL YEAR 2020-2021

2019-2020 Bud. Pos.: 7.0
2019-2020 Hiring Plan: 7.0

2020-2021 Bud. Pos.: 7.0
2020-2021 Hiring Plan: 7.0

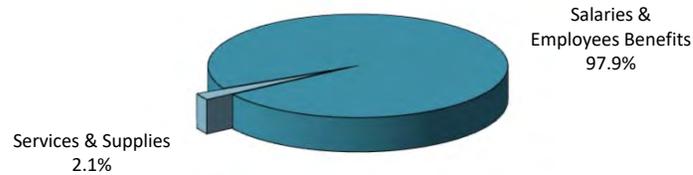


LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

DISABILITY LITIGATION

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Salaries & Employees Benefits	\$2,035,878	\$1,902,981	\$824,219	\$1,876,200	\$159,678	8.5%	\$132,896	7.0%
Services & Supplies	44,100	85,300	20,591	62,400	(18,300)	-29.3%	(41,200)	-48.3%
OPERATING BUDGET	\$2,079,978	\$1,988,281	\$844,809	\$1,938,600	\$141,378	7.3%	\$91,696	4.6%

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SALARIES AND EMPLOYEE BENEFITS SUMMARY

DISABILITY LITIGATION

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Total LACERA Salaries	\$1,256,001	\$1,166,880	\$528,748	\$1,170,200	\$85,801	7.3%	\$89,121	7.6%
Total Agency Temp Salaries	8,700	0	0	0	8,700	0.0%	8,700	0.0%
Employee Benefits (Variable)	660,752	625,765	240,083	595,000	65,752	11.1%	34,987	5.6%
Employee Benefits (Other)	77,290	85,067	40,919	84,700	(7,410)	-8.7%	(7,777)	-9.1%
OPEB Contribution	32,235	25,269	14,244	25,200	7,035	27.9%	6,965	27.6%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	0	0	0	0	0	0.0%	0	0.0%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	0	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	900	0	225	1,100	(200)	-18.2%	900	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$2,035,878	\$1,902,981	\$824,219	\$1,876,200	\$159,678	8.5%	\$132,896	7.0%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$2,035,878	\$1,902,981	\$824,219	\$1,876,200	\$159,678	8.5%	\$132,896	7.0%

*All amounts rounded to the nearest dollar.

Note: All Permanent Salaries and Employee Benefits include amounts through 11/30/19, except Agency Temporary includes amounts through 12/31/19 and Rideshare Allowance includes amounts through 8/31/19.

LACERA
FISCAL YEAR 2020-2021
SALARIES

DISABILITY LITIGATION

2020-2021 BUDGET

<u>FILLED POSITIONS</u>		<u># POS.</u>	<u>SCHEDULE</u>	<u>ACTUAL MO. RATE</u>	<u>ANNUAL AMOUNT</u>			
09215A	CHIEF COUNSEL, DISABILITY LITIGATION	1	LS18	23,007	276,087			
09213A	SENIOR STAFF COUNSEL	3	LS16	55,507	666,088			
00441A	SENIOR MANAGEMENT SECRETARY	3	96H	21,671	260,051			
	POSITIONS	<u>7</u>			1,202,226			
<u>VACANT POSITIONS</u>		<u># POS.</u>	<u>SCHEDULE</u>	<u>1ST STEP MO. RATE</u>	<u>ANNUAL AMOUNT</u>	<u>FILLED AT 12 MONTHS</u>	<u>FILLED AT 9 MONTHS</u>	<u>FILLED AT 6 MONTHS</u>
	POSITIONS	<u>0</u>			<u>0</u>			
	TOTAL POSITIONS	7						
	GROSS SALARIES				1,202,226			
	ANTICIPATED MOU SALARY INCREASE**				21,039			
	ANTICIPATED STEP AND/OR MERIT SALARY INCREASE				32,736			
	BONUS				0			
	120-DAY RETIREE(S)				0			
	TOTAL SALARIES				1,256,001			

MAPP Tier I and Tier II positions are shown at actual salaries as of 1/1/20.
 Represented/Non-Represented positions are shown at actual salaries as of 1/1/20.
 Represented positions shown in blue
 Vacancies are shown at the 1st Step
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.75% to calculate anticipated MOU increase

LACERA
FISCAL YEAR 2020-2021
SERVICES & SUPPLIES ACCOUNT SUMMARY

DISABILITY LITIGATION

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
AUTO EXPENSE	\$3,100	\$3,100	\$2,182	\$3,800	(\$700)	-18.4%	\$0	0.0%
TRANSPORTATION & TRAVEL	6,000	14,000	2,972	11,800	(5,800)	-49.2%	(8,000)	-57.1%
OFFICE SUPPLIES & EQUIPMENT	1,800	1,800	3,158	3,500	(1,700)	-48.6%	0	0.0%
LEGAL FEES & SERVICES	10,500	30,500	5,917	11,600	(1,100)	-9.5%	(20,000)	-65.6%
EDUCATIONAL EXPENSES	22,000	35,200	6,284	31,000	(9,000)	-29.0%	(13,200)	-37.5%
MISCELLANEOUS	700	700	79	700	0	0.0%	0	0.0%
TOTAL	\$44,100	\$85,300	\$20,591	\$62,400	(\$18,300)	-29.3%	(\$41,200)	-48.3%

*All amounts rounded to the nearest dollar.

DISABILITY RETIREMENT

Budget Request Highlights

Fiscal
Year
2020-2021

Mission

Our mission is to administer the LACERA Disability Retirement Program in an equitable, timely, accurate, and courteous manner consistent with applicable laws, policies, and procedures.

INTRODUCTION

The Disability Retirement Services Division (DRS) is responsible for investigating and evaluating disability retirement applications submitted by active, retired, and deferred members of LACERA. Staff presents recommendations to the Board of Retirement, which is the governing board responsible for adjudicating each application. Staff also administers the disability appeals process in conjunction with Disability Litigation and serves as the official Custodian of Records for all disability retirement files.

Our division contracts for professional services for both the investigation and appeals processes, including panel physicians, referees, copy services, court reporters, job analysts, investigative services, and outside legal counsel.

Our current average monthly production is 45 cases to the Board of Retirement per month with an average processing time of 13 months. This is a success. Over the last three fiscal years, notwithstanding continual changes, we have exhibited consistency in our case processing as we migrate to the LACERA enterprise system.

Our goal for the next fiscal year is to increase monthly productivity to an average of 50 cases per month to deliver to the Board within an average processing time of 12 months. One of the challenges to achieving this goal has been staffing. DRS

has not been fully staffed for a variety of reasons, but more specifically due to extended leaves and limited duty staff.

DRS has filled all but one vacancy during FY 2019-20 and promoted three of our trainees to senior level. It is our expectation that three additional trainees will be ready for promotion to senior level in FY 2020-21. Additionally, DRS intends to fill its final vacancy in FY 2020-21.

STAFFING

There are currently 41 budgeted full-time positions in DRS and is not requesting additional staffing this fiscal year. When fully staffed, our current case processing capacity per fiscal year is 660 cases. On average, DRS receives 600 cases per fiscal year. This has been consistent the last three fiscal years. DRS does not anticipate a significant increase or decrease for FY 2020-21.

Staff is requesting a classification study on the Disability Retirement Specialist Supervisor position. The role and responsibilities of the supervisor position in Disability Retirement Services has substantially increased over the years. Because Disability Retirement Services does not have an Assistant Division Manager or Section Heads at this time, all supervisors in Disability Retirement Services act in the capacity of second-in-command and may act in the absence of the Division Manager.

Lastly, staff is requesting one agency-temporary staff to support one of our investigative teams due to the extended leave of one of our Senior Typist Clerks in FY 2020-21.

SERVICES AND SUPPLIES

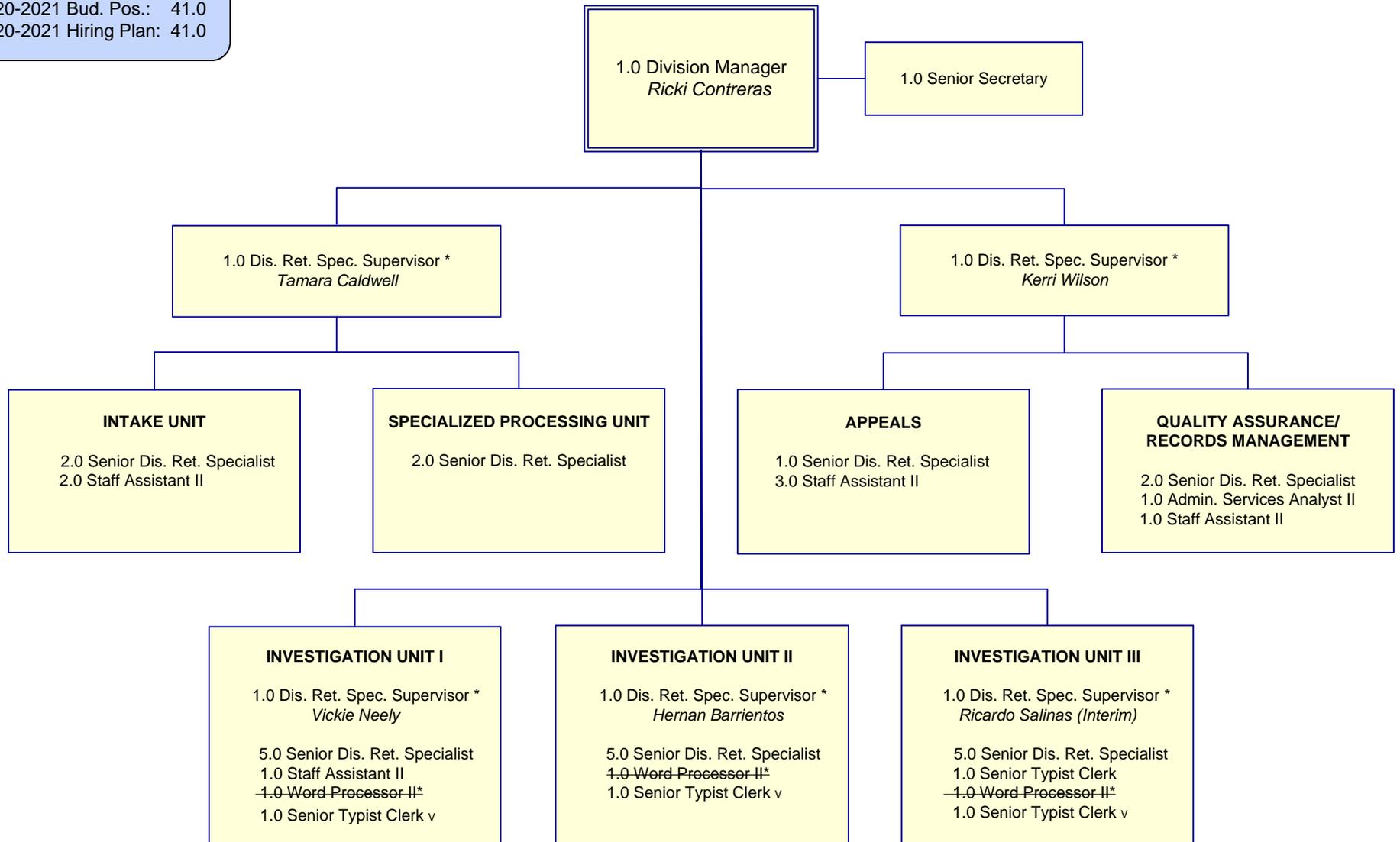
Although the requested budget for services and supplies has essentially remained flat for FY 2020-21, one of our goals is to reduce reliance on paper and we are focusing on our e-Case Processing Project, which may result in a decrease in Photocopies of Documents budget as we look toward to a paper-light future. Additionally, DRS intends to open a Request for Proposal related to our document duplication and related services vendor for FY 2020-21.

DISABILITY RETIREMENT

FISCAL YEAR 2020-2021

2019-2020 Bud. Pos.: 41.0
 2019-2020 Hiring Plan: 41.0

2020-2021 Bud. Pos.: 41.0
 2020-2021 Hiring Plan: 41.0



* Classification and/or compensation study requested.

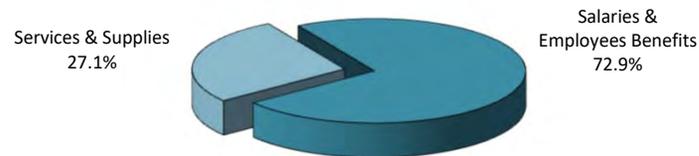
v Position downgrade from Word Processor II to Senior Typist Clerk as a result of classification study (Classification study finalized on July 29, 2019.).

LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

DISABILITY RETIREMENT

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Salaries & Employees Benefits	\$6,364,804	\$6,197,007	\$2,473,525	\$5,801,547	\$563,257	9.7%	\$167,797	2.7%
Services & Supplies	2,365,800	2,510,500	978,056	2,346,100	19,700	0.8%	(144,700)	-5.8%
OPERATING BUDGET	\$8,730,604	\$8,707,507	\$3,451,581	\$8,147,647	\$582,957	7.2%	\$23,097	0.3%

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SALARIES AND EMPLOYEE BENEFITS SUMMARY

DISABILITY RETIREMENT

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Total LACERA Salaries	\$3,832,191	\$3,632,587	\$1,505,085	\$3,562,700	\$269,491	7.6%	\$199,604	5.49%
Total Agency Temp Salaries	28,000	36,000	7,258	36,000	(8,000)	-22.2%	(8,000)	-22.22%
Employee Benefits (Variable)	2,150,442	2,158,534	790,518	1,834,747	315,695	17.2%	(8,092)	-0.37%
Employee Benefits (Other)	235,819	264,820	111,023	263,500	(27,681)	-10.5%	(29,001)	-10.95%
OPEB Contribution	98,351	78,666	48,162	78,300	20,051	25.6%	19,686	25.02%
Stipends	0	0	0	0	0	0.0%	0	0.00%
Overtime	9,500	12,400	7,807	12,000	(2,500)	-20.8%	(2,900)	-23.39%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.00%
Sick Leave Buyback	6,000	6,000	2,445	6,000	0	0.0%	0	0.00%
Rideshare Allowance	4,500	8,000	1,228	8,300	(3,800)	-45.8%	(3,500)	-43.75%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.00%
ADJUSTED GROSS S&EB	\$6,364,804	\$6,197,007	\$2,473,525	\$5,801,547	\$563,257	9.7%	\$167,797	2.7%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$6,364,804	\$6,197,007	\$2,473,525	\$5,801,547	\$563,257	9.7%	\$167,797	2.7%

*All amounts rounded to the nearest dollar.

Note: All Permanent Salaries and Employee Benefits include amounts through 11/30/19, except Agency Temporary includes amounts through 12/31/19 and Rideshare Allowance includes amounts through 8/31/19.

LACERA
FISCAL YEAR 2020-2021
SALARIES

DISABILITY RETIREMENT

2020-2021 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT
00773A	DIVISION MANAGER	1	LS12	14,908	178,894
01643A	DISABILITY RETIRE. SPECIALIST SUPV.	5	105G	46,569	558,826
01632A	SENIOR DISABILITY RETIRE. SPECIALIST	21	101G	168,933	2,027,201
00420A	ADMINISTRATIVE SERVICES ANALYST II	1	92J	6,790	81,481
00427A	STAFF ASSISTANT II	7	91F	41,702	500,426
00439A	SENIOR SECRETARY	1	88H	5,756	69,075
00448A	WORD PROCESSOR II	3	81G	13,087	157,045
00448A	WORD PROCESSOR II	(3)	81G	13,087	(157,045)
00446A	SENIOR TYPIST CLERK	1	78C	4,702	56,430
00446A	SENIOR TYPIST CLERK	3	78C	13,087	157,045

POSITIONS 40 3,629,378

VACANT POSITIONS		# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
01632A	SENIOR DISABILITY RETIRE. SPECIALIST	1	101G	6,416	76,993	0	0	38,497
						0	0	38,497

POSITIONS 1 38,497

TOTAL POSITIONS 41

GROSS SALARIES 3,667,875

ANTICIPATED MOU SALARY INCREASE** 64,188

ANTICIPATED STEP AND/OR MERIT SALARY INCREASE 40,597

BONUS 59,531

120-DAY RETIREE(S) 0

TOTAL SALARIES 3,832,191

MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/20
Represented/Non-Represented positions are shown at actual salaries as of 01/01/20
[Represented positions shown in blue](#)

Vacancies are shown at the 1st Step

*All amounts rounded to the nearest dollar.

** Gross salaries are multiplied by 1.75% to calculate anticipated MOU increase

LACERA
FISCAL YEAR 2020-2021
SERVICES & SUPPLIES ACCOUNT SUMMARY

DISABILITY RETIREMENT

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
TRANSPORTATION & TRAVEL	\$8,000	\$18,600	\$7,906	\$14,200	(\$6,200)	-43.7%	(\$10,600)	-57.0%
OFFICE SUPPLIES & EQUIPMENT	6,000	11,000	1,617	5,000	1,000	20.0%	(5,000)	-45.5%
PROFESSIONAL & SPEC. SRVCS.	225,000	225,000	66,985	220,500	4,500	2.0%	0	0.0%
LEGAL FEES & SERVICES	30,000	50,000	7,380	30,000	0	0.0%	(20,000)	-40.0%
DISABILITY FEES & SERVICES	2,086,000	2,168,000	867,279	2,040,000	46,000	2.3%	(82,000)	-3.8%
EDUCATIONAL EXPENSES	10,300	36,900	26,782	36,000	(25,700)	-71.4%	(26,600)	-72.1%
MISCELLANEOUS	500	1,000	107	400	100	25.0%	(500)	-50.0%
TOTAL	\$2,365,800	\$2,510,500	\$978,056	\$2,346,100	\$19,700	0.8%	(\$144,700)	-5.8%

*All amounts rounded to the nearest dollar.



EXECUTIVE OFFICE

Budget Request Highlights

Fiscal
Year

2020-2021

Mission

To direct and coordinate the efforts of every LACERA organizational unit toward the effective realization of LACERA's Mission as articulated through policies adopted by the Boards of Retirement and Investments.

INTRODUCTION

The Executive Office directs and coordinates the efforts of every LACERA organizational unit toward the effective realization of LACERA's mission—to produce, protect, and provide the promised benefits—as articulated through policies adopted by the Boards of Retirement and Investments.

STAFFING

The Executive Office is not requesting any additional staff for the FY 2020-2021 budget.

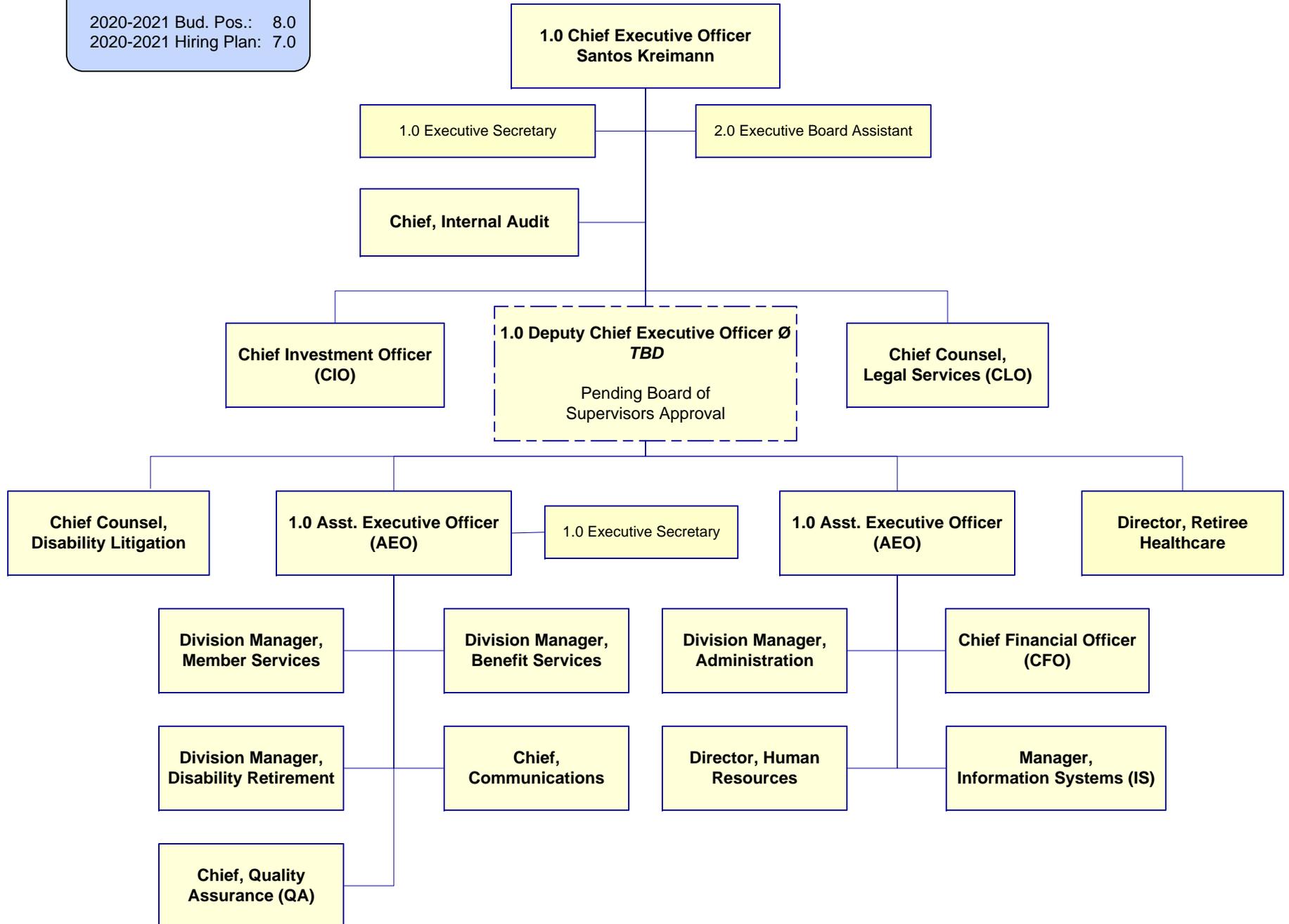
SERVICES AND SUPPLIES

In an effort to improve transparency, costs related to Board of Retirement and Board of Investment offsite meetings have been moved to their respective Boards Services & Supplies budgets. Likewise, we have also moved costs related to the Boards' meeting refreshments and lunches to the respective Boards' Services & Supplies budgets.

EXECUTIVE OFFICE

FISCAL YEAR 2020-2021

2019-2020 Bud. Pos.: 8.0
 2019-2020 Hiring Plan: 7.0
 2020-2021 Bud. Pos.: 8.0
 2020-2021 Hiring Plan: 7.0



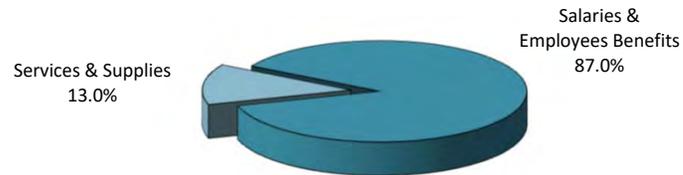
Ø Not yet approved by Board of Supervisors. Title and classification is subject to change from Deputy Chief Executive Officer to Chief Operating Officer (COO).

LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

EXECUTIVE OFFICE

	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET		
	PROPOSED BUDGET 2020-2021	YTD		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE	
		BUDGET	(12-31-19)					PROJECTION
Salaries & Employees Benefits	\$1,976,215	\$1,861,060	\$550,337	\$1,492,300	\$483,915	32.4%	\$115,154	6.2%
Services & Supplies	294,700	697,500	51,042	447,600	(152,900)	-34.2%	(402,800)	-57.7%
OPERATING BUDGET	\$2,270,915	\$2,558,560	\$601,378	\$1,939,900	\$331,015	17.1%	(\$287,646)	-11.2%

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SALARIES AND EMPLOYEE BENEFITS SUMMARY

EXECUTIVE OFFICE

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Total LACERA Salaries	\$1,249,330	\$1,173,131	\$308,016	\$880,500	\$368,830	41.9%	\$76,199	6.5%
Total Agency Temp Salaries	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	525,542	507,002	156,015	401,500	124,042	30.9%	18,540	3.7%
Employee Benefits (Other)	76,879	85,523	33,633	85,100	(8,221)	-9.7%	(8,643)	-10.1%
OPEB Contribution	32,063	25,405	11,447	25,300	6,763	26.7%	6,659	26.2%
Stipends	65,000	65,000	25,508	65,000	0	0.0%	0	0.0%
Overtime	25,000	3,000	15,348	33,000	(8,000)	-24.2%	22,000	733.4%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	1,000	1,000	0	0	1,000	0.0%	0	0.0%
Rideshare Allowance	1,400	1,000	370	1,900	(500)	-26.3%	400	40.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$1,976,215	\$1,861,060	\$550,337	\$1,492,300	\$483,915	32.4%	\$115,154	6.2%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$1,976,215	\$1,861,060	\$550,337	\$1,492,300	\$483,915	32.4%	\$115,154	6.2%

*All amounts rounded to the nearest dollar.

Note: All Permanent Salaries and Employee Benefits include amounts through 11/30/19, except Agency Temporary includes amounts through 12/31/19 and Rideshare Allowance includes amounts through 8/31/19.

LACERA
FISCAL YEAR 2020-2021
SALARIES

EXECUTIVE OFFICE

2020-2021 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT			
00776L	CHIEF EXECUTIVE OFFICER	1	LR20	33,333	400,000			
00792A	ASSISTANT EXECUTIVE OFFICER (UC)	1	LS16	18,485	221,816			
00745A	EXECUTIVE BOARD ASSISTANT	2	103L	18,391	220,693			
00442A	EXECUTIVE SECRETARY	2	100H	16,829	201,947			
POSITIONS		6			1,044,457			
VACANT POSITIONS		# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
00770A	DEPUTY CHIEF EXECUTIVE OFFICER (UC) Ø	1	LS18	15,895	190,738			
00792A	ASSISTANT EXECUTIVE OFFICER (UC)	1	LS16	13,754	165,052	165,052		
POSITIONS		2			355,791	165,052	0	0
TOTAL POSITIONS		8			165,052			
GROSS SALARIES					1,209,509			
ANTICIPATED MOU SALARY INCREASE**					21,166			
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE					18,654			
BONUS					0			
120-DAY RETIREE(S)					0			
TOTAL SALARIES					1,249,330			

MAPP Tier I and Tier II positions are shown at actual salaries as of 1/1/20.
 Represented/Non-Represented positions are shown at actual salaries as of 1/1/20.
 Represented positions shown in blue
 Vacancies are shown at the 1st Step
 *All amounts rounded to the nearest dollar.
 Ø Position not yet approved by the Board of Supervisors and is calculated at zero percent filled.
 ** Gross salaries are multiplied by 1.75% to calculate anticipated MOU increase

LACERA
FISCAL YEAR 2020-2021
SERVICES & SUPPLIES ACCOUNT SUMMARY

EXECUTIVE OFFICE

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
AUTO EXPENSE	\$17,800	\$18,300	\$3,969	\$12,000	\$5,800	48.3%	(\$500)	-2.7%
TRANSPORTATION & TRAVEL	24,000	40,000	(76)	21,900	2,100	9.6%	(16,000)	-40.0%
OFFICE SUPPLIES & EQUIPMENT	4,500	4,500	954	3,500	1,000	28.6%	0	0.0%
PROFESSIONAL & SPEC. SRVCS.	120,000	180,000	0	110,000	10,000	9.1%	(60,000)	-33.3%
EDUCATIONAL EXPENSES	68,400	198,500	9,461	94,000	(25,600)	-27.2%	(130,100)	-65.5%
MISCELLANEOUS	60,000	256,200	36,733	206,200	(146,200)	-70.9%	(196,200)	-76.6%
TOTAL	\$294,700	\$697,500	\$51,042	\$447,600	(\$152,900)	-34.2%	(\$402,800)	-57.7%

*All amounts rounded to the nearest dollar.

(FASD) FINANCIAL & ACCOUNTING SERVICES

Budget Request Highlights

Fiscal
Year

2020-2021

Mission

Our mission is to provide sound guardianship of LACERA's assets and deliver quality service to our stakeholders through timely and accurate financial information.

INTRODUCTION

The Financial and Accounting Services Division (FASD) contributes to the LACERA Mission supporting operations by conducting investment and administrative financial transactions while ensuring compliance with regulatory and statutory financial reporting mandates.

