



Administrative,
Retiree Healthcare Benefits, and
OPEB Trust Budgets

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MISSION STATEMENT

We Produce, Protect, and Provide the Promised Benefits



LACERA exists to:

- **Produce** the highest quality of service for our members and sponsors;
- **Protect** the promised benefits through prudent investment and conservation of plan assets;
- **Provide** the promised benefits.

What is the purpose of a corporate Mission Statement?

It explains why we are in business; it's the corporate mandate - in as few words as possible. The Mission Statement should be brief so every employee can remember it. New LACERA employees will receive the Mission Statement and immediately understand why we exist.

How does the Mission Statement differ from our corporate objectives?

Our objectives state how we will achieve our Mission. Our Objectives list our priorities - some are long-term and some short-term. Each Objective is well defined and includes the steps (goals) we must take to accomplish it. Our Objectives define how we conduct our business.

Our Vision and Values Statements Are Our Guiding Principles.

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 guide our personal behaviors - Professionalism, Respect, Open Communications, Fairness, Integrity, and Teamwork. We will reach our Vision through our shared Values.



LACERA VISION

Excellence—Our members deserve the best.

Therefore, we choose to be the best. We choose excellence through innovation. We choose to become unparalleled experts in retirement law, pension administration, and benefit solutions. We choose to be preeminent masters of portfolio management.

Commitment—We are the best.

We will work together to provide the best service. We will continually strengthen our commitment to effective teamwork by contributing our individual strengths, learning new methods and skills, and anticipating the demands of the future.

Trust—Our members place trust in LACERA.

Everyday, we will earn this trust by placing their interest first, by giving them easy-to-understand answers, by solving their problems quickly, and by safeguarding and maximizing their investment assets.

Service—Our members deserve the best.

We pledge to improve our member service until 100 percent of our members making inquiries receive courteous, professional, accurate answers with just one call. We have the ability to achieve this if each one of us reaches deep into our strengths and lends a hand. Our strengths are individual; collectively they are unstoppable.



Because members deserve the best,
LACERA will be the best.

LACERA 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

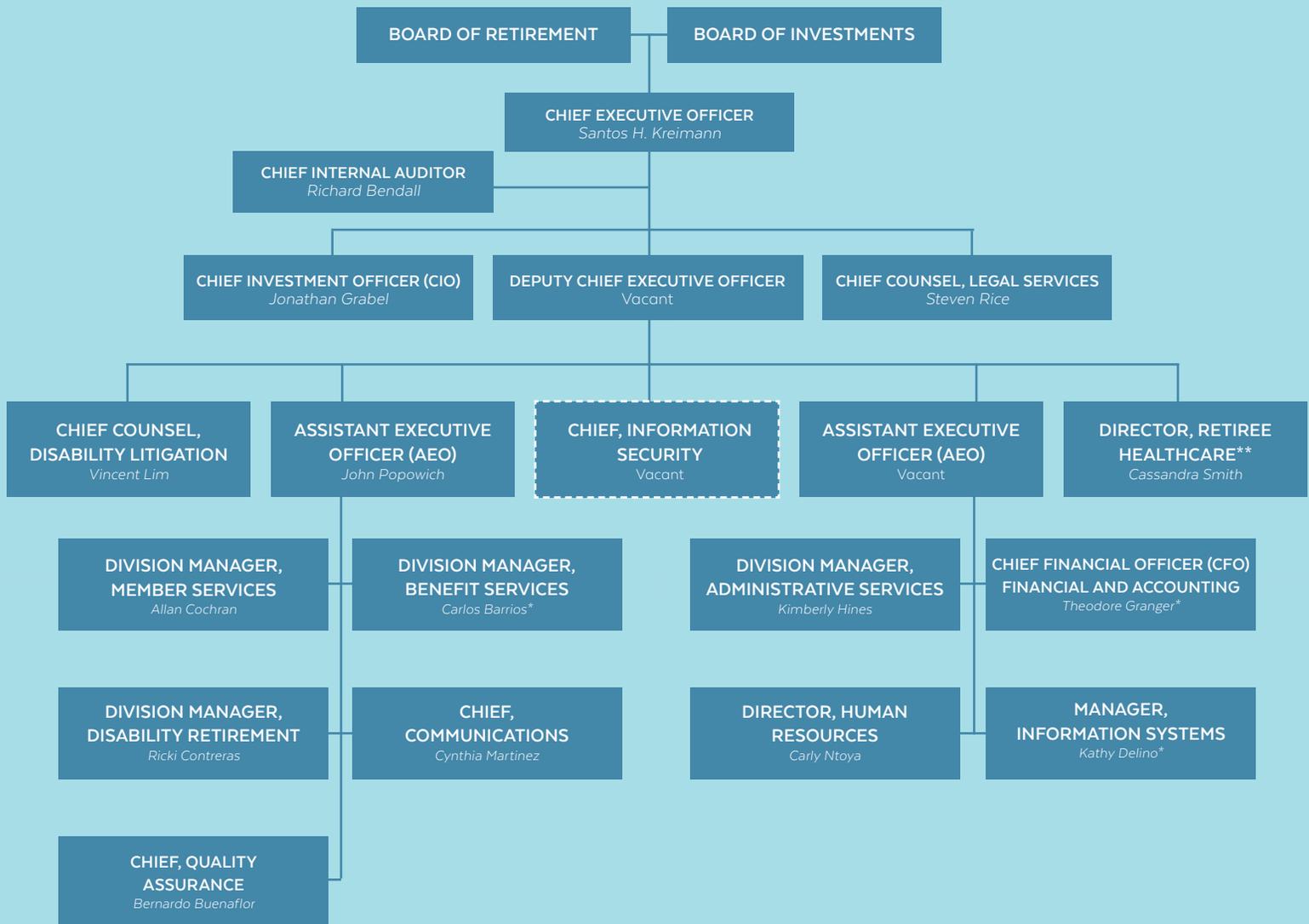
We are committed to teamwork and we openly share information and ideas. Working together to reach common goals is the essence of success.



Achieving our MISSION through
shared VALUES and a collective VISION.

Org Chart

LACERA Fiscal Year 2021-2022



* Interim Assignment

** For details, see Retiree Healthcare Benefits Program Budget

BUDGET

Board of Retirement

Mission Statement

We produce, protect, and provide the promised benefits.

The Board

Composed of twelve trustees:

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

Responsibilities

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



ALAN J. BERNSTEIN

Chair
Appointed by Board of Supervisors



VIVIAN H. GRAY

Vice Chair
Elected by General Members



GINA ZAPANTA

Secretary
Appointed by Board of Supervisors



ELIZABETH B. GINSBERG

Chief Deputy Treasurer and Tax Collector
Alternate Ex-Officio Member



JP 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 PRYOR

Alternate Member
Elected by Safety Members



LES ROBBINS

Elected by Retired Members



HERMAN B. SANTOS

Elected by General Members

BUDGET

Board of Investments

Mission Statement

We produce, protect, and provide the promised benefits.

The Board

Composed of ten trustees:

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

Responsibilities

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



KEITH KNOX

Chair
County Treasurer and Tax Collector
Ex-Officio Member



JOSEPH KELLY

Vice Chair
Elected by Retired Members



ALAN J. BERNSTEIN

Secretary
Appointed by Board of Supervisors



ELIZABETH B. GINSBERG

Chief Deputy Treasurer and Tax Collector
Alternate Ex-Officio Member



DAVID GREEN

Elected by General Members



ELIZABETH GREENWOOD

Appointed by Board of Supervisors



PATRICK L. JONES

Appointed by Board of Supervisors



SHAWN R. KEHOE

Elected by Safety Members



GINA V. SANCHEZ

Appointed by Board of Supervisors



HERMAN B. SANTOS

Elected by General Members

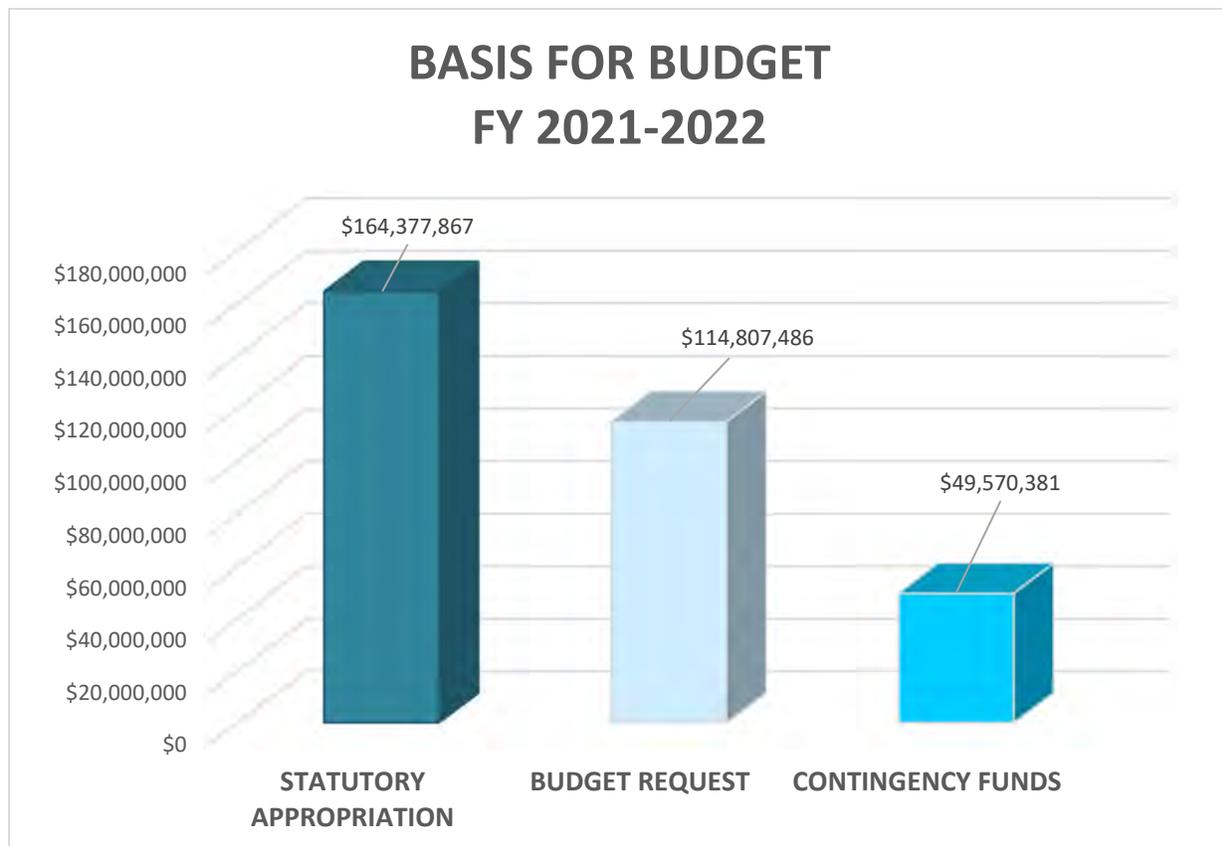
BUDGET POLICIES

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 2021-2022 is \$164,377,867.



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 \$49,570,381.

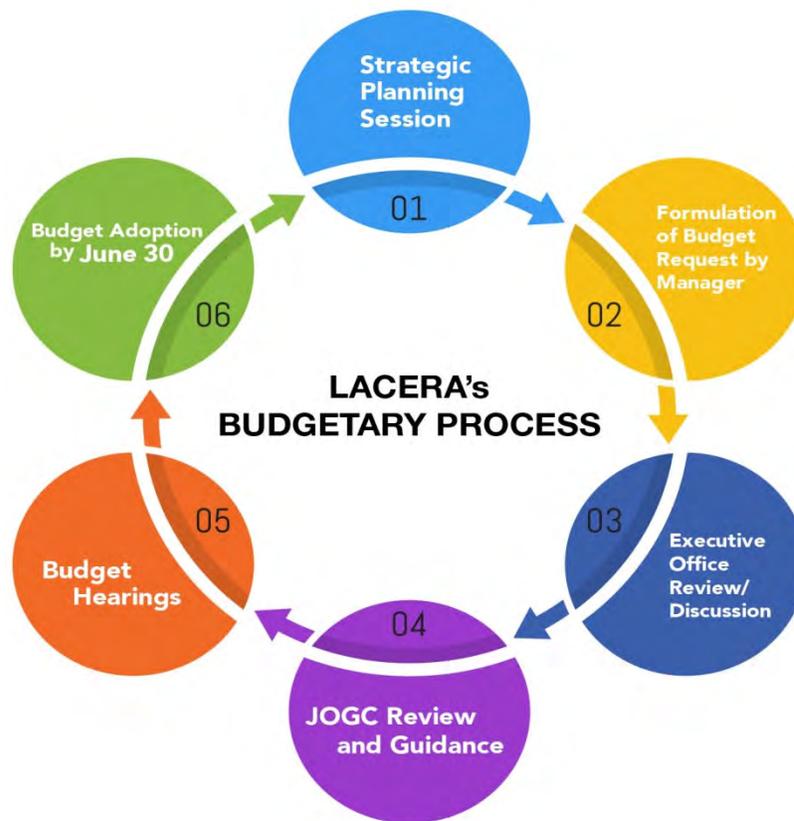
Retiree Health Care Benefits Program

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 strategic planning discussions. 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. With LACERA's new executive leadership, we are in the process of developing a new strategic plan. Because of the COVID-19 Pandemic we were not able to make the

progress we had hoped to make. As a result, we are using LACERA's Legacy Strategic Plan (FY 2018-2020) and the Chief Executive Officer's 100 Day Report as our guide to allocate resources to achieve organizational objectives.

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 daily 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.

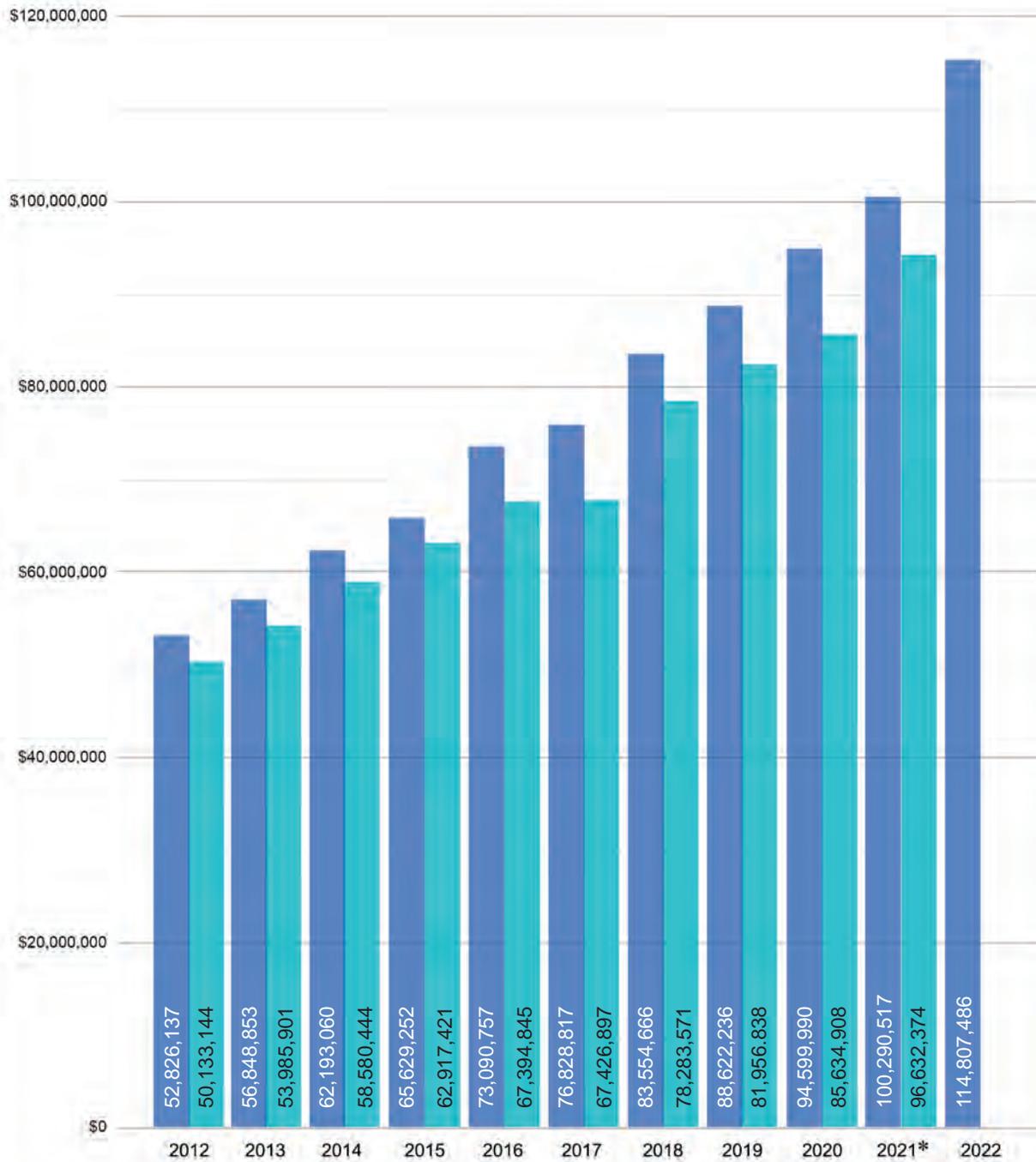
The fourth and fifth stages include presenting the Preliminary Budget to the JOGC for review and guidance and presenting the Proposed Budget at the Budget Hearing for the review and discussion with the Boards and the public.