FASD's budget request seeks to maintain financial reporting quality, complete financial transactions timely and accurately, support LACERA's Boards and organizational initiatives, while mitigating risks and managing change. To accomplish this, FASD requests authorization to:

1. Renew for the second year the Comprehensive Annual Financial Report (CAFR) preparation software tool, a technology-based solution, to replace the standard labor-intensive manual process and benefit three different work groups in their CAFR related responsibilities: (1) for FASD in preparing the CAFR; (2) for the external auditor, Investment Office, Legal Office, and key staff of LACERA in reviewing/verifying CAFR information; and (3) for Communications Division in publishing the CAFR.
2. Implement an Automated Accounts Payable (A/P) solution to satisfy a previous external audit recommendation to improve the existing manual A/P workflow process through an efficient technology-based solution.

STAFFING

Overtime and Temporary Staff

As in the past, overtime is requested to manage the additional workload related to the annual fiscal year-end financial statement preparation and audit which is the basis for preparing the CAFR and Popular Annual Financial Report (PAFR). When combined with the development of unanticipated new responsibilities and unforeseen special projects implemented by other Divisions, maintaining a budget for overtime to support these organizational strategies has proven to be prudent.

Based on past experience, we anticipate having some permanent staff on extended leaves of absence during the fiscal period. In addition, three vacant Accountant positions are expected to be filled upon the completion of the ongoing classification study that affects 26 of the 30 positions allocated to FASD. Some permanent staff are also expected to participate in learning opportunities and perform special projects within the Division due to vacancies in key supervisory positions. We are requesting five agency-temporary staff (the same as the prior fiscal year) to assist with the workload. This request consists of three temporary staff at the Accountant level, one Senior Accountant, and one at the Secretary level.

TECHNOLOGY

Renewing a CAFR Preparation Tool

In conjunction with the Systems Division, FASD implemented Workiva's *Wdesk* platform, which was used to prepare the FY 2018-2019 CAFR. During the implementation process, FASD integrated the prior year audited financial statements within *Wdesk* and created templates for data to be input and linked year over year. This essentially laid out the framework which was copied over to a new file to prepare the audited financial statements. During the review stages, auditors, Investment Office, Legal Office, Retiree Health Care Division, Benefits Division, and key LACERA staff accessed the platform to provide comments electronically where FASD then comprehensively tracked changes and suggestions. *Wdesk* was also utilized to export files to Communications that eliminated the need to send 80 individual files manually.

We anticipate executing another one-year commitment in accordance with the General Purchasing Policy for LACERA to evaluate *Wdesk*. Financial data will be uploaded to the platform, however, the direct connection to LACERA's accounting platform (i.e., the organization's accounting software application including the financial and payment modules) will be established in the future once staff makes a positive determination regarding the long-term use of *Wdesk*. The time and labor efficiencies of *Wdesk* may be more significantly realized starting with the second year as the templates created and used during implementation will carry over and be refreshed. Upon favorable review of *Wdesk*'s effectiveness in the second year, staff will make a recommendation and request approval to enter into a multi-year agreement with Workiva. *Wdesk*'s second year subscription for this budget request is \$57,750. Upon the second-year subscription's expiration, Workiva quoted a 3-year renewal based on a 5% annual price cap increase amounting to \$191,159.73 for the total 3-year cost.

Implementing an Automated A/P Solution

Generally, LACERA pays its service providers and reimburses staff for business related expenses by generating checks. About 10,000 check payments are made each year with about 10 percent of these payment types initiated by purchase orders. Due to the manual process design and established internal controls, generating a single check can require many different LACERA staff performing distinct functions within the process. Some of these functions appear to be redundant and could be eliminated with a technological solution.

FASD and Systems have collaborated to satisfy a prior external audit recommendation to improve the labor-intensive A/P workflow process through a solution that enhances our current accounting platform. In Fiscal Year 2019-2020, staff researched several automated solutions that included digitizing the entire process beginning with receiving purchasing and invoicing documents, automatically capturing the data from these documents, routing and obtaining electronic approvals and expense coding based on pre-determined authorizations, posting the accounting entries within the general ledger (GL), through electronic record retention following payment completion. Staff has identified an industry dedicated to providing information technology tools, which integrates with LACERA's current accounting platform to revolutionize the purchasing and payment process. Since payments are made through the accounting application, Systems has stressed the importance of a solution that offers connectivity and support for Microsoft Dynamics GP, our accounting platform. Systems has also prioritized an on-premise solution to maintain a real-time connection with the accounting application and security of private payment information.

Data can be captured at a single point and reduce redundancy, saving time for Accountants to conduct more analytical work. This change will impact not only FASD in processing the daily A/P but will also be beneficial for the Administrative Services Division with its processes of procuring supplies through purchase orders, allocating budgeted expenses for each Division, as well as handling and eventually storing voluminous historical payment documents. Time savings may also be realized from administrative staff across all LACERA Divisions once invoices are translated to payment requests based on the automation tool capturing this data and routing it digitally. Division Managers will also benefit from less hard copy documents as they use automated workflow to approve payments.

We anticipate executing a one-year commitment in accordance with the General Purchasing Policy for LACERA to test and evaluate an automated A/P solution. Upon favorable review, staff will make the recommendation and request approval to enter into a multi-year agreement for a long-term contract.

SERVICES AND SUPPLIES

The Services and Supplies total budget request of \$257,100 represents a \$48,500, or 15.9 percent, decrease when compared with the prior fiscal year. This is primarily attributable to a more refined estimate of State Street Bank charges for treasury and commercial banking services.

LOOKING FORWARD

Education and Travel Policy Consulting and Credit Card Expenditures

FASD will closely monitor the recommendations identified through Mosaic's Education and Travel Policy Consulting project to address anticipated improvements to travel expense claims, credit card expenditures cycle, and travel reporting for more efficient processes and more precise financial reporting.

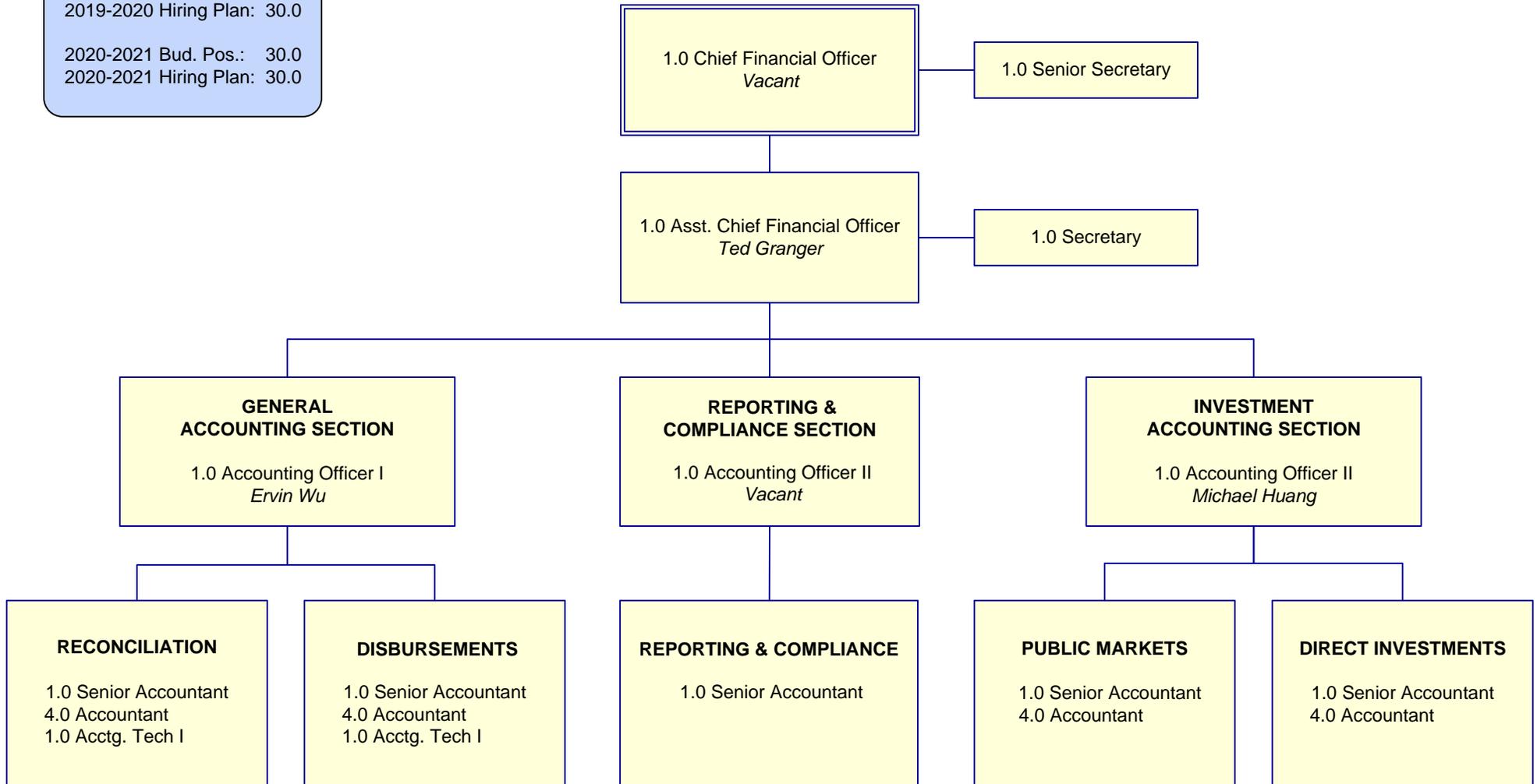
CONCLUSION

This budget request was developed to provide the Financial and Accounting Services Division with vital resources to readily contribute and support LACERA's operations toward the fulfillment of organizational goals and objectives.

FINANCIAL AND ACCOUNTING SERVICES DIVISION

FISCAL YEAR 2020-2021

2019-2020 Bud. Pos.: 30.0
 2019-2020 Hiring Plan: 30.0
 2020-2021 Bud. Pos.: 30.0
 2020-2021 Hiring Plan: 30.0



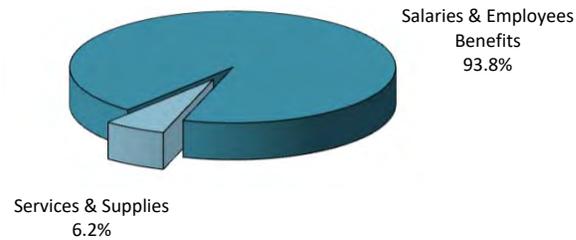
*Classification study in progress for all positions except management and administrative support staff.

LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

FINANCIAL AND ACCOUNTING SERVICES

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Salaries & Employees Benefits	3,907,922	\$4,223,840	\$1,731,227	\$3,740,600	\$167,321.87	4.5%	(\$315,918)	-7.5%
Services & Supplies	257,100	305,600	76,580	277,800	(20,700)	-7.5%	(48,500)	-15.9%
OPERATING BUDGET	\$4,165,022	\$4,529,440	\$1,807,806	\$4,018,400	\$146,622	3.6%	(\$364,418)	-8.0%

2020 -2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2020-2021

SALARIES AND EMPLOYEE BENEFITS SUMMARY

FINANCIAL AND ACCOUNTING SERVICES

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Total LACERA Salaries	\$2,198,662	\$2,342,420	\$966,149	\$2,049,600	\$149,062	7.3%	(\$143,757)	-6.1%
Total Agency Temp Salaries	255,900	424,200	140,615	350,000	(94,100)	-26.9%	(168,300)	-39.7%
Employee Benefits (Variable)	1,173,734	1,136,928	478,179	1,045,100	128,634	12.3%	36,806	3.2%
Employee Benefits (Other)	135,298	170,765	68,649	169,900	(34,602)	-20.4%	(35,468)	-20.8%
OPEB Contribution	56,428	50,726	29,917	50,500	5,928	11.7%	5,701	11.2%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	68,400	74,300	42,422	55,800	12,600	22.6%	(5,900)	-7.9%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	12,000	12,000	3,102	7,800	4,200	53.8%	0	0.0%
Rideshare Allowance	7,500	12,500	2,193	11,900	(4,400)	-37.0%	(5,000)	-40.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$3,907,922	\$4,223,840	\$1,731,227	\$3,740,600	\$167,322	4.5%	(\$315,918)	-7.5%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$3,907,922	\$4,223,840	\$1,731,227	\$3,740,600	\$167,322	4.5%	(\$315,918)	-7.5%

*All amounts rounded to the nearest dollar.

Note: All Permanent Salaries and Employee Benefits include amounts through 11/30/19, except Agency Temporary includes amounts through 12/31/19 and Rideshare Allowance includes amounts through 8/31/19.

LACERA
FISCAL YEAR 2020-2021
SALARIES

FINANCIAL & ACCOUNTING SERVICES

2020-2021 BUDGET

	FILLED POSITIONS	# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT
00799A	ASSISTANT CHIEF FINANCIAL OFFICER	1	LS10	13,094	157,125
00418A	ACCOUNTING OFFICER II	1	104E	9,061	108,730
00417A	ACCOUNTING OFFICER I	1	100J	7,568	90,820
00146A	SENIOR ACCOUNTANT	3	96D	22,427	269,123
00415A	ACCOUNTANT	14	92B	89,530	1,074,356
00439A	SENIOR SECRETARY	1	88H	4,356	52,275
00413A	ACCOUNTING TECHNICIAN I	2	83G	10,588	127,056

POSITIONS 23 1,879,486

	VACANT POSITIONS	# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
00800A	CHIEF FINANCIAL OFFICER	1	LS12	10,299	123,591			61,796
00418A	ACCOUNTING OFFICER II	1	104E	7,098	85,178			
00146A	SENIOR ACCOUNTANT	2	96D	5,700	68,395			68,395
00415A	ACCOUNTANT	2	92B	5,089	61,065			61,065
00438A	SECRETARY	1	82E	3,910	46,922			23,461
						0	0	214,716

POSITIONS 7 214,716

TOTAL POSITIONS 30

GROSS SALARIES 2,094,202

ANTICIPATED MOU SALARY INCREASE** 36,649

ANTICIPATED STEP AND/OR MERIT SALARY INCREASE 24,902

BONUS 42,910

120-DAY RETIREE(S) 0

TOTAL SALARIES 2,198,662

MAPP Tier I and Tier II positions are shown at actual salaries as of 1/1/20.
 Represented/Non-Represented positions are shown at actual salaries as of 1/1/20.
 Represented positions shown in blue
 Vacancies are shown at the 1st Step
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.75% to calculate anticipated MOU increase

LACERA

FISCAL YEAR 2020-2021

SERVICES & SUPPLIES ACCOUNT SUMMARY

FINANCIAL AND ACCOUNTING SERVICES

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
TRANSPORTATION & TRAVEL	\$18,500	\$35,100	\$27,058	\$38,300	(\$19,800)	-51.7%	(\$16,600)	-47.3%
OFFICE SUPPLIES & EQUIPMENT	3,500	5,000	481	3,000	500	16.7%	(1,500)	-30.0%
BANK SERVICES	204,000	230,000	40,495	200,000	4,000	2.0%	(26,000)	-11.3%
EDUCATIONAL EXPENSES	28,100	31,500	7,994	33,500	(5,400)	-16.1%	(3,400)	-10.8%
MISCELLANEOUS	3,000	4,000	552	3,000	0	0.0%	(1,000)	-25.0%
TOTAL	\$257,100	\$305,600	\$76,580	\$277,800	(\$20,700)	-7.5%	(\$48,500)	-15.9%

*All amounts rounded to the nearest dollar.



Mission

Our mission is to effectively administer human resource programs; provide quality service to LACERA employees, supervisors, and managers; and reflect LACERA's values and vision in both the effort put forth and the work accomplished.

INTRODUCTION

Human Resources is responsible for providing human resources services to all LACERA Staff Members. Our work encompasses all areas of human resources such as: recruitment and selection, performance and workforce management, classification and compensation, employee and organizational development, employee payroll and benefits, employee relations, labor negotiations, employee discipline, workplace investigations, workers' compensation, career planning and development, conflict resolution, labor/employment law compliance, and American Disability Act (ADA)/Family Medical Leave Act (FMLA)/California Family Rights Act (CFRA)/Fair Labor Standards Act (FLSA) administration.

STAFFING

The Director of Human Resources position is currently vacant and is expected to be filled before the end of fiscal year 2019-20.

Human Resources anticipates conducting the recruitment and hiring of one to two Core Benefits Training Classes of the Retirement Benefits Specialists I, Training Class during the 2020-2021 Fiscal Year.

As the Payroll transition plan is developed, Human Resources anticipates requesting additional positions as needed during the mid-year budget request.

Successes

The Human Resources Division is pleased to report we have completed a significant number of goals for the 2019-20 fiscal year. Additionally, we have taken steps to improve our processes, procedures, and policies which have improved our efficiency and created greater clarity for the organization. Among these successes are:

- The development and implementation of formal procedures for the request of additional responsibility and out-of-class bonuses along with the tracking of the bonuses.
- The team developed and implemented a Recruitment Calendar to help prioritize and schedule recruitments to allow Human Resources and Managers to schedule recruitment efforts to fill the vacancies throughout LACERA. Human Resources worked with the Divisions and Executive Office and set priorities for the remainder of the 2019-2020 fiscal year and the 2020-2021 fiscal year.
- The January 2019 Core Benefits Training Class graduated 12 Trainees. Two of the Trainees filled vacancies in Retiree Health Care and the other 10 were placed in the Member Services Call Center. A second Training Class began in October 2019 with 13 Trainees.
- The Classifications Studies for the Administrative Services and Financial and Accounting Services Divisions, along with a Secretarial and Administrative Assistant Study, have been completed. We anticipate completing the implementation of any adopted recommendations during the 2020-2021 fiscal year.
- Implemented a multi-year Employee Engagement Program for all Staff Members. This includes an Engagement Survey of all Staff Members for their input. It will be followed-up with opportunities for Staff to attend Focus Groups to provide further input regarding Employee Engagement at LACERA. All of the input will be reviewed and solutions implemented to improve the Employee Engagement scores at LACERA. We will continue the Employee Engagement process in FY 2020-2021 with additional Focus Groups with Staff Members to provide input on those areas for improvement as outlined in the survey results.
- The Mentoring Program continues to be a success with 22 Staff Members participating in the Program.
- Training was provided by an outside Consultant to Managers and Supervisors on Disability Compliance.
- A Leave Case Management Program, which included training by an outside Consultant, was implemented with Human Resources Staff Members responsible for overseeing and managing leaves of absences for all Staff Members.

Challenges

Recruitment and examination processes to fill vacant positions throughout LACERA and particularly for the Retirement Systems Division due to in-house programs. We continue to struggle with managers submitting requests to begin the recruitment process in sufficient time to begin the process before fiscal year end. In order to deal with this, we have developed and rolled out a recruitment calendar to help schedule and prioritize recruitments.

Human Resources Future Plans

We are pleased to present an outline of goals and initiatives that we plan to focus on for the 2020-21 Fiscal Year:

- Develop a transition plan to bring payroll in house to:
 - Provide better monitoring of transactions;
 - Better oversight of all transactions without having to rely on a third party.
- Human Resources will be working with the Systems Division to find a Human Resources Information System (HRIS) to reduce paper driven processes and to track personnel transactions.
- Develop a Classification Maintenance Program to:
 - Review the allocations of positions assigned to classes to ensure they continue to be properly classified;
 - Ensure classification specifications are accurate and current;
 - Comply with Civil Service Rules, Federal and State Legislation and related policies and procedures;
 - Meet the operating needs of Divisions; and
 - Identify positions for which new classes maybe needed or where classes can be consolidated.
- The Employee Engagement process will continue in Fiscal Year 2020-2021 with additional Focus Groups with Staff Members to provide feedback and information on those areas for improvement as outlined in the survey results.
- The Leave Case Management Program (LMP) will continue to be developed and modified as needed.
- Conduct a comprehensive classification study for the Human Resources Division to ensure we have positions that meet the modern demands of a human resources division.
- Human Resources will continue its focus on enhancing our recruitment strategies and methods to attract a highly qualified, diverse workforce to support LACERA's Mission, Values, and Vision.

Budget Variances:

In comparing our FY 2020-2021 Budget to that of the previous fiscal year, notable variances are found in the following areas:

Forum: \$22,000. New line item for FY 2020-2021

Leave Case Management Program (LMP). New line item: \$47,500. During FY 2019-2020, an LMP was implemented due to the Los Angeles County Office of Health Services no longer conducting fitness for duty examinations. As a result, Human Resources needs to engage a consultant.

Departmental Training:

The Human Resources division expects to continue LACERA's commitment as a learning organization. We are requesting to sustain our current budgeted funds at \$225,000.

The Departmental Training Budget anticipates expenditures for Staff Training in the following areas:

- Harassment Prevention Training for all Staff Members (2021);
- Harassment Prevention Training for all new staff (every six (6) months);
- Career Workshops;
- Emotional Intelligence;
- Time Management;
- Computer Skills refresher;
- Administrative Assistants Workshop;
- Ethics Training; and
- Business Writing/Proofreading.

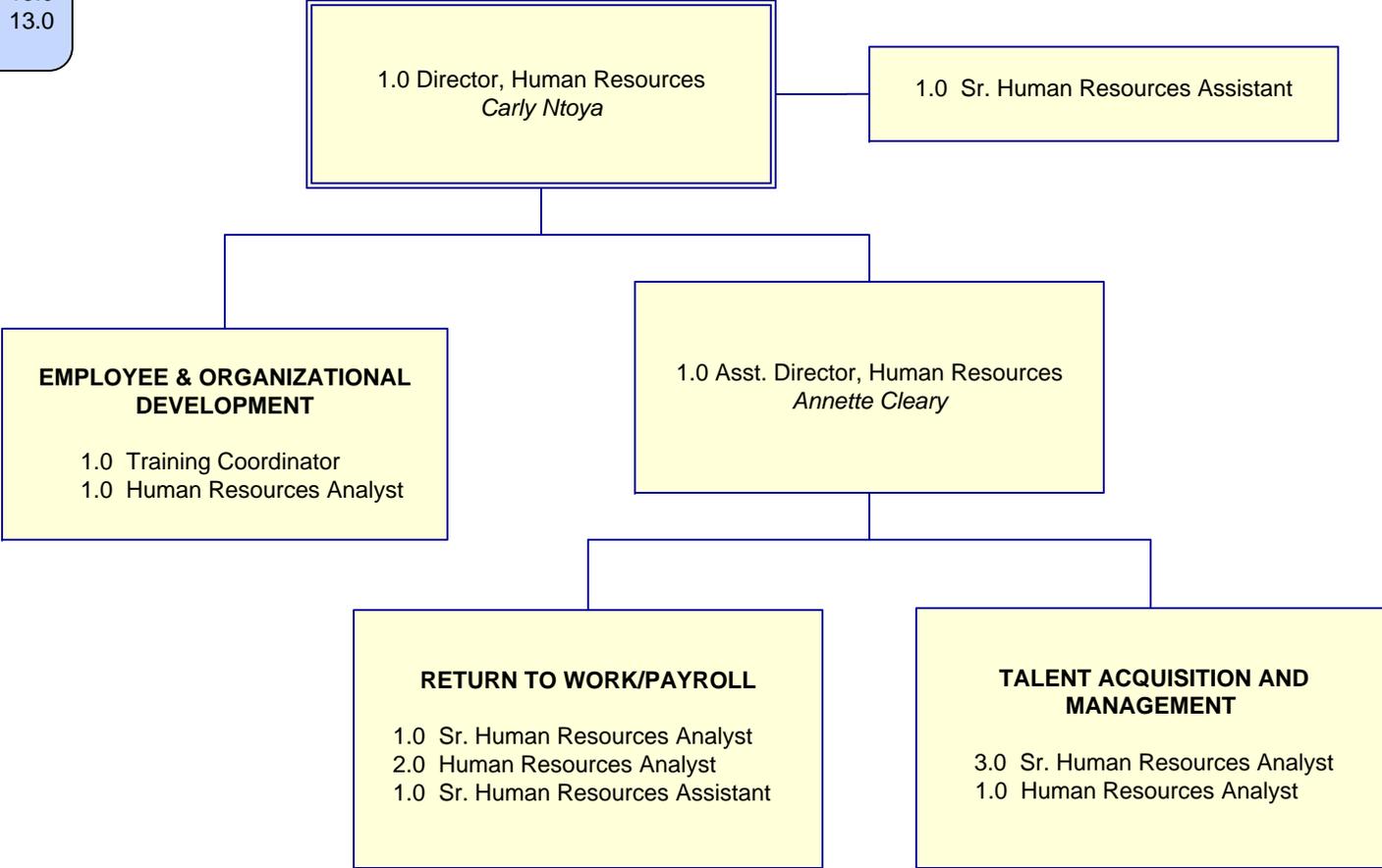
For Management Staff Members:

- Management Training Plan, including:
 - Crucial Conversations
 - Emotional Intelligence
 - Accountability
 - Leadership Ethics
 - Strategic Thinking
- ACE (Accelerated CERL Education) Program: Soft Skills Training which includes Business Communication, Strategic Thinking, Conflict Resolution, and Root Cause Analysis, among others.

HUMAN RESOURCES

FISCAL YEAR 2020-2021

2019-2020 Bud. Pos.: 13.0
 2019-2020 Hiring Plan: 13.0
 2020-2021 Bud. Pos.: 13.0
 2020-2021 Hiring Plan: 13.0



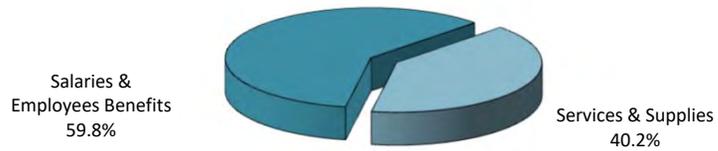
* Classification study for all positions requested.

LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

HUMAN RESOURCES

	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET		
	PROPOSED BUDGET 2020-2021	YTD		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE	
		BUDGET	(12-31-19)					PROJECTION
Salaries & Employees Benefits	\$2,316,658	\$2,439,274	\$951,501	\$2,133,200	\$183,458	8.6%	(\$122,615)	-5.0%
Services & Supplies	1,555,100	1,535,200	619,443	1,406,600	148,500	10.6%	19,900	1.3%
OPERATING BUDGET	\$3,871,758	\$3,974,474	\$1,570,945	\$3,539,800	\$331,958	9.4%	(\$102,715)	-2.6%

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SALARIES AND EMPLOYEE BENEFITS SUMMARY

HUMAN RESOURCES

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Total LACERA Salaries	\$1,387,072	\$1,346,210	\$581,327	\$1,286,400	\$100,672	7.8%	\$40,862	3.0%
Total Agency Temp Salaries	47,700	26,200	23,741	47,500	200	0.4%	21,500	82.1%
LACERA Intern Program	0	144,000	582	12,000	(12,000)	-100.0%	(144,000)	-100.0%
Employee Benefits (Variable)	757,732	788,571	285,452	654,300	103,432	15.8%	(30,839)	-3.9%
Employee Benefits (Other)	85,356	98,140	40,318	97,600	(12,244)	-12.5%	(12,785)	-13.0%
OPEB Contribution	35,598	29,153	18,130	29,000	6,598	22.8%	6,446	22.1%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	1,500	1,500	1,044	1,500	(0)	0.0%	0	0.0%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	0	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	1,700	5,500	908	4,900	(3,200)	-65.3%	(3,800)	-69.1%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$2,316,658	\$2,439,274	\$951,501	\$2,133,200	\$183,458	8.6%	(\$122,615)	-5.0%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$2,316,658	\$2,439,274	\$951,501	\$2,133,200	\$183,458	8.6%	(\$122,615)	-5.0%

*All amounts rounded to the nearest dollar.

Note: All Permanent Salaries and Employee Benefits include amounts through 11/30/19, except Agency Temporary includes amounts through 12/31/19 and Rideshare Allowance includes amounts through 8/31/19.