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

HISTORY: BUDGET EXPENDITURES

Approved Budgets Compared to Actual Expenditures

2012-2022



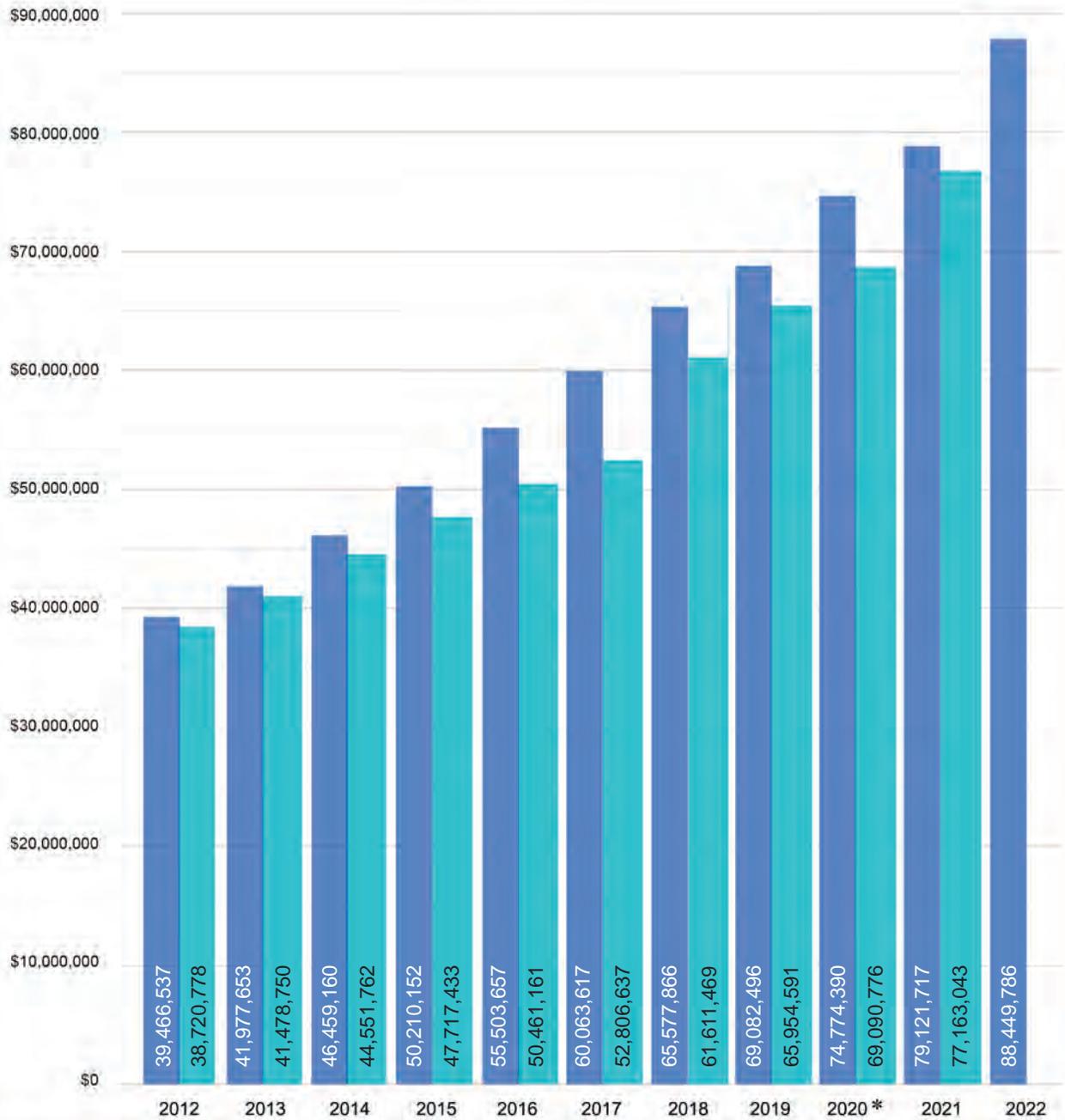
* The totals for the budget year ending 2021 are projected expenditures based on YTD figures through 03-31-21.

■ Approved Budget
■ Actual Expenditures

HISTORY: BUDGET EXPENDITURES

Salaries and Employee Benefits

2012-2022



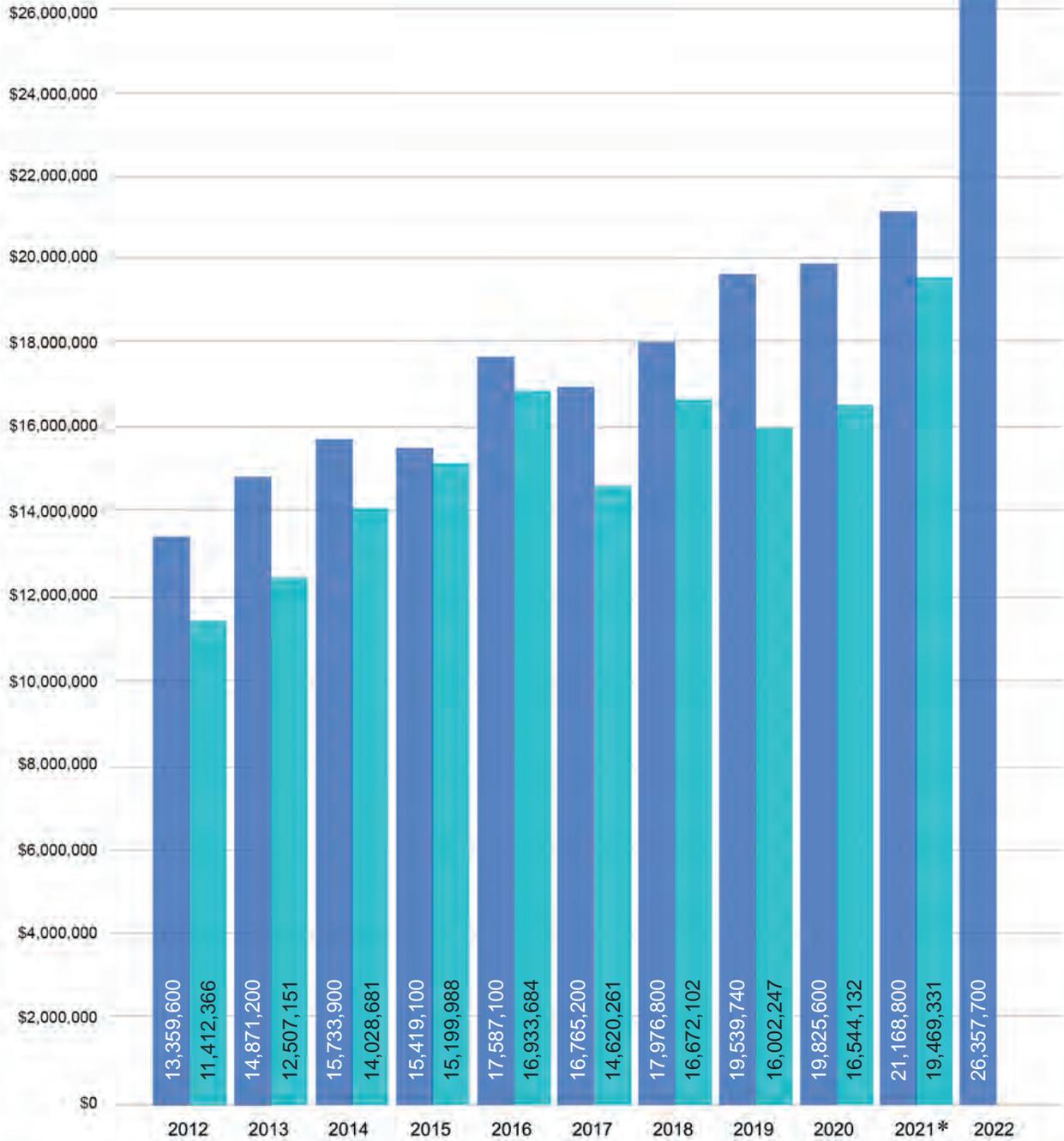
* The totals for the budget year ending 2021 are projected expenditures based on YTD figures through 03-31-21.

■ Approved Budget
■ Actual Expenditures

HISTORY: BUDGET EXPENDITURES

Services and Supplies

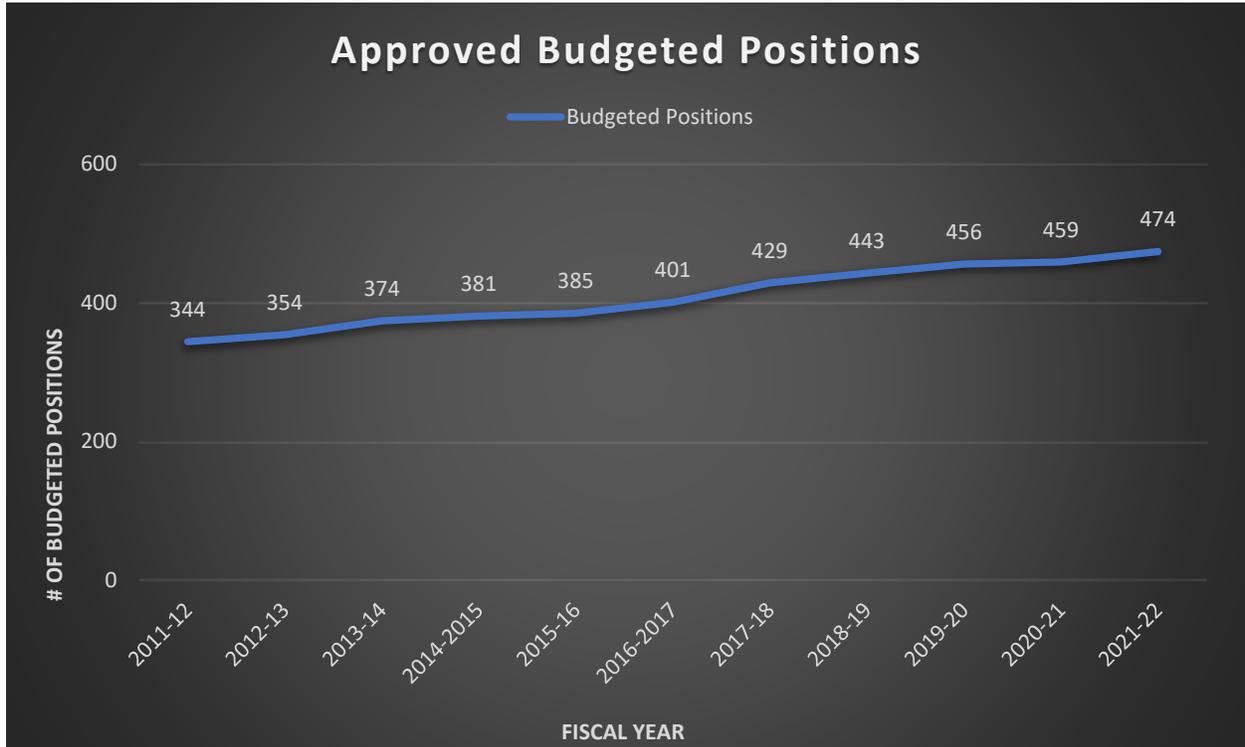
2012-2022



* The totals for the budget year ending 2021 are projected expenditures based on YTD figures through 03-31-21.

■ Approved Budget
■ Actual Expenditures

HISTORY: APPROVED BUDGETED POSITIONS 2012 - 2022



BUDGETED POSITIONS 2012 – 2022 BY DIVISION

DIVISION	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022*
Administrative Services	28	28	30	31	31	32	33	33	34	36	37
Benefits	57	62	62	62	63	66	70	70	71	71	78
Communications	11	11	10	10	10	10	13	13	13	14	14
Disability Litigation	7	7	7	7	7	7	7	7	7	7	7
Disability Retirement	25	28	35	39	39	39	39	40	41	41	41
Executive Office	7	7	7	7	7	7	8	8	8	8	14
Financial/Accounting	28	28	29	29	29	29	29	29	30	30	30
Human Resources	12	12	12	12	12	12	13	13	13	13	15
Internal Audit	10	10	10	10	10	10	11	11	11	11	11
Investment Office	27	27	27	27	28	33	39	41	44	44	45
Legal Services	15	15	16	17	17	20	22	23	26	26	28
Member Services	59	59	63	64	64	67	67	77	79	79	79
Quality Assurance	12	12	17	17	17	17	18	18	19	19	19
Systems Division	46	48	49	49	51	52	60	60	60	60	56
TOTAL	344	354	374	381	385	401	429	443	456	459	474

EXECUTIVE SUMMARY

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 2021-2022 Proposed Administrative Budget for your consideration.

LACERA's Mission, Vision and Value Statements are the foundation of all strategic initiatives and organizational goals.

Mission Statement:

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

Vision Statement:

Our vision is our pledge to be the premier retirement association through excellence in the application of the 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

Specifically, this budget request was developed based on the initiatives outlined in LACERA's Legacy Strategic Plan (FY 2018-2020), the Chief Executive Officer's 100 Day Report as well as other basic infrastructure issues identified. During this fiscal year, the management team was committed to developing an updated strategic plan. Unfortunately, due to the COVID-19 Pandemic we were not able to make the progress we had hoped to make. Despite this, we continue to focus our efforts on the underlying themes included in both strategy documents as follows:

- Human Resources
- Technology
- Disaster Preparedness
- Operational Improvements
- Administration Infrastructure

This past year was spent navigating our way through unprecedented times caused by the COVID-19 Pandemic. The required restrictions forced LACERA to quickly adapt to different ways of working. To ensure the safety of our members and staff, the office was closed to members and the public. Staff focused on adapting to new work processes while working from the safety of their homes. For the essential staff remaining in the workplace, protection protocols for sanitation and social distancing were immediately implemented.

Our approach to creating the FY 2021-2022 Budget was to prioritize operational improvements, careful planning, and building a sustainable future. Despite the challenges of the last year, LACERA is in a strong position to grow and seize every new opportunity. The priorities and tasks of both the Legacy Strategic Plans and the 100-Day Report are manifested in this budget proposal through a commitment to previously approved, but unfinished projects, and in a series of new projects, new positions, and new challenges. Of these challenges, the greatest we face is the return-to-work in the aftermath of the COVID-19 pandemic. This includes filling vacant positions that were unable to be filled during the pandemic. Additional challenges include complications created by PEPR, the continual growth of our membership, disaster preparedness, and information security.

In preparing this budget the Executive Office met with each division manager to review their requests and supporting data to ensure that the requests were justified and limited to essential positions, services, and supplies to fulfill operational commitments to members or carry out the Legacy Strategic Plan or critical recommendations in the 100-Day Report Roadmap. We plan to continue the practice of a phased budget development process and will return for any adjustments or requests for additional budgetary resources at the mid-year. This phased budget development approach adopted in 2020, enables the executive leadership to make timely adjustments as we continue developing the strategic direction and support necessary to achieve our goals.

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 2021-2022 is \$114,807,486 representing a 14.5% increase from the previous year amount of \$100,290,517. This increase represents a 11.8% increase in S&EB costs and an 24.5% increase in S&S costs.

Salaries and Employee Benefits

The majority of the Proposed Administrative Budget is S&EB costs. The 11.8% or \$9.3 million increase is primarily attributed to the following:

- Net increase of 15 permanent positions. (19 new, 4 deleted positions) at an estimated cost of \$1.5 million. (See schedule of position changes below).
- Full funding of vacant positions that were left unfunded in the FY 2020-2021 budget due to delays in hiring. This also includes the hiring of 15 County Temporary trainees in the Member Services and Benefit divisions whose costs are set against vacant positions. The increase related to this is approximately \$6.8 million.

- Performance and Merit increases totaling approximately \$453,000.
- Salary Step increases estimated at \$326,000.

Positions (New, Deleted, Upgraded)

DIVISION		POSTION TITLE	DESCRIPTION
Administrative Services	1.00	<i>Administrative Services Analyst III</i>	To conduct quality assurance assessments for the Document Processing Center
Administrative Services	1.00 (1.00)	<i>Administrative Services Analyst II (Administrative Services Analyst I)</i>	Add/Delete Upgraded position to support complex work related to risk management, business continuity and contracts.
Benefits Division	4.00	<i>Retirement Benefits Specialist III</i>	To support growth in LACERA membership and increase in member transactions
Benefits Division	3.00	<i>Retirement Benefits Specialist II</i>	To support growth in LACERA membership and increase in member transactions
Benefits Division	1.00 (1.00)	<i>Senior Retirement Benefits Specialist (Senior Writer)</i>	Add/Delete – To realign the positions to better support the work in the Process Management Group
Executive Office	1.00	<i>Special Assistant</i>	Assist the Executive Officers with implementing special projects, including strategic planning efforts, major initiatives, data gathering and analytics
Human Resources	2.00	<i>Human Resources Analyst</i>	One staff to assume new HR responsibility for personnel assignment transactions. One staff to support expanding operations related to leadership development, succession planning, inclusion, and engagement
Investment Office	1.00	<i>Finance Analyst III</i>	Assist with portfolio stewardship and corporate governance
Legal Services	1.00	<i>Senior Staff Counsel</i>	To support investments and commercial transactions work
Legal Services	1.00	<i>Staff Counsel</i>	Succession planning related to seasoned CERL attorney and growing Benefits workload
Systems Division	(2.00)	<i>(Programming Systems Specialist)</i>	No longer needed
Systems Division	3.00	<i>Data Systems Analyst I</i>	Two staff to improve service levels for Helpdesk support. One staff to support the Application Development and Business Solutions team with supporting the Pension Administration System
Total		15.00	

For detailed justifications for the position changes requested, see the Budget Request Highlights within the divisional tabs.