LACERA
FISCAL YEAR 2020-2021
SALARIES

HUMAN RESOURCES

2020-2021 BUDGET

<u>FILLED POSITIONS</u>		<u># POS.</u>	<u>SCHEDULE</u>	<u>ACTUAL MO. RATE</u>	<u>ANNUAL AMOUNT</u>			
00437A	ASSISTANT DIRECTOR, HUMAN RESOURCES	1	LS10	12,337	148,040			
00436A	SENIOR HUMAN RESOURCES ANALYST	4	101L	34,839	418,068			
01886A	TRAINING COORDINATOR	1	101K	8,688	104,262			
00434A	HUMAN RESOURCES ANALYST	4	097L	30,086	361,027			
00435A	SENIOR HUMAN RESOURCES ASSISTANT	2	091B	12,990	155,884			
	POSITIONS	12			1,187,281			
<u>VACANT POSITIONS</u>		<u># POS.</u>	<u>SCHEDULE</u>	<u>1ST STEP MO. RATE</u>	<u>ANNUAL AMOUNT</u>	<u>FILLED AT 12 MONTHS</u>	<u>FILLED AT 9 MONTHS</u>	<u>FILLED AT 6 MONTHS</u>
00425A	DIRECTOR, HUMAN RESOURCES	1	LS12	10,299	123,591	123,591		
	POSITIONS	1			123,591	123,591	0	0
	TOTAL POSITIONS	13						
	GROSS SALARIES				1,310,872			
	ANTICIPATED MOU SALARY INCREASE**				22,940			
	ANTICIPATED STEP AND/OR MERIT SALARY INCREASE				8,824			
	BONUS				44,436			
	120-DAY RETIREE(S)				0			
	TOTAL SALARIES				1,387,072			

MAPP Tier I and Tier II positions are shown at actual salaries as of 1/1/20.
 Represented/Non-Represented positions are shown at actual salaries as of 1/1/20.
 Represented positions shown in blue
 Vacancies are shown at the 1st Step
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.75% to calculate anticipated MOU increase

LACERA
FISCAL YEAR 2020-2021
SERVICES & SUPPLIES ACCOUNT SUMMARY

HUMAN RESOURCES

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
TRANSPORTATION & TRAVEL	\$12,000	\$21,000	\$9,095	\$19,500	(\$7,500)	-38.5%	(\$9,000)	-42.9%
OFFICE SUPPLIES & EQUIPMENT	8,000	6,000	4,746	7,000	1,000	14.3%	2,000	33.3%
PARKING FEES	377,000	502,000	200,285	377,000	0	0.0%	(125,000)	-24.9%
PROFESSIONAL & SPEC. SRVCS.	383,300	303,700	124,366	286,300	97,000	33.9%	79,600	26.2%
COMPUTER SERVICES & SUPPORT	42,000	36,000	2,717	36,000	6,000	16.7%	6,000	16.7%
EDUCATIONAL EXPENSES	500,300	494,000	95,282	482,000	18,300	3.8%	6,300	1.3%
MISCELLANEOUS	232,500	172,500	182,953	198,800	33,700	17.0%	60,000	34.8%
TOTAL	\$1,555,100	\$1,535,200	\$619,443	\$1,406,600	\$148,500	10.6%	\$19,900	1.3%

*All amounts rounded to the nearest dollar.



Mission

To support LACERA's mission, through independent, objective assurance and consulting activities.

INTRODUCTION

The purpose of Internal Audit is to provide independent and objective assurance services, and consulting services designed to add value and improve LACERA's operations. The mission of Internal Audit is to enhance and protect LACERA's organizational values by providing risk-based and objective assurance, advice, and insight. Internal Audit brings a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management, and control processes to help LACERA accomplish its mission.

Internal Audit assists the organization in meeting its control objectives through:

- Evaluating risk exposure relating to achievement of LACERA's strategic objectives.
- Evaluating the reliability and integrity of information and the means used to identify, measure, classify, and report such information.
- Evaluating the systems established to ensure compliance with those policies, procedures, laws, and regulations, which could have a significant impact on LACERA.
- Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Evaluating the effectiveness and efficiency with which resources are employed.

- Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operation or programs are being carried out as planned.
- Monitoring and evaluating governance processes.

NOTABLE ACHIEVEMENTS AND CONTRIBUTIONS

All staff within Internal Audit are Certified Public Accountants, Certified Internal Auditors, or Certified Information Systems Auditors. Some have more than one certification and other relevant certifications such as certified fraud examiner and certified information security designations. Included in the performance of our annual audit plan, Internal Audit developed, oversaw, or contributed significantly, in a consulting capacity, to the following notable achievements and ongoing efforts within LACERA.

- New externally managed Ethics Hotline
- External Audit of LACERA (initiation of first SOC1 over OPEB Census data)
- Triennial actuarial review and audit
- Real estate advisor compliance and operational audits
- Business Continuity Process (BCP)
- LA County audit of LACERA
- Cyber Security Training Program

STAFFING

As the organization has progressed, so has the complexity of audits resulting in the need for more experienced auditors. Our budget request for Fiscal Year 2020-2021 includes the deletion of one currently vacant Internal Auditor position and the addition of one Senior Internal Auditor to better align staffing levels with the amount of complex work. Retaining one Internal Auditor position will be sufficient to cover the amount of routine audit work.

Furthermore, a classification study has been requested to convert one of the budgeted Senior Internal Auditor positions to a Senior Information Technology Auditor. A compensation study has also been requested for the Principal Internal Auditor Classification.

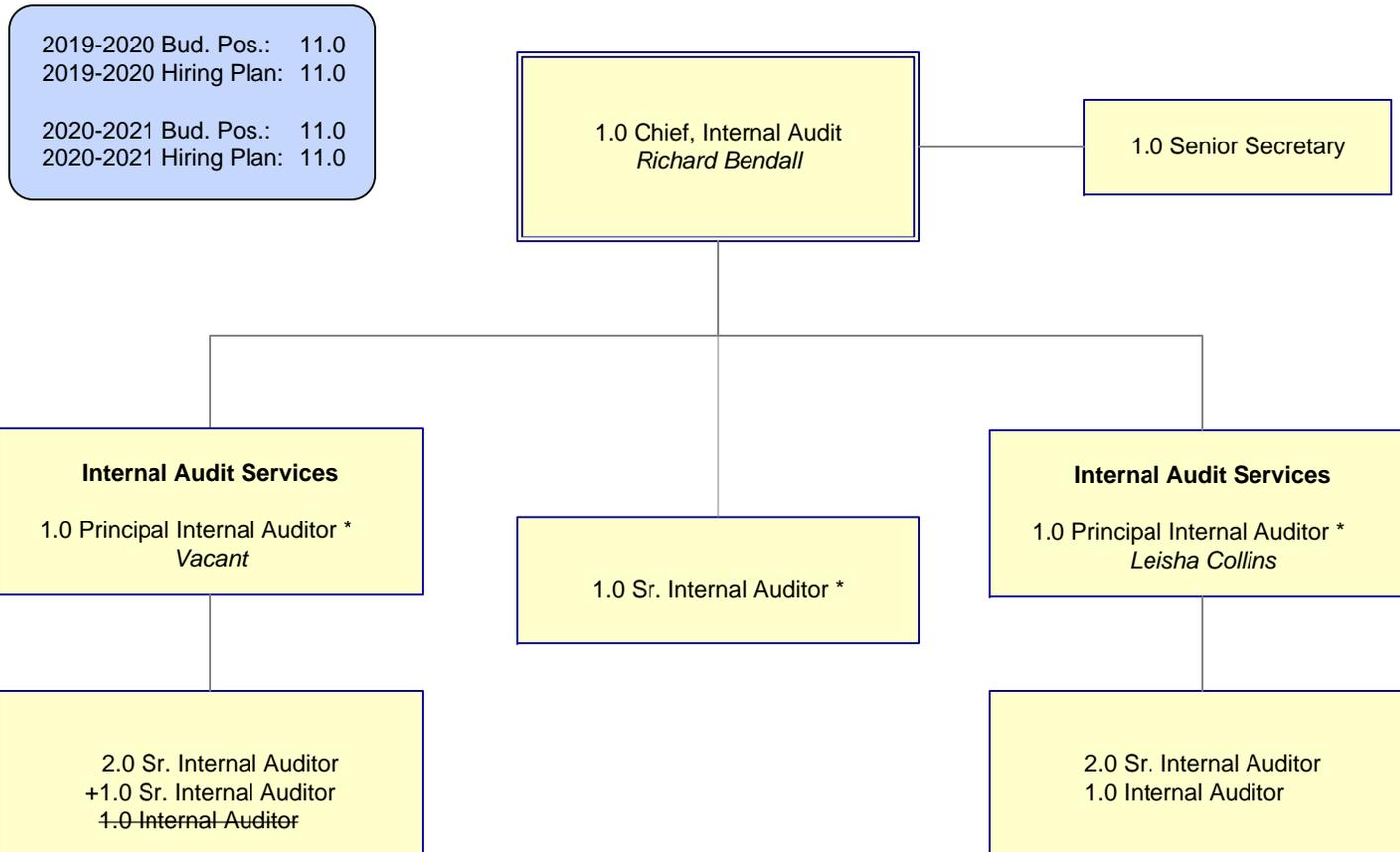
SERVICES AND SUPPLIES

Each fiscal year, Internal Audit prepares a risk-based Audit Plan, approved by the Audit Committee. The Audit Plan defines the allocation of audit resources and communicates Internal Audit planned activities and resource requirements. This provides the basis for the Chief Audit Executive (CAE) to ensure that Internal Audit resources are appropriate, sufficient, and effectively deployed. Internal Audit continues to leverage the use of external resources to better meet the needs of the organization and ensure the Audit Plan is completed. The cost associated with these resources are a significant portion of the budget, \$400,000, which is for the

external financial audit, external IT security audits, and real estate advisor audits. The remainder of approximately \$50,000 is budgeted as a contingency amount for specialized ad hoc external audit needs. We have reduced this from \$450,000 budgeted in the current Fiscal Year to more closely reflect our anticipated needs and still provide a small amount for contingency. We have reduced our total S&S budget from \$539,500 in the current Fiscal Year to \$460,800 for Fiscal Year 2020-2021.

INTERNAL AUDIT

FISCAL YEAR 2020-2021



2019-2020 Bud. Pos.: 11.0
 2019-2020 Hiring Plan: 11.0
 2020-2021 Bud. Pos.: 11.0
 2020-2021 Hiring Plan: 11.0

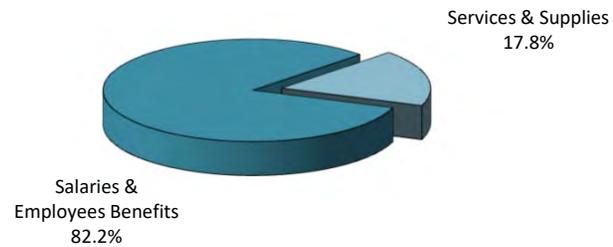
- + Added position
- Deleted position
- * Classification study for the position requested

LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

INTERNAL AUDIT

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Salaries & Employees Benefits	\$2,121,686	\$1,851,084	\$813,963	\$1,834,500	\$287,186	15.7%	\$270,602	14.6%
Services & Supplies	460,800	539,500	123,544	382,400	\$78,400	20.5%	(78,700)	-14.6%
OPERATING BUDGET	\$2,582,486	\$2,390,584	\$937,507	\$2,216,900	\$365,586	16.5%	\$191,902	8.0%

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SALARIES AND EMPLOYEE BENEFITS SUMMARY

INTERNAL AUDIT

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Total LACERA Salaries	\$1,336,307	\$1,168,866	\$520,706	\$1,154,800	\$181,507	15.7%	\$167,441	14.3%
Total Agency Temp Salaries	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	661,052	564,194	238,540	566,800	94,252	16.6%	96,858	17.2%
Employee Benefits (Other)	82,232	85,212	37,606	84,800	(2,568)	-3.0%	(2,980)	-3.5%
OPEB Contribution	34,296	25,312	16,226	25,200	9,096	36.1%	8,983	35.5%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	4,800	3,000	390	1,000	3,800	380.0%	1,800	60.0%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	1,500	1,500	0	0	1,500	0.0%	0	0.0%
Rideshare Allowance	1,500	3,000	496	1,900	(400)	-21.1%	(1,500)	-50.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$2,121,686	\$1,851,084	\$813,963	\$1,834,500	\$287,186	15.7%	\$270,602	14.6%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$2,121,686	\$1,851,084	\$813,963	\$1,834,500	\$287,186	15.7%	\$270,602	14.6%

*All amounts rounded to the nearest dollar.

Note: All Permanent Salaries and Employee Benefits include amounts through 11/30/19, except Agency Temporary includes amounts through 12/31/19 and Rideshare Allowance includes amounts through 8/31/19.

LACERA
FISCAL YEAR 2020-2021
SALARIES

INTERNAL AUDIT

2020-2021 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
00774A	CHIEF, INTERNAL AUDIT	1	LS12	15,358	184,301			
00762A	PRINCIPAL INTERNAL AUDITOR	2	114C	21,857	262,281			
00763A	SENIOR INTERNAL AUDITOR	5	107L	45,818	549,811			
00764A	INTERNAL AUDITOR	1	101H	8,646	103,751			
00439A	SENIOR SECRETARY	1	88H	5,165	61,981			
POSITIONS		10			1,162,125			
VACANT POSITIONS		# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
00763A	SENIOR INTERNAL AUDITOR	1	107L	7,815	93,779		70,334	
00764A	INTERNAL AUDITOR	1	107L	6,432	77,182			
00764A	INTERNAL AUDITOR	(1)	101H	6,432	77,182			
POSITIONS		1			70,334	0	70,334	0
TOTAL POSITIONS		11						
GROSS SALARIES					1,232,459			
ANTICIPATED MOU SALARY INCREASE**					21,568			
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE					15,007			
BONUS					67,272			
120-DAY RETIREE(S)					0			
TOTAL SALARIES					1,336,307			

MAPP Tier I and Tier II positions are shown at actual salaries as of 1/1/20.
 Represented/Non-Represented positions are shown at actual salaries as of 1/1/20.
 Represented positions shown in blue
 Vacancies are shown at the 1st Step
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.75% to calculate anticipated MOU increase

LACERA
FISCAL YEAR 2020-2021
SERVICES & SUPPLIES ACCOUNT SUMMARY

INTERNAL AUDIT

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
TRANSPORTATION & TRAVEL	\$11,500	\$28,000	\$9,392	\$16,000	(\$4,500)	-28.1%	(\$16,500)	-58.9%
OFFICE SUPPLIES & EQUIPMENT	1,700	2,000	344	1,400	300	21.4%	(300)	-15.0%
PROFESSIONAL & SPEC. SRVCS.	421,000	471,000	103,976	337,000	84,000	24.9%	(50,000)	-10.6%
EDUCATIONAL EXPENSES	25,800	37,500	9,641	27,500	(1,700)	-6.2%	(11,700)	-31.2%
MISCELLANEOUS	800	1,000	192	500	300	60.0%	(200)	-20.0%
TOTAL	\$460,800	\$539,500	\$123,544	\$382,400	\$78,400	20.5%	(\$78,700)	-14.6%

*All amounts rounded to the nearest dollar.

The slide features a green background with a large, detailed leaf in the center. The text 'INVESTMENT OFFICE' is prominently displayed in white, bold, uppercase letters. Below it, 'Budget Request Highlights' is written in a smaller, white font. In the bottom right corner, there is a graphic with 'Fiscal' in an orange box and 'Year' in a blue box, with '2020-2021' written below them.

INVESTMENT OFFICE

Budget Request Highlights

Fiscal
Year

2020-2021

Mission

Prudently invest the Trust assets to achieve the highest risk-adjusted return in accordance with the policies and decisions of the Board of Investments.

INTRODUCTION

The Investment Office's staff responsibilities include developing and recommending prudent investment policies and risk management strategies to assist LACERA towards achieving the return objectives established by the Board of Investments. The Investment Office's staff is also responsible for implementing and monitoring Board-approved programs and policies.

BACKGROUND

On an ongoing basis, the Investment Office implements LACERA's strategic asset allocation. As part of this effort, the Investment Office's staff works to optimize asset category returns through structure reviews, monitoring existing investments, and performing diligence on prospective mandates. The team takes a total portfolio approach that incorporates ESG factors in its analysis. The Investment Office balances risks such as leverage and illiquidity with its goal of optimizing risk-adjusted returns.

A challenge that the Investment Office faces is achieving the target rate of return in an environment of more muted expectations from all asset classes. To confront this, the Investment Office continues to increase its focus on risk management, proper portfolio diversification, and LACERA-friendly fee models.

In the recent period, the Investment Office has successfully reorganized and expanded investment categories into functional asset classes such as Credit and Real Assets and is making increased use of alternative investment structures. LACERA's most important

resource is its people. Towards this end, the Investment Office has expanded its staffing by almost 40 percent over the past several years. The greater depth of investment talent best positions the Fund to meet its goals in a challenging macro-economic environment.

Over the coming years, the Investment Office plans to evaluate additional co-investment opportunities, research internal management, embrace new risk modeling including ESG considerations, and increase its focus on cross-asset category collaboration. For additional information, please see the 2020 Investments Division Work Plan, which is located in the Strategic Plans. This plan continues the strategic journey of morphing from an allocator to an investor.

STAFFING

For Fiscal Year 2020-2021 the Investment Office is not requesting a change in the number of budgeted positions. The Investment Office's organizational chart has been updated to align the team with LACERA's functional asset allocation framework.

SERVICES AND SUPPLIES

There is a slight reduction in the proposed Fiscal Year 2020-2021 Supplies and Services budget compared to the approved Fiscal Year 2019-2020 budget primarily due to a proposed reduction in travel.

INVESTMENT OFFICE

FISCAL YEAR 2020-2021

2019-2020 Bud. Pos.: 44.0
2019-2020 Hiring Plan: 43.0

2020-2021 Bud. Pos.: 44.0
2020-2021 Hiring Plan: 43.0

1.0 Chief Investment Officer
Jonathan Grabel

Pending Board of Supervisors Approval

1.0 Deputy Chief Investment Officer ∅
TBD

1.0 Sr. Mgmt. Secretary

REAL ASSET AND INFLATION HEDGES

GROWTH ASSETS

CREDIT AND RISK MITIGATING STRATEGIES

PORTFOLIO ANALYTICS

Co-Head and PIO for Real Estate

1.0 Principal Investment Officer

John McClelland

Co-Head and PIO for Real Assets (Infrastructure and Natural Resources)

1.0 Principal Investment Officer

Jim Rice

Co-Head and PIO for Global Equity

1.0 Principal Investment Officer

Edward Wright

Co-Head and PIO for Private Equity

1.0 Principal Investment Officer

Christopher Wagner

PIO for Credit and Risk Mitigating Strategies

1.0 Principal Investment Officer

Vache Mahseredjian

PIO for Portfolio Analytics

1.0 Principal Investment Officer

Jude Perez

2.0 Finance Analyst III
2.0 Finance Analyst II
1.0 Finance Analyst II ^
1.0 Finance Analyst I*
1.0 Finance Analyst I
1.0 Sr. Secretary

2.0 Finance Analyst III
1.0 Finance Analyst II

2.0 Finance Analyst III
2.0 Finance Analyst II
1.0 Finance Analyst II ^
1.0 Finance Analyst I*
1.0 Sr. Secretary

1.0 Sr. Investment Officer
4.0 Finance Analyst III
2.0 Finance Analyst II
1.0 Sr. Secretary

1.0 Sr. Investment Officer
3.0 Finance Analyst III
1.0 Finance Analyst II
1.0 Finance Analyst I

2.0 Sr. Investment Officer
1.0 Finance Analyst III
1.0 Finance Analyst II
1.0 Finance Analyst I

* Classification study for the position requested.

^ Position upgrade from Finance Analyst I to Finance Analyst II as a result of classification study (Classification study finalized on June 10, 2019.).

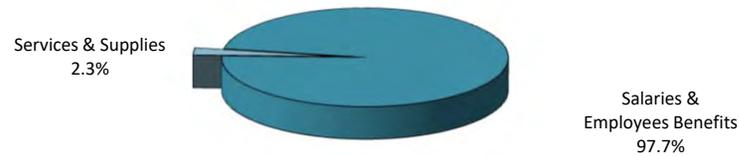
∅ Not yet approved by Board of Supervisors

LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

INVESTMENT OFFICE

	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET		
	PROPOSED BUDGET 2020-2021	YTD		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE	
		BUDGET	(12-31-19)					PROJECTION
Salaries & Employees Benefits	\$14,096,963	\$12,361,834	\$5,426,504	\$12,358,250	\$1,738,713	14.1%	\$1,735,129	14.0%
Services & Supplies	337,300	564,400	160,025	441,000	(103,700)	-23.5%	(227,100)	-40.2%
OPERATING BUDGET	\$14,434,263	\$12,926,234	\$5,586,529	\$12,799,250	\$1,635,013	12.8%	\$1,508,029	11.7%

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2020-2021

SALARIES AND EMPLOYEE BENEFITS SUMMARY

INVESTMENT OFFICE

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Total LACERA Salaries	\$9,344,757	\$8,031,215	\$3,768,774	\$8,349,800	\$994,957	11.9%	\$1,313,542	16.4%
Total Agency Temp Salaries	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	3,930,135	3,563,513	1,355,225	3,244,200	685,935	21.1%	366,622	10.3%
Employee Benefits (Other)	575,043	585,486	238,808	582,600	(7,557)	-1.3%	(10,443)	-1.8%
OPEB Contribution	239,828	173,920	62,435	173,050	66,778	38.6%	65,908	37.9%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	1,000	0	0	0	1,000	0.0%	1,000	0.0%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	1,200	1,200	0	0	1,200	0.0%	0	0.0%
Rideshare Allowance	5,000	6,500	1,263	8,600	(3,600)	-41.9%	(1,500)	-23.1%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$14,096,963	\$12,361,834	\$5,426,504	\$12,358,250	\$1,738,713	14.1%	\$1,735,129	14.0%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$14,096,963	\$12,361,834	\$5,426,504	\$12,358,250	\$1,738,713	14.1%	\$1,735,129	14.0%

*All amounts rounded to the nearest dollar.

Note: All Permanent Salaries and Employee Benefits include amounts through 11/30/19, except Agency Temporary includes amounts through 12/31/19 and Rideshare Allowance includes amounts through 8/31/19.

LACERA
FISCAL YEAR 2020-2021
SALARIES

INVESTMENT OFFICE

2020-2021 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
00493A	CHIEF INVESTMENT OFFICER (UC)	1	LR28	54,293	651,521			
00495A	PRINCIPAL INVESTMENT OFFICER	2	LR23	73,557	882,682			
00496A	PRINCIPAL INVESTMENT OFFICER (UC)	4	LR23	121,791	1,461,487			
00492A	SENIOR INVESTMENT OFFICER	4	LR20	90,994	1,091,929			
00769A	FINANCE ANALYST III	11	LR16	210,001	2,520,012			
00768A	FINANCE ANALYST II	9	LR12	110,752	1,329,021			
00767A	FINANCE ANALYST I	3	104F	27,256	327,077			
00441A	SENIOR MANAGEMENT SECRETARY	1	96H	7,550	90,598			
00439A	SENIOR SECRETARY	3	88H	18,232	218,785			
POSITIONS					38			
						8,573,112		
VACANT POSITIONS		# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
99999A	DEPUTY CHIEF INVESTMENT OFFICER (UC) Ø	1	LR24	24,531	294,367			
00769A	FINANCE ANALYST III	3	LR16	13,754	165,052			247,579
00768A	FINANCE ANALYST II	2	LR12	10,299	123,591			
00769A	FINANCE ANALYST I	2	104F	10,299	123,591			
00769A	FINANCE ANALYST I	(2)	104F	10,299	123,591			
						0	0	247,579
POSITIONS					6			
						247,579		
TOTAL POSITIONS					44			
GROSS SALARIES						8,820,691		
ANTICIPATED MOU SALARY INCREASE**						154,362		
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE						238,100		
BONUS						131,604		
120-DAY RETIREE(S)						0		
TOTAL SALARIES						9,344,757		

MAPP Tier I and Tier II positions are shown at actual salaries as of 1/1/20.
 Represented/Non-Represented positions are shown at actual salaries as of 1/1/20.
 Represented positions shown in blue
 Vacancies are shown at the 1st Step
 *All amounts rounded to the nearest dollar.
 Ø Not yet approved by the Board of Supervisors and is calculated at 0 percent filled.
 ** Gross salaries are multiplied by 1.75% to calculate anticipated MOU increase

LACERA
FISCAL YEAR 2020-2021
SERVICES & SUPPLIES ACCOUNT SUMMARY

INVESTMENT OFFICE

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
AUTO EXPENSE	\$0	\$3,400	\$0	\$0	0.0%	(\$3,400)	-100%	
TRANSPORTATION & TRAVEL	220,000	406,000	91,138	305,000	(85,000)	-27.9%	(186,000)	-45.8%
OFFICE SUPPLIES & EQUIPMENT	5,000	6,000	1,408	5,000	0	0.0%	(1,000)	-16.7%
EDUCATIONAL EXPENSES	104,800	143,500	62,767	123,500	(18,700)	-15.1%	(38,700)	-27.0%
MISCELLANEOUS	7,500	5,500	4,712	7,500	0	0.0%	2,000	36.4%
TOTAL	\$337,300	\$564,400	\$160,025	\$441,000	(\$103,700)	-23.5%	(\$227,100)	-40.2%

*All amounts rounded to the nearest dollar.



LEGAL SERVICES

Budget Request Highlights

Fiscal
Year

2020-2021

Mission

To provide timely and effective legal representation, advice, and counsel at the highest professional level to LACERA, the Board of Retirement and the Board of Investments, and executive management and staff.

INTRODUCTION

The Legal Services Office provides comprehensive legal services to LACERA and its Boards and staff. These services currently are provided through the Chief Counsel, four sections within the Office (Benefits, Disability, Investments, and Litigation), and the Legislative Affairs Officer.

While the Office is performing well now across its areas of specialization, our staffing must evolve over time to meet the changing needs of the organization. Our staffing challenges fall in the areas of (1) Benefits, to ensure adequate expert legal resources into the future, (2) Investments, to ensure that we keep up with the sophistication of investment operations and build our in-house resources so that we further reduce the use of outside counsel, and (3) Compliance, to bolster the operational lines of defense within the organization by providing a compliance leader to work with subject matter experts in LACERA's other divisions. To maintain austerity in the current environment, the Office will defer additional attorneys in the Benefits and Investments Sections this year; our current excellent teams in these sections will be able to provide strong support for client needs in FY 2020-2021. The Office expects to address these needs in the FY 2021-22 budget. The Office's Compliance goal does not require an increase in approved headcount because the Director of Compliance position, while still pending finalization of a class specification and Board of Supervisors' approval, was included in the FY 2019-

2020 budget. The Office intends to pursue the Director of Compliance position in FY 2020-2021 and plans to fill that position during the year because it is a priority need.

The Office's FY 2020-2021 budget continues to include the Principal Counsel positions not yet approved by the Board of Supervisors. These positions, when approved, will enable better management of the Office by freeing Chief Counsel to focus on strategic planning projects with the Executive Office and the managers of LACERA's other divisions, by enhancing the development of higher-level expertise and management experience within the Office, and by improving succession planning. It is expected that these positions will not be filled in FY 2020-2021.

Even as the Office's staffing grows in capability and as demand for legal services within the organization continues to expand, we will strive in FY 2020-2021 to be more efficient. Therefore, we have reduced the Services and Supplies budget to reflect greater care in the management of these expenses.

STAFFING

A. Classification Studies

The Office's organizational chart includes two classification studies that continue studies approved in prior years. These studies are intended to provide the Office with the ability to place staff in positions that accurately reflect their level of expertise, performance, and responsibility.

- 1. Staff Counsel:** The organizational chart for the Legal Services Office shows a classification study for Staff Counsel in all sections of the Office so that promotional opportunities are available as may be warranted by performance and responsibilities. The Senior Staff Counsel position is an existing classification. Accordingly, this study will evaluate the work of the Staff Counsel position in these sections to determine if they conform to the requirements of the Senior Staff Counsel classification. This study is important to ensure that staff are properly placed. This study was approved in past years and continues for FY 2020-2021.
- 2. Legal Analyst:** The Legal Analysts in the Office are being studied to determine whether a Senior Legal Analyst classification is warranted above the existing Legal Analyst classification in the Investments, Benefits, and Disability Sections. Legal Analysts perform paralegal work, and they assist the Office's attorneys in analyzing legal and factual issues, processing investments contracts, member benefit and disability issues, court documents, other matters, and interfacing with LACERA staff, members, and vendors. The new Senior Legal Analyst position, if warranted, would be used to recognize that certain Legal Analysts may come to have a supervisory role, perform more complex work (including legal work when the analyst possesses the necessary training), and have a higher degree of responsibility and interaction with internal clients, outside counsel, members, and/or opposing parties. These additional responsibilities require a higher level of expertise, experience, and

performance. This study was approved in past years and continues for FY 2020-2021.