Services and Supplies

The S&S costs are reflective of the daily operational needs of the organization and are primarily based on historical expenditures adjusted for inflation. The 24.6% or \$5.2 million increase in S&S costs represents a combination of increases and decreases resulting in a total S&S budget of approximately \$26.4 million.

We feel the following items included in the S&S budget are notable and worthy of mention:

- \$3.5 million increase in rent, resulting from an administrative change to properly account for actual costs for rent and operating expenses of our administrative headquarters in Pasadena.
- \$1.3 million request to pay for furniture and technology in connection with renovating the Systems Division and the Financial Accounting Services Division. This amount is \$834,000 more than the prior year.
- \$700,000 increase in technology costs to upgrade the UPS units that provide critical back up power to LACERA's data centers and to support LACERA's telecommunications strategy to develop a world class Member Contact Center that integrates with our current Microsoft suite products.
- \$600,000 increase due to the new fee schedule for Disability Panel Physicians.
- \$290,000 for the retainment of a budgeting consultant and the selection of new budget software. The budget consultant will assist the Administrative Services Division with overhauling our budget process and procedures to include best practices in governmental budgeting and assist the team with the RFP for budget software. The consultant will also assist the software provider with implementation of the software and training of staff.
- \$200,000 for the selection of a Case Management System for the Member Operations Group, to assist in managing complex processes spanning across multiple units and divisions and helping ensure we process work in a timely and efficient manner. This includes integration with Workspace (our proprietary member management system), change management, and training for staff.
- \$200,000 for the selection of an Administrative Case Management System, including implementation, change management, and training for staff. This system will support the Administrative Division's efforts to keep track of service requests and processes that support the organization.
- \$150,000 for the implementation of a Travel Management System to automate making travel arrangements, process invoices, track costs, and generate reports.

- \$80,000 for a Strategic Planning Consultant to assist us with developing a sustainable Strategic Planning program including education and facilitation of the first planning cycle.

Summary

The Proposed Administrative Budget request for FY 2021-2022 is \$114,807,486 representing a 14.5% increase from the previous year amount of \$100,290,517. The management team has worked diligently to draft a budget that supports LACERA's ongoing need to maintain operations at peak levels and support the achievement of our organizational goals.

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

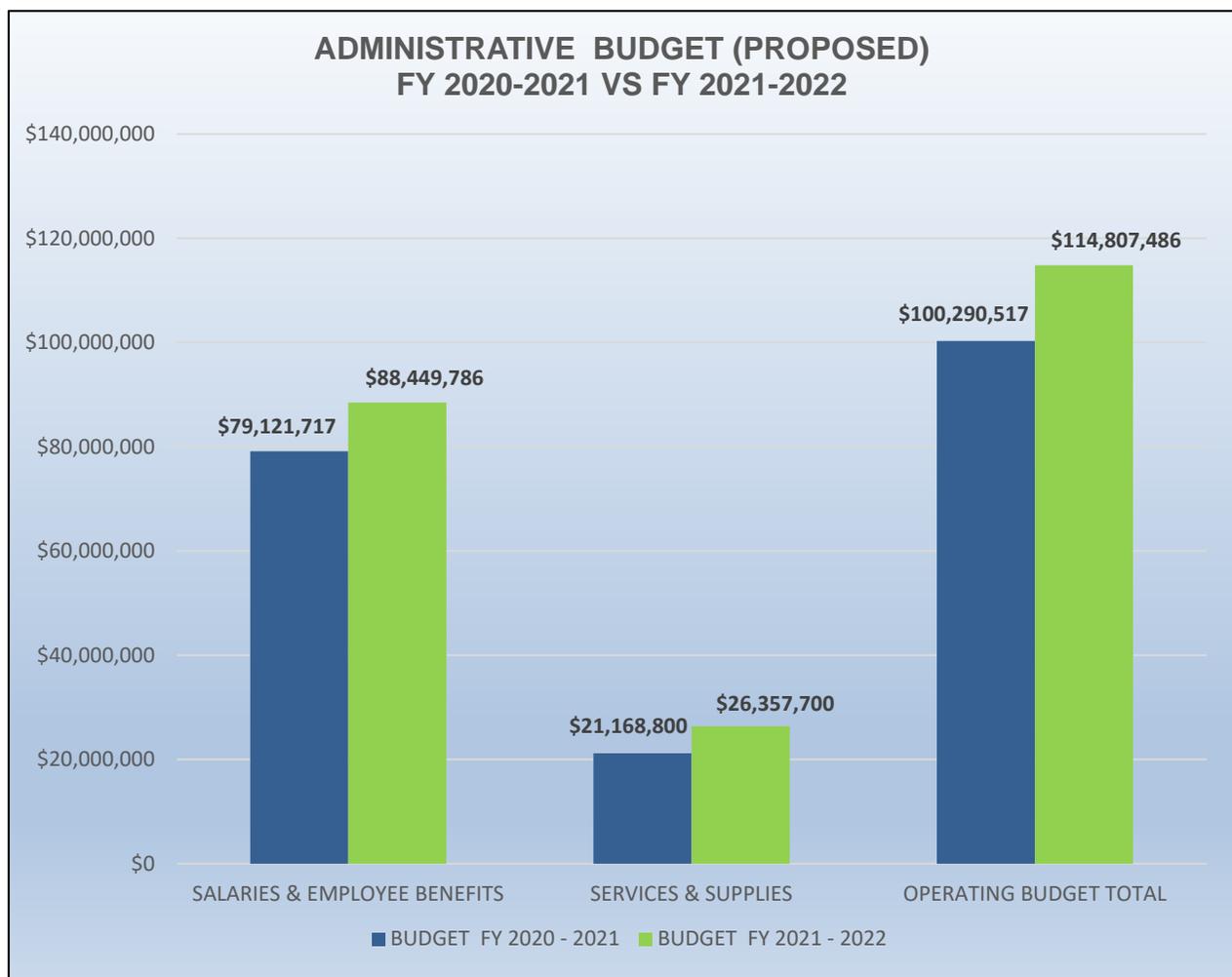
- Budget Request Summary
- Salaries and Employee Benefits Detail including YTD and projection amounts.
- Services and Supplies Detail including YTD and projection amounts.
- Divisional tabs for details by Division

BUDGET REQUEST SUMMARY

Overview

The Administrative budget consists of two components, Salaries & Employee Benefits (S&EB) and Services and Supplies (S&S). The proposed Administrative budget request for FY 2021-2022 is \$114,807,406. This represents a 14.5% increase from the prior year budget.

ADMINISTRATIVE BUDGET	BUDGET FY 2020 - 2021	BUDGET FY 2021 - 2022	VARIANCE	% CHANGE
SALARIES & EMPLOYEE BENEFITS	\$79,121,717	\$88,449,786	\$9,328,069	11.8%
SERVICES & SUPPLIES	\$21,168,800	\$26,357,700	\$5,188,900	24.5%
OPERATING BUDGET TOTAL	\$100,290,517	\$114,807,486	\$14,516,969	14.5%



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

DIVISION	BUDGET REQUEST FY 2020-2021	BUDGET REQUEST FY 2021-2022	VARIANCE	% CHANGE
Administrative Services	\$8,780,750	\$13,946,034	\$5,165,284	58.8%
Benefits	10,306,548	11,357,046	1,050,498	10.2%
Board of Retirement	139,000	214,000	75,000	54.0%
Board of Investments	271,000	436,000	165,000	60.9%
Communications	2,873,868	3,295,291	421,423	14.7%
Disability Litigation	2,078,478	2,193,630	115,152	5.5%
Disability Retirement	8,711,285	9,897,398	1,186,113	13.6%
Executive Office	2,328,120	3,809,234	1,481,114	63.6%
Financial & Accounting Services	4,002,327	4,340,488	338,161	8.4%
Human Resources	4,195,758	4,545,603	349,845	8.3%
Internal Audit	2,579,586	3,154,313	574,727	22.3%
Investment Office	14,341,463	16,458,019	2,116,556	14.8%
Legal Services	6,372,206	6,949,055	576,849	9.1%
Member Services	9,742,407	10,386,805	644,398	6.6%
Quality Assurance	3,275,093	3,418,839	143,746	4.4%
Systems	20,292,628	20,405,731	113,103	0.6%
TOTAL	\$100,290,517	\$114,807,486	\$14,516,969	14.5%

For additional details see the divisional tabs.

Salaries & Employee Benefits (S&EB)

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

S&EB CATEGORY	BUDGET REQUEST FY 2020 - 2021	BUDGET REQUEST FY 2021 - 2022	VARIANCE	% CHANGE
SALARIES & OTHER PAYS				
Permanent / County Temporary	\$46,345,730	\$50,631,648	\$4,285,918	9.2%
Agency Temporary	3,826,000	3,121,500	(704,500)	-18.4%
LACERA Intern Program	72,000	312,000	240,000	333.3%
Stipends	65,000	65,000	0	0.0%
Overtime	801,900	877,000	75,100	9.4%
Bilingual Bonus	21,600	21,600	0	0.0%
Transportation Allowance	7,200	7,200	0	0.0%
Rideshare Allowance	70,300	70,300	0	0.0%
Sickleave Buyback	66,500	68,800	2,300	3.5%
TOTAL SALARIES & OTHER PAYS	\$51,276,230	\$55,175,047	\$3,898,817	7.6%
VARIABLE BENEFITS				
Retirement	8,744,312	10,759,292	2,014,980	23.0%
FICA Contribution	760,948	884,997	124,049	16.3%
County Subsidy - Insurance	2,492,210	2,983,542	491,332	19.7%
Options Plan	4,188,775	4,601,103	412,328	9.8%
Life Insurance	18,369	18,341	(28)	-0.2%
Health Insurance Temps	277,043	353,089	76,046	27.4%
Flexible Benefit Plan	37,419	26,074	(11,345)	-30.3%
Thrift Plan / Horizons	1,456,663	1,732,245	275,582	18.9%
Savings Plan	1,093,054	1,253,606	160,552	14.7%
Pension Savings Plan	36,850	37,462	612	1.7%
MegaFlex	4,543,926	6,113,559	1,569,633	34.5%
TOTAL VARIABLE BENEFITS	\$23,649,568	\$28,763,309	\$5,113,741	21.6%
OPEB CONTRIBUTION	\$1,234,919	\$1,485,427	\$250,508	20.3%
OTHER BENEFITS	\$2,961,000	\$3,026,000	\$65,000	2.2%
TOTAL EMPLOYEE BENEFITS	\$27,845,487	\$33,274,736	\$5,429,249	19.5%
TOTAL SALARIES & EMPLOYEE BENEFITS	\$79,121,717	\$88,449,786	\$9,328,069	11.8%

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.
- Salary increases negotiated through a Memorandum of Understanding are not included in the budget request. Negotiations have not been conducted and if salary increases are eventually approved, they will most likely be effective January 1, 2022 in time for our Mid-Year budget adjustment.

Increased Costs

The \$9.3 million increase in S&EB includes funds for additional staffing as well as certain unavoidable costs. The details of these costs are listed below:

Hiring Plan Changes

During the budget development process, we calculate a salary savings for the number of months that a position will be vacant during the fiscal year. In FY 2020-2021, hiring plans were delayed and timelines were shifted due to the pandemic. At the Mid-Year FY 2020-2021 budget, we worked with the Management Team and Human Resources to reassess the vacancy estimates. Based on that examination, it was determined that positions would remain vacant for several months longer than what was originally planned and that we would retain temporary staff for a longer period. To account for this we reduced Permanent Salaries and Variable Benefits by \$2.6 million and increased Temporary staff salaries by \$2.2 million.

For FY 2021-2022 we have developed a robust hiring plan that includes getting non ordinance positions processed with the Board of Supervisors and filling vacant positions throughout the organization. Many of the vacant positions were not previously funded in the prior year budgets which resulted in a salary savings. Also included in the hiring plan is the hiring of approximately 19 - 24 County Temporary trainees in the Member Operations Group (Benefits, Member Services) whose costs are set against vacant positions. This takes into account current vacancies and projected vacancies by the time we begin the class. For FY 2021-2022, approximately \$6.8 million of the increase in S&EB relates to this unavoidable cost component of the hiring plan.

Other cost increases are attributed to the following:

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 \$453,000.

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 \$326,000.

Additional Staff

Staffing changes as outlined below include a net increase of 15 permanent positions (19 new, 4 deleted positions). The total S&EB cost for these positions is estimated at \$1.5 million after salary savings.

DIVISION		POSTION TITLE	FULL YEAR SALARY	SALARY AFTER SAVINGS	VARIABLE BENEFITS	BUDGET IMPACT
Administrative Services	1.00	Administrative Services Analyst III	\$70,978	\$53,233	\$29,278	\$82,512
	1.00	Administrative Services Analyst II	\$63,684	\$47,763	\$26,270	\$74,033
	(1.00)	Administrative Services Analyst I	\$49,399	(\$49,399)	(\$27,169)	(\$76,568)
Benefits Division	4.00	Retirement Benefits Specialist III	\$271,536	\$135,768	\$74,672	\$210,440
	3.00	Retirement Benefits Specialist II	\$170,555	\$170,555	\$93,805	\$264,360
	1.00	Sr. Retirement Benefits Specialist	\$78,719	\$78,719	\$43,295	\$122,014
	(1.00)	Senior Writer	\$87,303	(\$87,303)	(\$48,017)	(\$135,320)
Executive Office	1.00	Special Assistant	\$126,681	\$126,681	\$69,675	\$196,356
Human Resources	2.00	Human Resources Analyst	\$146,572	\$73,286	\$40,307	\$113,594
Investment Office	1.00	Finance Analyst III	\$169,179	\$169,179	\$93,048	\$262,227
Legal Services	1.00	Senior Staff Counsel	\$169,179	\$84,589	\$46,524	\$131,113
	1.00	Staff Counsel	\$126,681	\$63,341	\$34,837	\$98,178
Systems Division	(2.00)	Programming Systems Specialist	\$218,538	\$0	\$0	\$0
	3.00	Data Systems Analyst I	\$245,640	\$122,820	\$67,551	\$190,372
Total	15.00			\$989,233	\$544,078	\$1,533,311

Intern Program

The LACERA Intern Program is a component of LACERA's Administrative Equity Initiative and is advertised at colleges, including community colleges throughout the nation. Over the years, our Intern Program has proven to be successful as two of the previous interns that graduated from Columbia University and the University of California Los Angeles were later hired as permanent LACERA staff. The FY 2021-2022 budget includes funding for 13 interns to support Benefits, Communications, Human Resources, Internal Audit, Investments, Legal Services, Quality Assurance and Systems. The total cost for interns is estimated at \$312,000 and represents an increase from the prior year budget amount of \$72,000.

Total Budgeted Positions

Based on the proposal of a net increase of 15 permanent positions, LACERA's total budgeted positions count will be 474.

DIVISION	BUDGETED POSITIONS FY 2020-2021	CHANGE	BUDGETED POSITIONS FY 2021-2022
ADMINISTRATIVE	36	1	37
BENEFITS	71	7	78
COMMUNICATIONS	14		14
DISABILITY LITIGATION	7		7
DISABILITY RETIREMENT	41		41
EXECUTIVE OFFICE	8	6	14
FASD	30		30
HUMAN RESOURCES	13	2	15
INTERNAL AUDIT	11		11
INVESTMENT	44	1	45
LEGAL SERVICES	26	2	28
MEMBER SERVICES	79		79
QUALITY ASSURANCE	19		19
SYSTEMS	60	(4)	56
TOTAL	459	15	474

*This chart addresses the change in total positions. The net decrease in Systems positions requires some further explanation. As discussed in the previous chart, Systems is adding 3 new positions and deleting two positions. This leaves them with a net increase of 1. However, this chart shows a net decrease of 4, because this reflects the net positions after the five IT Security Team positions have been transferred to the Executive Office. Likewise, the Executive Office reflects a net increase of six positions (one Special Assistant and the five IT Security Team positions).

Vacancy Information

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

Once the executive and managements teams have agreed on a plan, the staffing requests are included in the budget proposal presented to the Boards. The vacant position chart below shows that there are 81 vacant positions as of April 30, 2021. The proposed budget will add 15 positions. This will increase the expected number of vacant positions to 96 by July 1, 2021 (this number could change – increase or decrease – based on new hires or separations that occur after or before June 30, 2021).

The goal of management is to fill vacant positions to serve our members efficiently and timely. The FY 2020-2021 hiring was greatly impacted due to COVID-19. There is a recruitment and hiring plan in place that will methodically decrease the number of vacancies and recruit participants into the next Member Services and Benefit Division training class.

**VACANT POSITIONS
SUMMARY**

Division	Budgeted Positions FY 2020- 2021	Vacancy as of 04/30/21	%	Budgeted Positions FY 2021- 2022*	Vacancy	%
Administrative Services	36	10	28%	37	11	30%
Benefits	71	4	6%	78	11	14%
Communications	14	4	29%	14	4	29%
Disability Litigation	7	0	0%	7	0	0%
Disability Retirement Services	41	2	5%	41	2	5%
Executive	8	2	25%	14	8	57%
Financial Accounting Services	30	10	33%	30	10	33%
Human Resources	13	0	0%	15	2	13%
Internal Audit	11	1	9%	11	1	9%
Investments Ø	44	4	9%	45	5	11%
Legal Services Ø	26	6	23%	28	8	29%
Member Services	79	10	13%	79	10	13%
Quality Assurance	19	4	21%	19	4	21%
Systems Ø	60	24	40%	56	20	36%
LACERA Total	459	81	18%	474	96	20%

* Includes new requested positions.

Ø Includes five (5) budgeted positions not yet processed by the Board of Supervisors.

SERVICES & SUPPLIES (S&S)

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 24.6% or \$5.2 million increase in S&S costs represents a combination of increases and decreases resulting in a total S&S budget of approximately \$26.4 million.

We feel the following items included in the S&S budget are notable and worthy of mention:

- \$4.8 million increase in Building Costs pertain to the following:
 - \$3.5 million for rent and operating costs for the headquarters building. A new five-year lease agreement was effective January 1, 2021. The significant increase relates to an administrative change to properly account for rent and operation expenses not included in prior years.
 - \$1.3 million request to pay for furniture and technology in connection with renovating office spaces. This amount is \$834,000 more than the prior year amount of \$466,000. We propose to renovate the Systems Division and the Financial & Accounting Services Division (FASD) during next fiscal year. These divisions were last renovated over 15 years ago. We estimate the Systems Division furniture and technology costs at \$750,000 and FASD at \$350,000. An additional \$200,000 is included for unexpected renovation projects related to post COVID return to work plans.
- \$700,000 increase in technology costs pertain to the following:
 - Replacement of the UPS units that provide critical backup power to LACERA's data centers during outages. These units are at the end of life. This funding is requested to redesign and replace the existing units to create a redundant power system.
 - To modernize our existing telecommunications infrastructure. This funding is requested to support LACERA's telecommunications strategy both for our Pasadena office and to acquire a world-class Member Service Contact Center solution that integrates with our existing Microsoft suite of products.
- \$600,000 increase due to the new fee schedule for Disability Panel Physicians.
- \$290,000 for the retainment of a budgeting consultant and the selection of new budget software. The budget consultant will assist the Administrative Services Division with overhauling our budget process and procedures to include best practices in governmental budgeting and assist the team with the RFP for budget software. The consultant will also assist the software provider with implementation of the software and training of staff.

- \$200,000 for the selection of a Case Management System for the Member Operations Group, to assist in managing complex processes spanning across multiple units and divisions and helping ensure we process work in a timely and efficient manner. This includes integration with Workspace (our proprietary member management system), change management, and training for staff.
- \$200,000 for the selection of an Administrative Case Management System, including implementation, change management, and training for staff. This system will support the Administrative Division's efforts to keep track of service requests and processes that support the organization.
- \$150,000 for the implementation of a Travel Management System to automate making travel arrangements, process invoices, track costs, and generate reports.
- \$80,000 for a Strategic Planning Consultant to assist us with developing a sustainable Strategic Planning program including education and facilitation of the first planning cycle.

S&S CATEGORY	BUDGET REQUEST FY 2020-2021	BUDGET REQUEST FY 2021-2022	VARIANCE	% CHANGE
Auto Expenses	\$36,800	\$131,200	\$94,400	256.5%
Communications	740,000	925,000	185,000	25.0%
Transportation & Travel	455,500	604,500	149,000	32.7%
Postage	991,400	991,400	0	0.0%
Stationery & Forms	640,100	645,300	5,200	0.8%
Office Supplies & Equipment	959,000	696,500	(262,500)	-27.4%
Insurance	748,300	911,600	163,300	21.8%
Equipment Maintenance	638,000	612,800	(25,200)	-3.9%
Equipment Rents & Leases	310,000	277,000	(33,000)	-10.6%
Building Costs	3,034,000	7,472,400	4,438,400	146.3%
Parking Fees	377,000	377,000	0	0.0%
Professional & Specialized Services	3,872,600	3,142,200	(730,400)	-18.9%
Bank Services	195,000	200,500	5,500	2.8%
Legal Fees & Services	435,500	472,500	37,000	8.5%
Disability Fees & Services	2,086,000	2,665,500	579,500	27.8%
Computer Services & Support	3,910,100	4,609,100	699,000	17.9%
Educational Expenses	1,137,200	1,225,400	88,200	7.8%
Miscellaneous	602,300	397,800	(204,500)	-34.0%
TOTAL	\$21,168,800	\$26,357,700	\$5,188,900	24.5%

LACERA

FISCAL YEAR 2021-2022

SALARIES AND EMPLOYEE BENEFITS
CATEGORY SUMMARY

	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2 0 2 0 - 2 0 2 1			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		BUDGET	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE
			(03-31-21)	PROJECTION	BUDGET	% CHANGE		
Permanent Salaries	\$50,631,648	\$46,345,730	\$29,951,515	\$45,104,805	(\$1,240,925)	-2.7%	\$4,285,918	9.2%
Outside Agency Temporary Staffing	3,121,500	3,826,000	2,279,101	3,699,070	(126,930)	-3.3%	(704,500)	-18.4%
LACERA Intern Program	312,000	72,000	3,750	15,000	(57,000)	-79.2%	240,000	333.3%
Variable Benefits								
Retirement	10,759,292	8,744,312	5,825,868	8,779,882	35,570	0.4%	2,014,980	23.0%
FICA Contribution	884,997	760,948	491,255	764,165	3,217	0.4%	124,049	16.3%
County Subsidy - Insurance	2,983,542	2,492,210	1,414,984	2,146,484	(345,726)	-13.9%	491,332	19.7%
Options Plan	4,601,103	4,188,775	2,536,615	3,913,982	(274,793)	-6.6%	412,328	9.8%
Life Insurance	18,341	18,369	10,628	16,902	(1,467)	-8.0%	(28)	-0.2%
Health Insurance Temps	353,089	277,043	38,656	38,656	(238,387)	-86.0%	76,046	27.4%
Flexible Benefit Plan	26,074	37,419	12,851	19,324	(18,095)	-48.4%	(11,345)	-30.3%
Thrift Plan/Horizons	1,732,245	1,456,663	901,407	1,356,046	(100,617)	-6.9%	275,582	18.9%
Savings Plan	1,253,606	1,093,054	658,590	1,008,214	(84,840)	-7.8%	160,552	14.7%
Pension Savings Plan	37,462	36,850	6,710	10,825	(26,025)	-70.6%	612	1.7%
Megaflex	6,113,559	4,543,926	3,390,762	5,154,637	610,711	13.4%	1,569,633	34.5%
Total	28,763,309	23,649,568	15,288,326	23,209,117	(440,451)	-1.9%	5,113,741	21.6%
Other Benefits	3,026,000	2,961,000	2,072,824	2,931,390	(29,610)	-1.0%	65,000	2.2%
OPEB Contribution	1,485,427	1,234,919	937,022	1,314,625	79,706	6.5%	250,508	20.3%
Stipends	65,000	65,000	37,752	58,900	(6,100)	-9.4%	0	0.0%
Overtime	877,000	801,900	502,471	748,950	(52,950)	-6.6%	75,100	9.4%
Bilingual Bonus	21,600	21,600	12,700	19,100	(2,500)	-11.6%	0	0.0%
Sickleave Buyback	68,800	66,500	51,913	51,913	(14,587)	-21.9%	2,300	3.5%
Rideshare Allowance	70,300	70,300	1,753	2,973	(67,327)	-95.8%	0	0.0%
Transportation Allowance	7,200	7,200	5,100	7,200	0	0.0%	0	0.0%
S&EB TOTAL	\$88,449,786	\$79,121,717	\$51,144,227	\$77,163,043	(\$1,958,674)	-2.5%	\$9,328,069	11.8%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 03/15/21, with the exception of Agency Temp Salaries, which are as of 03/31/21.

LACERA
FISCAL YEAR 2021-2022
SALARIES AND EMPLOYEE BENEFITS
DIVISION SUMMARY

	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020 - 2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		BUDGET	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE
			(03-31-21)	PROJECTION	BUDGET	% CHANGE		
Administrative Services	\$4,326,334	\$3,778,350	\$2,418,218	\$3,681,147	(\$97,203)	-2.6%	\$547,984	14.5%
Benefits	11,285,046	10,241,148	6,762,985	10,135,851	(105,297)	-1.0%	1,043,898	10.2%
Communications	2,253,791	1,867,768	1,116,128	1,731,580	(136,188)	-7.3%	386,023	20.7%
Disability Litigation	2,141,130	2,035,878	1,393,776	2,035,379	(499)	0.0%	105,252	5.2%
Disability Retirement	6,962,398	6,347,485	4,228,015	6,349,340	1,855	0.0%	614,913	9.7%
Executive Office	3,490,434	1,899,420	1,365,359	2,033,736	134,316	7.1%	1,591,014	83.8%
Financial & Accounting Services	4,100,488	3,760,227	2,238,422	3,588,809	(171,418)	-4.6%	340,261	9.0%
Human Resources	2,926,303	2,388,658	1,675,458	2,447,130	58,472	2.4%	537,645	22.5%
Internal Audit	2,433,813	2,121,686	1,495,923	2,251,768	130,082	6.1%	312,127	14.7%
Investment Office	16,189,519	14,104,163	9,732,695	14,094,252	(9,911)	-0.1%	2,085,356	14.8%
Legal Services	6,108,955	5,592,106	3,568,649	5,465,289	(126,817)	-2.3%	516,849	9.2%
Member Services	10,331,305	9,691,407	6,128,347	9,310,354	(381,053)	-3.9%	639,898	6.6%
Quality Assurance	3,334,939	3,183,593	2,040,646	3,040,449	(143,144)	-4.5%	151,346	4.8%
Systems Division	12,565,331	12,109,828	6,979,607	10,997,959	(1,111,869)	-9.2%	455,503	3.8%
S&EB TOTAL	\$88,449,786	\$79,121,717	\$51,144,227	\$77,163,043	(\$1,958,674)	-2.5%	\$9,328,069	11.8%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 03/15/21, with the exception of Agency Temp Salaries, which are as of 03/31/21.

LACERA
FISCAL YEAR 2021-2022
AGENCY TEMPORARY STAFFING
DIVISION SUMMARY

	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2 0 2 0 - 2 0 2 1			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		BUDGET	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE
			(03-31-21)	PROJECTION	BUDGET	% CHANGE		
Administrative Services	\$202,000	\$305,200	\$151,165	\$280,200	(\$25,000)	-8.2%	(\$103,200)	-33.8%
Benefits	71,900	47,700	30,595	47,700	0	0.0%	24,200	50.7%
Communications	79,600	135,700	71,570	71,570	(64,130)	-47.3%	(56,100)	-41.3%
Disability Litigation	0	8,700	0	0	(8,700)	-100.0%	(8,700)	0.0%
Disability Retirement	143,000	72,100	65,254	72,100	0	0.0%	70,900	98.3%
Executive Office	0	0	0	0	0	0.0%	0	0.0%
Financial & Accounting Services	729,400	505,400	236,057	450,000	(55,400)	-11.0%	224,000	44.3%
Human Resources	47,700	47,700	53,885	60,000	12,300	25.8%	0	0.0%
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	85,400	53,500	57,562	67,500	14,000	26.2%	31,900	59.6%
Member Services	0	0	0	0	0	0.0%	0	0.0%
Quality Assurance	0	0	0	0	0	0.0%	0	0.0%
Systems Division	1,762,500	2,650,000	1,613,013	2,650,000	0	0.0%	(887,500)	-33.5%
TOTAL	\$3,121,500	\$3,826,000	\$2,279,101	\$3,699,070	(\$126,930)	-3.3%	(\$704,500)	-18.4%

*All amounts rounded to the nearest dollar.

LACERA
BUDGET REQUEST INFORMATION
AGENCY TEMPORARY STAFFING
HISTORY OF EXPENDITURES

DIVISION	FYE 2019		FYE 2020		FYE 2021		FYE 2022
	Budget	Actual	Budget	Actual	Budget	Projection	Budget
Administrative Services	\$114,000	\$97,002	\$54,000	\$211,262	\$305,200	\$280,200	\$202,000
Benefits	0	97,390	809,700	595,413	47,700	47,700	71,900
Communications	102,500	18,315	47,800	83,162	135,700	71,570	79,600
Disability Litigation	0	0	0	0	8,700	0	0
Disability Retirement	42,009	46,525	36,000	28,860	72,100	72,100	143,000
Executive Office	0	0	0	0	0	0	0
Financial Services	296,300	417,710	424,200	254,613	505,400	450,000	729,400
Human Resources	101,100	93,245	26,200	39,962	47,700	60,000	47,700
Internal Audit	0	8,346	0	0	0	0	0
Investment Office	0	0	0	0	0	0	0
Legal Services	118,700	57,928	60,000	57,365	53,500	67,500	85,400
Member Services	129,300	152,329	160,700	100,646	0	0	0
Quality Assurance	0	0	0	0	0	0	0
Systems	992,000	1,849,848	1,700,000	1,143,206	2,650,000	2,650,000	1,762,500
GRAND TOTAL	\$1,895,909	\$2,838,638	\$3,318,600	\$2,514,489	\$3,826,000	\$3,699,070	\$3,121,500

*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2021-2022
OVERTIME REQUEST
DIVISION SUMMARY

	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
Administrative Services	\$50,000	\$43,700	\$10,521	\$43,700	\$0	0.0%	\$6,300	14.4%
Benefits	398,000	371,600	227,158	340,800	(30,800)	-8.3%	26,400	7.1%
Communications	4,100	3,300	3,492	5,000	1,700	51.5%	800	24.3%
Disability Litigation	0	0	0	0	0	0.0%	0	0.0%
Disability Retirement	16,100	9,500	12,496	15,000	5,500	57.9%	6,600	69.5%
Executive Office	25,600	25,000	1,078	4,000	(21,000)	-84.0%	600	2.4%
Financial & Accounting Services	67,900	68,400	31,513	62,215	(6,185)	-9.0%	(500)	-0.7%
Human Resources	2,900	1,500	342	800	(700)	-46.7%	1,400	93.3%
Internal Audit	4,900	4,800	492	1,000	(3,800)	-79.2%	100	2.1%
Investment Office	1,000	1,000	0	0	(1,000)	-100.0%	(0)	0.0%
Legal Services	18,100	12,500	4,026	12,500	0	0.0%	5,600	44.8%
Member Services	133,800	130,500	113,451	130,500	0	0.0%	3,300	2.5%
Quality Assurance	21,300	0	2,224	3,335	3,335	0.0%	21,300	0.0%
Systems Division	133,300	130,100	95,678	130,100	0	0.0%	3,200	2.5%
TOTAL	\$ 877,000	\$801,900	\$502,471	\$748,950	(\$52,950)	-6.6%	\$75,100	9.4%

*All amounts rounded to the nearest dollar.

LACERA

BUDGET REQUEST INFORMATION

OVERTIME
HISTORY OF EXPENDITURES

DIVISION	FYE 2019		FYE 2020		FYE 2021		FYE 2022
	Budget	Actual	Budget	Actual	Budget	Projection	Budget
Administrative Services	\$28,007	\$45,852	\$31,500	\$25,421	\$43,700	\$43,700	\$50,000
Benefits	191,075	356,121	197,800	313,608	371,600	340,800	398,000
Communications	3,600	1,861	3,000	2,618	3,300	5,000	4,100
Disability Litigation	0	3	0	0	0	0	0
Disability Retirement	11,972	23,813	12,400	23,335	9,500	15,000	16,100
Executive Office	6,376	61,205	3,000	31,579	25,000	4,000	25,600
Financial Services	63,720	48,042	74,300	49,152	68,400	62,215	67,900
Human Resources	1,403	1,372	1,500	1,294	1,500	800	2,900
Internal Audit	3,327	108	3,000	390	4,800	1,000	4,900
Investment Office	2,000	574	0	0	1,000	0	1,000
Legal Services	36,144	6,086	35,000	743	12,500	12,500	18,100
Member Services	115,400	209,193	119,500	227,703	130,500	130,500	133,800
Quality Assurance	1,871	4,289	1,000	2,878	0	3,335	21,300
Systems	130,100	142,695	130,100	119,753	130,100	130,100	133,300
GRAND TOTAL	\$594,995	\$901,214	\$612,100	\$798,476	\$801,900	\$748,950	\$877,000

*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2021-2022
BILINGUAL BONUS
SUMMARY

	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
Benefits Division	\$2,400	\$2,400	\$1,700	\$2,400	\$0	0.0%	\$0	0.0%
Legal Services	2,400	2,400	1,650	2,400	0	0.0%	0	0.0%
Member Services Division	16,800	16,800	9,350	14,300	(2,500)	-14.9%	0	0.0%
TOTAL	\$21,600	\$21,600	\$12,700	\$19,100	(\$2,500)	-11.6%	\$0	0.0%

*All amounts rounded to the nearest dollar.

LACERA

BUDGET REQUEST INFORMATION

VACANT POSITIONS
SUMMARY

Division	Budgeted Positions FY 2020-2021	Vacancy (as of 04/30/21)	%	Budgeted Positions FY 2021-2022*	Vacancy	%
Administrative Services	36	10	28%	37	11	30%
Benefits	71	4	6%	78	11	14%
Communications	14	4	29%	14	4	29%
Disability Litigation	7	0	0%	7	0	0%
Disability Retirement Services	41	2	5%	41	2	5%
Executive	8	2	25%	14	8	57%
Financial Accounting Services	30	10	33%	30	10	33%
Human Resources	13	0	0%	15	2	13%
Internal Audit	11	1	9%	11	1	9%
Investments Ø	44	4	9%	45	5	11%
Legal Services Ø	26	6	23%	28	8	29%
Member Services	79	10	13%	79	10	13%
Quality Assurance	19	4	21%	19	4	21%
Systems Ø	60	24	40%	56	20	36%
LACERA Total	459	81	18%	474	96	20%

* Includes new requested positions.