B. Temporary Services and Overtime

The Agency Temporary budget will provide for temporary staff to cover Legal Office needs, such as potential attorney and clerical assistance for special projects and coverage for administrative staff absences on medical leave. The Office also has a need for overtime to support secretarial and Legal Analyst staff in the Investment Section of the Legal Office in keeping up with the very high volume and time-sensitive demands of the organization's investment work, in the Benefits Section of the Office to cover March Madness and other member service needs, and to complete compliance projects and other special assignments. However, the Office proposes to be more efficient in FY 2020-2021 in the use of temporary staff and overtime. The Legal Office will support organization-wide reductions in temporary staff and overtime.

SERVICES AND SUPPLIES

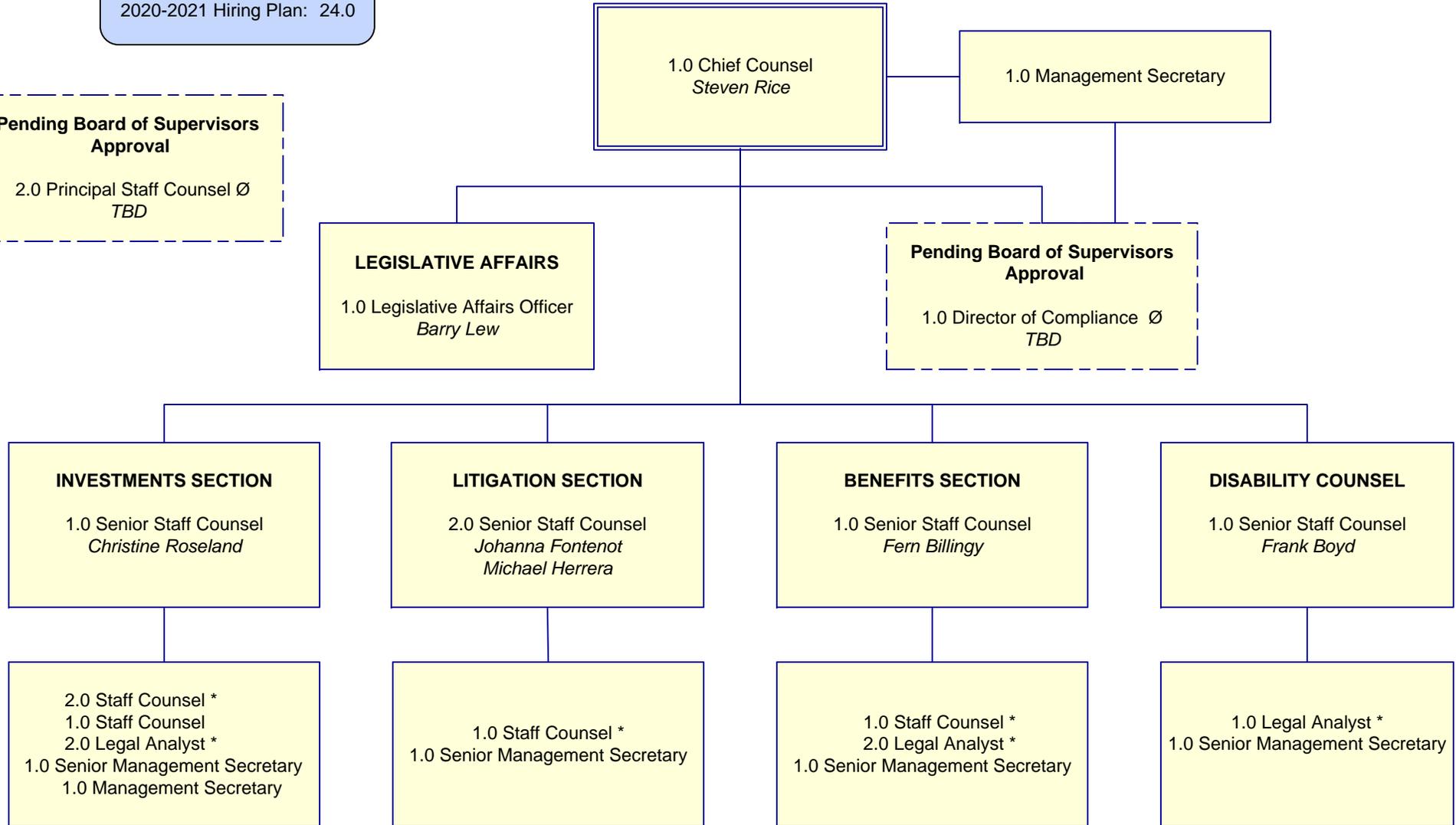
The budget for Services and Supplies is primarily based on historical expenditures, adjusted for experience. Expenses are proposed to be reduced across the board in FY 2020-2021, primarily through a focus on efficiency, reduction in the physical hard copy library in favor of electronic resources, allocation of education opportunities and organizational memberships to minimize if not eliminate travel, avoid duplication, increase the sharing of knowledge and information, and better management of outside legal resources. While outside legal resources is a difficult category to budget and control because it is dependent on unpredictable contingencies and claims as well as Board issues that may arise, the Office expects in FY 2020-2021 to be able to manage outside counsel assignments to reduce cost.

LEGAL SERVICES

FISCAL YEAR 2020-2021

2019-2020 Bud. Pos.: 26.0
 2019-2020 Hiring Plan: 24.0
 2020-2021 Bud. Pos.: 26.0
 2020-2021 Hiring Plan: 24.0

Pending Board of Supervisors Approval
 2.0 Principal Staff Counsel Ø
TBD



* Classification study for the position requested

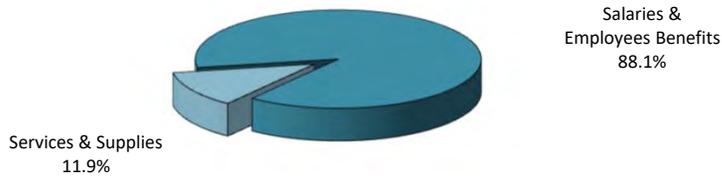
Ø Not yet approved by Board of Supervisors (1.0 Principal Staff Counsel in Investments and Litigation Team, 1.0 Principal Staff Counsel in Benefits and Disability Team, & 1.0 Director of Compliance in Legal Services)

LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

LEGAL SERVICES

	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET		
	PROPOSED BUDGET 2020-2021	YTD		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE	
		BUDGET	(12-31-19)					PROJECTION
Salaries & Employees Benefits	\$5,768,262	\$5,385,123	\$2,159,230	\$4,974,338	\$793,924	16.0%	\$383,139	7.1%
Services & Supplies	781,200	1,051,300	846,675	1,379,400	(598,200)	-43.4%	(270,100)	-25.7%
OPERATING BUDGET	\$6,549,462	\$6,436,423	\$3,005,905	\$6,353,738	\$195,724	3.1%	\$113,039	1.8%

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SALARIES AND EMPLOYEE BENEFITS SUMMARY

LEGAL SERVICES

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		BUDGET	YTD		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
			(12-31-19)	PROJECTION				
Total LACERA Salaries	\$3,527,207	\$3,304,852	\$1,379,972	\$3,052,500	\$474,707	15.6%	\$222,354	6.7%
Total Agency Temp Salaries	53,500	60,000	11,127	58,000	(4,500)	-7.8%	(6,500)	-10.8%
Employee Benefits (Variable)	1,862,579	1,666,774	639,814	1,541,338	321,241	20.8%	195,805	11.7%
Employee Benefits (Other)	217,052	240,928	91,969	239,700	(22,648)	-9.4%	(23,876)	-9.9%
OPEB Contribution	90,524	71,568	34,545	71,200	19,324	27.1%	18,956	26.5%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	12,500	35,000	389	6,000	6,500	108.3%	(22,500)	-64.3%
Bilingual Bonus	2,400	0	700	2,100	300	14.3%	2,400	0.0%
Sick Leave Buyback	0	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	2,500	6,000	713	3,500	(1,000)	-28.6%	(3,500)	-58.3%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$5,768,262	\$5,385,123	\$2,159,230	\$4,974,338	\$793,924	16.0%	\$383,139	7.1%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$5,768,262	\$5,385,123	\$2,159,230	\$4,974,338	\$793,924	16.0%	\$383,139	7.1%

*All amounts rounded to the nearest dollar.

Note: All Permanent Salaries and Employee Benefits include amounts through 11/30/19, except Agency Temporary includes amounts through 12/31/19 and Rideshare Allowance includes amounts through 8/31/19.

LACERA
FISCAL YEAR 2020-2021
SERVICES & SUPPLIES ACCOUNT SUMMARY

LEGAL SERVICES

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
AUTO EXPENSE	\$3,400	\$4,700	\$1,240	\$4,100	(\$700)	-17.1%	(\$1,300)	-27.7%
TRANSPORTATION & TRAVEL	23,000	49,800	7,988	38,700	(15,700)	-40.6%	(26,800)	-53.8%
OFFICE SUPPLIES & EQUIPMENT	6,000	7,500	1,654	6,000	0	0.0%	(1,500)	-20.0%
PROFESSIONAL & SPEC. SRVCS.	252,300	300,300	214,852	460,300	(208,000)	-45.2%	(48,000)	-16.0%
LEGAL FEES & SERVICES	395,000	532,000	577,887	746,500	(351,500)	-47.1%	(137,000)	-25.8%
EDUCATIONAL EXPENSES	99,500	154,000	41,646	122,000	(22,500)	-18.4%	(54,500)	-35.4%
MISCELLANEOUS	2,000	3,000	1,407	1,800	200	11.1%	(1,000)	-33.3%
TOTAL	\$781,200	\$1,051,300	\$846,675	\$1,379,400	(\$598,200)	-43.4%	(\$270,100)	-25.7%

*All amounts rounded to the nearest dollar.



Mission

To provide world-class service in a positive, supportive, professional, and equitable manner through any channel the member chooses. We will strive at all times to provide accurate, clear, and common-language explanations of all plans, plans options, purchases, purchase options, and retirement-related issues. We will strive to function as a team working together to fulfill our assigned mission of servicing members.

INTRODUCTION

With more than 174,000 members, beneficiaries and survivors to serve, LACERA's Member Services Division is focused on providing world-class service to those who rely on us. The Member Services Division received more than 137,000 phone calls during the past fiscal year and counseled more than 20,000 members in our Pasadena Member Service Center. Member Service's staff members also participated in 467 educational workshops and events this past fiscal year that were attended by more than 18,000 members.

Member Services goal for FY 2020-2021 is to reach full staffing of all of the 79 positions our Board of Retirement has authorized for our Division. This year we will fill all vacant positions and reallocate some positions within the Division to increase service and operational efficiency. Member Services is not asking for more positions this fiscal year.

STAFFING

Member Services has faced chronic staffing shortages. We have 79 positions allocated to Member Services and although we have made progress addressing the shortage of staff much more needs to be done.

Over the past year, LACERA's Quality Assurance and Metrics Division, which is the training arm of benefit operations, has delivered to Member Services well-trained graduates of the LACERA Core Benefits Training program. The quantity of newly trained staff members are now at a volume that the staffing shortage in Member Services is ending. Success is shown by the September 2018 graduation of another Core Benefits Training class where Member Services received seven newly trained Retirement Benefits Specialists and in December 2019, we received 10 more new Specialists. It is anticipated in October 2020 Member Services will receive nine more Specialists who will initially be trained in Call Center operations.

Currently, Member Services has five vacant positions and several positions filled by staff members on long-term leave. Member Services required another Core Benefits Training class to fill current and future job openings. Working with LACERA business partners of Quality Assurance and Metrics, Human Resources, Benefits and the Executive Office this class is expected to begin October 2020 with an anticipated graduation date of October 2021. With the graduation of this class, Member Services will finally become fully staffed.

The focus for this fiscal year is to fully staff our Division and to increase efficiently that will produce a higher level of service to our membership. As more staff resources come on line in Member Services some of these Specialists will be allocated to our Member Service Center. This will allow our Retirement Benefits Specialist III's, who have been managing the counseling duties in the Service Center, the opportunity to move back into the field presenting educational workshops and attending events at worksites throughout the County. This is an exciting opportunity to have more LACERA Specialists out of the office to meet our members more frequently, and earlier in their careers, to educate them on their promised LACERA retirement benefits.

Overtime

For Member Services to continue to provide Saturday Workshops and individual counseling in the Member Service Center, support our Benefits business partners in processing contracts and to continue to provide Saturday Neighborhood Workshops we need a budget for Overtime. These activities are all funded through an overtime budget.

During fiscal year 2018-2019, Member Services expanded Saturday Workshops and counseling from mid-January to the end of March, essentially the heart of our March Madness retirement season. The response from our members was enthusiastic and appreciative. For Fiscal Year 2019-2020, we expanded this service by offering Saturday Workshops and counseling nearly every Saturday between November and March. Only on Holiday weekends did Member Services not offer Saturday services.

The County of Los Angeles is a 24-hour a day, seven day a week operation. Having service available to our members over all days and hours other than Monday through Friday is very convenient for many of our members. A way to provide these Saturday services on a more sustainable basis would be to make Saturday a normal workday by offering alternative work schedules such as four, 10-hour days. For now, these services are funded through overtime.

The requested overtime budget for Fiscal Year 2020-2021 is \$130,500 that is similar to the expenditures of Fiscal Year 2017-2018 and Fiscal Year 2018-2019.

Agency Temporary Employees

Member Services has ended the practice of staffing the front desk in the MSC with Agency Temporary employees. Our members will see an improvement in service by being greeted by a well-trained, experienced and knowledgeable full-time permanent Retirement Benefit Specialist.

SERVICES AND SUPPLIES

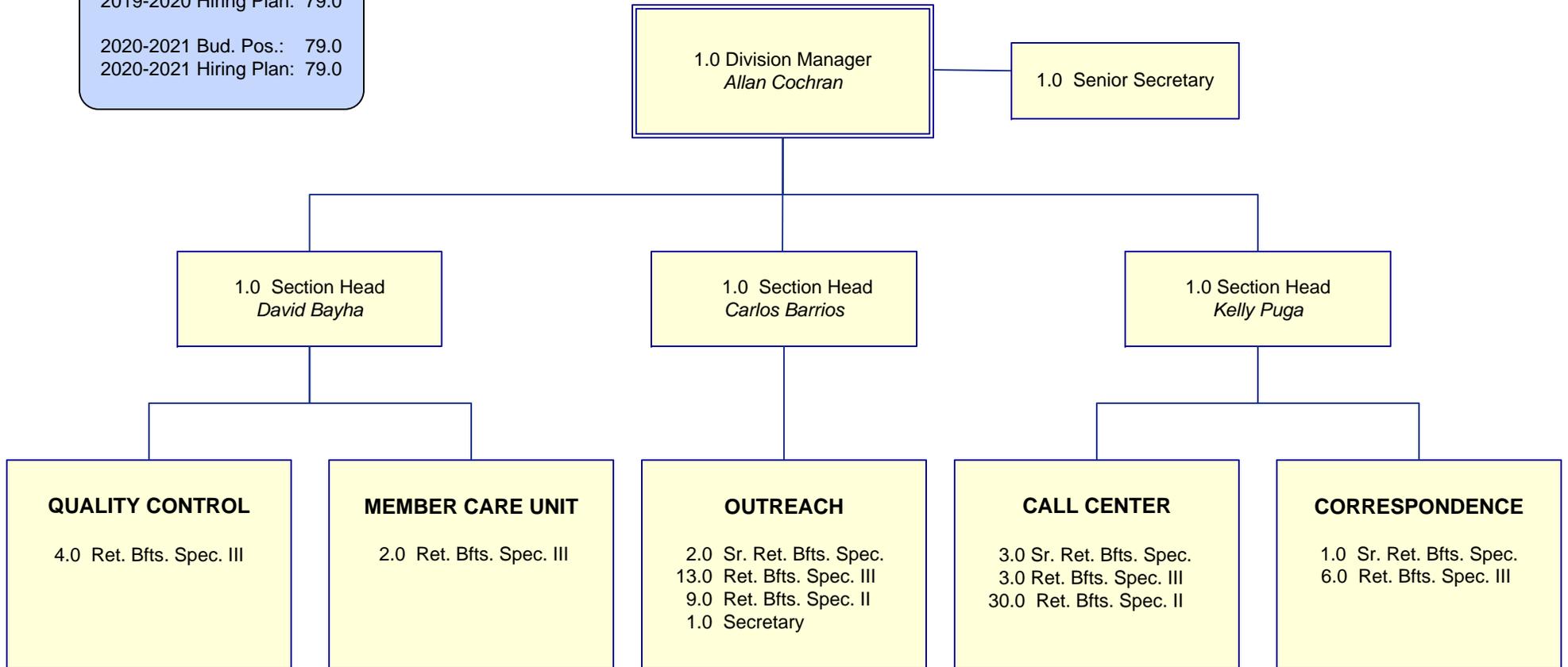
The services and supplies budget request is similar to past years based on actual and historical expenditure trends.

MEMBER SERVICES DIVISION

FISCAL YEAR 2020-2021

2019-2020 Bud. Pos.: 79.0
2019-2020 Hiring Plan: 79.0

2020-2021 Bud. Pos.: 79.0
2020-2021 Hiring Plan: 79.0

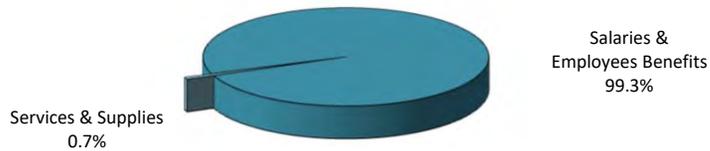


LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

MEMBER SERVICES

	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET		
	PROPOSED BUDGET 2020-2021	YTD		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE	
		BUDGET	(12-31-19)					PROJECTION
Salaries & Employees Benefits	\$9,691,407	\$8,919,633	\$3,695,028	\$8,431,159	\$1,260,248	14.9%	\$771,774	8.7%
Services & Supplies	69,800	95,000	24,658	86,200	(16,400)	-19.0%	(25,200)	-26.5%
OPERATING BUDGET	\$9,761,207	\$9,014,633	\$3,719,686	\$8,517,359	\$1,243,848	14.6%	\$746,574	8.3%

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SALARIES AND EMPLOYEE BENEFITS SUMMARY

MEMBER SERVICES

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Total LACERA Salaries	\$6,006,252	\$5,401,556	\$2,255,707	\$5,046,200	\$960,052	19.0%	\$604,697	11.2%
Total Agency Temp Salaries	0	160,700	60,114	120,250	(120,250)	-100.0%	(160,700)	-100.0%
Employee Benefits (Variable)	2,994,104	2,677,523	1,052,119	2,501,209	492,895	19.7%	316,581	11.8%
Employee Benefits (Other)	369,603	393,780	157,398	391,800	(22,197)	-5.7%	(24,177)	-6.1%
OPEB Contribution	154,147	116,974	61,103	116,400	37,747	32.4%	37,174	31.8%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	130,500	119,500	95,988	213,000	(82,500)	-38.7%	10,999	9.2%
Bilingual Bonus	16,800	21,600	7,250	15,600	1,200	7.7%	(4,800)	-22.2%
Sick Leave Buyback	10,000	10,000	3,096	10,000	0	0.0%	0	0.0%
Rideshare Allowance	10,000	18,000	2,253	16,700	(6,700)	-40.1%	(8,000)	-44.4%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$9,691,407	\$8,919,633	\$3,695,028	\$8,431,159	\$1,260,248	14.9%	\$771,774	8.7%
Salary Differential **	-	-	-	-	-	-	-	-
TOTAL S&EB	\$9,691,407	\$8,919,633	\$3,695,028	\$8,431,159	\$1,260,248	14.9%	\$771,774	8.7%

*All amounts rounded to the nearest dollar.

Note: All Permanent Salaries and Employee Benefits include amounts through 11/30/19, except Agency Temporary includes amounts through 12/31/19 and Rideshare Allowance includes amounts through 8/31/19.

LACERA
FISCAL YEAR 2020-2021
SALARIES

MEMBER SERVICES

2020-2021 BUDGET

<u>FILLED POSITIONS</u>		<u># POS.</u>	<u>SCHEDULE</u>	<u>ACTUAL MO. RATE</u>	<u>ANNUAL AMOUNT</u>			
00773A	DIVISION MANAGER	1	LS12	13,438	161,259			
00772A	SECTION HEAD, LACERA	3	LS9	32,121	385,451			
01312A	SENIOR RETIREMENT BENEFITS SPECIALIST	5	100G	39,448	473,376			
01311A	RETIREMENT BENEFITS SPECIALIST III	25	95B	171,243	2,054,913			
00439A	SENIOR SECRETARY	1	88H	5,756	69,075			
01310A	RETIREMENT BENEFITS SPECIALIST II	38	88G	187,469	2,249,624			
00438A	SECRETARY	1	82E	5,268	63,216			
POSITIONS		74			5,456,914			
<u>VACANT POSITIONS</u>		<u># POS.</u>	<u>SCHEDULE</u>	<u>1ST STEP MO. RATE</u>	<u>ANNUAL AMOUNT</u>	<u>FILLED AT 12 MONTHS</u>	<u>FILLED AT 9 MONTHS</u>	<u>FILLED AT 6 MONTHS</u>
01312A	SENIOR RETIREMENT BENEFITS SPECIALIST	1	100G	6,400	6,400	76,804		
01311A	RETIREMENT BENEFITS SPECIALIST III	3	95B	5,520	5,520	198,710		
01310A	RETIREMENT BENEFITS SPECIALIST II	1	88G	4,622	4,622		41,600	
						275,515	41,600	0
POSITIONS		5			317,114			
TOTAL POSITIONS		79						
GROSS SALARIES					5,774,028			
ANTICIPATED MOU SALARY INCREASE**					101,045			
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE					118,714			
BONUS					12,466			
120-DAY RETIREE(S)					0			
TOTAL SALARIES					6,006,252			

MAPP Tier I and Tier II positions are shown at actual salaries as of 1/1/20.
 Represented/Non-Represented positions are shown at actual salaries as of 1/1/20.
 Represented positions shown in blue
 Vacancies are shown at the 1st Step
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.75% to calculate anticipated MOU increase

LACERA
FISCAL YEAR 2020-2021
SERVICES & SUPPLIES ACCOUNT SUMMARY

MEMBER SERVICES

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
TRANSPORTATION & TRAVEL	\$22,000	\$42,000	\$13,949	\$39,000	(\$17,000)	-43.6%	(\$20,000)	-47.6%
OFFICE SUPPLIES & EQUIPMENT	15,000	15,000	3,537	12,600	2,400	19.0%	0	0.0%
EDUCATIONAL EXPENSES	21,500	26,700	2,895	23,200	(1,700)	-7.3%	(5,200)	-19.5%
MISCELLANEOUS	11,300	11,300	4,278	11,400	(100)	-0.9%	0	0.0%
TOTAL	\$69,800	\$95,000	\$24,658	\$86,200	(\$16,400)	-19.0%	(\$25,200)	-26.5%

*All amounts rounded to the nearest dollar.

QUALITY ASSURANCE & METRICS

Budget Request Highlights

Fiscal
Year

2020-2021

Mission

To provide the promised benefits to our members in a timely and accurate manner by training and monitoring staff's quality and improving our business processes.

INTRODUCTION

The Quality Assurance & Metrics Division (QA) audits the quality of the work performed by LACERA for our members and provides employee development and new-hire training.

Quality Auditing

QA provides independent monthly review of and reports on the business processes performed by Benefits. The accuracy and completeness of business transactions are measured by audit criteria agreed upon by both auditor and auditee. Audit criteria weigh compliance with the retirement law, financial risk to the fund, and quality of the work completed. The quality audit supports continual improvement initiatives by identifying audit trends, process performance, effectiveness of controls, and training needs. Additionally, QA compiles and reports out on various surveys that measure the quality of the services our members receive from Benefits and Member Services.

Employee Development

To help support continuity of work quality, employee development, and performance improvement within LACERA, Quality Assurance also addresses three levels of training. Although these programs primarily serve the Benefits, Member Services, Disability Retirement Services, and Retiree Health Care Divisions, they are offered to all LACERA staff upon request.

The CORE Benefit Administration (CBA) Training program takes place over 12-months, alternating classroom instruction and practice with periods of actual processing of member requests. All training production work is checked before being finalized. In order to maintain continuity, training materials are reviewed and updated before each session to reflect changes in the retirement law, LACERA business policy, and changes to systems processing. In 2019, QA conducted our second such training with 13 participants, trained and evaluated by nine QA instructors on 22 Benefits processes. The trainees process approximately 1,200 to 2,300 member requests during the production periods.

This year, QA conducted 16 three-day modules for Continuing Education Training (veteran staff) in which 18 Benefits employees participated. In 2019, QA's seven-person training team conducted both the veteran and the CORE Benefits training. Veteran classes were scheduled during each of the CORE Benefits production periods. QA is also developing eLearning modules to broaden our blended learning approach. This offers a combination of interactive learning complimented with face-to-face learning and as well as easily accessed refresher information. This year QA also conducted phase II of the Advanced CERL Education Pilot Program. There are currently five participants from four different divisions. Each of the six modules comprises six half-day sessions and approximately 40 hours of trainer preparation as well as approximately 20 hours of evaluation and summary. The ACE program will run until June 2020, after which it will be evaluated for effectiveness and a determination will be made as to whether it will continue

Special Projects

QA Senior Auditors analyze, test, and validate new procedures, calculations, legislation, and system benefit-calculation programming, such as beta testing the benefit calculation engine, validating mass contribution rate changes, validating member account adjustments for the felony conviction process, and analyzing new County pay codes. Pay code analysis can take from 90 minutes to several weeks depending upon availability of information, and the extent of coordination needed between LACERA's Quality Assurance, Legal Division, and Executive Office, and the County Auditor Controller. The Quality Analysts also performed annual Census Testing of 30 randomly selected member records. As part of LACERA's Quality Eco-System, Quality Assurance also collaborates with other divisions to facilitate data clean-up projects as directed by LACERA's strategic goals.

Successes

Our Core Benefits Training goal is to develop the trainees to the extent that upon graduation participants achieve 95 percent accuracy. The graduating class of December 2019 had an average score of 95.63 percent. In 2019, five out of six processes met the 95 percent targeted accuracy rate.

QA's work with special projects offered insight on certain benefits processes that can be moved to the Member Portal and on streamlining access to the non-member salary file from the Auditor-Controller for efficiency in processing County Temporary Time.

Impact

The training programs are a control that mitigates error, establishes consistency and continuity in processing, and reduces re-work. This ensures quality service, reduces administrative appeals, and escalations, and improves customer and employee satisfaction.

The pay code analysis ensures compliance with CERL/PEPRA in regard to pensionable earnings. It also ensures qualifying salaries are included in the FAC and accuracy in benefit calculation. The Systems estimate calculator audit helps ensure that our system complies with CERL/ PEPRA; and aligns with actuarial assumptions. It safeguards the integrity of our data, thereby reducing financial loss and administrative appeal activity.

Challenges

This year the primary challenge has been allocating resources between the audit and training since most of the quality auditors in QA perform both tasks. Our initial review of the operations indicates that we may need additional staffing to meet the ongoing needs. Staff have been asked to work on their "off days" (most staff are on the 9/80 schedule) in order to meet the current demands.

QA has begun an evaluation process of the workloads and efficiencies of the division. The initial review focused on evaluating how long it takes the current staff to perform work. This analysis is

being reviewed for accuracy based on new functionality provided by Workspace. The next phase of this review will involve looking at work procedures and scheduling methodologies to ensure that we are maximizing efficiency. At the end of this review we may request additional staff members.

QA needs to develop a Learning Management System (LMS) that will enable us to store, access, and manage all our online learning as well as catalog courses and manage participation. In addition, QA needs equipment. Proven learning theory supports training materials in color. Since 2004, Quality Assurance has used various other divisions' color printers or requested color printing from Administrative Services. Due to the volume and frequency of our color printing needs, using other divisions' color printers is not efficient or expedient. Storage boxes and space is limited. QA needs scanning technology to digitize training record documents and eliminate the need for physical storage.

STAFFING REQUEST

There are currently two vacancies in the division, which we plan to fill in FY 2020-2021. As we are currently reviewing and developing operational metrics which will be used to make data driven decisions regarding staffing, we are not asking for any additional staffing at this time.