Ø Includes five (5) budgeted positions not yet approved by Board of Supervisors.

LACERA
FISCAL YEAR 2021-2022
SERVICES AND SUPPLIES
DIVISION SUMMARY

	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2 0 2 0 - 2 0 2 1			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
Administrative Services	\$9,619,700	\$5,002,400	\$2,747,999	\$4,477,513	(\$524,887)	-10.5%	\$4,617,300	92.3%
Benefits	72,000	65,400	28,634	41,100	(24,300)	-37.2%	6,600	10.1%
Board of Retirement	214,000	139,000	17,078	68,000	(71,000)	-51.1%	75,000	54.0%
Board of Investment	436,000	271,000	39,019	128,000	(143,000)	-52.8%	165,000	60.9%
Communications	1,041,500	1,006,100	614,899	894,468	(111,632)	-11.1%	35,400	3.5%
Disability Litigation	52,500	42,600	25,093	33,500	(9,100)	-21.4%	9,900	23.2%
Disability Retirement	2,935,000	2,363,800	1,056,656	2,235,200	(128,600)	-5.4%	571,200	24.2%
Executive Office	318,800	428,700	109,840	204,075	(224,625)	-52.4%	(109,900)	-25.6%
Financial & Accounting Services	240,000	242,100	10,183	214,200	(27,900)	-11.5%	(2,100)	-0.9%
Human Resources	1,619,300	1,807,100	643,631	1,300,200	(506,900)	-28.1%	(187,800)	-10.4%
Internal Audit	720,500	457,900	196,169	340,900	(117,000)	-25.6%	262,600	57.3%
Investment Office	268,500	237,300	84,589	94,800	(142,500)	-60.1%	31,200	13.1%
Legal Services	840,100	780,100	810,062	1,111,200	331,100	42.4%	60,000	7.7%
Member Services	55,500	51,000	670	2,519	(48,481)	-95.1%	4,500	8.8%
Quality Assurance	83,900	91,500	4,925	58,016	(33,484)	-36.6%	(7,600)	-8.3%
Systems	7,840,400	8,182,800	3,586,126	8,265,640	82,840	1.0%	(342,400)	-4.2%
S&S TOTAL	\$26,357,700	\$21,168,800	\$9,975,571	\$19,469,331	(\$1,699,469)	-8.0%	\$5,188,900	24.5%

*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2021-2022
SERVICES AND SUPPLIES
CATEGORY SUMMARY

	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2 0 2 0 - 2 0 2 1			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
Auto Expense	\$131,200	\$36,800	\$6,565	\$13,651	(\$23,149)	-62.9%	\$94,400	256.5%
Communications	925,000	740,000	405,996	725,000	(15,000)	-2.0%	185,000	25.0%
Transportation and Travel	604,500	455,500	3,905	9,635	(445,865)	-97.9%	149,000	32.7%
Postage	991,400	991,400	518,295	821,310	(170,090)	-17.2%	0	0.0%
Stationery and Forms	645,300	640,100	410,114	568,768	(71,332)	-11.1%	5,200	0.8%
Office Supplies and Equipment	696,500	959,000	936,567	1,179,840	220,840	23.0%	(262,500)	-27.4%
Insurance	911,600	748,300	750,948	750,948	2,648	0.4%	163,300	21.8%
Equipment Maintenance	612,800	638,000	201,441	555,300	(82,700)	-13.0%	(25,200)	-3.9%
Equipment Rents and Leases	277,000	310,000	138,062	221,000	(89,000)	-28.7%	(33,000)	-10.6%
Building Costs	7,472,400	3,034,000	1,386,635	2,843,000	(191,000)	-6.3%	4,438,400	146.3%
Parking Fees	377,000	377,000	309,042	420,000	43,000	11.4%	0	0.0%
Professional and Spec. Svcs.	3,142,200	3,872,600	1,509,656	3,487,480	(385,120)	-9.9%	(730,400)	-18.9%
Bank Services	200,500	195,000	(435)	195,000	0	0.0%	5,500	2.8%
Legal Fees and Services	472,500	435,500	532,053	758,800	323,300	74.2%	37,000	8.5%
Disability Fees and Services	2,665,500	2,086,000	914,783	1,992,500	(93,500)	-4.5%	579,500	27.8%
Computer Services and Support	4,609,100	3,910,100	1,567,388	3,900,200	(9,900)	-0.3%	699,000	17.9%
Educational Expense	1,225,400	1,137,200	342,858	801,400	(335,800)	-29.5%	88,200	7.8%
Miscellaneous	397,800	602,300	41,698	225,500	(376,800)	-62.6%	(204,500)	-34.0%
S&S TOTAL	\$26,357,700	\$21,168,800	\$9,975,571	\$19,469,331	(\$1,699,469)	-8.0%	\$5,188,900	24.5%

*All amounts rounded to the nearest dollar.



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

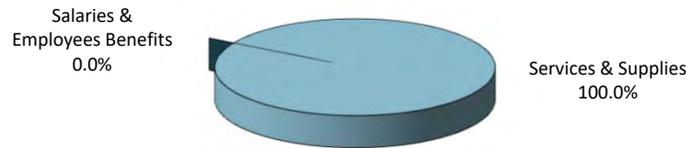
The Board's Services and Supplies budget request is based on actual expenditure trends.

LACERA
FISCAL YEAR 2021-2022
BUDGET SUMMARY

BOARD OF RETIREMENT

	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET		
	PROPOSED BUDGET 2021-2022	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(03-31-21)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%	
Services & Supplies	214,000	139,000	17,078	68,000	(71,000)	-51.1%	75,000	54.0%
OPERATING BUDGET	\$214,000	\$139,000	\$17,078	\$68,000	(\$71,000)	-51.1%	\$75,000	54.0%

2021 - 2022 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2021-2022
SERVICES & SUPPLIES ACCOUNT SUMMARY

BOARD OF RETIREMENT

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)			
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	\$85,000	\$85,000	(\$891)	\$500	(\$84,500)	-99.4%	\$0	0.0%
EDUCATIONAL EXPENSES	82,000	48,000	17,969	67,500	19,500	40.6%	34,000	70.8%
MISCELLANEOUS	47,000	6,000	0	0	(6,000)	-100.0%	41,000	683.3%
TOTAL	\$214,000	\$139,000	\$17,078	\$68,000	(\$71,000)	-51.1%	\$75,000	54.0%

*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

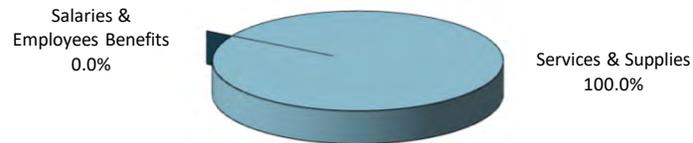
The Board’s Services and Supplies budget request is based on actual expenditure trends.

LACERA
FISCAL YEAR 2021-2022
BUDGET SUMMARY

BOARD OF INVESTMENTS

	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET		
	PROPOSED BUDGET 2021-2022	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(03-31-21)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%	
Services & Supplies	436,000	271,000	39,019	128,000	(143,000)	-52.8%	165,000	60.9%
OPERATING BUDGET	\$436,000	\$271,000	\$39,019	\$128,000	(\$143,000)	-52.8%	\$165,000	60.9%

2021 - 2022 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2021-2022
SERVICES & SUPPLIES ACCOUNT SUMMARY

BOARD OF INVESTMENTS

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
TRANSPORTATION & TRAVEL	\$220,000	\$145,000	\$2,496	\$4,000	(\$141,000)	-97.2%	\$75,000	51.7%
EDUCATIONAL EXPENSES	150,000	120,000	36,523	124,000	4,000	3.3%	30,000	25.0%
MISCELLANEOUS	66,000	6,000	0	0	(6,000)	-100.0%	60,000	1000.0%
TOTAL	\$436,000	\$271,000	\$39,019	\$128,000	(\$143,000)	-52.8%	\$165,000	60.9%

*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.

Budget Request Highlights

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

A. New Position

The Administrative Services Division is requesting to add one Administrative Services Analyst III in the Document Processing Center (DPC) for quality control and assurance measures. The DPC imaging process continues to be the starting point for all member-centric services. For fiscal year 2019-2020, the DPC indexed 260,094 member documents. Members submitted most of the documents by US mail and fax. Benefits, Disability Retirement, Member Services, and Retiree Health Care depend on the DPC to scan and index documents to the correct Workspace queue. Accuracy is important because indexing errors can result in service delays, privacy breaches, and over/under payments to members. Having a full-time ASAIll perform the quality assurance audits will help increase the accuracy and efficiency of the imaging process. Additional duties will include reviewing imaging procedures to eliminate workflow redundancies and obsolete business rules. The ASAIll will also collaborate with business partners on streamlining cross-divisional workflows. Finally, the ASAIll will develop new performance management tools to help supervisors better evaluate employee performance.

Working Supervisors

The Document Processing Coordinators (Coordinators) are responsible for planning and managing the DPC's imaging and mail room services. They ensure staff comply with policies, procedures, and meet service level agreements. The Coordinators are also responsible for daily remote deposit of incoming checks, processing IRIS checks, performing quality assurance audits, and training staff. The Coordinators are working supervisors that assist with the daily imaging work and fill in for staff that are sick, on vacation, or on extended leave. In a nine-hour workday, the Coordinators spend an average of six and half hours on administrative tasks.

- Two hours per day conducting quality assurance audits.¹
- One hour verifying and preparing the checks for remote deposit.
- One and half hours reconciling and preparing the IRIS Checks for mailing.
- Two hours responding to document inquiries from business partners.

As part of the quality assurance audits, the Coordinators verify that the DPC staff indexed documents under the correct document type and into the correct member account. The Coordinators also ensure the imaged documents are legible, de-skewed, de-speckled, and oriented correctly for viewing. Finally, the Coordinators ensure compliance with business rules for special documents, such as member checks, LACERA returned warrants, and attorney correspondence. If the Coordinators find an error, they take the following corrective action:

- Rescan documents with poor image quality.
- Re-index and rework documents in Workspace.

¹Each Coordinator audits an average of 250 documents per day.

- Determine the root cause of the error (human error, training, or procedural)
- Provide immediate feedback to staff, clarify procedures, and recommend procedural changes when needed.

The Coordinators are also responsible for the daily remote deposit of incoming checks from members, beneficiaries, title holding companies, and outside districts. The Coordinators generate the deposit log, verify the checks in Workspace, confirm the check type and deposit account. They also ensure the checks comply with State Street Bank's imaging guidelines and procedures. If the checks have poor image quality or an incorrect format, the Coordinators process the check(s) as an exception.

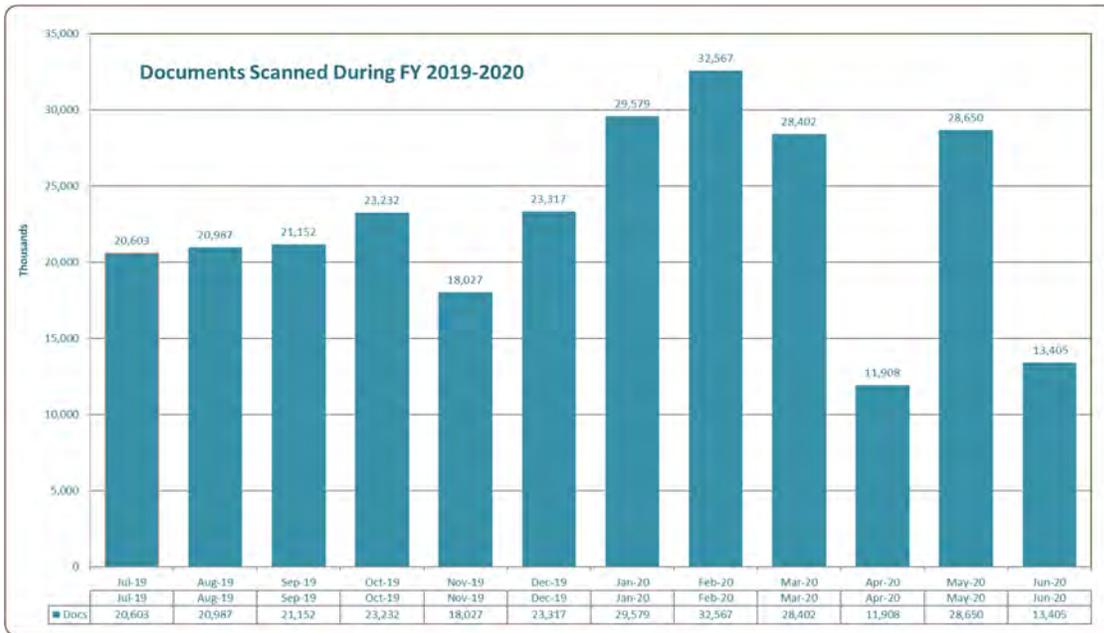
The Coordinators verify and mail an average of 53 IRIS checks per day. However, this number doubles during the annual Medicare Premium Reimbursement period.² The Coordinators reconcile the physical checks against the check register, prepare the checks for mailing, and update the IRSI Check Manager database with the mailing date and disposition.

Finally, the Coordinators respond to document inquiries from our business partners. The requests include, confirming receipt of documents, deposit of checks, and expediting the return of documents. The Coordinators receive an average of eight request per day. The amount of time spent on a request can range from five minutes to three hours.

During March Madness, the imaging workload increases substantially. See Figure 1. As a result, the Coordinators spend more time on their administrative tasks. The DPC is a high pace production unit. The workload and priorities change quickly and often. The DPC needs production supervisors that can monitor and supervise the workflow and production.

Having the ASAll manage the quality assurance audits and staff training will enable the Coordinators to spend more time managing the workload. For example, the Coordinators can set production objectives and reassign duties as needed. The Coordinators will also have more time to respond to e-mail inquiries and coach direct reports. In addition, the section supervisor can train the Coordinators on higher-level supervisory tasks.

² Coordinators processed 3,458 IRIS checks during FY 2019-2020. They have processed 2,559 IRIS checks from July 2020 to January 2021.



Adding the ASAIII position will support the following organization goals:

- *Continuous Process Improvements:* The ASAIII will continuously review the DPC imaging procedures to eliminate workflow redundancies and obsolete business rules. The ASAIII will also collaborate with business partners on streamlining cross-divisional workflows by using new technology.
- *Increase Staff Engagement and Development:* The ASAIII will manage the training program for new employees and develop refresher courses for senior staff. This ASAIII also support staff development by offering cross-training opportunities to help staff prepare for future career opportunities.
- *Improve Service Levels:* The Coordinators are currently responsible for training staff and managing the imaging workload. These tasks are equally important and time consuming. Having ASAIII develop and manage training programs will enable the Coordinator to focus on the imaging workload, manage staff performance, and complete other administrative tasks.

B. Position Upgrade

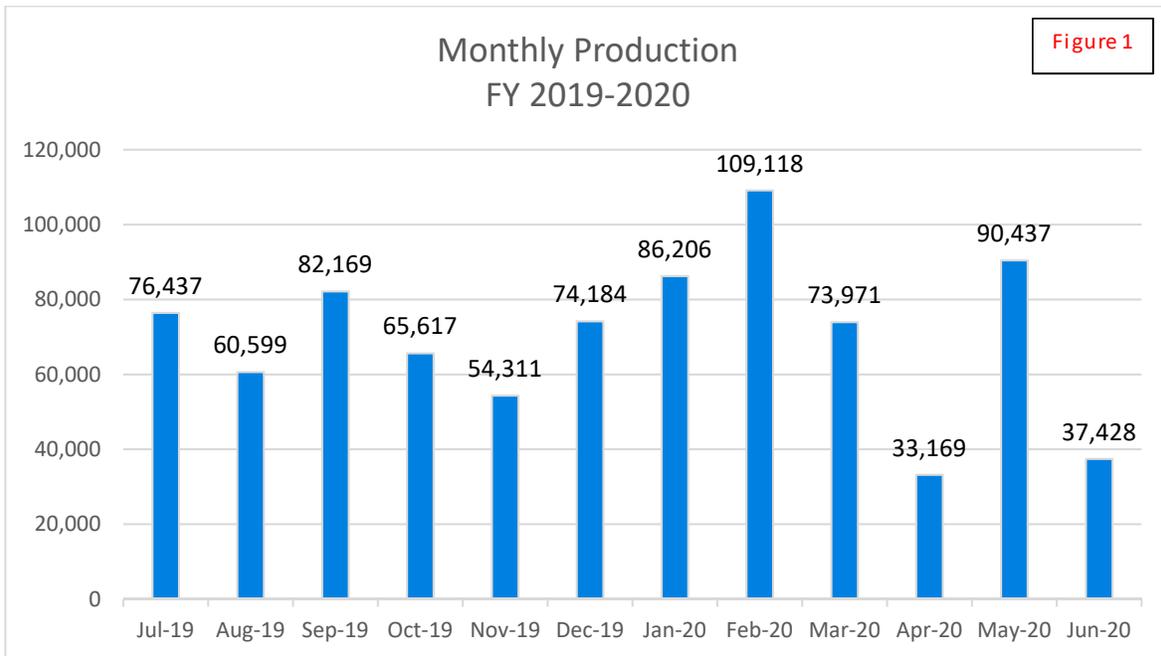
The budget request includes the deletion of one currently vacant Administrative Services Analyst I position and the addition of one Administrative Services Analyst II to better align staffing levels with the amount of complex work related to risk management, insurance, business continuity and contract management.

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 200 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.