SERVICES AND SUPPLIES

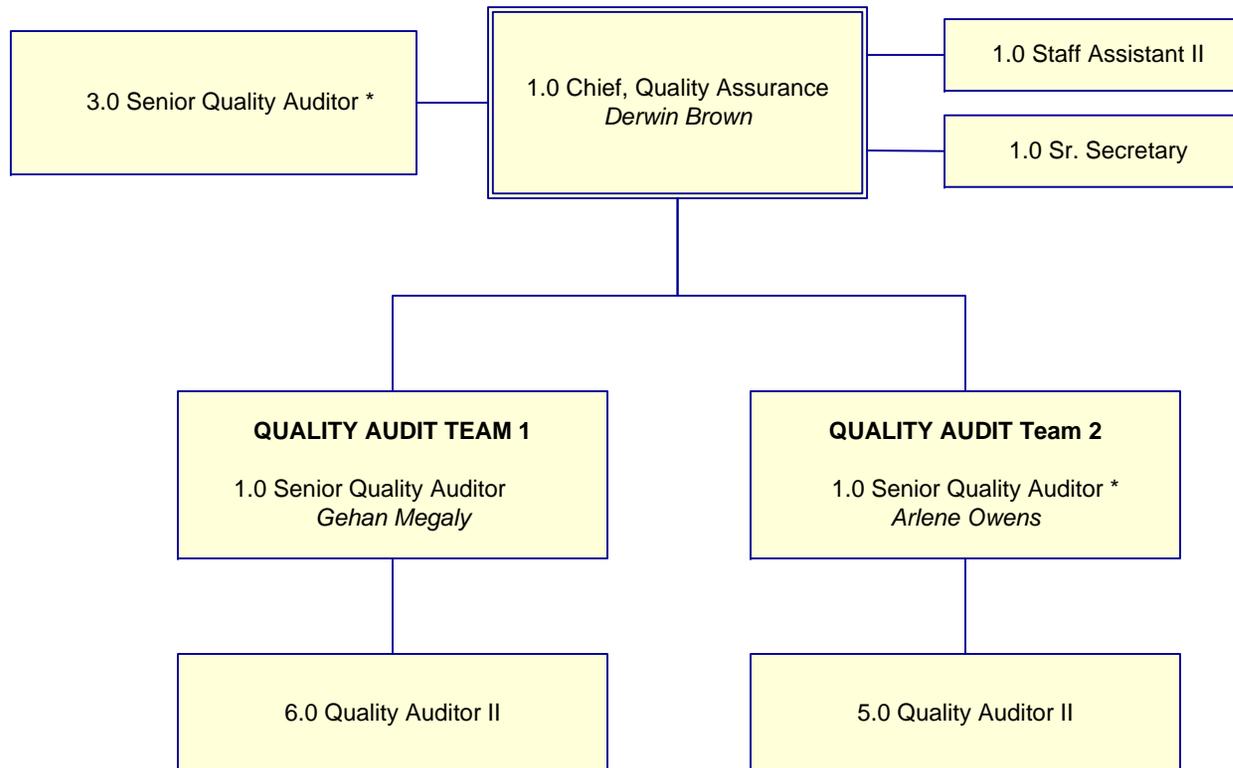
Our request for services and supplies has decreased based on divisional restructuring for lean operating efficiency.

QUALITY ASSURANCE DIVISION

FISCAL YEAR 2020-2021

2019-2020 Bud. Pos.: 19.0
 2019-2020 Hiring Plan: 19.0

2020-2021 Bud. Pos.: 19.0
 2020-2021 Hiring Plan: 19.0



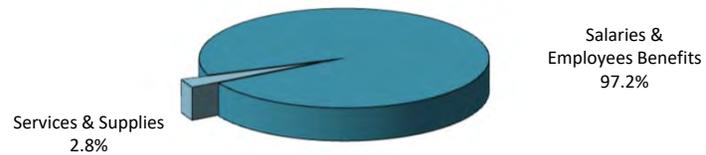
* Classification study for the position requested

LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

QUALITY ASSURANCE

	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET		
	PROPOSED BUDGET 2020-2021	YTD		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE	
		BUDGET	(12-31-19)					PROJECTION
Salaries & Employees Benefits	\$3,290,455	\$3,177,189	\$1,241,843	\$2,785,580	\$504,875	18.1%	\$113,267	3.6%
Services & Supplies	94,500	150,000	14,353	125,500	(31,000)	-24.7%	(55,500)	-37.0%
OPERATING BUDGET	\$3,384,955	\$3,327,189	\$1,256,196	\$2,911,080	\$473,875	16.3%	\$57,767	1.7%

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SALARIES AND EMPLOYEE BENEFITS SUMMARY

QUALITY ASSURANCE

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Total LACERA Salaries	\$1,993,537	\$1,822,643	\$761,679	\$1,687,300	\$306,237	18.1%	\$170,894	9.4%
Total Agency Temp Salaries	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	1,120,880	1,178,702	397,350	920,000	200,880	21.8%	(57,822)	-4.9%
Employee Benefits (Other)	122,675	132,873	53,947	132,200	(9,525)	-7.2%	(10,198)	-7.7%
OPEB Contribution	51,163	39,470	25,882	39,300	11,863	30.2%	11,693	29.6%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	0	1,000	2,695	4,300	(4,300)	-100.0%	(1,000)	-100.0%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	0	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	2,200	2,500	290	2,480	(280)	-11.3%	(300)	-12.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$3,290,455	\$3,177,189	\$1,241,843	\$2,785,580	\$504,875	18.1%	\$113,267	3.6%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$3,290,455	\$3,177,189	\$1,241,843	\$2,785,580	\$504,875	18.1%	\$113,267	3.6%

*All amounts rounded to the nearest dollar.

Note: All Permanent Salaries and Employee Benefits include amounts through 11/30/19, except Agency Temporary includes amounts through 12/31/19 and Rideshare Allowance includes amounts through 8/31/19.

LACERA
FISCAL YEAR 2020-2021
SALARIES

QUALITY ASSURANCE

2020-2021 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT			
00780A	CHIEF, QUALITY ASSURANCE	1	LS12	13,438	161,259			
00798A	SENIOR QUALITY AUDITOR	4	105B	37,477	449,729			
00797A	QUALITY AUDITOR II	11	99L	88,357	1,060,285			
00439A	SENIOR SECRETARY	1	88H	6,077	72,928			
POSITIONS		17			1,744,201			
VACANT POSITIONS		# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
00798A	SENIOR QUALITY AUDITOR	1	105B	7,239	86,869	86,869		
00427A	STAFF ASSISTANT II	1	91F	5,002	60,022	60,022		
						146,891	0	0
POSITIONS		2			146,891			
TOTAL POSITIONS		19						
GROSS SALARIES					1,891,092			
ANTICIPATED MOU SALARY INCREASE**					33,094			
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE					14,350			
BONUS					55,001			
120-DAY RETIREE(S)					0			
TOTAL SALARIES					1,993,537			

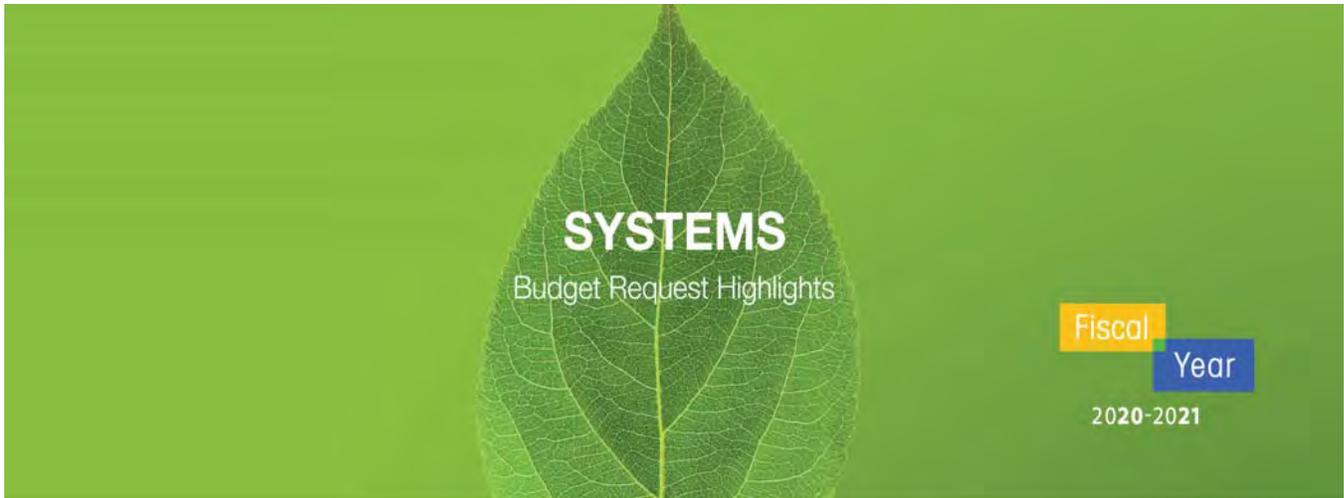
MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/20
 Represented/Non-Represented positions are shown at actual salaries as of 01/01/20
 Represented positions shown in blue
 Vacancies are shown at the 1st Step
 *All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SERVICES & SUPPLIES ACCOUNT SUMMARY

QUALITY ASSURANCE

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
TRANSPORTATION & TRAVEL	\$12,000	\$38,200	\$6,313	\$34,300	(\$22,300)	-65.0%	(\$26,200)	-68.6%
OFFICE SUPPLIES & EQUIPMENT	3,000	3,500	1,476	2,600	400	15.4%	(500)	-14.3%
PROFESSIONAL & SPECIALIZED SERVICES	50,000	50,000	0	50,000	0	0.0%	0	0.0%
EDUCATIONAL EXPENSES	28,800	57,300	6,563	38,100	(9,300)	-24.4%	(28,500)	-49.7%
MISCELLANEOUS	700	1,000	0	500	200	40.0%	(300)	-30.0%
TOTAL	\$94,500	\$150,000	\$14,353	\$125,500	(\$31,000)	-24.7%	(\$55,500)	-37.0%

*All amounts rounded to the nearest dollar.



Mission

To provide technology support services and innovation systems-based solutions to the organization in meeting our commitment to protect, produce, and provide the promised benefits to our members.

Introduction

In the past, Systems implemented new servers, computers, operating systems, user management infrastructure, remote email access, and more. These upgrades were designed to pave the way for a new scalable architecture emphasizing remote computing, mobility, cloud-hosted services, deeper member service process automation, better systems redundancy and stronger security features. Building on these recent infrastructure upgrades, we will be partnering with our internal customers to focus on their needs; building capabilities that will directly support end users, increase productivity, and enhance the member experience.

Budget Considerations

Services and Supplies

LACERA's budget aggregates all technology expenditures, including those that are division-specific, within the Systems Division's budget so that we have clarity on the total planning and technology investments.

The Systems Division's services and supplies budget is intended to support the needs of the organization, and contains the following major components:

- **Planning:** Develop an IT Vision Statement and Strategic Plan, prepare a remote systems migration plan, update policies and procedures, review the IT organizational structure.

- Maintenance: Product support, licensing fees, ongoing and established operational costs, etc.
- New projects: Allocation for new systems, applications, products, or services.

This budget request contains principally the maintenance components.

Staffing

The Systems Division has supported a significantly increasing technology portfolio using a largely generalist staff base. Long-term sustainability will require more specialization. Additional staffing will be needed to support our current operational environment, and an influx of specialists will be recruited to sustain our current and future operational needs.

We recognize there are benefits and opportunities to leveraging outsourced expertise and will do so where appropriate and advantageous. This does not negate the need for in-house resources that can effectively support and administer our systems and we will staff appropriately.

Pressing forward, we will make future adjustments to budgeted positions in two ways—removing classifications no longer needed and replacing them with classifications that appropriately support the operation. Because there are currently sufficient vacancies for us to begin our fiscal year hiring plan, there is no net increase in staff count. Our primary focus in the 2020-2021 FY will be filling our existing vacancies to improve our ability to deliver support services to the organization while reducing our need to rely on temporary employees.

Overtime

The overtime budget is primarily allocated for

- 1) After-hour system maintenance and upgrades,
- 2) Emergency system support,
- 3) Support for Saturday member services and Benefits operations, and
- 4) Support for extended office hours during peak months.

Looking Ahead

We are developing IT Vision Statement and Strategic Plan and reviewing our IT organizational structure. The work will take a comprehensive look at the future of LACERA's technology development and focusing on long term evolution and continuous improvements that provide nimble customer support and response to business needs.

SYSTEMS DIVISION

FISCAL YEAR 2020-2021

2019-2020 Bud. Pos.: 60.0
 2019-2020 Hiring Plan: 59.0
 2020-2021 Bud. Pos.: 60.0
 2020-2021 Hiring Plan: 59.0

Pending Board of Supervisors Approval

1.0 Information Tech. Manager II Ø

1.0 Information Systems Manager
James Brekk

1.0 Sr. Secretary

MEMBER SYSTEMS & APPLICATIONS

1.0 Asst. Information Systems Mgr
Vacant

SYSTEMS DEVELOPMENT

1.0 Asst. Information Systems Manager
Vacant

TECHNOLOGY

1.0 Asst. Information Systems Manager
Vacant

INFORMATION SECURITY

1.0 Chief Info. Sec Officer
1.0 Data Sys. Coordinator

BUSINESS DATA ANALYSTS

2.0 Information Tech. Spec II
2.0 Information Tech. Spec. I
1.0 Retirement Sys. Specialist
1.0 Data Sys Supv. II
4.0 Data Sys Coordinator

APPLICATIONS DEVELOPMENT

1.0 Data Sys. Supv. II
2.0 Information Tech. Spec. I
1.0 Programming Sys. Spec.
4.0 Data Sys. Coordinator

INFRASTRUCTURE

1.0 Chief Technology Officer

SUPPORT

1.0 Information Technology
Manager I

OPERATIONS

2.0 Data Sys. Supv. II
2.0 Information Tech. Spec. I
1.0 Retirement Sys. Spec.
1.0 Programming Sys Spec
1.0 EDP Principal Prog. Analyst

IMPLEMENTATION

1.0 Info Tech. Manager I
4.0 Info Tech Specialist II
1.0 Data Sys Coordinator

OPERATIONS

1.0 Information Sys. Manager I
8.0 Data Sys. Analyst II
3.0 Data Sys. Analyst I
1.0 Staff Assistant I

IMPLEMENTATION

1.0 Retirement Sys. Specialist
5.0 Data Sys. Coordinator

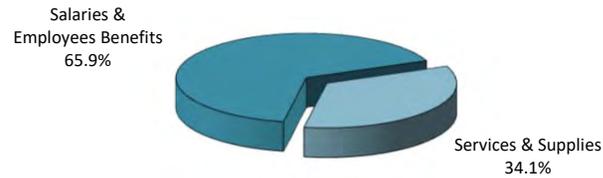
Ø Not yet approved by Board of Supervisors

LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

SYSTEMS DIVISION

	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET		
	PROPOSED BUDGET 2020-2021	YTD		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE	
		BUDGET	(12-31-19)					PROJECTION
Salaries & Employees Benefits	\$11,724,699	\$11,031,888	\$3,872,787	\$9,054,800	\$2,669,899	29.5%	\$692,812	6.3%
Services & Supplies	6,057,400	6,303,900	2,322,647	5,920,700	136,700	2.3%	(246,500)	-3.9%
OPERATING BUDGET	\$17,782,099	\$17,335,788	\$6,195,434	\$14,975,500	\$2,806,599	18.7%	\$446,312	2.6%

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SALARIES AND EMPLOYEE BENEFITS SUMMARY

SYSTEMS DIVISION

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Total LACERA Salaries	\$6,454,226	\$6,055,234	\$2,116,579	\$4,891,200	\$1,563,026	32.0%	\$398,991	6.6%
Total Agency Temp Salaries	1,200,000	1,700,000	525,763	1,051,600	148,400	14.1%	(500,000)	-29.4%
Employee Benefits (Variable)	3,356,659	2,546,989	960,339	2,424,400	932,259	38.5%	809,669	31.8%
Employee Benefits (Other)	397,170	441,434	164,626	439,200	(42,030)	-9.6%	(44,264)	-10.0%
OPEB Contribution	165,644	131,129	59,666	130,500	35,144	26.9%	34,515	26.3%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	130,100	130,100	40,473	90,000	40,100	44.6%	0	0.0%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	12,000	12,000	2,927	11,600	400	3.4%	0	0.0%
Rideshare Allowance	8,900	15,000	2,415	16,300	(7,400)	-45.4%	(6,100)	-40.7%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$11,724,699	\$11,031,888	\$3,872,787	\$9,054,800	\$2,669,899	29.5%	\$692,812	6.3%
Salary Differential **	-	-	-	-	-	-	-	-
TOTAL S&EB	\$11,724,699	\$11,031,888	\$3,872,787	\$9,054,800	\$2,669,899	29.5%	\$692,812	6.3%

*All amounts rounded to the nearest dollar.

Note: All Permanent Salaries and Employee Benefits include amounts through 11/30/19, except Agency Temporary includes amounts through 12/31/19 and Rideshare Allowance includes amounts through 8/31/19.

LACERA
FISCAL YEAR 2020-2021
SALARIES

SYSTEMS DIVISION

2020-2021 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT
00783A	INFORMATION SYSTEMS MANAGER	1	LS14	18,015	216,177
00781A	ASST. INFORMATION SYSTEMS MANAGER	2	LS12	34,326	411,918
00803A	INFORMATION TECH. MANAGER I	1	LS11	12,876	154,508
00802A	INFORMATION TECHNOLOGY SPECIALIST II	1	122H	12,300	147,603
00801A	INFORMATION TECHNOLOGY SPECIALIST I	1	117F	6,657	79,884
00460A	DATA SYSTEMS SUPERVISOR II	2	115L	25,215	302,581
00782A	INFORMATION SYSTEMS MANAGER I	1	115F	12,576	150,918
02644A	RETIREMENT SYSTEMS SPECIALIST	2	115E	24,429	293,146
00453A	EDP PRINCIPAL PROG. ANALYST	1	115C	12,483	149,798
00469A	DATA SYSTEMS COORDINATOR	13	110D	135,169	1,622,033
00458A	DATA SYSTEMS ANALYST II	8	104H	71,345	856,146
00457A	DATA SYSTEMS ANALYST I	3	102A	22,553	270,636
00426A	STAFF ASSISTANT I	1	84F	4,868	58,416

POSITIONS 37 4,713,764

VACANT POSITIONS		# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
00781A	ASST. INFORMATION SYSTEMS MANAGER	1	LS12	10,299	123,591			61,796
00806A	CHIEF INFO. SEC. OFFICER	1	LS12	10,299	123,591			61,796
00805A	CHIEF TECHNOLOGY OFFICER, LACERA	1	LS12	10,299	123,591			61,796
99999A	INFORMATION TECH. MANAGER II Ø	1	LS12	10,299	123,591			
00803A	INFORMATION TECH. MANAGER I	1	LS11	9,581	114,969			57,484
00802A	INFORMATION TECHNOLOGY SPECIALIST II	5	122H	11,651	139,817			349,544
00801A	INFORMATION TECHNOLOGY SPECIALIST I	5	117F	10,124	121,488			303,720
00460A	DATA SYSTEMS SUPERVISOR II	2	115L	9,707	116,488			116,488
02644A	RETIREMENT SYSTEMS SPECIALIST	1	115E	9,566	114,787			57,393
02600A	PROGRAMMING SYSTEMS SPEC.	2	112H	8,884	106,605			106,605
00469A	DATA SYSTEMS COORDINATOR	2	110D	8,332	99,983			99,983
00439A	SENIOR SECRETARY	1	88H	4,634	55,603			27,801

POSITIONS 23 1,304,405 1,304,405

TOTAL POSITIONS 60

GROSS SALARIES 6,018,169

ANTICIPATED MOU SALARY INCREASE** 105,318

ANTICIPATED STEP AND/OR MERIT SALARY INCREASE 68,441

BONUS 35,642

120-DAY RETIREE(S) 3 226,656

TOTAL SALARIES 6,454,226

MAPP Tier I and Tier II positions are shown at actual salaries as of 1/1/20.
 Represented/Non-Represented positions are shown at actual salaries as of 1/1/20.
 Represented positions shown in blue
 Vacancies are shown at the 1st Step
 *All amounts rounded to the nearest dollar.
 Ø Not yet approved by Board of Supervisors and is calculated at 0 percent filled.
 ** Gross salaries are multiplied by 1.75% to calculate anticipated MOU increase

LACERA
FISCAL YEAR 2020-2021
SERVICES & SUPPLIES ACCOUNT SUMMARY

SYSTEMS DIVISION

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		2019-2020			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	YTD (12-31-19)	PROJECTION				
COMMUNICATIONS	\$710,000	\$731,000	\$285,270	\$692,000	\$18,000	2.6%	(\$21,000)	-2.9%
TRANSPORTATION & TRAVEL	13,500	32,500	4,794	17,200	(3,700)	-21.5%	(19,000)	-58.5%
POSTAGE	390,000	380,000	189,030	380,000	10,000	2.6%	10,000	2.6%
OFFICE SUPPLIES & EQUIPMENT	469,800	477,800	158,255	434,000	35,800	8.2%	(8,000)	-1.7%
EQUIPMENT MAINTENANCE	632,200	615,200	112,552	586,100	46,100	7.9%	17,000	2.8%
PROFESSIONAL & SPECIALIZED SERVICES	954,600	886,600	254,796	709,900	244,700	34.5%	68,000	7.7%
COMPUTER SERVICES & SUPPORT	2,849,800	3,120,400	1,307,545	3,075,400	(225,600)	-7.3%	(270,600)	-8.7%
EDUCATIONAL EXPENSES	36,500	59,400	10,277	25,100	11,400	45.4%	(22,900)	-38.6%
MISCELLANEOUS	1,000	1,000	128	1,000	0	0.0%	0	0.0%
TOTAL	\$6,057,400	\$6,303,900	\$2,322,647	\$5,920,700	\$136,700	2.3%	(\$246,500)	-3.9%

*All amounts rounded to the nearest dollar.

PROJECTED NON-ADMINISTRATIVE EXPENSES
For the Fiscal Year Ended June 30, 2021

	Current Year		Prior Year ACTUAL FOR FY 2018-2019
	EXPENSES	PROJECTED	
	AS OF 12/31/2019	FOR FY 2020-2021	
Pension Trust Fund:			
Investment Management Fees			
U.S. Equity	\$ 7,068,061	\$ 14,544,746	\$ 16,543,532
Non-U.S. Equity	15,135,243	30,798,723	30,602,322
Fixed Income	20,635,704	38,330,605	37,949,688
Cash and Short-Term	233,766	467,531	644,355
Mortgage Loan Services	33,610	65,610	69,613
Private Equity	4,712,065	9,274,516	8,317,007
Real Estate	3,064,023	28,557,958	29,088,165
Hedge Funds	783,854	-	1,838,334
Commodities	2,108,133	4,216,266	4,640,072
Total Investment Management Fees	53,774,459	126,255,955	129,693,089
Other Investment Expenses			
Consultants			
General Investment Portfolio	98,750	395,000	426,750
Private Equity	592,500	1,222,500	2,693,035
Real Estate	78,030	312,120	309,210
Other Consulting Fees	359,351	591,477	249,680
	1,128,631	2,521,097	3,678,675
Custodians			
Banking and Treasury	1,220,147	2,481,947	2,733,062
Hedge Funds	-	-	248,952
Mortgages	1,250	5,000	5,000
	1,221,397	2,486,947	2,987,014
Performance and Other Fees	26,217,109	106,855,125	96,482,887
Investment Legal Counsel	89,894	179,787	284,638
Total Other Investment Expenses	28,657,030	112,042,957	103,433,213
Total Management Fees and Other Investment Expenses	\$ 82,431,489	\$ 238,298,912	\$ 233,126,302
Actuarial Consulting Services	103,814	297,508	332,945
Total Pension Fund Non-Administrative Expenses	\$ 82,535,304	\$ 238,596,420	\$ 233,459,246
Retiree Health Care (RHC) Program Funds:			
Fixed Income Management Fees	\$ 36,378	\$ 72,745	\$ 68,169
Short-Term Management Fees	8,305	18,856	21,220
Custodian Fees	25,002	42,401	32,428
Total RHC Program Non-Administrative Expenses	\$ 69,685	\$ 134,001	\$ 121,817
Other Post Employment Benefits (OPEB) Trust Fund:			
Enhanced Cash Management Fees	\$ 5,177	\$ 11,553	\$ 4,340
Commodities Management Fees	\$ 38,378	\$ 79,983	\$ 61,710
Global Equity Management Fees	\$ 92,835	\$ 182,891	\$ 177,108
Fixed Income Management Fees	\$ 84,928	\$ 182,040	\$ 120,344
Real Estate Management Fees	\$ 39,080	\$ 84,269	\$ 79,014
General Investment Portfolio Consultant	\$ 27,500	\$ 55,000	\$ 55,000
Custodian Fees	\$ 167,559	\$ 332,873	\$ 244,701
Total OPEB Trust Non-Administrative Expenses	\$ 455,457	\$ 928,609	\$ 742,216

STRATEGIC PLAN

Retirement Benefits FOR FISCAL YEARS ENDING 2018-2020



Status Update

The Strategic Plan has been reformatted and aligned along the four main key objectives outlined by our CEO. The format has also been redesigned so that we can easily see where we are on each goal (In Process, Substantially Complete, or Completed) and color coded to represent how well we are doing in terms of progress on the goals (red for behind, yellow for in danger or near to being behind, and green for completed).

The goals each have current “owners” and “business partners” who are working on the goal. These assignments may change as we continue to review and re-structure our teams to meet these goals. Here is the index that shows what the different initials stand for:

Division Codes									
AS	Admin Services	BE	Benefits	CO	Communications	FA	Financial & Accounting Services	DR	Disability Retirement Services
DL	Disability Litigation	EO	Executive Office	HR	Human Resources	IA	Internal Audit	IN	Investments
LS	Legal Services	MS	Member Services	QA	Quality Assurance	RH	Retiree Healthcare	SY	Systems

Governance

Working together to improve our Board and internal governance.

1. Work with Board members to engage the NACD to provide continual Board member training and development to provide them with the tools and knowledge to continually improve their ability to provide responsible leadership for LACERA.
2. Work with the internal management and supervisory team to develop and deliver education to develop organizational leadership to transform LACERA into an innovative and best in class organization focused on delivering its mission.

Fund Sustainability

To advance LACERA's producing the promised benefits, a separate plan for 2019 addresses five inter-related objectives:

1. Execute strategic asset allocation.
 2. Enhance operational effectiveness.
 3. Optimize Investment Implementation.
 4. Maximize ownership rights and stewardship.
 5. Strengthen influence on fees and capital costs.
- Please refer to the Investments Strategic Plan

Preserving Retiree Healthcare

Preserving Retiree Healthcare by taking innovative and proactive steps to minimizing costs and improving services provided to members and survivors.

- Please refer to the Retiree Healthcare Strategic Plan

Reduce Complexity of our Organization

Continually working to make the process easier for our members and staff.

- Disability Retirement Information Integration & Enhancements

We are focusing our organizational energy on modernizing our disability investigation and appeal processes through revising Board policy, streamlining staff procedures, evaluating staffing deployment, changing operational expectations, improving accountability, creating new measurement structures, and developing new assistive technology tools.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Disability Process Modification	Review the application processing to identify efficiencies and begin program design stage.					
	FY 2013-14	SY	DR			
Current Update	Completed					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Disability Data Integration: Tracker	Export data from Tracker and import the data to Workspace.					
	FY 2013-14	SY	DR			
Current Update	Completed					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Disability Document Management	Description Not Available					
	FY 2014-15	SY	DR, AS			
Current Update	Completed					

- Reduce Complexity of our Organization >>> Disability Retirement Information Integration & Enhancements (Continued)

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Disability Process Management	Program and move most disability processes including Disability application intake, interviews, medical appointments, etc.					
	FY 2015-16	SY	DR			
Current Update	Substantially Complete – Recently rolled out the Board Agenda process. Disability staff have the ability to print the agenda from Workspace.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Board and Management Metric Reporting for Disability Processes	The development of metrics and reports to provide management and BOR critical insight to the status of disability cases. The intended goal of processing disability cases is 9-12 months.					
	FY 2016-17	SY	DR, EO			
Current Update	Substantially Complete – Workspace page provides metrics on pending completed cases. Provides aging (number of days) for pending cases. Additional reports will be developed as case tracking is implemented in Workspace.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Disability Medical Document Portal – System	The development of a system where doctors, medical record retrieval vendors, and others can electronically submit medical reports to LACERA.					
	FY 2017-18	SY	DR			
Current Update	Not Started					

- Reduce Complexity of our Organization >>> Disability Retirement Information Integration & Enhancements (Continued)

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Disability Medical Document Portal – Training	The development of training for staff members on how to use this and how to train outside parties to use the system.					
	FY 2017-18	SY	DR			
Current Update	Training will be provided to staff upon completing the Document Portal, and training and training materials will be provided to vendors regarding their document submissions.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Case Management	Development of a case management system that will assist DRS staff members to manage individual cases more efficiently.					
	FY 2017-18	SY	DR			
Current Update	Since the OOC presentation in October 2019, staff have been reviewing technical requirements and evaluating integration methods. A preliminary set of business requirements was developed and the team will be reconvening in February to further refine the business requirements and advance other tasks related to this project.					

- Reduce Complexity of our Organization >>> Disability Appeal Process Modernization

We are leveraging our efforts and the lessons learned in the Disability Retirement process to modernize the Disability Litigation appeals process by streamlining staff processes and procedures, developing case management tools to improve resource management, process and manage Writs, and develop a new measurement structure to provide greater insight into the caseload.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Digital Appeal Packages	Create and store Disability Appeal packages electronically.					
	FY 2016-17	SY	AS, DR			
Current Update	Completed					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
E-Board Package - Digital Appeal Cases	Deliver Disability Appeal packages to the Board electronically.					
	FY 2016-17	SY	AS, DR			
Current Update	Completed					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Planning Writ Management Process	Complete a needs assessment and develop an overview of the Writ Management Process to assist Systems in developing a Writ Management System.					
	FY 2016-17	SY	DL			
Current Update	Completed					

- Reduce Complexity of our Organization >>> Disability Appeal Process Modernization (Continued)

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Implement Writ Process Management	Create a case management process for managing the response to Writs filed to appeal Board decisions on disability cases.					
	FY 2017-18	SY	DL			
Current Update	Not Started: Pending completion of Disability Process Management. If the volume of transactions warrants an automated solution, the process management developed for the disability application process will be reused for the writ process.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Appeal Process Management	Integrate the Disability Litigation Appeal process with Workspace and the Writ Management System to allow electronic management of the process and institute metrics and reporting.					
	FY 2017-18	SY	DL			
Current Update	Not Started: Pending completion of Disability Process Management. The process management developed for the disability application process will be reused for the appeal process.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Retire Legacy System: Tracker	Retire the legacy Tracker system – after all functionality has been migrated to Workspace.					
	FY 2017-18	SY	DL			
Current Update	The major features of the Disability Tracker have been implemented in Workspace. There are a few additional processes to implement. Ad hoc printing of letters needs to be implemented in Workspace and Tracker Events need to be imported into Workspace.					

- Reduce Complexity of our Organization >>> Managing Work through the Job Ticket Process

Through the years, LACERA introduced various tools to improve accuracy, timeliness, and reliability of our member transactions. Building upon this foundation, LACERA is designing and implementing a system to track the progress of each transaction as it undergoes triaging, assigning, calculating, quality review, and completion. Intrinsic to each “job ticket” is process-centric and member-centric data to efficiently and effectively manage work objects.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Job Ticket 1.0 – Planning	Develop a needs assessment and outline of the job ticket requirements and system.					
	FY 2013-14	SY	BE			
Current Update	Complete					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Job Ticket 1.0 – Prototyping	Create a prototype of a the job ticket system.					
	FY 2015-16	SY	BE			
Current Update	Complete					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Job Ticket 1.0 – Production	Implement the job ticket system into the production environment of Workspace.					
	FY 2015-16	SY	BE			
Current Update	Complete					

- Reduce Complexity of our Organization >>> Managing Work through the Job Ticket Process (Continued)

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Job Ticket 2.0 – Reporting	Create and generate metric and tracking reports from the Job Ticket system.					
	FY 2017-18	SY	BE			
Current Update	Substantially Complete: Initial Report completed. Benefits division reviewing for fine-tuning.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Job Ticket 3.0 – Case Management	Update the Job Ticket system to facilitate individual case management of work objects and member requests.					
	FY 2018-19	SY	BE			
Current Update	Not Started: Expected to start the design in the upcoming year. The design will be leveraged for use in both Benefits and Disability Case Management.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Job Ticket 4.0 – Audit Version	N/A					
	FY 2019-20	SY	BE			
Current Update	Scheduled for next FY.					

- Reduce Complexity of our Organization >>> LACERA.com

Our website will have an easy to use and modern look that facilitates members' ability to learn about their LACERA benefits.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
LACERA.com Redesign	Update and modernize LACERA.com. This includes a complete review of all content on the website.					
	FY 2017 – 18	SY	CO			
Current Update	Significant progress has been made on this project. The site architecture has been designed, and beta tested with members to gain feedback on navigation and overall structure of data categories. This input has been used to fine tune the site organization. Subject matter experts throughout LACERA are in the process of reviewing all site content. Some delays have occurred as a result of the COVID-19 response process. We remain on target for a first quarter 2020-2021 launch.					

- Reduce Complexity of our Organization >>> LACERA.com:

Member Portal

Our My LACERA Member Portal website will support on-line transactions so that our members can self-service their accounts in a protected and expeditious manner.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Beneficiary Update	Implement ability for members to add, update, or delete beneficiary information on My LACERA member portal.					
	FY 2013 - 14	SY	BE, MS			
Current Update	Completed.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Portal Redesign	Update and modernize the My LACERA member portal.					
	FY 2016 – 17	SY	EO, CO, MS			
Current Update	Completed.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Secure Message Center	Implement a secure message center through the My LACERA member portal so members can communicate electronically with MS and RHC.					
	FY 2016 – 17	SY	EO, CO, MS			
Current Update	Completed.					

- Reduce Complexity of our Organization >>> LACERA.com: Member Portal
(Continued)

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
On-Line Pension Verification	Allow members to request and print pension verification and amount in fund letters through the My LACERA member portal.					
	FY 2017 – 18	SY	BE, CO, MS			
Current Update	Completed. In addition to the Pension Verification letters, Systems also delivered the ability to generate Amount-in-Fund letters. Additional functionality is being added to allow Member Services – Outreach to print letters at the Member Service Center.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
On-Line Form – Service Credit Purchase	Allow members to submit a request to purchase service credit online through the My LACERA member portal.					
	FY 2018 – 19	SY	BE, CO, MS			
Current Update	Completed: This task was completed on October 28, 2019. Version 6.0 of My LACERA included a new Purchases page that allows members to submit request to purchase service credit online.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
On-Line Form – Disability Application	Allow members to securely submit a Disability Application online through the My LACERA member portal.					
	FY 2018 – 19	SY	BE, CO, DR			
Current Update	In design phase.					

- Reduce Complexity of our Organization >>> LACERA.com: Member Portal
(Continued)

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
On-Line Form – Retirement Election	Allow members to securely submit a Retirement Election online through the My LACERA member portal.					
	FY 2019 – 20	SY	BE, LS, MS			
Current Update	Significant progress has been made on designing a new Retirement Application which will serve as the design for an online election form. The form was scheduled for testing in the MSC, but delayed due to the MSC closure as a result of COVID-19. The team is reviewing the next steps to move this forward.					

- Reduce Complexity of our Organization >>> Retiree Healthcare Program

In 1987, we embarked on an ambitious program to create our own benefit administration software application. Over the ensuing decades we have devoted considerable resources to support our retirement benefit administration and, more recently, our disability application work processes. Looking to the future, now is the time to begin planning how to best support the Retiree Healthcare Program with improved document control, workflow, and technology. Similar to our efforts in the disability application area, this will be a multi-dimensional effort which will require us to evaluate Board policy, staff procedures, staffing deployment, operational expectations, accountability, and measurement structures.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Develop Needs Assessment	Complete a needs assessment to determine what future efforts will be needed to integrate RHC operations into Workspace.					
	FY 2017 – 18	SY	RH			
Current Update	Completed.					

- Reduce Complexity of our Organization >>> Managing Member Interactions

The ability to provide world class service to our members is dependent on ensuring LACERA manages member interactions in an efficient manner, measures service levels, as well as keeping an accurate record of member interactions in the member’s file. LACERA will focus resources on expanding our ability to record and store inbound and outbound calls with members to the Benefits, Disability Retirement Services divisions. Recording calls ensures we have an accurate record of member interactions which improves service and can be leveraged to provide quality assurance and training to staff. We will also begin focusing on the development of a Member Service Center queuing system to improve our ability to forecast, budget, and allocate staffing resources and improve management of service levels in the Member Service Center.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Member Service Center Queue System – Planning	Needs assessment and planning for implementation of a queuing system in the Member Services Center					
	FY 2018 – 19	SY	MS			
Current Update	Significant progress was completed and we were in discussions to schedule installation of the new system, user acceptance testing, and then beta testing. This project has been delayed due to the closure of the MSC as a result of the COVID-19 response.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Call Recording – Benefits Division – Planning	Planning the implementation and roll out of call recording for Benefits Division Specialists.					
	FY 2019 – 20	SY	BE			
Current Update	This project has been completed and those staff members in Benefits who make outbound calls to members are now recorded.					

- Reduce Complexity of our Organization >>> Managing Member Interactions

(Continued)

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Call Recording – Disability Division – Planning	Planning the implementation and roll out of call recording for Disability Division Investigators.					
	FY 2017 – 18	SY	DR			
Current Update	Systems has completed the planning for the technical implementation of the call recording. Disability staff still has to be engaged to discuss rollout of the call recording.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Replace Call Recording System	Replace current call recording software and storage.					
	FY 2018 – 19	SY	BE, DR, MS			
Current Update	In Process: 48 additional recording ports have been added, 24 have been designated for Disability staff scheduled for implementation later on this FY. Staff has started researching a total replacement solution.					

- Reduce Complexity of our Organization >>> Workspace

The information system will facilitate members service while protecting membership information. The system environment will be continually evaluated and updated. We look to improve the way we circulate the member’s electronic document by creating a Job Ticket processing system.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Replace Green Screens	Replace the mainframe green screens by importing all functionality into Workspace.					
	FY 2017 – 18	SY	BE			
Current Update	Completed. The final green screens in use were retired on June 5, 2017.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Retire CICS						
	FY 2017 – 18	SY	BE			
Current Update	Completed. CICS was no longer in use as of June 5, 2017.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
COBOL Program Replacement – Planning						
	FY 2017 – 18	SY				
Current Update	Completed.					

- Reduce Complexity of our Organization >>> Workspace (Continued)

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Update Retirement Estimate Program	Update the retirement estimate logic to reflect current requirements.					
	FY 2017 – 18	SY	LS, IA			
Current Update	Completed: The estimate program was updated on May 8, 2017. The program now generates estimates for Service Retirement, Death, Service Connected Disability, and Non-Service Connected Disability retirements.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Multiple Plan Streams	Updating Workspace programming to properly support members who have more than one membership stream.					
	FY 2018 – 19	BE	LS, SY			
Current Update	In Process: Plan E related plan stream eligibility rules have been incorporated into the Final Calc and Estimate programs. Safety plan stream with non-E eligibility rules have not been incorporated due to small volume and unresolved processing issues relating to contributions and interest.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Reengineer 1 st Payment – Planning	Review the first payment process to ensure the process is designed to efficiently and accurately issue the first benefit payment to members.					
	FY 2018 – 19	SY	BE, LS, QA			
Current Update	Participating in planning/design meetings.					

- Reduce Complexity of our Organization >>> Member Communications

Members have important retirement choices to make, from plan selection when first hired through choosing the best date and retirement option at the end of their careers. It is our responsibility to provide the education they need to make good choices for their individual circumstances. Our strategic direction is to continue to expand and improve our communication to members by offering a wide variety of user-friendly, updated, informative, and creative educational tools that include print materials, seminars and workshops, website materials, videos, etc. We will review our current pre-retirement workshop and develop and offer topic-specific modules that members could choose from as alternatives.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Outreach Web Video – New Member	Develop an online video that explains the new membership process.					
	FY 2014 – 15	MS	CO, LS			
Current Update	Completed.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Active Member Benefit Statement	Redesign and implement a new Active Member Benefit Statement.					
	FY 2017 – 18	CO	EO, LS, MS, SY			
Current Update	Communications and Systems are working together to re-design the statement. Communications has produced prototypes and is currently in the process of finalizing the data points that will be included in the statement. This involves working with BE, MS, and LS. Once that data has been defined, Systems will work with Communications to complete the programming to support the final design. This will need to be followed up with an RFP to select a vendor to print and mail the statements.					

- Reduce Complexity of our Organization >>> Member Communications
(Continued)

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Retirement Estimate Document	Redesign the Retirement Estimate and Benefits Election form to make it more informative and user friendly.					
	FY 2017 – 18	CO	EO, LS, MS, SY			
Current Update	Significant progress has been completed on the creation of a new Retirement Application and supporting materials. The new document was scheduled to be tested in early 2020. However, this was delayed as a result of the COVID-19 pandemic response which resulted in the closure of the MSC.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Retirement University - Course 1	Design and implement an on-line course on the Retirement Benefit Options.					
	FY 2017 – 18	CO	BE, DR, EO, LS, MS, RH, SY			
Current Update	Communications and Member Services finalized the first three segments of the course that address the top options chosen by members: Unmodified, Unmodified+Plus, and Option 4. Publishing has been postponed until the redesigned lacera.com website is launched.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Retirement University - Course 2	Select the content, design, and implement the second course in our online university.					
	FY 2020 – 21	CO	BE, DR, EO, LS, MS, RH, SY			
Current Update	Not Started.					

- Reduce Complexity of our Organization >>> Member Communications
(Continued)

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Member Survey	Conduct a survey of all LACERA members and survivors to assess the services and service level that LACERA is providing.					
	FY 2020– 21	EO	BE, DR, LS, MS, RH, SY			
Current Update	Scheduled for next FY.					

- Reduce Complexity of our Organization >>> Board Operations

It is important for all members of the organization, Board, management, and workers, to be dedicated to creating and maintaining a professional workspace. The Board’s workspace should foster an aesthetic appearance while maintaining functionality and readily communicate LACERA’s commitment to its membership.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Board Room Branding Entryway	Refresh and update the entry way to the Board room and include pictures of Board members so the members and public can see who is representing them.					
	FY 2017 – 18	EO	AS			
Current Update	Completed.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Board Room Branding	Refresh and update the Board Room, including branding.					
	FY 2017 – 18	EO	AS			
Current Update	Completed.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Board Room Speaker Timer and Signal						
	FY 2017 – 18	SY	EO, AS			
Current Update	Completed.					

Cultivate a Risk Intelligent Organization

Creating an organization that is aware of the risks and manages those risks appropriately. Compliance. Sharing of knowledge.

- Knowledge & Content Management

Provide an Enterprise Content Management System (ECMS) that integrates a centralized search of all knowledge content. We expect to internally ingest the Board of Retirement's Committee documents and implement a user friendly tool to access our membership rules and plan information.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Board Package Web Posting	Post all Board of Retirement and Board of Investments agendas online.					
	FY 2015-16	SY	EO, IN, LS			
Current Update	Completed.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Digital Archive: BOI Back file – Implement	Archive all prior versions of BOI agendas/minutes.					
	FY 2016-17	SY	EO, IN, LS			
Current Update	Completed.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Digital Archive: BOR Committee – Implement	Archive all prior versions of BOR Committee agendas/minutes.					
	FY 2016 - 17	SY	EO, IN, LS			
Current Update	Completed.					

- Cultivate a Risk Intelligent Organization >>> Knowledge & Content Management (Continued)

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Digital Archive: Disability Case Back file – Evaluate	Conduct a needs assessment of what it would take to archive all disability case back files.					
	FY 2017 - 18	SY	EO, DR, LS			
Current Update	Not Started: Project has been deferred due to other organizational priorities and resource limitations.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Digital Archive: RFP	Issue an RFP.					
	FY 2017 - 18	SY	EO, DR, LS			
Current Update	Not Started: Project has been deferred due to other organizational priorities and resource limitations.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Digital Archive: Actuary Reports	Archive all actuary reports.					
	FY 2018 - 19	SY	EO, LS			
Current Update	Not Started: Project has been deferred due to other organizational priorities and resource limitations.					

- Cultivate a Risk Intelligent Organization >>> Knowledge & Content Management (Continued)

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Digital Archive: Accounting Reports	Archive all accounting reports.					
	FY 2018 - 19	SY	EO, FA, LS			
Current Update	Not Started: Project has been deferred due to other organizational priorities and resource limitations.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Digital Archive: Brochures Reports	Archive all brochures.					
	FY 2018 - 19	SY	EO, CO, LS			
Current Update	Not Started: Project has been deferred due to other organizational priorities and resource limitations.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Digital Archive: Summary Plan Descriptions	Archive all Summary Plan Descriptions.					
	FY 2018 - 19	SY	EO, CO, LS			
Previous Update	Not Started.					
Current Update	Not Started: Project has been deferred due to other organizational priorities and resource limitations.					

- Cultivate a Risk Intelligent Organization >>> Knowledge & Content Management (Continued)

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Digital Archive: Retiree Healthcare Program	Archive all Retiree Healthcare Program.					
	FY 2018 - 19	SY	EO, CO, RH, LS			
Current Update	Not Started: Project has been deferred due to other organizational priorities and resource limitations.					

- Cultivate a Risk Intelligent Organization >>> **Operational Compliance**

LACERA continues implementing innovative and best practice quality initiatives by introducing another line-of-defense; a formalized Operational Compliance program. The Operational Compliance program is geared to nurture a culture of compliance, and provide a structured and transparent approach to adhere to operational processes, policies and key organizational training regimens. The program's ultimate success is achieved by an organization demonstrating a culture of compliance and ethical business practices coupled with the efficient and effective integration of Operational Compliance into daily business practices.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Create Compliance Program Charter	Create a charter to define the compliance program roles, responsibilities, and approach.					
	FY 2017 – 18	LS	EO			
Current Update	Templates gathered and reviewed by members of Compliance Committee; further action deferred pending hiring of Compliance Director.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Implement Organizational Compliance Committee	Create a Compliance Committee that will work together to define the compliance program, draft or review compliance policies, procedures or charters, and provide oversight until a Compliance Officer is appointed.					
	FY 2017 – 18	LS	EO			
Current Update	Completed.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Develop Compliance Reporting Protocols						
	FY 2017 – 18	LS	EO			
Current Update	Templates gathered and reviewed by members of Compliance Committee; further action deferred pending hiring of Compliance Director.					

- Cultivate a Risk Intelligent Organization >>> Operational Compliance
(Continued)

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Develop Policy Governance Procedures and Training	Procedures for training on compliance principles, procedures, and values.					
	FY 2018 – 19	LS	EO			
Current Update	We have completed development of conflict of interest training. We are currently drafting the privacy training.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Develop and Deliver Compliance and Ethics Training	Training on compliance principles, procedures, and values.					
	FY 2018 – 19	LS	EO			
Current Update						
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Inventory LACERA Policies and Standardize	Develop log of all LACERA policies.					
	FY 2019 – 20	LS	ALL			
Current Update	Significant progress made in compiling existing policies; Policy on Policies developed and approved.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Conduct Best Practices Review	Confirm success in achieving compliance program objectives.					
	FY 2019 – 20	LS				
Current Update	Project has been deferred due to other organizational priorities.					

- Cultivate a Risk Intelligent Organization >>> In-Line Quality Audit

LACERA made great strides building a quality ecosystem over the past 10 years. Our efforts include comprehensive training courses, data clean-up projects, apprenticeship programs, standardized business practices, and independent quality assurance. These practices achieved impressive results, with our quality improving from 88% to a world class quality level exceeding 98%. Our next evolutionary step is to identify data anomalies and calculation errors earlier when working a member's account to prevent errors from reaching the member in the first place.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Increase the In-Line Audit Ratio to 60%						
	FY 2015 – 16	QA	BE			
Current Update	Completed.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Increase the In-Line Audit Ratio to 75%						
	FY 2016 – 17	QA	BE			
Current Update	Completed.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Assess Program Resource Requirements						
	FY 2017 – 18	QA				
Current Update	Completed. Incorporated assessment of program into budget highlights.					

- Cultivate a Risk Intelligent Organization >>> Member Centric Process Management

Benefits Division has developed a Process Management Group (PMG) that has successfully managed its business rules, documentation, and tools so that they are coordinated, standardized, and optimized through a continuous process improvement effort. Our Strategic Plan will expand this effort to include all member centric service divisions and business rule repositories.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Develop Coordinated Procedures	Develop a process to coordinate the development of procedures for use by Benefits Division staff members.					
	FY 2017 – 18	BE	DR, LS, MS, QA			
Current Update	Completed.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Monitor and Harmonize Procedures						
	FY 2017 – 18	BE	DR, LS, MS, QA			
Current Update	The PMG continually monitors and harmonizes procedures internally and works with its business partners to ensure that DRS, MS, and QA are consulted on and apprised of new and updated procedures. The divisions work closely on this project. We have recently completed a Service Credit Matrix and completed an Agenda Audit Criteria document.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Develop Requirements for Knowledge System	Develop a set of requirements for a Knowledge management system that can be used to share operational knowledge, procedures, and rules throughout the organization.					
	FY 2017 – 18	BE	DR, LS, MS, QA, SY			
Current Update	Project has been deferred due to other organizational priorities.					

- Cultivate a Risk Intelligent Organization >>> **Scrubbing Legacy Data**

Our membership data is diverse, voluminous, and spans many decades of time. We maintain our membership data in perpetuity. The consequences of poor or incomplete data can magnify as time progresses and may cause serious ramifications to our members. The 1989-90 database conversion includes a series of poor or incomplete data that has placed a number of our members in harm's way. Our three-year strategic plan places a high priority in scrubbing our legacy data.

- **Scrubbing Legacy Data**

A multi-year project to identify and prioritize data clean-up projects that will improve processing accuracy and service to members.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
MOU Retroactive Salary Adjustments – 26,000	The County completed MOU negotiations that included retroactive salary increases. The County's payroll system could not retroactively collect contributions and assign them to the correct pay period, so Benefits had to adjust the accounts manually.					
	FY 2014 – 15	BE	MS, QA, SY			
C0 urrent Update	Completed.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Missing Service Credit – 1,000	A project to review accounts that had known periods of missing service credit and ensure the total service credit and related contributions were correct.					
	FY 2015 – 16	BE	MS, QA, SY			
C urrent Update	Completed.					

- Cultivate a Risk Intelligent Organization >>> Scrubbing Legacy Data

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Missing Service Credit – 1,000	A project to review accounts that had known periods of missing service credit and ensure the total service credit and related contributions were correct.					
	FY 2015 – 16	BE	MS, QA, SY			
Current Update	Completed.					
<hr/>						
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Back Contributions Uncollected – 1,000						
	FY 2015 – 16	BE	MS, QA, SY			
Current Update	Completed.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Service Contract not Resident – 1,000	Members with a purchase on the system but no service contract set up.					
	FY 2015 – 16	BE	MS, QA, SY			
Current Update	Completed.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Recalculate Contracts Uncompleted – 4,000						
	FY 2017 – 18	BE	MS, QA, SY			
Current Update	Completed.					

- Cultivate a Risk Intelligent Organization >>> **Implementing PEPRA**

The Public Employees’ Pension Reform Act of 2013 (PEPRA) required LACERA to open new plan tiers, design information systems to support the new benefit structure, develop member communications, conduct staff training, and create new monitoring protocols. With the new plan tiers successfully launched, the organization needs to takes a fresh look at the additional implementation efforts yet to be completed.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
PEPRA Implementation Needs Assessment	A review of all systems, materials, and rules to identify any remaining PEPRA implementation items that need to be completed.					
	FY 2016 – 17	EO	BE, MS, LS, QA, SY			
Current Update	<p>Staff has evaluated and implemented a majority of the PEPRA processing needs. The following processes remain:</p> <ul style="list-style-type: none"> • Annual Benefit Statements (ABS) – Active Members: The current version of the ABS has not been revised to accommodate PEPRA; the PEPRA estimate logic has not been added to the program that generates these statements and the text has not been updated to reflect PEPRA rules. This process is dependent on the completion of the ABS redesign. • Creating a PEPRA compliance payroll report that will help LACERA determine if any non-pensionable pay codes were paid out as pensionable by the Auditor-Controller. • PEPRA limits: Staff is working with the Legal Offices to obtain guidance on how periods of absence without pay impacts the Final Average Compensation period for PEPRA members. This is critical to be able to define the FAC period for comparison to PERPA pensionable pay limitations. • Returning member processes to support the Superior Court employees. • Non-Concurrent Retirement Process: Members in double plans may have different retirement eligibility rules based on each plan. These rules, currently managed manually, will be automated. <p>Communications has updated 76 Knowledge Base pages and has completed editing of 33 K-Base pages which are in the final stages of quality control review before being published. Staff have also added or updated 17 glossary terms to correspond to the PEPRA definitions.</p>					

- Cultivate a Risk Intelligent Organization >>> Implementing PEPRA
(Continued)

• Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
PEPRA Implementation Tactical Plan						
	FY 2017 – 18	EO	BE, MS, LS, QA, SY			
Current Update	<p>The 3rd phase was completed in Q1 2019: The 3rd phase (SCR #5845) to create new database fields to store PEPRA FAC and What-If PEPRA FAC (RCEA substitution for AWOP periods in the last 36 months for members who are retirement eligible) and an associated program to calculate the PEPRA FAC for these new fields was completed in Q4 2018 and moved to production in the first quarter of 2019. In addition, significant progress has been made in removing Embedded Earnings from PEPRA FAC that we receive from the Auditor/Controller. The Auditor/Controller completed the file layout for our electronic exchange of PEPRA Embedded Earnings. A LACERA program has been written to read the file and remove PEPRA Embedded Earnings. The Auditor/Controller is in their final testing stages of their new file. We expect to receive the first test file from A/C by the end of May, 2020.</p>					

High Performance & Diversified Team

Creating and maintaining an environment where all staff members are coached and developed to be high performers. We strive to develop the tools and training to reach higher levels of performance as an effective team. Each staff member should receive continual, relevant, and timely feedback. A diverse workforce represents a greater range of knowledge, ideas, and opinions, and spurs innovative approaches to serving our members better.

- **Advanced CERL Education (ACE) Certification**

The International Foundation of Employee Benefits, in conjunction with the University of Pennsylvania, provides an outstanding educational certification in compensation management covering all aspects of benefits and compensation. This rigorous designation, known as the Certified Employee Benefit Specialist (CEBS), allows the student to specialize their CEBS certification into one of three specialty areas:

- *Compensation Management Specialist* - compensation and human resources
- *Group Benefits Associate* - healthcare and other group benefits
- *Retirement Plans Associate* - all aspects of retirement plans

While these are excellent educational opportunities, they do not specifically address plan design, practices, and procedures unique to LACERA. Our initial concept is for the ACE certification to serve as advanced certification available to LACERA's Benefits, Member Services, Retiree Healthcare, Quality Assurance, and Internal Audit staff. The program would include an eligibility test, class work, proficiency tests (class room and production), and continuing education requirements. It is our hope that this designation will be eligible for certification compensation.

- High Performance & Diversified Team >>> Advanced CERL Education (ACE) Certification (Continued)

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Develop ACE Program	Develop and design the curriculum and processes of the program.					
	FY 2016 – 17	QA	EO			
Current Update	Completed.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Implement Program	QA will conduct two pilot programs to solicit feedback on the program structure, content, and delivery. After the two pilot groups have completed the program a final program will be outlined and presented for approval.					
	FY 2020 – 21	QA	EO/MS			
Current Update	This goal has been extended based on the experience from completing the first pilot group. QA's first pilot was conducted with 9 selected staff over a 22-month period. Using data gathered from this pilot group the program content has been revised for the second pilot which will begin in mid-2019, consisting of 5 selected staff and is expected to last about 17 months. Once the second pilot has been completed and reviewed, we will begin the implementation.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Graduate Inaugural Class						
	FY 2020 – 21	QA	EO/MS			
Current Update	QA will began the Pilot II program in February 2019, which will last for about the next 15 months. Once the second pilot has been completed and reviewed, we will begin the implementation. This goal has been extended to accommodate a second pilot program.					