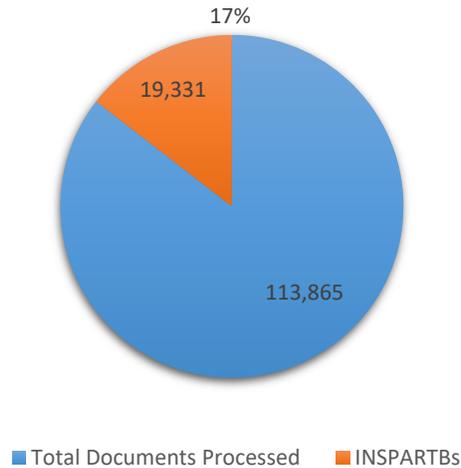
Agency Temporary Request

We are requesting temporary staffing to assist with upcoming changes related to retirements and vacancies in the Budget and Procurement Units. 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 other less complex member document. The agency temporary employees will also assist with the return of member documents, J-letters, scanning, and act as back-ups for the mail room.

In 2020, the DPC processed 19,331 Medicare Part B Premium received by mail. That is equivalent to 17%* of the DPC production for the months of December through March. See Figure 2.

DPC PRODUCTION DEC. - MAR.

Figure 2



*Total amount of scanned documents - 113,865

Part B Premium Verifications - 19,331

Figure 2 Calculate total percent increase of scanned documents
(19,331/113,865 = .169 *100 = 17%)

SERVICES AND SUPPLIES

Most of the FY 2021-2022 Services and Supplies line items are similar to the prior year budget. Small changes attributable to vendor or overall supplier cost increases are included. Two significant changes are proposed for Rent and Renovation Projects as follows:

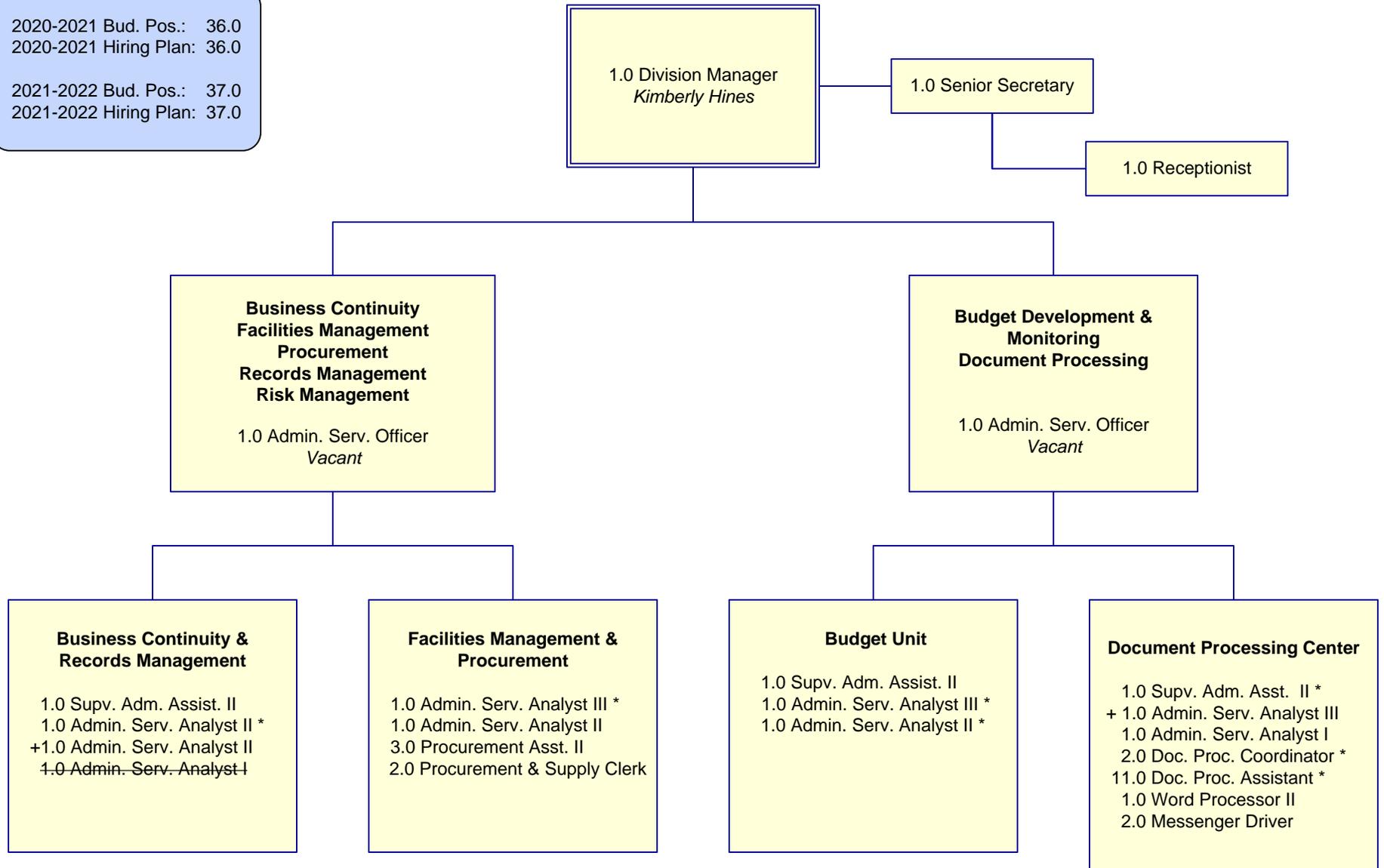
- \$3.5 million increase for rent and operating costs for the headquarters building not captured in prior year budgets. A new five-year lease for office space was effective on January 1, 2021.
- We request \$1.3 million to renovate office spaces. This amount is \$834,000 more than the prior year amount of \$466,000. We propose to renovate the Systems Division and the Financial & Accounting Services Division (FASD) during this fiscal year. These divisions were last renovated over 15 years ago. We estimate the Systems Division renovation cost at \$750,000 and FASD at \$350,000. An additional \$200,000 is included for unexpected renovations.

ADMINISTRATIVE SERVICES DIVISION

FISCAL YEAR 2021-2022

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

2021-2022 Bud. Pos.: 37.0
 2021-2022 Hiring Plan: 37.0



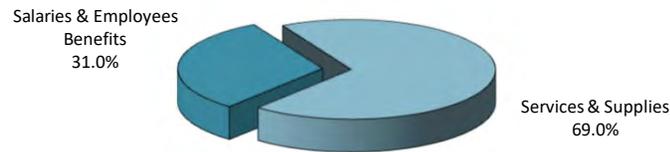
+ Added position
 - Deleted position
 * Classification study for the position requested

LACERA
FISCAL YEAR 2021-2022
BUDGET SUMMARY

ADMINISTRATIVE SERVICES DIVISION

	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET		
	PROPOSED BUDGET 2021-2022	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(03-31-21)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$4,326,334	\$3,778,350	\$2,418,218	\$3,681,147	(\$97,203)	-2.6%	\$547,984	14.5%
Services & Supplies	9,619,700	5,002,400	2,747,999	4,477,513	(524,887)	-10.5%	4,617,300	92.3%
OPERATING BUDGET	\$13,946,034	\$8,780,750	\$5,166,217	\$8,158,660	(\$622,090)	-7.1%	\$5,165,284	58.8%

2021 - 2022 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2021-2022

SALARIES AND EMPLOYEE BENEFITS SUMMARY

ADMINISTRATIVE SERVICES DIVISION

	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$2,477,204	\$2,040,210	\$1,352,392	\$2,020,982	(\$19,228)	-0.9%	\$436,994	21.4%
Total Agency Temp Salaries	202,000	305,200	151,165	280,200	(25,000)	-8.2%	(103,200)	-33.8%
Employee Benefits (Variable)	1,362,204	1,169,970	753,327	1,125,152	(44,818)	-3.8%	192,234	16.4%
Employee Benefits (Other)	148,050	144,716	102,118	143,270	(1,446)	-1.0%	3,334	2.3%
OPEB Contribution	72,676	60,355	45,985	63,913	3,558	5.9%	12,321	20.4%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	50,000	43,700	10,521	43,700	0	0.0%	6,300	14.4%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	7,300	7,300	1,837	1,837	(5,463)	-74.8%	0	0.0%
Rideshare Allowance	6,900	6,900	873	2,093	(4,807)	-69.7%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$4,326,334	\$3,778,350	\$2,418,218	\$3,681,147	(\$97,203)	-2.6%	\$547,984	14.5%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$4,326,334	\$3,778,350	\$2,418,218	\$3,681,147	(\$97,203)	-2.6%	\$547,984	14.5%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 03/15/21, with the exception of Agency Temp Salaries, which are as of 03/31/21.

LACERA
FISCAL YEAR 2021-2022
SALARIES

ADMINISTRATIVE SERVICES DIVISION

2021-2022 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT
00773A	DIVISION MANAGER	1	LS12	15,510	186,117
00423A	SUPV. ADMINISTRATIVE ASST. II	2	106E	18,647	223,761
00421A	ADMINISTRATIVE SERVICES ANALYST III	1	97H	6,960	83,516
00420A	ADMINISTRATIVE SERVICES ANALYST II	3	93H	18,890	226,677
00439A	SENIOR SECRETARY	1	89G	7,151	85,810
00464A	PROCUREMENT ASSISTANT II	2	88A	11,630	139,560
00419A	ADMINISTRATIVE SERVICES ANALYST I	1	84D	5,114	61,370
00472A	DOCUMENT PROCESSING COORDINATOR	2	83G	10,878	130,540
00448A	WORD PROCESSOR II	1	82F	5,281	63,372
00471A	DOCUMENT PROCESSING ASSISTANT	9	80G	40,426	485,115
00466A	RECEPTIONIST	1	76C	3,891	46,693
00461A	MESSENGER DRIVER	2	74H	7,672	92,065

POSITIONS 26 1,824,595

VACANT POSITIONS		# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
00410A	ADMINISTRATIVE SERVICES OFFICER	2	LS9	8,498	101,973	101,973	76,480	
00423A	SUPV. ADMINISTRATIVE ASST. II	1	106E	7,494	89,930			44,965
00421A	ADMINISTRATIVE SERVICES ANALYST III	2	97H	5,915	70,978		53,233	35,489
00420A	ADMINISTRATIVE SERVICES ANALYST II	1	93H	5,307	63,684		47,763	
00464A	PROCUREMENT ASSISTANT II	1	88A	4,554	54,648	54,648		
00419A	ADMINISTRATIVE SERVICES ANALYST I	1	84D	4,117	49,399	49,399		
00419A	ADMINISTRATIVE SERVICES ANALYST I	(1)	84D	4,117	49,399	(49,399)		
00471A	DOCUMENT PROCESSING ASSISTANT	2	80G	3,724	44,689		67,034	22,345
00467A	PROCUREMENT AND SUPPLY CLERK	2	81E	3,807	45,685	91,370		
						247,991	244,510	102,799

POSITIONS 11 595,300

TOTAL POSITIONS 37

GROSS SALARIES 2,419,895

ANTICIPATED MOU SALARY INCREASE ** 0

ANTICIPATED STEP AND/OR MERIT SALARY INCREASE 37,760

BONUS 19,549

120-DAY RETIREE(S) 0

TOTAL SALARIES 2,477,204

MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/21.
 Represented/Non-Represented positions are shown at actual salaries as of 01/01/21.
 Represented positions shown in blue.
 Vacancies are shown at the 1st Step.
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 0% to calculate anticipated MOU increase.

LACERA

FISCAL YEAR 2021-2022

SERVICES & SUPPLIES ACCOUNT SUMMARY

ADMINISTRATIVE SERVICES DIVISION

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
AUTO EXPENSE	\$111,500	\$12,500	\$3,532	\$5,456	(\$7,044)	-56.4%	\$99,000	792.0%
TRANSPORTATION & TRAVEL	8,000	6,300	0	0	(6,300)	-100.0%	1,700	27.0%
POSTAGE	301,400	301,400	151,310	151,310	(150,090)	-49.8%	0	0.0%
STATIONERY & FORMS	3,800	3,500	0	3,500	0	0.0%	300	8.6%
OFFICE SUPPLIES & EQUIPMENT	288,500	346,000	173,093	260,300	(85,700)	-24.8%	(57,500)	-16.6%
INSURANCE	911,600	748,300	750,948	750,948	2,648	0.4%	163,300	21.8%
EQUIPMENT MAINTENANCE	3,300	5,800	1,341	3,300	(2,500)	-43.1%	(2,500)	-43.1%
EQUIPMENT RENTS & LEASES	277,000	310,000	138,062	221,000	(89,000)	-28.7%	(33,000)	-10.6%
BUILDING COSTS	7,472,400	3,034,000	1,386,635	2,843,000	(191,000)	-6.3%	4,438,400	146.3%
PROFESSIONAL & SPEC. SRVCS.	221,000	213,000	135,335	225,500	12,500	5.9%	8,000	3.8%
EDUCATIONAL EXPENSES	7,700	6,600	988	3,700	(2,900)	-43.9%	1,100	16.7%
MISCELLANEOUS	13,500	15,000	6,754	9,500	(5,500)	-36.7%	(1,500)	-10.0%
TOTAL	\$9,619,700	\$5,002,400	\$2,747,999	\$4,477,513	(\$524,887)	-10.5%	\$4,617,300	92.3%

*All amounts rounded to the nearest dollar.



Mission

The Benefits Division lies at the core of LACERA’s mission to “produce, provide, and protect the promise benefit” through the collection of contributions and purchases, the payment of benefits, and the safeguarding of each member’s account. This mission is carried out in compliance with the County Employees Retirement Law of 1937, the Board of Retirement Regulations, and organizational policies.

INTRODUCTION

The Benefits Division pursues the highest quality standards and most efficient processing of member requests through continuous process improvements within the division and in collaboration with its partner divisions throughout LACERA. This fiscal year, acute efforts were focused on the disruptions caused by the pandemic, which forced the division to find new and creative methods for performing work remotely; all while maintaining the highest level of accuracy, efficiency, and legal compliance. Most processes are now being successfully performed remotely. Even as we continue to get the Pandemic under control and we begin to prepare to return to work, we continue to focus on developing solutions to convert the remaining in-office processes to be performed remotely, as well. This preparation will help ensure that we are ready for any future work disruptions that may occur. These remaining processes include the Agency Check Reconciliation, IRIS Check Manager, Death, and Legal processes.

In addition, the Benefits Division has been working closely to develop a metrics program to gain greater insight into the transactions we process for members and how we process those transactions. These metrics will help us make better workforce management decisions and provide us with additional insight into areas that need improvement and innovation.

STAFFING

No. of Positions	Title of Requested Position	Section/Unit
1	Retirement Benefit Specialist III	Benefits Protection Unit
1	Retirement Benefit Specialist III	Account Settlement Unit
1	Retirement Benefit Specialist III	Legal/Death Unit
1	Retirement Benefit Specialist III	Advance Payroll Unit
3	Retirement Benefit Specialist II	Account Settlement Unit

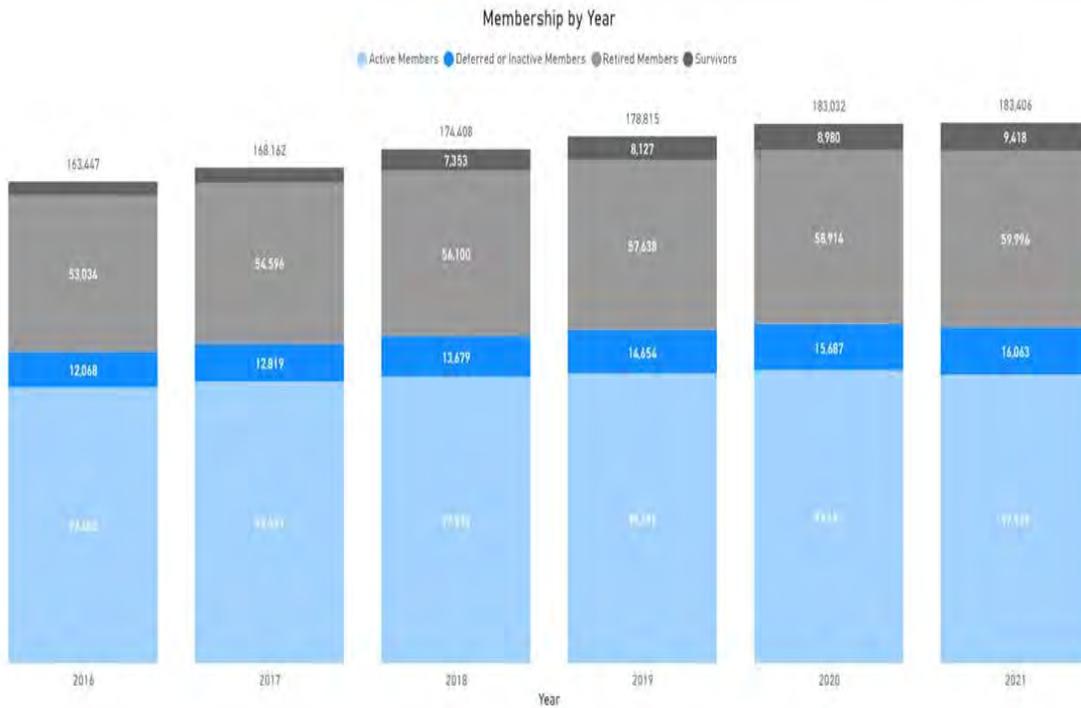
The Benefits Division is requesting seven new positions to fill critical needs in several units experiencing increasing workloads and service delays.

Over the last three years the Benefits Division, in partnership with the Executive Office and Systems worked to develop metrics to help management understand workload, staff capabilities, and resources needed to address increasing delays and backlogs in processing member requests.