- High Performance & Diversified Team >>> Succession Planning

Succession planning is an important part of doing business, no matter how certain the future seems. It promotes strong leadership, facilitates organizational responsiveness, and builds team strength. A successful plan includes employees throughout the organization at all operational levels.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Employee Survey – Planning	Develop an Employee Engagement program starting with an employee survey.					
	FY 2016 – 17	HR	EO			
Current Update	In Process/on hold. A team was assembled to review the options provided by various vendors and to select the vendor that best understands the public sector and has experience implementing Employee Engagement Programs in public sector agencies, both nationally and locally. The vendor selected was CPS’s Institute for Public Sector Employee Engagement . CPS has provided an outline of the implementation of the Program at LACERA and has been engaged (contracted) to assist with this implementation and development of the Employee Engagement Program. The setup for the Employee Engagement Program and survey will be completed this fiscal year and the survey and follow-up work is planned for FY 2020-21 due to the COVID-19 Pandemic.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Employee Survey – Conduct	Implement an employee survey as part of the Employee Engagement Program.					
	FY 2016 – 17	HR	EO			
Current Update	On Hold: CPS’s Institute for Public Sector Employee Engagement will conduct a survey for all LACERA Staff Members and the follow-up reporting and focus groups afterward. It was planned for this fiscal year but has been moved to FY 2020-21 as a result of the COVID-19 Pandemic. Once Staff Members are able to report to LACERA’s offices, the survey will be planned and the face-to-face follow up will be scheduled.					

Vision 2020: Investments Division Work Plan and Strategic Initiatives Update

Board of Investments

January 8, 2020

Jonathan Grabel – Chief Investment Officer



LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

Discussion Outline

- I. Setting the Stage: Background for Vision 2020 Plan

- II. Vision 2020 and Beyond

- III. Project Schedules for 2020

Objectives of Work Plan and Strategic Initiatives

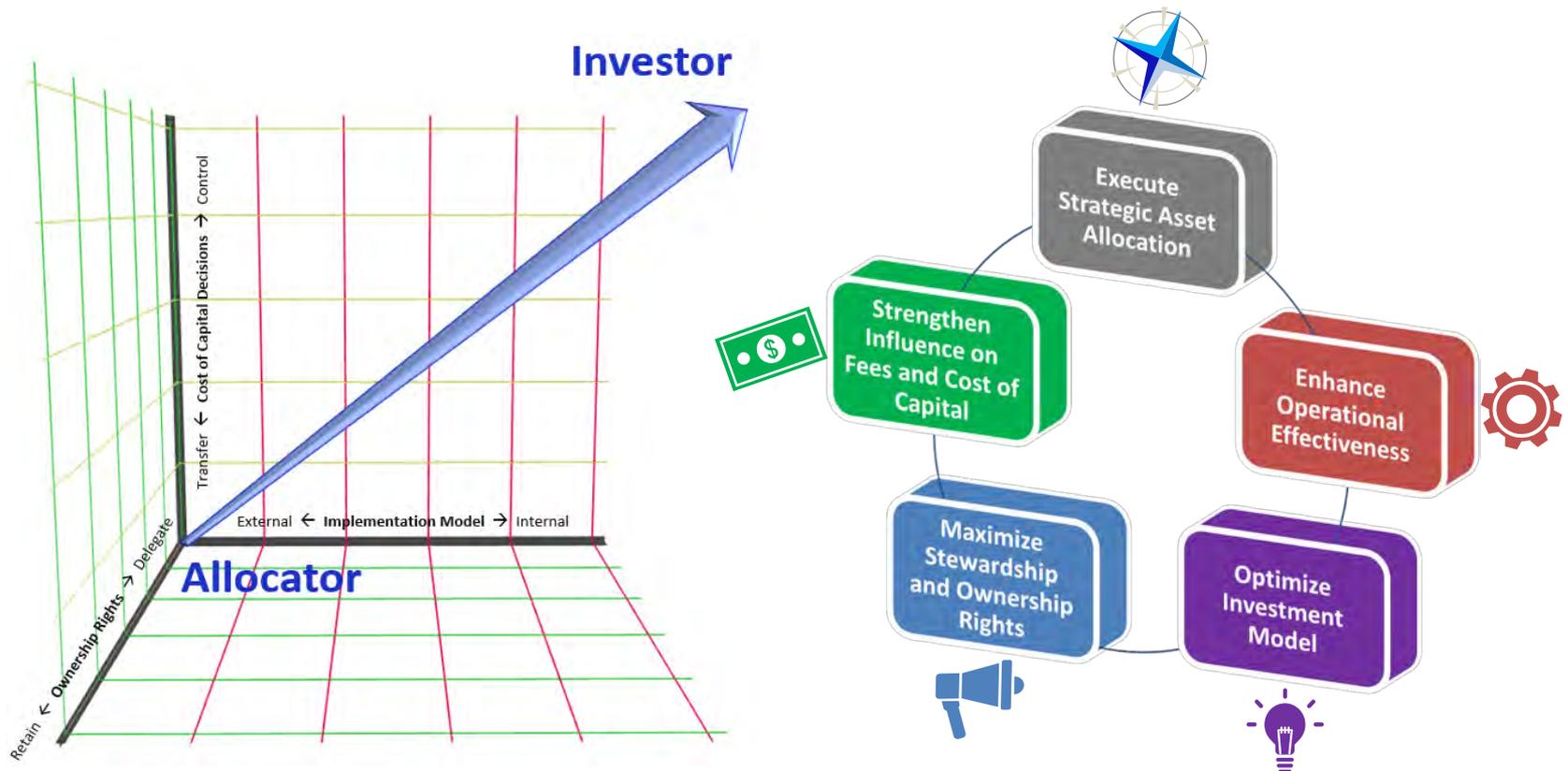


The Investments Division revisits its work plan for the coming year and beyond with the following aims:

1. Provide visibility into current and upcoming initiatives
2. Accurately reflect and synthesize all Board-approved projects and input from prior work plans, recent meetings and off-sites into a cohesive action plan
3. Promote disciplined execution and aligned resources for defined priorities

Building From 2019 Work Plan - Recap

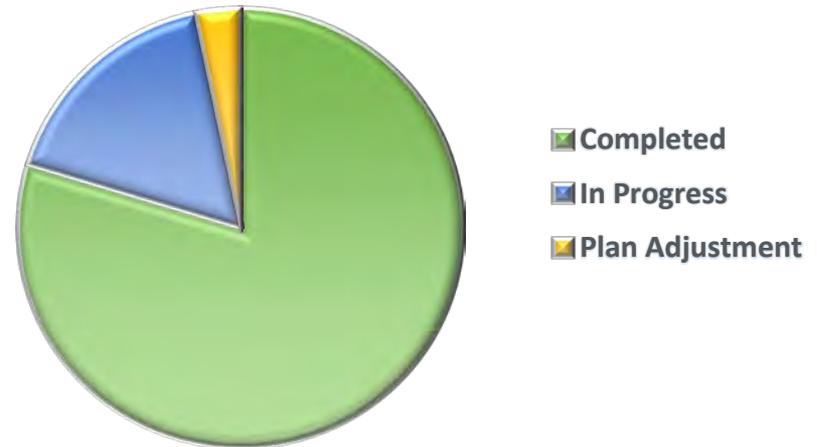
To strengthen LACERA's ability to fulfill its mission, the 2019 work plan defined and grouped projects and anticipated Board agenda items into 5 inter-related pillars designed to evolve LACERA from an *allocator of capital* to an engaged, multi-dimensional *investor*



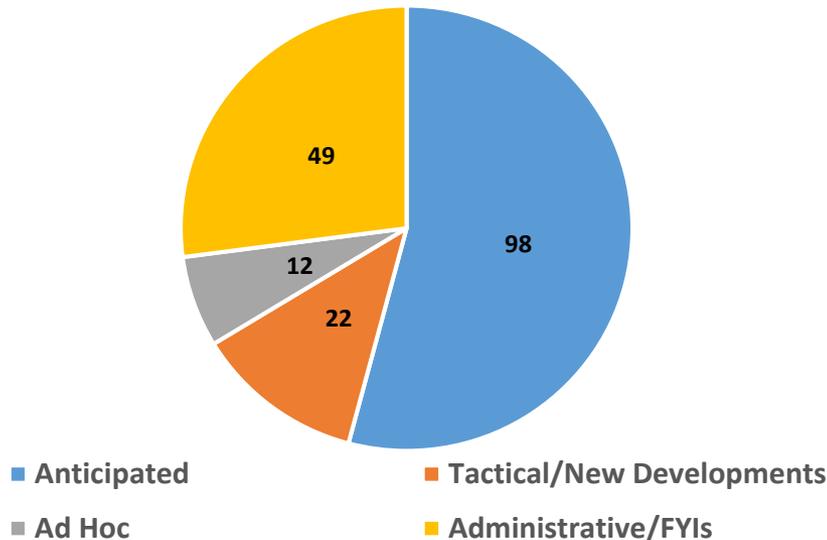
Status Check-In: 2019 Projects Largely Accomplished

LACERA largely accomplished the 2019 projects it planned for and anticipated...

2019 Work Plan Project Status



181 Agenda Items Completed



LACERA also took on additional agenda items, both proactively developing programming and folding in ad hoc requests



Select Highlights of 2019 Accomplishments



Execute Strategic Asset Allocation

- Completed structure reviews for Global Equities, Credit, Real Assets, Hedge Funds, Private Equity
- Launched Real Assets completion portfolio
- Hired asset class specific consultants



Enhance Operational Effectiveness

- Initiated search for Total Fund risk platform
- Launched RFP for administrative services for private asset classes
- Established procurement policy for investment-related services



Optimize Investment Model

- Executed Private Equity secondaries market sales and purchases
- Implemented cash overlay program
- Hired first dedicated illiquid credit manager



Maximize Stewardship and Ownership Rights

- Expanded proxy voting authority from about 20% to 90% by migrating to separate account structures
- Executed corporate engagements on corporate board diversity and climate risk
- Increased financial market policy advocacy with SEC comment letters, joint ILPA and CII letters and coordination



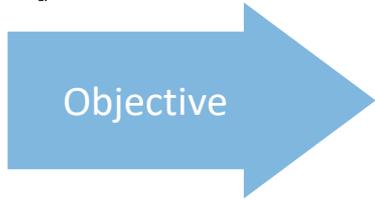
Strengthen Influence on Fees and Cost of Capital

- Initiated internal Private Equity co-investment strategy
- Renegotiated public markets investment management agreements
- Negotiated investor-friendly fee structures

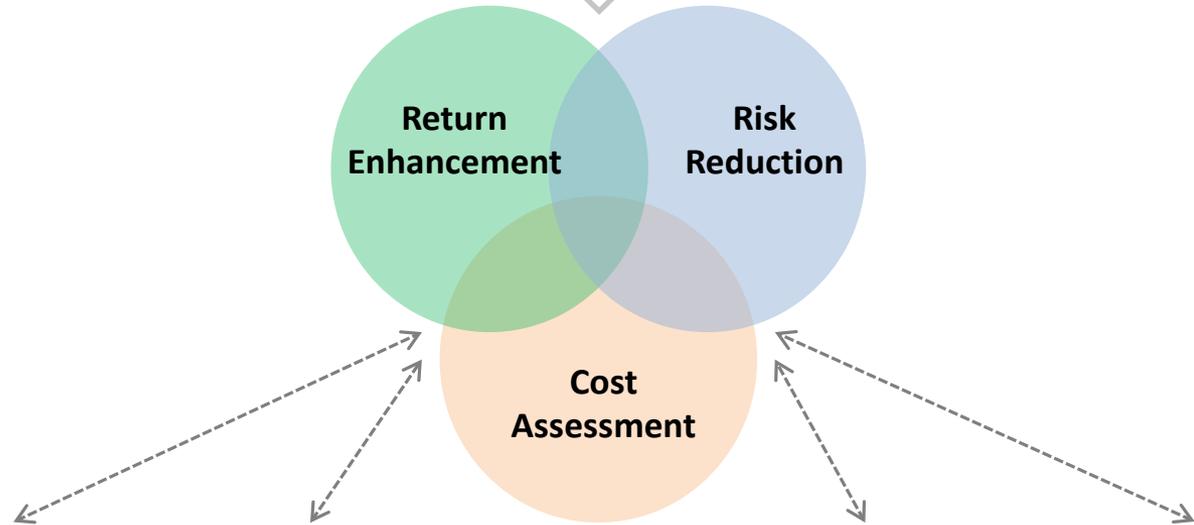
Plan for 2020 and Beyond



Vision 2020: Strategic Objective and Initiatives



Execute Strategic Asset Allocation
while balancing...



Enhance
Operational
Effectiveness



Optimize
Investment Model



Maximize
Stewardship and
Ownership Rights



Strengthen
Influence on Fees
and Cost of Capital



Strategic Initiatives: Example Projects



**Enhance
Operational
Effectiveness**



**Optimize
Investment Model**



**Maximize
Stewardship and
Ownership Rights**



**Strengthen
Influence on Fees
and Cost of Capital**

	Enhance Operational Effectiveness	Optimize Investment Model	Maximize Stewardship and Ownership Rights	Strengthen Influence on Fees and Cost of Capital
Short Term (2020)	<ul style="list-style-type: none"> • Alternative assets administrative services RFP • Benchmark review • Conduct business continuity plan exercises • Active overlay evaluation 	<ul style="list-style-type: none"> • Bolster risk platform capabilities • Further develop sources of co-investment deal flow • Continue internal management feasibility study 	<ul style="list-style-type: none"> • Expand proxy voting • Execute engagement priorities • Corporate governance policies review • Extend ESG scorecard across asset classes 	<ul style="list-style-type: none"> • Explore co-investments across additional asset categories • Dedicated managed account (DMA) services provider RFP • Pursue founder's class opportunities

Strategic Initiatives: Example Projects



**Enhance
Operational
Effectiveness**



**Optimize
Investment Model**



**Maximize
Stewardship and
Ownership Rights**



**Strengthen
Influence on Fees
and Cost of Capital**

<p>Medium Term (2-4 years)</p>	<ul style="list-style-type: none"> • Adopt dedicated managed account (DMA) service provider • Strengthen Investments Division culture • Enhance data and analytics capabilities across all asset categories • Redesign Board materials 	<ul style="list-style-type: none"> • Evaluate factor-based fixed income strategies • Continue building private Real Assets program • Develop risk budgeting methodology 	<ul style="list-style-type: none"> • Assess portfolio climate risk exposure • Refine manager ESG due diligence • Continue to promote diversity and inclusion initiatives • Author thought/white papers 	<ul style="list-style-type: none"> • Consider alternative private market investment structures • Evaluate performance-based fees for liquid markets • Enhance fee reporting to include fee attribution on alpha
<p>Long Term (5+ years)</p>	<ul style="list-style-type: none"> • Further improve performance reporting • Expand portfolio company data analysis • Enhance compliance monitoring program 	<ul style="list-style-type: none"> • Evaluate private equity replication strategies • Research alpha/beta investment approaches • Explore investment alliances with like-minded institutions 	<ul style="list-style-type: none"> • Integrate climate-aware strategic asset allocation • Increase influence with policy makers • Consider implications of different investment models 	<ul style="list-style-type: none"> • Align staffing with evolving investment model • Consider seeding spin-out managers • Optimize cost of capital efficiency across asset categories



Prospective 2020 Calendar

Tentative Board of Investments and Committee Meetings

	January	February	March	April	May	June	July	August	September	October	November	December
Board of Investments	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Corporate Governance Committee			✓					✓		✓		
Credit and Risk Mitigation Committee					✓							✓
Equity: Public/Private Committee		✓				✓					✓	
Real Assets Committee				✓					✓			

Notes:

- Each committee meets at least two times
- Additional meetings would be scheduled on an as-needed basis



1st Quarter 2020 Preliminary Monthly Calendar View

FEBRUARY 2020	
Board of Investments:	
Category	Subject
Total Fund	Investment Procedure Manual I – Growth
Total Fund	4Q19 Trust and OPEB Performance Report
Total Fund	Meketa 4Q19 Trust and OPEB Performance Report
Total Fund	Offsite Planning I
Real Estate	Investment Recommendation (International)
Real Estate	Meketa Review on Manager Reconciliation
Real Estate	Appraisal Management Service Provider Recommendation
Private Equity	Investment Recommendation (x2)
Committee: Equity	
Category	Subject
Private Equity	Education
Private Equity	Investment Memorandum Redesign

MARCH 2020	
Board of Investments:	
Category	Subject
Total Fund	Offsite Planning II
Total Fund	Transition Management Minimum Qualifications
Total Fund	Benchmark Review
Total Fund	Recommendation to Accept the June 30, 2019 Valuation
Global Equity	Internal Management Consultant Report
Global Equity	Investment Recommendation (Factor Based)
Real Estate	Investment Recommendation (International)
Real Estate	Performance Review
Private Equity	Investment Recommendation
Corporate Governance	SEC Comment Letter Report
Corporate Governance	Corporate Governance Ballot Report
Committee: Corporate Governance	
Category	Subject
Corporate Governance	Principles and Policy Review

* Please note that certain listed items are subject to Board approval



2nd Quarter 2020 Preliminary Monthly Calendar View

APRIL 2020	
Board of Investments:	
Category	Subject
Total Fund	Investment Procedure Manual II - IG/HF/Credit
Total Fund	IPS Update
Total Fund	OPEB IPS Update
Total Fund	Active Overlay Recommendation
Total Fund	Securities Lending Annual Review
Real Assets	Investment Recommendation (Open End Infrastructure Fund)
Private Equity	Investment Recommendation
Corporate Governance	Corporate Governance Principles and Review Approval
Global Equity	Investment Recommendation
Committee: Real Assets	
Category	Subject
Real Estate	Structure Review
Real Assets	Education – TBD

MAY 2020	
Board of Investments:	
Category	Subject
Total Fund	1Q2020 Trust and OPEB Performance Report
Total Fund	Meketa 1Q2020 Trust and OPEB Performance Report
Total Fund	Custody Bank Search Discussion
Total Fund	Securities Lending Search Recommendation
Hedge Funds	Investment Recommendation
Real Estate	Structure Review
Real Estate	Investment Recommendation
Private Equity	Investment Recommendation (x2)
Real Assets	Natural Resources Investment Recommendation
Committee: Credit and Risk Mitigation	
Category	Subject
Credit	Education – TBD

JUNE 2020	
Board of Investments:	
Category	Subject
Total Fund	Investment Procedure Manual III - RE/RA
Total Fund	Alternative Assets Administrator Recommendation
Total Fund	Total Fund Performance Provider Recommendation
Credit	High Yield Search MQs
Corporate Governance	Corporate Governance Ballot Report
Private Equity	Investment Recommendation
Private Equity	Performance Review I
Real Assets	Infrastructure Investment Recommendation
Hedge Funds	Investment Recommendation
Hedge Funds	Performance Review
Legal	Code of Ethical Conduct Periodic Update
Global Equity	Internal Management Update
Committee: Equity	
Category	Subject
Global Equity	Emerging Managers Search MQ's

* Please note that certain listed items are subject to Board approval



3rd Quarter 2020 Preliminary Monthly Calendar View

JULY 2020	
Board of Investments:	
Category	Subject
<i>Total Fund</i>	<i>Board Offsite</i>
Real Estate	4Q 2019 Performance Review
Private Equity	Investment Recommendation
Real Assets	Natural Resources Investment Recommendation
Global Equity	Emerging Managers Search MQ's
Committee:	
Category	Subject

AUGUST 2020	
Board of Investments:	
Category	Subject
Total Fund	Revised Risk Reports - Preview
Total Fund	2Q2020 Trust and OPEB Performance Report
Total Fund	Meketa 2Q2020 Trust and OPEB Performance Report
Total Fund & OPEB	Strategic Asset Allocation Study
Global Equity	Internal Management Update
Private Equity	Investment Recommendation
Real Assets	Infrastructure Investment Recommendation
Hedge Funds	Dedicated Managed Account Service Provider Recommendation
Committee: Corporate Governance	
Category	Subject
Corporate Governance	Engagement Initiatives Review and Next Steps

SEPTEMBER 2020	
Board of Investments:	
Category	Subject
Total Fund	Consultant Self Assessments
Total Fund	Transition Management
Total Fund & OPEB	Strategic Asset Allocation Study
Private Equity	Investment Recommendation
Real Assets	Natural Resources Investment Recommendation
Corporate Governance	Corporate Governance Ballot Report
Real Estate	Investment Recommendation
Committee: Real Assets	
Category	Subject
Real Estate	International Implementation Plan
Real Estate	Education – TBD
Real Assets	Structure Review

* Please note that certain listed items are subject to Board approval



4th Quarter 2020 Preliminary Monthly Calendar View

OCTOBER 2020	
Board of Investments:	
Category	Subject
Total Fund & OPEB	Strategic Asset Allocation Study
Total Fund	Risk Education
Private Equity	Investment Recommendation
Real Assets	Structure Review
Real Estate	International Implementation Plan
Hedge Funds	HF Emerging Manager Program Separate Account Manager Recommendation
Committee: Corporate Governance	
Category	Subject
Corporate Governance	Proxy Voting Results and Trends FY2020
Corporate Governance	PRI Assessment Results and ESG Integration Update
Corporate Governance	Proxy Voting Research and Voting Platform RFP

NOVEMBER 2020	
Board of Investments:	
Category	Subject
Total Fund & OPEB	Strategic Asset Allocation Study
Total Fund	3Q2020 Trust and OPEB Performance Report
Total Fund	Meketa 3Q2020 Trust and OPEB Performance Report
Real Estate	Investment Recommendation
Private Equity	Investment Recommendation
Real Assets	Infrastructure Investment Recommendation
Corporate Governance	Corporate Governance Ballot Report
Corporate Governance	Proxy Voting Research and Voting Platform RFP
Committee: Equity	
Category	Subject
Private Equity	Structure Review
Private Equity	Education – TBD

DECEMBER 2020	
Board of Investments:	
Category	Subject
Total Fund & OPEB	Strategic Asset Allocation Study
Total Fund	AB2833/Investment Fee Validation Review
Total Fund	Derivatives Procedures
Global Equity	Investment Recommendation (Emerging Managers)
Credit	High Yield Search Recommendation
Private Equity	Structure Review
Private Equity	Investment Recommendation
Real Estate	Performance Review
Hedge Funds	Investment Recommendation
Committee: Credit and Risk Mitigation	
Category	Subject
Credit	Education – TBD
Hedge Fund	Education – TBD

* Please note that certain listed items are subject to Board approval



STRATEGIC PLAN

RETIREE HEALTHCARE PROGRAM

Yesterday, Today, Tomorrow

FISCAL YEARS ENDING 2019-2021



L/CERA

OVERVIEW

LACERA's Board of Retirement administers the Los Angeles County Retiree Healthcare Program. LACERA staff, external consultants, and advisors assist the Board of Retirement's Insurance, Benefits & Legislative Committee in overseeing the Los Angeles County Retiree Healthcare Program.

In 1961 the County Employees Retirement Law of 1937 (CERL) was amended to allow pension systems to provide healthcare to retirees in two ways:

- Board of Supervisors can pay all or part of the cost
- Board of Retirement can pay via excess earnings.

OUR MISSION

To efficiently administer the Healthcare Benefits Program for retired association members and beneficiaries and provide a healthcare program of the highest quality at an affordable cost.

OUR CORE VALUES

PROFESSIONALISM * We take the initiative to develop our skills to get the job done. We are accountable for providing quality service to our members that is efficient and accurate.

RESPECT * Our members and coworkers deserve to be treated with courtesy, patience, and empathy. When we listen to and support each other, we create a nurturing work environment that promotes fairness and trust.

OPEN COMMUNICATIONS * Our frank and straightforward expression of ideas fosters a common understanding of purpose – quality service to our

members. We create a healthy work environment by sharing information, listening to each others' ideas, and giving constructive feedback.

FAIRNESS * Our employees are entitled to a clear explanation of performance expectations. Performance evaluations are timely, honest, and impartial; personal improvement plans are reasonable and constructive; and we provide opportunities for professional development and promotion.

INTEGRITY * We inspire confidence by our high standards for member services and sound investment practices. We are reliable, ethical, and honest. Loyalty to LACERA means loyalty to members. Integrity guides all of our work relationships.

TEAMWORK * We are committed to teamwork and we openly share information and ideas. Working together to reach common goals is the essence of success.

OUR OBJECTIVES

PRUDENT FIDUCIARY

To act at all times as prudent fiduciaries, executing our responsibilities exclusively on behalf of our members, beneficiaries, and participating employers.

RESPONSIVE AND QUALITY SERVICES

To provide responsive and consistent quality service using integrated cost effective procedures.

COMMUNICATION

To promote and enhance the understanding of LACERA benefits among members, employers, County officials, and the public.

QUALITY WORKFORCE

To develop a human resources program to recruit, train, develop, and promote qualified staff; provide a quality work environment and enhance the quality of life for our employees.

MANAGE GROWTH AND CHANGE

To manage growth and change through planning, innovation, and the maximum use of available technology.

OUR HISTORY

The 1970s

In January 1971, with the assistance of its healthcare consultant, Johnson & Higgins, LACERA first offered a hospital-medical plan and subsidized the retiree's premium by using excess earnings. At that time, the Board of Retirement offered retirees the choice of remaining in Blue Cross, Kaiser, or Ross-Loos from an active employment status. For those electing not to stay with their "active" plan carrier, Occidental or Kaiser Permanente was made available to them.

The indemnity dental/vision plan became a part of the Los Angeles County Retiree Healthcare Benefit Program effective January 1, 1977; with July 1, 1996, the first offering of the CIGNA Dental Health Plan - pre-paid – HMO plan.

The 1980s

In April 1982, the Board of Retirement negotiated an agreement with the County obligating the County to fund the healthcare program so long as the County provided a healthcare program for active employees

The administration of the Los Angeles County Retiree Healthcare Program has gone through several evolutionary organizational changes. Initially, the insurance processing was handled as a function of the Retiree Member Unit as part of the retirement payroll function. Subsequently, at the recommendation of an independent auditor, the function was decentralized to several benefits processing units (team concept).

The 1990s

In early 1992, a determination was made that the health and dental/vision staff support provided to our members was at an unacceptable level; thus, in May 1992, LACERA established the Insurance Services Section (now known as the Retiree Healthcare Division) to centralize the administration of the healthcare program.

With the establishment of the Retiree Healthcare Division in 1992, came the addition of LACERA's first Medicare Advantage plans (Kaiser Health Pledge, now Senior Advantage; Secure Horizons; FHP Golden Healthcare-*terminated 6/30/94*) and Medicare Supplement plan (Provident III), along with a Medicare Part B Reimbursement Program. This complimented the five medical plans (Kaiser, Blue Cross Prudent Buyer, CIGNA Network Model, Provident I, and Provident II) and one dental/vision plan with Provident already offered to retirees.

Effective August 1994, the 1982 agreement was amended to guarantee the County's obligation to continue providing a program even if the County terminated their health program for active employees.

The Twenty-First Century

Our progression to the future is necessarily focused on our primary goal of providing efficient, accurate and friendly service to members. We want to utilize and develop the skills and expertise of our staff to achieve the highest quality service possible. We continue to explore ways to ensure that we capitalize our human and technological resources to maximum effect.

Prior to 2009, all enrollment forms, correspondence, etc. were delivered directly to the Retiree Healthcare Division. In March 2009, we began scanning enrollment forms and correspondence via the CIB (Client In-Basket) document management system, which provided us the ability to better track and monitor workflow. When scanning of healthcare work objects began, an average of 950 forms were received monthly. With Baby Boomers reaching retirement eligibility, that average has climbed to 1,260 enrollment forms per month, while the number of staff processing those enrollments has decreased due to restructure of the Division and additional staff responsibilities.

In 2013, we reorganized the Division to capitalize on the skills and strengths of staff and to ensure that we provide efficient and effective customer service to our Members. Our Division is currently divided into four

specialized units: Call Center, Operations, Financial/Special Projects and Audits.

OUR STRATEGIC INITIATIVES

Successful Implementation of 2014 RHC Program Changes

In January 2014, Los Angeles County (plan sponsor) informed LACERA of a proposed plan to lower the employer costs for the Retiree Healthcare Program changes for new employees hired on or after July 1, 2014. The adopted plan has been named Los Angeles County Retirees Healthcare Program -Tier 2 (Tier 2). We worked closely with other Divisions, including Communications, Member Services, Claims Processing, and Systems to update processes, information and procedures. Retiree Healthcare staff is in the process of revising our *Exploring Your Healthcare Benefits Through LACERA* booklet and information packet. We are also working with Systems with programming Workspace to calculate the County subsidy at the retiree only premium level to support the new benefits structure and mandated Medicare enrollment for Tier 2 members. The only outstanding item is Modify Information Systems – Enrollment, which is targeted by Systems for completion in FY2015-2016. All staff from our RHC Units (Call Center, Operations, Audits, and Quality Assurance/Special Projects) are fully trained on all aspects of the new healthcare benefits so our members can continue to receive excellent and accurate service.

Continued Integration of Information Technology

Information technology continues to play a vital role in Retiree Healthcare's ability to serve our retirees and their dependents. For the past few years, all enrollment processing functions have been integrated into Workspace. This has helped increase the efficiency of our Operations staff and helped the overall member experience. We continue working toward providing our members more electronic options to download forms, carrier-related documents, receive education, and complete enrollment. Already in place is the ability for members to input information into enrollment forms online which can then be printed and submitted for processing. The ultimate goal is for members to complete the enrollment process online, with no need to print or mail forms. We are moving forward with anticipated informational and training videos to be included in the Retiree Healthcare section of LACERA.com that will be produced with the help of the Communications Division. The first of these videos were originally intended to be ready by the end of the 2014-2015 fiscal year, but were delayed due to the reallocation of staff resources to prepare for the implementation of Tier 2 to assist with RDS and ERRP audits, and process an increased number of enrollments.

LACERA.com

GOAL	IMPLEMENTATION DATE
RHC Enrollment web video	FY 2020-2021
Medicare 101 web video	FY 2020-2021
RHC members' electronic submission of enrollment	FY 2020-2021

Workspace

The focus began with improving the tools available to Retiree Healthcare Specialists by changing the 1960s era computer input screens (Green Screens) with user friendly Windows based input screens. We have fully transitioned to all enrollment functions being processed through Workspace. We are also still looking toward automating transmittal of members' enrollment information to the carriers. We have been working with Systems to create an efficient process to automate the population of imputed income in 1099 forms for affected members. We are now re-evaluating the need for such a system. With the legalization of same sex marriage, the number of members requiring 1099 forms has dropped significantly. It may prove to be a better use of resources to handle the approximately one-hundred forms manually.

GOAL	IMPLEMENTATION DATE
Streamline generation and mailing of confirmation letter upon member election via Workspace	FY 2020-2021
Automate monthly premium reconciliation process	FY 2020-2021
Electronic submission to carriers	FY 2020-2021

Member Interaction and Communication

It is our responsibility to educate our members and assist them while making healthcare choices suitable for their needs. With so many changes in the world of healthcare today coupled with the various options available for our members to choose, our plan is to continue to expand and improve our communication to members by offering a wide variety of user-friendly, updated, informative, and creative educational tools that include print materials and videos. We have made significant strides forward in

automating correspondence to members and continue to look toward making the member's experience as consistent, informative, and efficient as possible.

GOAL	IMPLEMENTATION DATE
<i>Implement new seminar for members becoming Medicare eligible*</i>	FY 2020-2021
Develop Medicare 101 Packet	FY 2020-2021

*Partnership with Member Services Division

Financial & Special Projects Section

The Quality Assurance and Special Projects Section is responsible for identifying, creating and implementing new efficiencies. They build upon the quality assurance practices we have already put in place to assess needs such as staff training or task allocation. This section will also coordinate and conduct quality control of staff work (both Operations and Call Center) to ensure accuracy and will be responsible for working audits of our insurance carriers. Finally, this section will handle higher level tasks and projects such as Medicare RDS research, EGWP implementation, Affordable Care Act implementation, and accounting and monthly financial reconciliation. Development of guidelines for higher-level functions listed below is in progress.

GOAL	IMPLEMENTATION DATE
Dependent database audit RFP	FY 2020-2021
Dependent database audit completion	FY 2020-2021

Audits Section

The Audits Section is responsible for generating and conducting audits that are both generated based on internal needs (such as the Code 19 project) or based on reports received from different carriers (Kaiser, Cigna, SCAN and United Healthcare). The staff assigned to this Section are responsible for researching and updating discrepancies found between member's accounts on LACERA and carrier's systems, including processing of complex premium adjustments and Medicare Part B retrievals. Part of the process is to notify other Divisions at LACERA for eligibility updates for members and beneficiaries. The staff are also responsible for notifying members of any premium adjustments or eligibility changes and will be the ultimate point of contact for any future calls or correspondence regarding the audits they conducted. All guidelines were completed during the 2015-2016 fiscal year. In addition, the Audits Section is responsible in checking the enrollment forms for accuracy.

GOAL	IMPLEMENTATION DATE
Medicare Certification project	FY 2020-2021
Automation of Medicare Part B retrievals	FY 2020-2021

Call Center Section

The Retiree Healthcare Call Center is the first interface in which our staff interact with members. Call Center Specialists are responsible for answering member inquiries pertaining to their Medical and Dental/Vision

enrollment, eligibility issues, premium payments in addition to assisting members and their eligible dependents in selecting an appropriate Medical and/or Dental/Vision plan that suits their needs.

To ensure our Call Center staff are well versed in all LACERA Administered plans, our specialists receive “in-house” training for approximately six weeks. This training is in addition to the Core Benefits training that is offered by the Quality Assurance Division.

GOAL	IMPLEMENTATION DATE
RHC- New toll free number	FY 2018-2019

Operations Section

Operations Section staff are assigned a specific carrier with whom they work and serve as a point-of-contact for the carrier, internal staff, and members for questions and issues regarding that carrier. Operations staff are responsible for processing all enrollments, including new members, changes and cancellations for all plans.

GOAL	IMPLEMENTATION DATE
Process enrollment through Workspace (PDF) and submission to carriers via e-mail	FY 2019-2020
Revise RHC Enrollment Processing Guidelines	FY 2019-2020

RETIREE HEALTH CARE BENEFITS PROGRAM

BUDGET

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Fiscal

Year

2020-2021

RETIREE HEALTHCARE

Budget Request Highlights

Fiscal
Year
2020-2021

Mission

To effectively administer the Retiree Healthcare Benefits Program for LACERA members, survivors, and their eligible dependents and to provide a healthcare program of the highest quality at an affordable cost.

INTRODUCTION

The Retiree Healthcare Division (RHC) is responsible for administering the Retiree Healthcare Benefits Program (RHCBP) for retired members, survivors, and eligible dependents. This budget request for Fiscal Year 2020-2021 reflects our ongoing commitment to provide the highest level of customer service to our members and eligible dependents. RHC is also responsible for understanding and implementing the many complex changes in Federal and State Programs such as the Affordable Care Act (ACA), Medicare, and Social Security guidelines as applicable to the RHCBP, in addition to the general health care landscape. This budget will provide the division with the support needed to deliver timely quality service to our retired members/survivors and their eligible dependents.

The RHC Division consists of the following units:

- Operations Unit
Assists in planning, assigning, organizing, and directing the work of staff engaged in the research, resolution, and processing of Healthcare retirement benefits.
- Audit Unit
Assists in conducting operational audits to ensure the quality of the work performed by staff.
- RHC Call Center
Assists with resolving complex questions regarding the Retiree Healthcare Benefits Program and provides information to management regarding its impact on division operations.

RHC Successes:

- Procedures to address the varying monthly Medicare Part B premium cost to eligible members/survivors and their eligible dependents
- Achieved an overall single digit premium increase

- Fully staffed the RHC Call Center
- Improved the Operations enrollment processing triage description for efficiency
- Each divisional unit is now aligned in accordance with the organizational chart

RHC Challenges:

- Inability for members to be able to submit electronic enrollment forms
- Submitting paper enrollments to the health plan carriers
- Limited office space
- Unable to access system remotely in order to telecommute
- Medicare Part B premium verification requirement
- Policy mandating that all employees hired as a Retirement Benefits Specialist participate in the one-year CORE Benefits training class even though they are being hired to perform other work within the organization

STAFFING

There are currently 31 budgeted positions in Retiree Healthcare. Our budget request for Fiscal Year 2020-2021 includes the deletion of three currently vacant Retiree Benefits Specialist (RBS) II positions and the addition of three Senior Retirement Benefit Specialists. The higher level positions are needed to support the Section Heads by providing front line supervision such as, training, coaching, counselling, escalated member cases, performance evaluations (PE), Appraisal of Promotability (AP), forecasting staffing needs, work triage, and monitor work assigned to staff.

Classification Study

Upgrade four Retirement Benefits Specialist II's to Retirement Benefits Specialist III level.

- Staff is requesting a classification study of four RBS II levels within our Operations Unit. Staff assigned to this unit are performing duties that are commensurate with a higher-level classification. The duties performed include processing medical and dental/vision enrollment forms, prior period adjustments for healthcare premiums as well Part B premium reimbursements, billings, resolving insurance carrier issues on behalf of the members, and composing correspondence to members. Staff also assist in resolving the most complex healthcare eligibility, prescription and medical benefit claims issues between the member and the carrier. The workload in this unit continues to increase, because of increasing healthcare enrollments and Part B verifications. In addition, staff provides support to the Retiree Healthcare Call Center as well as at the Member Services Center (MSC) by assisting with incoming calls and face-to-face counselling due to special mass mailings such as the annual Medicare Part B Premium Notice, annual Retiree Healthcare Letter/Package, and other unanticipated mass mailings.

Overtime

Overtime is being requested to manage the workload related to the high volume of enrollment forms received resulting from March Madness, processing of Medicare Part B premium verifications, dependent database audit, and for any unanticipated special projects and special mailings that regularly occur. The total overtime amount being requested for this fiscal year is \$115,600.

SERVICES AND SUPPLIES

Postage—Special Retiree Mailings

Our Postage - Special Retiree Mailing account is primarily used to fund the postage costs and printing for the following mass mailing materials.

- Annual letter packet mailing
- Rate booklets
- Medicare Part D prescription drug coverage Creditable Coverage Notice
- Retiree Staying Healthy Together Program bi-annual workshop invitations
- Non-LACERA Medicare Part D warning/reminder notices
- Non-discrimination Notices in compliance with ACA 1557
- Medicare Part B Premium Verification Notices
- Other unanticipated special mailings

Our Special Retiree Mailing budget request remains constant at \$400,000 for Fiscal Year 2020-2021.

Professional and Specialized Services–Audits

We have budgeted \$435,000 to cover the cost of conducting the following program audits such as the Dependent Eligibility Audit and Retire Drug Subsidy Program Audit for the 2016-2017 Plan Year Applications. Per the final signed agreement, at its option, LACERA may extend the term of the Mercer RDS Agreement for two additional RDS Plan Years. Please note that audit costs are estimated and be finalized through a request-for-proposal process.

Dependent Eligibility Audit	\$ 200,000
Retiree Drug Subsidy Program Audit	\$ 235,000
Total	\$ 435,000

The following discussion provides insight into each audit category.

- **Dependent Eligibility Audit**

For fiscal year 2020-2021, we plan to perform a Dependent Eligibility Verification Audit to ensure only eligible dependents are receiving healthcare coverage. Conducting a Dependent Eligibility Verification Audit could potentially assist with reducing future healthcare costs for both the plan sponsor and plan participants. While this audit may, ultimately result in savings, there is an upfront cost to conducting the audit as well as engaging an external firm for on-going eligibility verification. A request to release a Request for Proposal (RFP) will be brought forth to the Board of Retirement's Insurance, Benefits, and Legislative Committee.

Professional and Specialized Services–OPEB Actuarial Valuation

The Board of Retirement approved the OPEB Valuation moving from biennial valuations to annual valuations under GASB 74/75 reporting requirements. This change will result in the budget request amount of \$375,000 for the 2020-2021 fiscal year.

Bank Services–State Street

Effective Fiscal Year 2020-2021, due to GASB 84, a new Bank Services account will be established for the annual State Street banking and Treasury service charges to be allocated to RHC. The change to the agent model caused the change to start breaking out these fees. Prior to this upcoming fiscal year, these expenses were previously allocated to FASD's bank services account under Pension. We are requesting to create a new account in the budget request amount of \$21,000 for State Street Bank services.

FUNDING AND OPERATING EXPENSES

The Retiree Healthcare Benefits Program's (RHCBP) operating expenses must be funded by the program and its operations cannot be subsidized by the trust funds used to operate the retirement benefit trust. The administrative fee covers administrative expenses, including consulting services, vendor fees, and the cost of administering the RHCBP. As such, a RHCBP administrative fee is included as part of the retiree healthcare medical and dental/vision plan premiums, per member, per plan, per month.

For the 2020/2021 plan year, we recommend continuation of the administrative fee of \$8.00. However, we will likely need to review the administrative fee cost in the next fiscal year. Staff's ongoing responsibilities and increasing costs of administering the program due to increased membership, operational costs, and implementation of the ever complex and myriads of federal and Medicare rules and regulations, may necessitate the need to again, review the current administrative fee.

Below is a chart of RHCBP's revenue and expenses over the past 10 years based on the administrative fee:

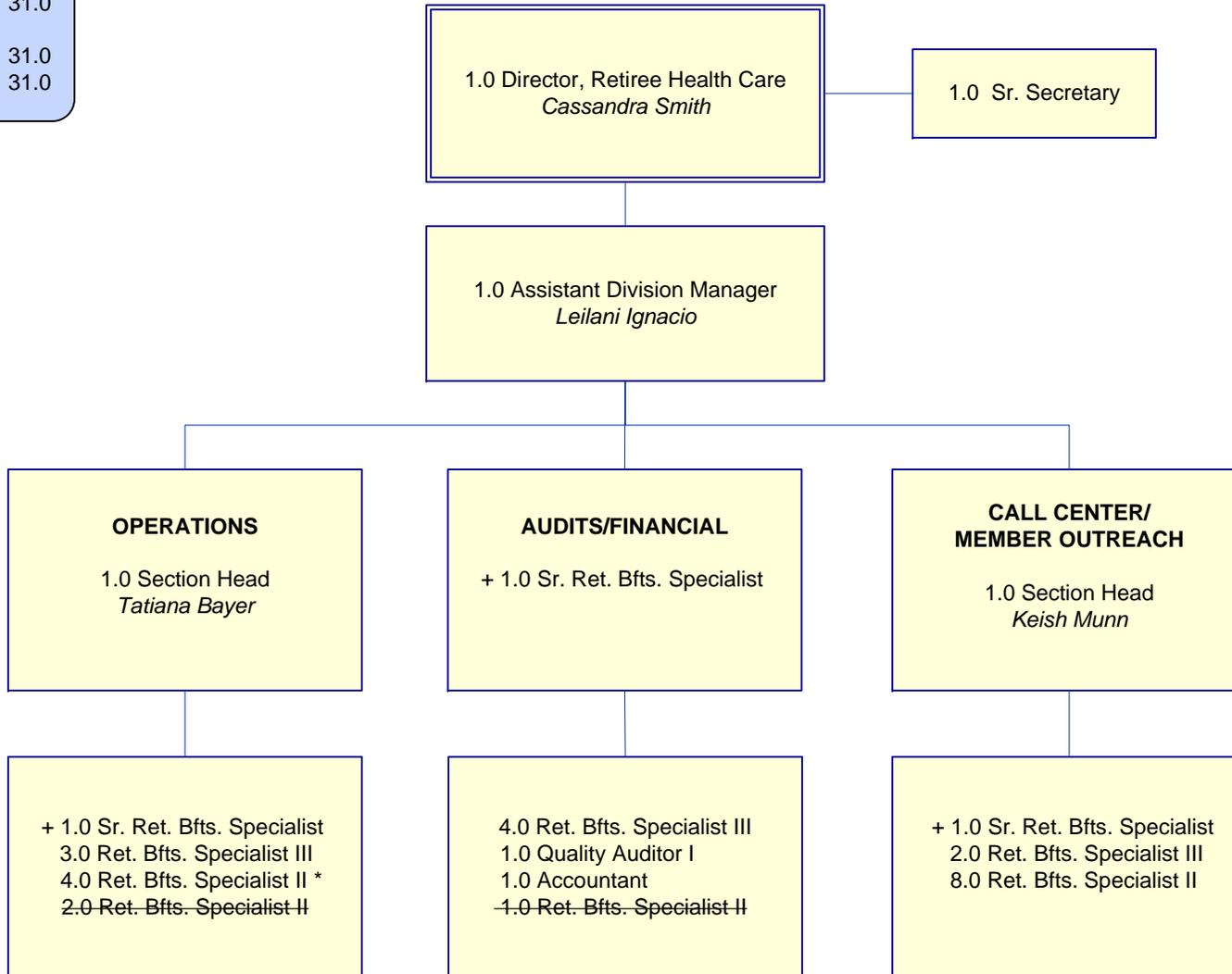
RHC ADMIN REVENUE AND EXPENSES FOR THE LAST 10 YEARS (FYE 2010 – 2019)

Fiscal Year Ending	Fee	Admin Revenue	Admin Expenses	Surplus/(Deficit)
2010	\$3.00	\$3,013,440	\$3,110,301	(\$96,861)
2011	\$3.00	\$3,062,112	\$3,532,195	(\$470,083)
2012	\$3.00	\$3,133,352	\$3,232,274	(\$98,922)
2013	\$3.00	\$3,351,652	\$4,597,261	(\$1,245,609)
2014	\$5.00	\$5,466,487	\$5,006,498	\$459,989
2015	\$5.00	\$5,578,149	\$5,424,333	\$153,816
2016	\$5.00	\$5,984,986	\$5,279,617	\$705,369
2017	\$8.00	\$9,631,327	\$5,326,190	\$4,305,137
2018	\$8.00	\$9,559,745	\$5,681,953	\$3,877,792
2019	\$8.00	\$9,823,062	\$6,118,267	\$3,704,794

RETIREE HEALTH CARE BENEFITS PROGRAM

FISCAL YEAR 2020-2021

2019-2020 Bud. Pos.: 31.0
 2019-2020 Hiring Plan: 31.0
 2020-2021 Bud. Pos.: 31.0
 2020-2021 Hiring Plan: 31.0



- + Added position
- Deleted position
- * Classification study for the position requested

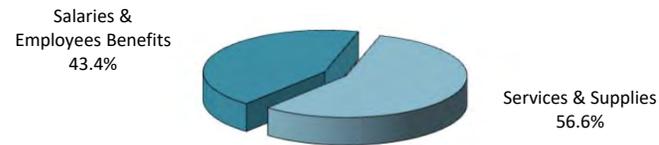
RETIREE HEALTHCARE BENEFITS PROGRAM

FISCAL YEAR 2020-2021

BUDGET SUMMARY

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Salaries & Employees Benefits	\$4,092,346	\$3,556,664	\$1,413,425	\$3,284,489	\$807,857	24.6%	\$535,682	15.1%
Services & Supplies	5,340,628	4,668,186	1,693,914	4,616,186	724,442	15.7%	672,442	14.4%
OPERATING BUDGET	\$9,432,974	\$8,224,850	\$3,107,339	\$7,900,675	\$1,532,299	19.4%	\$1,208,124	14.7%

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

RETIREE HEALTHCARE BENEFITS PROGRAM
FISCAL YEAR 2020-2021
SALARIES AND EMPLOYEE BENEFITS SUMMARY

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Total LACERA Salaries	\$2,574,811	\$2,227,726	\$887,791	\$2,030,200	\$544,611	26.8%	\$347,085	15.6%
Total Agency Temp Salaries	0	60,300	97,156	194,300	(194,300)	-100.0%	(60,300)	-100.0%
Employee Benefits (Variable)	1,318,654	1,087,095	399,923	973,889	344,765	35.4%	231,560	21.3%
OPEB Contribution	66,081	48,243	21,579	48,000	18,081	37.7%	17,839	37.0%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	115,600	113,700	2,315	20,800	94,800	455.8%	1,900	1.7%
Bilingual Bonus	3,600	3,600	1,100	2,400	1,200	50.0%	0	0.0%
Sick Leave Buyback	10,000	10,000	2,711	8,800	1,200	13.6%	0	0.0%
Rideshare Allowance	3,600	6,000	850	6,100	(2,500)	-41.0%	(2,400)	-40.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$4,092,346	\$3,556,664	\$1,413,425	\$3,284,489	\$807,857	24.6%	\$535,682	15.1%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$4,092,346	\$3,556,664	\$1,413,425	\$3,284,489	\$807,857	24.6%	\$535,682	15.1%

*All amounts rounded to the nearest dollar.

Note: All Permanent Salaries and Employee Benefits include amounts through 11/30/19, except Agency Temporary includes amounts through 12/31/19 and Rideshare Allowance includes amounts through 8/31/19.

LACERA
FISCAL YEAR 2020-2021
SALARIES

RETIREE HEALTHCARE BENEFITS PROGRAM

2020-2021 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT			
00793A	DIRECTOR, RETIREE HEALTHCARE	1	LS14	15,995	191,945			
00771A	ASSISTANT DIVISION MANAGER	1	LS10	12,900	154,803			
00772A	SECTION HEAD	2	LS9	18,119	217,422			
01311A	RETIREMENT BENEFITS SPECIALIST III	9	95B	60,765	729,176			
00796A	QUALITY AUDITOR I	1	94J	7,239	86,869			
00415A	ACCOUNTANT	1	92B	6,674	80,084			
00439A	SENIOR SECRETARY	1	88H	6,077	72,928			
01310A	RETIREMENT BENEFITS SPECIALIST II	9	88G	48,574	582,894			
POSITIONS		25			2,116,121			
VACANT POSITIONS		# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
01312A	SENIOR RETIREMENT BENEFITS SPECIALIST	3	100G	6,400	76,804			115,206
01310A	RETIREMENT BENEFITS SPECIALIST II	6	88G	4,622	55,466	166,398		
01310A	RETIREMENT BENEFITS SPECIALIST II	(3)	88G	4,622	55,466			
						166,398	0	115,206
POSITIONS		6			281,605			
TOTAL POSITIONS		31						
GROSS SALARIES				2,397,726				
ANTICIPATED MOU SALARY INCREASE**				41,960				
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE				62,789				
BONUS				0				
120-DAY RETIREE(S)		1			72,336			
TOTAL SALARIES				2,574,811				

MAPP Tier I and Tier II positions are shown at actual salaries as of 1/1/20.
 Represented/Non-Represented positions are shown at actual salaries as of 1/1/20.
 Represented positions shown in blue
 Vacancies are shown at the 1st Step
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.75% to calculate anticipated MOU increase

RETIREE HEALTHCARE BENEFITS PROGRAM

BUDGET REQUEST INFORMATION

**AGENCY TEMPORARY STAFFING
HISTORY OF EXPENDITURES**

DIVISION	FYE 2018		FYE 2019		FYE 2020		FYE 2021
	Budget	Actual	Budget	Actual	Budget	Projection	Budget
Retiree Healthcare	\$72,500	\$47,203	\$132,100	\$69,213	\$60,300	\$194,300	\$0
GRAND TOTAL	\$72,500	\$47,203	\$132,100	\$69,213	\$60,300	\$194,300	\$0

*All amounts rounded to the nearest dollar.

RETIREE HEALTHCARE BENEFITS PROGRAM

BUDGET REQUEST INFORMATION

**OVERTIME
HISTORY OF EXPENDITURES**

DIVISION	FYE 2018		FYE 2019		FYE 2020		FYE 2021
	Budget	Actual	Budget	Actual	Budget	Projection	Budget
Retiree Healthcare	\$30,700	\$19,079	\$36,245	\$20,185	\$113,700	\$20,800	\$115,600
GRAND TOTAL	\$30,700	\$19,079	\$36,245	\$20,187	\$113,700	\$20,800	\$115,600

*All amounts rounded to the nearest dollar.

RETIREE HEALTHCARE BENEFITS PROGRAM

BUDGET REQUEST INFORMATION

VACANT POSITIONS
SUMMARY

Division	Budgeted Positions FY 2019-2020	Vacancy (As of 04/30/20)	%	Budgeted Positions FY 2020-2021*	Vacancy	%
Retiree Healthcare	31	6	19%	31	6	19%
TOTAL	31	6	19%	31	6	19%

* Includes new requested positions. We plan to fill all vacant positions.

RETIREE HEALTHCARE BENEFITS PROGRAM

FISCAL YEAR 2020-2021

SERVICES & SUPPLIES ACCOUNT SUMMARY

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
TRANSPORTATION & TRAVEL	\$50,000	\$51,000	\$21,313	\$47,200	\$2,800	5.9%	(\$1,000)	-2.0%
POSTAGE	400,000	400,000	2,210	400,000	0	0.0%	0	0.0%
OFFICE SUPPLIES & EQUIPMENT	4,000	5,000	3,524	5,000	(1,000)	-20.0%	(1,000)	-20.0%
OPERATIONAL COSTS	3,269,328	2,550,186	1,274,260	2,550,186	719,142	28.2%	719,142	28.2%
PROFESSIONAL AND SPECIALIZED SERVICES	1,561,500	1,626,500	388,575	1,583,500	(22,000)	-1.4%	(65,000)	-4.0%
BANK SERVICES	21,000	0	0	0	21,000	0.0%	21,000	0.0%
EDUCATIONAL EXPENSES	34,500	35,500	4,032	30,300	4,200	13.9%	(1,000)	-2.8%
MISCELLANEOUS	300	0	0	0	300	0.0%	300	0.0%
TOTAL	\$5,340,628	\$4,668,186	\$1,693,914	\$4,616,186	\$724,442	15.7%	\$672,442	14.4%

*All amounts rounded to the nearest dollar.

OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST

BUDGET

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Fiscal

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2020-2021



Cost Allocation: The Need for Separate Accounting of the OPEB Trust

The County of Los Angeles (County), LACERA and the Superior Court maintain a Retiree Healthcare Program (RHP) for their members. In FY 2012-13, the County established a trust in order to fund this program. In FY 2016-17, the Superior Court established a trust to participate in the program. Beginning in FY 2017-18, the costs of administering the program were displayed separately, based on the size of the participating agencies. The Board of Investments of LACERA is the trustee and investment manager for the trusts.

The Trust Agreements between the County, Superior Court, and LACERA stipulate that "...the Trustee (LACERA) shall be entitled to payment or reimbursement of all its reasonable and appropriate expenses incurred in administering or investing the Trust..." In other words, LACERA will not expend its principal or operating allocation to administer the Trusts. Instead, the Trust Agreements allow LACERA to seek payment directly from the County and Superior Court, or to obtain payment from the OPEB trust.

To avoid OPEB Trust assets being commingled with the retirement fund assets, it is important for LACERA to maintain a separate accounting of the costs associated with administering the OPEB Trust.

A Method for Tracking OPEB Trust Expenses

Only the LACERA Divisions that participate in the administration of the OPEB Trust are included in the calculation of costs. These divisions are: Administrative Services, Communications, Executive Office, FASD, Human Resources, Internal Audit, Investments, Legal Services, Systems and Retiree Healthcare.

Each division utilizes staff and resources to administer the OPEB Trust. In estimating the costs to administer the trust, LACERA considers the amount of time expended by employees as a share of the total cost of salaries and benefits. In estimating the additional costs used to administer the trust, LACERA also considers the share of the total costs of services and supplies.

Cost Methodology

There are four categories of expenses applicable to our cost methodology as follows:

Direct Costs of Salaries & Employee Benefits

Division managers provided a list of staff members and the number of hours those staff members worked on OPEB activities. Those "hours spent" are converted into a percentage of annual hours. The salaries and benefits totals of each staff member are then multiplied by the percentage of annual hours devoted to OPEB.

Indirect Services & Supplies

These costs were estimated by taking the overall cost of services and supplies for LACERA and dividing it by the total number of employees. This provides LACERA with a "per employee cost" which is then multiplied by the overall percentage of hours worked on OPEB.

Indirect Salaries & Employee Benefits

Systems, Human Resources, and Administrative Services divisions provide staffing support to all LACERA divisions. The Salary and Employee Benefits costs for these Divisions are added up, then divided by the number of LACERA employees to determine a per employee cost. This total is then multiplied by the overall percentage of hours worked on OPEB.

Direct Services & Supplies

Direct Services and Supplies costs are based on actual payment requests that are applicable to OPEB.

Allocation of Costs

The total overhead cost is divided amongst County, LACERA, and the Superior Court. The shared cost is allocated in a hybrid method that considers fund size, effort, and resources to approximate a fair and equitable allocation. These allocations are scheduled to be reviewed every two years. The current allocation is:

- County – 75 percent
- LACERA – 5 percent
- Superior Court – 20 percent

Reconciliation of Actual Costs

At the close of each fiscal year, the actual costs are reconciled with the budget costs. Variances are either credited or debited to each allocated entity to ensure that each OPEB Trust is appropriately capturing the true operating costs.

OPEB COST ALLOCATION

FISCAL YEAR 2020-2021

	CURRENT YEAR 2019 - 2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION *		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET		
	PROPOSED BUDGET 2020-2021	YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Salaries & Employees Benefits	\$428,043	\$155,183	\$77,591	\$145,872	\$282,171	193.4%	\$272,860	175.8%
Services & Supplies	154,153	100,610	50,305	94,574	59,579	63.0%	53,542	53.2%
OPERATING BUDGET	\$ 582,196	\$255,793	127,897	240,445	\$341,750	142.1%	\$326,403	127.6%

2020 - 2021 PROPOSED BUDGET