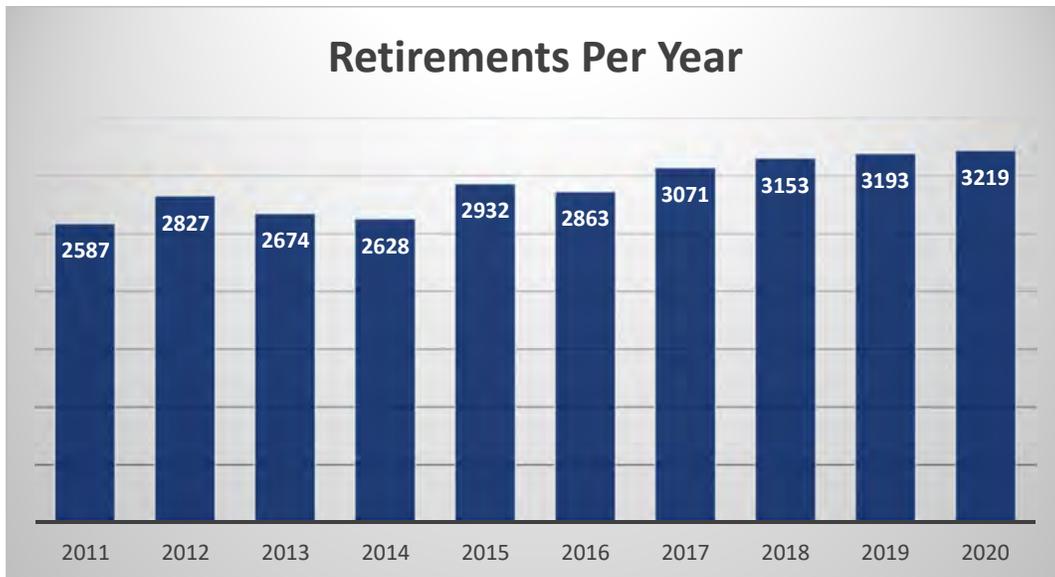
The Benefits Division has noted two trends that have impacted our ability to meet our service commitments to members.

Growth in LACERA Membership

Between 2016 and 2020 LACERA has experienced a net growth of 5,848 Active members; an average growth of 2 percent per year (we excluded 2021 because it was not a full year). During the same time frame, we had an overall net membership growth of over 19,500 in total (an average of 3 percent per year). Two areas of growth are particularly important to the discussion of resources in the Benefits Division: growth in Active and Retired members.



As indicated above, we have seen growth in overall retired membership. The following chart provides some insight into the increase in retirement on a year-to-year basis.

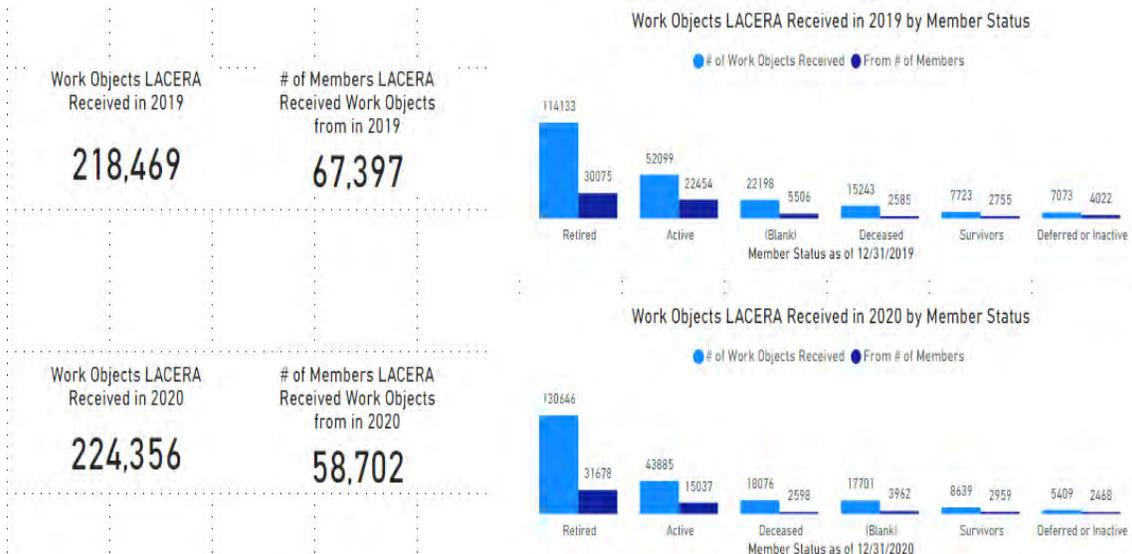


Growth in these two areas have the most impact on the volume of transactions we process as the Active member's drive most transactions, especially as they near retirement.

Increase in Member Transactions

The second trend noted is a year-to-year increase in member transactions. Due to changes in how LACERA stores historical data, we do not have metrics prior to

2018 in this area. However, over the last three years, member transactions have steadily increased year over year. The two charts below show the number of transactions per unique members for 2019 and 2020. The average increase in transactions over this two-year period is 2 percent.



*The category labeled “blank” is a data anomaly for a small group of members who do not have a status listed. Systems is researching these members.

Dealing with the Impacts of Membership Growth

As membership grows, so does the workload our member facing units must address. Each of the units discussed below have witnessed an increase in member requests and corresponding increases in backlogs impacting the level of service we are able to provide to our members.

To address the increasing membership and complexity of member transactions, we continuously review our processing methods, business rules, and system resources to stay ahead of this trend without sacrificing quality or compliance. Through continual innovation we streamline processes where possible. We also continually work with Systems to automate or partially automate processes wherever we can.

However, while improvements and innovation are continuous, the results are not keeping pace with increasing membership and transactions. As a result, management has determined that additional staffing is needed, to meet our current service commitments to members.

Account Settlements Unit (ASU)

The ASU takes appropriate action to resolve account imbalances and outstanding payables or receivables. A continual increase in thoroughness in reviewing accounts reveals that data provided to the payroll system does not consistently collect contributions from retroactive salary adjustments. The number of transactions currently outpaces the resources available in ASU. We have been in contact with the County to work toward a solution to improve collection processes. Improved processes and procedures during certain points in a member's lifetime have led to increased identification of these systematic errors. Currently we have a backlog of over 5,000 work objects created by staff who have identified discrepancies. Additional reports exist that we are reviewing with even more discrepancies and both sources add transactions every pay period. Data analytics indicates it takes staff one hour and 40 minutes to process each of these work objects.

We are requesting three Retirement Benefit Specialist II positions and one Retirement Benefit Specialist III position (for more complex cases) to keep up with the additional workload and to begin reducing the backlog. Once the backlog has been reduced, the additional staff will allow the division to reduce the amount of overtime it has been using due to increased workloads throughout the division.

Benefit Protection Unit (BPU)

The BPU protects our members and LACERA from losses to the fund that could result from member identity theft, fraud, or lost contact with members. Since its inception in 2015, its efforts have revealed a growing need to expand this type of service. The workload continues to increase as we find additional areas where BPU has added value toward protecting members and beneficiaries. A Retirement Benefit Specialist III is being requested for BPU.

Advanced Payroll Unit (APU)

The Advanced Payroll Unit (APU) processes complex retiree processes including disability agenda processing, complex agenda processing, payroll corrections, and complex retiree payroll issues. The volume and complexity of transactions has steadily increased due to transactions related to Final Average Compensation (FAC), disability payroll transition, and reciprocal disabilities cases, among others. Such cases require more thorough analysis to process complex agenda cases.

Therefore, we are requesting one Retirement Benefit Specialist III for APU due to an increase in workload and its complexity. This request is not a result of PEPR, but as a result of the other transactions described above.

Death and Legal Unit (DLU)

This DLU processes death-related transactions, as well as subpoena responses of member records, legal splits, tax levies, and spousal and child support orders. The volume of transactions has steadily risen over the years and legal splits have become more complex and time-consuming to process. One Retirement Benefit Specialist III is being requested for DLU.

Converting One Senior Writer to a Senior Retirement Benefit Specialist

The Benefits Division has a Senior Writer position in the Process Management Group (PMG) that we would like to convert from a Sr. Writer to a Senior Retirement Benefit Specialist. The Sr. Writer position was the result of a transfer of a Senior Writer from the Communications Division to PMG to assist PMG in developing PMG's ability to produce improved written documentation. The position was occupied by the incumbent until 2018. Since then, PMG, Benefits, and the Executive Office have reviewed the need for a writer in PMG. We have determined the team is developing very well written materials and there is no need for a Senior Writer. This position can best be used in a new manner.

For the last few years, the position has been overfilled by a staff member from Disability Retirement Services (DRS). That individual is returning to DRS effective July 1st. and the position will be vacant for FY 2021-22. With the position vacant, Benefits would like to remove the Senior Writer and replace the position with a Senior Retirement Benefit Specialist to be consistent with the remaining structure of the PMG team. This will result in no net change in positions and a net savings of \$13,306 in Benefit Salary & Employee Benefits as the Sr. RBS position is lower than the Senior Writer position.

OVERTIME

Benefits has relied on the use of overtime to supplement its regular production strategies and to help limit the increase in lengthening service levels. Disruptions due to the pandemic have increased service levels. As in the past, overtime is being requested to manage the workload imbalances related to the annual March Rush and interruptions in work production due to the pandemic. To reduce service levels, we have increased our overtime request but will continue to seek improvements in efficiency and automation of our work.

SERVICES AND SUPPLIES

The following line items will be continued at their reduced levels because of the pandemic:

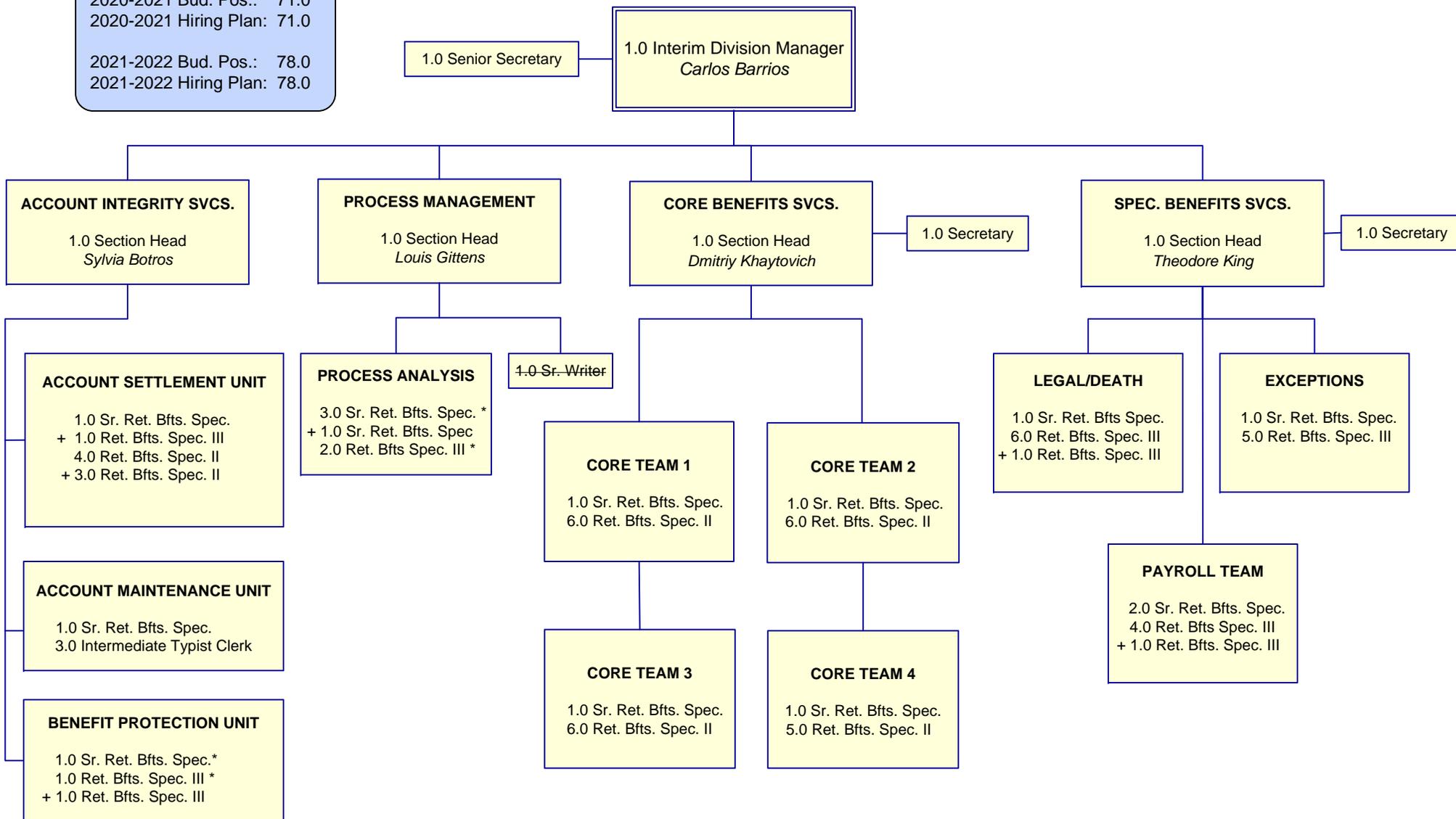
- Transportation and Travel
- Office Supplies and Equipment
- Educational Expenses

BENEFITS DIVISION

FISCAL YEAR 2021-2022

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

2021-2022 Bud. Pos.: 78.0
2021-2022 Hiring Plan: 78.0



+ Added positions

— Deleted position

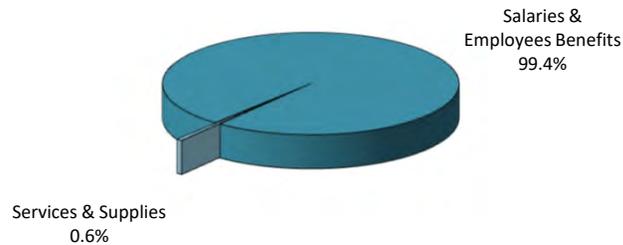
* Classification study for the position requested

LACERA
FISCAL YEAR 2021-2022
BUDGET SUMMARY

BENEFITS DIVISION

	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET		
	PROPOSED BUDGET 2021-2022	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(03-31-21)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$11,285,046	\$10,241,148	\$6,762,985	\$10,135,851	(\$105,297)	-1.0%	\$1,043,898	10.2%
Services & Supplies	72,000	65,400	28,634	41,100	(24,300)	-37.2%	6,600	10.1%
OPERATING BUDGET	\$11,357,046	\$10,306,548	\$6,791,619	\$10,176,951	(\$129,597)	-1.3%	\$1,050,498	10.2%

2021 - 2022 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2021-2022
SALARIES AND EMPLOYEE BENEFITS SUMMARY

BENEFITS DIVISION

	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		BUDGET	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE
			(03-31-21)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$6,264,311	\$5,916,222	\$4,064,823	\$6,019,476	\$103,254	1.7%	\$348,089	5.9%
Total Agency Temp Salaries	71,900	47,700	30,595	47,700	0	0.0%	24,200	50.7%
Employee Benefits (Variable)	3,961,966	3,359,026	2,032,300	3,162,211	(196,815)	-5.9%	602,940	17.9%
Employee Benefits (Other)	374,387	364,063	255,682	360,422	(3,641)	-1.0%	10,324	2.8%
OPEB Contribution	183,782	151,837	133,548	185,664	33,827	22.3%	31,945	21.0%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	398,000	371,600	227,158	340,800	(30,800)	-8.3%	26,400	7.1%
Bilingual Bonus	2,400	2,400	1,700	2,400	0	0.0%	0	0.0%
Sick Leave Buyback	12,000	12,000	16,938	16,938	4,938	41.2%	0	0.0%
Rideshare Allowance	16,300	16,300	240	240	(16,060)	-98.5%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$11,285,046	\$10,241,148	\$6,762,985	\$10,135,851	(\$105,297)	-1.0%	\$1,043,898	10.2%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$11,285,046	\$10,241,148	\$6,762,985	\$10,135,851	(\$105,297)	-1.0%	\$1,043,898	10.2%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 03/15/21, with the exception of Agency Temp Salaries, which are as of 03/31/21.

LACERA
FISCAL YEAR 2021-2022
SALARIES

BENEFITS DIVISION

2021-2022 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT			
00773A	DIVISION MANAGER	1	LS12	11,939	143,272			
00772A	SECTION HEAD, LACERA	4	LS9	41,500	498,004			
01312A	SENIOR RETIREMENT BENEFITS SPECIALIST	13	101F	111,404	1,336,846			
01311A	RETIREMENT BENEFITS SPECIALIST III	16	96A	118,010	1,416,120			
00439A	SENIOR SECRETARY	1	89G	6,229	74,750			
01310A	RETIREMENT BENEFITS SPECIALIST II	27	89F	159,791	1,917,494			
00438A	SECRETARY	2	83D	11,094	133,132			
00445A	INTERMEDIATE TYPIST-CLERK	3	75C	11,485	137,825			
POSITIONS		67			5,657,443			
VACANT POSITIONS		# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
00784A	SENIOR WRITER	(1)	105D	7,275	87,303	(87,303)		
01312A	SENIOR RETIREMENT BENEFITS SPECIALIST	2	101F	6,560	78,719	157,438		
01311A	RETIREMENT BENEFITS SPECIALIST III	6	96A	5,657	67,884			203,652
01310A	RETIREMENT BENEFITS SPECIALIST II	3	89F	4,738	56,852	170,555		
						240,690	0	203,652
POSITIONS		11			444,342			
TOTAL POSITIONS		78						
GROSS SALARIES					6,101,785			
ANTICIPATED MOU SALARY INCREASE**					0			
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE					56,085			
BONUS					65,504			
120-DAY RETIREE(S)		1			40,938			
TOTAL SALARIES					6,264,311			

MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/21.
 Represented/Non-Represented positions are shown at actual salaries as of 01/01/21.
 Represented positions shown in blue.
 Vacancies are shown at the 1st Step.
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 0% to calculate anticipated MOU increase.

LACERA
FISCAL YEAR 2021-2022
SERVICES & SUPPLIES ACCOUNT SUMMARY

BENEFITS DIVISION

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
TRANSPORTATION & TRAVEL	\$6,500	\$4,500	\$0	\$0	(\$4,500)	-100.0%	\$2,000	44.4%
OFFICE SUPPLIES & EQUIPMENT	3,400	3,700	779	1,500	(2,200)	-59.5%	(300)	-8.1%
PROFESSIONAL & SPEC. SRVCS.	46,000	40,000	26,150	35,500	(4,500)	-11.3%	6,000	15.0%
EDUCATIONAL EXPENSES	14,600	15,700	1,705	3,800	(11,900)	-75.8%	(1,100)	-7.0%
MISCELLANEOUS	1,500	1,500	0	300	(1,200)	-80.0%	0	0.0%
TOTAL	\$72,000	\$65,400	\$28,634	\$41,100	(\$24,300)	-37.2%	\$6,600	10.1%

*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

- Executive Office communications support: copywriting for CEO member and staff messages, SACRS and RELAC articles
- Web content creation and maintenance

2021 ACCOMPLISHMENTS AND ONGOING PROJECTS

This year, Communications Division completed its regular projects on deadline, even with most staff members working remotely from home due to safer-at-home restrictions during the COVID-19 pandemic. In addition, staff members continued to move ongoing priority projects forward to help achieve the Boards' outlined strategic goals:

- **Redesign of LACERA.com:** Production of the redesign carried over from 2019, with most of the focus in 2020 consisting of copywriting and approval, web design, content management system selection and implementation, and website development. *In progress.*
 - **Redesign of the Annual Retirement Benefits Statement** also carried over from 2019. Working with Systems Division, Communications has expanded the statement to include new, customized information fields from the member database. *In progress.*
 - **Redesign of the Retirement Summary and Application Form** (formerly the Retirement Benefits Estimate), with an expanded dynamic (member-specific) form design. *In progress.*
 - **Plan Book updates.** In coordination with the LACERA.com redesign, member plan books require updates. Plan books should be the definitive source for member information. *In progress.*
 - **Development of a Social Media strategy and policy.** *Pending review and approval.*
 - **Redesign of the *Pre-Retirement Guide*,** in coordination with multiple internal stakeholders and subject matter experts. *Pending approval.*
 - **Quality Assurance and Metrics e-learning video modules.** *In progress.*
- Campaigns** for LACERA ID, Return to Work, SMS, Opt-out, My LACERA, Direct Deposit, and Update Your Beneficiary. *In progress.*

STAFFING

After a period of growth between 2017 and 2019, in which seven permanent employees were hired, Communications Division staffing has mostly stabilized. Collaboration and efficiency have increased as staff members have been assigned specific ongoing projects, basically becoming specialists in their respective duties.

In 2020, we received approval to create a Public Information Officer position to meet increased media requests and required communications to the public. Recruitment is underway.

The Web Support Technician position has been filled as of March 2021.

Open budgeted positions to be filled in 2021 are one Senior Writer and one Media Artist.

We are asking for a classification study for two Senior Media Artist positions as we continue to elevate our graphic design standards as well as prepare to rebrand LACERA as part of our Communications plan and vision. If the positions are approved by LACERA's Executive Office and Boards and the Board of Supervisors, two current Media Artist positions would be converted to Senior Media Artist positions. The resulting structure would balance the production teams to include a Senior Media Artist and Senior Writer on each team.

GOALS

FY 2021-2022 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, as well as active participation in professional associations
- Create a virtual HR Pros conference to accommodate COVID-19 restrictions for 2021. The goal for future conferences is to move to an offsite location to accommodate demand, and hold the event on one day instead of three.

Long-Term Goals:

- Establish and maintain a cohesive look for all print and digital materials and member communications, including a full rebranding of LACERA collateral
- Automate our project request and tracking process through an online platform, to boost efficiency and provide convenience for internal clients
- Increased video production for internal and member-facing communications
- Increased use of technological tools and online platforms

Goals Relating to the Communications Plan:

Communications Division has created a Communications Plan, which is pending presentation and approval by the Executive Office and Boards.

New Line Items: For 2021, under Professional and Specialized Services, Communications added a line item for campaigns currently in development, as well as seed money for our long-term rebranding project.

Anticipated Needs: Once we have received feedback and direction from the Executive Office and Boards, we anticipate needing additional resources to move forward with

approved strategic initiatives proposed in the plan. We also expect various divisions will need communications support with special projects, and will be expanding our use of technology to meet members' expectations for service and interactivity.

SERVICES AND SUPPLIES

Each of the Communications Division's line items was carefully reviewed. Those not already addressed or having accompanying notes in the budget request are explained below:

- A one-time request for Mac equipment is requested to accommodate new hires.

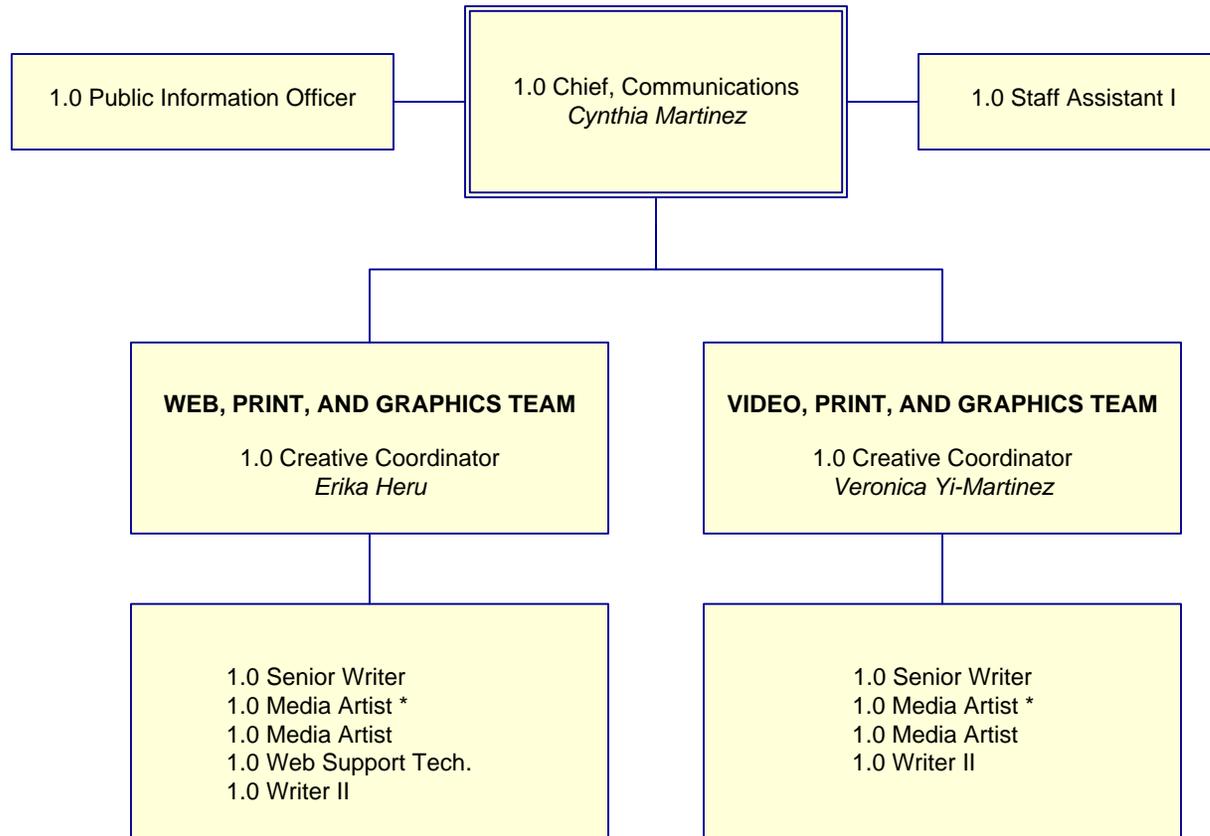
Thank you for your continued confidence in and support of the Communications Division.

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

2021-2022 Bud. Pos.: 14.0
2021-2022 Hiring Plan: 14.0

COMMUNICATIONS

FISCAL YEAR 2021-2022



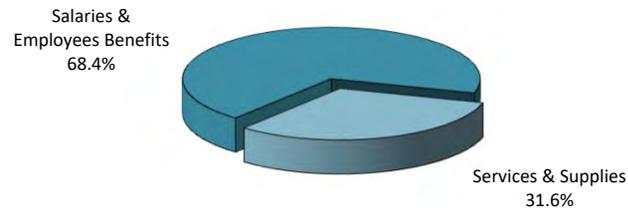
* Classification study for the position requested. (Position upgrade from Media Artist to Sr. Media Artist is pending Board approval)

LACERA
FISCAL YEAR 2021-2022
BUDGET SUMMARY

COMMUNICATIONS

	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET		
	PROPOSED BUDGET 2021-2022	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(03-31-21)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$2,253,791	\$1,867,768	\$1,116,128	\$1,731,580	(\$136,188)	-7.3%	\$386,023	20.7%
Services & Supplies	1,041,500	1,006,100	614,899	894,468	(111,632)	-11.1%	35,400	3.5%
OPERATING BUDGET	\$3,295,291	\$2,873,868	\$1,731,027	\$2,626,048	(\$247,820)	-8.6%	\$421,423	14.7%

2021 - 2022 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2021-2022
SALARIES & EMPLOYEE BENEFITS SUMMARY

COMMUNICATIONS

	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$1,290,318	\$1,055,333	\$637,806	\$1,012,128	(\$43,205)	-4.1%	\$234,985	22.3%
Total Agency Temp Salaries	79,600	135,700	71,570	71,570	(64,130)	-47.3%	(56,100)	-41.3%
LACERA Intern Program	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	760,302	558,683	328,177	536,656	(22,027)	-3.9%	201,619	36.1%
Employee Benefits (Other)	77,116	77,804	54,257	77,026	(778)	-1.0%	(688)	-0.9%
OPEB Contribution	37,855	32,449	20,825	29,200	(3,249)	-10.0%	5,406	16.7%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	4,100	3,300	3,492	5,000	1,700	51.5%	800	24.3%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	3,500	3,500	0	0	(3,500)	-100.0%	0	0.0%
Rideshare Allowance	1,000	1,000	0	0	(1,000)	-100.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$2,253,791	\$1,867,768	\$1,116,128	\$1,731,580	(\$136,188)	-7.3%	\$386,023	20.7%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$2,253,791	\$1,867,768	\$1,116,128	\$1,731,580	(\$136,188)	-7.3%	\$386,023	20.7%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 03/15/21, with the exception of Agency Temp Salaries, which are as of 03/31/21.

LACERA
FISCAL YEAR 2021-2022
SALARIES

COMMUNICATIONS

2021-2022 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT			
00794A	CHIEF, COMMUNICATIONS	1	LS10	12,835	154,018			
00779A	CREATIVE COORDINATOR	2	107E	18,122	217,460			
00784A	SENIOR WRITER	1	105D	8,561	102,730			
00789A	MEDIA ARTIST	2	99H	16,172	194,065			
00787A	WEB SUPPORT TECHNICIAN	1	95K	5,630	67,555			
00786A	WRITER II	2	95K	11,888	142,654			
00426A	STAFF ASSISTANT I	1	85E	4,726	56,711			
POSITIONS		10			935,192			
VACANT POSITIONS		# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
00784A	SENIOR WRITER	1	105D	7,275	87,303	87,303		
00465A	PUBLIC INFORMATION OFFICER	1	104C	7,063	84,757	84,757		
00789A	MEDIA ARTIST	2	99H	6,245	74,935	149,869		
						321,930	0	0
POSITIONS		4			321,930			
TOTAL POSITIONS		14						
GROSS SALARIES					1,257,122			
ANTICIPATED MOU SALARY INCREASE**					0			
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE					33,196			
BONUS					0			
120-DAY RETIREE(S)					0			
TOTAL SALARIES					1,290,318			

MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/21.
 Represented/Non-Represented positions are shown at actual salaries as of 01/01/21.
 Represented positions shown in blue.
 Vacancies are shown at the 1st Step.
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 0% to calculate anticipated MOU increase.

LACERA
FISCAL YEAR 2021-2022
SERVICES AND SUPPLIES

COMMUNICATIONS

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
TRANSPORTATION & TRAVEL	\$7,500	\$2,000	\$0	\$0	(\$2,000)	-100.0%	\$5,500	275.0%
POSTAGE	300,000	300,000	165,985	280,000	(20,000)	-6.7%	0	0.0%
STATIONERY & FORMS	641,500	636,600	410,114	565,268	(71,332)	-11.2%	4,900	0.8%
OFFICE SUPPLIES & EQUIPMENT	5,000	8,000	1,940	2,500	(5,500)	-68.8%	(3,000)	-37.5%
PROFESSIONAL & SPEC. SRVCS.	62,000	32,000	25,087	30,000	(2,000)	-6.3%	30,000	93.8%
COMPUTER SERVICES & SUPPORT	14,500	16,500	8,249	11,700	(4,800)	-29.1%	(2,000)	-12.1%
EDUCATIONAL EXPENSES	10,400	10,400	3,321	4,700	(5,700)	-54.8%	0	0.0%
MISCELLANEOUS	600	600	203	300	(300)	-50.0%	0	0.0%
TOTAL	\$1,041,500	\$1,006,100	\$614,899	\$894,468	(\$111,632)	-11.1%	\$35,400	3.5%

*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.

DIVISION UPDATE

Despite the challenges presented in 2020 by the unprecedented lockdowns from COVID-19, the DLO continued to maintain a high level of performance and productivity. The DLO was able to successfully conduct a majority of its operation remotely, as a result of newly provided equipment and software applications. Our attorneys were also able to successfully hold hybrid hearings, where participants were both onsite and offsite, with the advent of new technology. The DLO, along with its business partners, continues to research and refine its ability to hold hearings remotely wherever possible, to keep all participants safe. The current remote capabilities have allowed the DLO to maintain a minimum level of staff onsite at any given time.

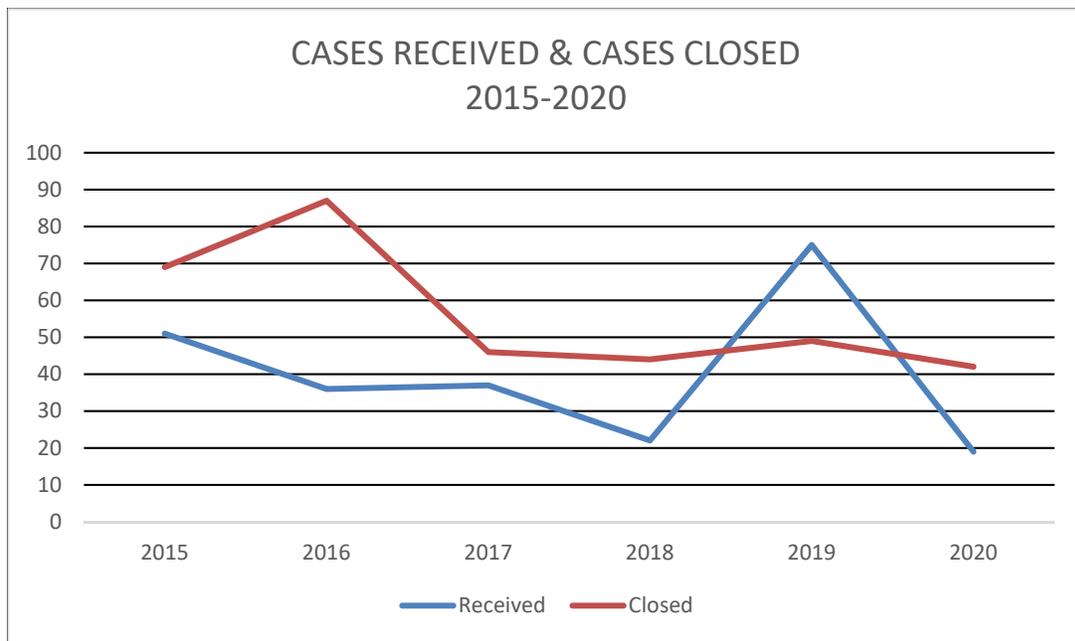
However, the DLO's biggest challenge is that its operation is still primarily paper-based, which requires the DLO staff to be onsite periodically to handle mail and other paperwork. While the DLO staff is taking initiative to move more of its

operation to be electronic, much depends on the technical capabilities of our third-party participants, such as pro per applicants, referees, and applicant attorneys. The DLO staff continues to look for ways to help and encourage our third-party participants to use technology to reduce our need for paper and in-person appearances, while maintaining the same level of productivity on our cases.

INVENTORY OF CASES

The DLO has 93 active cases as of January 14, 2021. The average age of these active cases is two years and 26 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. Cases do not move forward until the Applicant files a prehearing statement.

The number of cases received has fluctuated over the years, and the number of cases closed has remained steady over the last several years 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 did not continue because the deadline for applicants to file for the correction appeal expired on December 31, 2019.

Based on the statistics from the last five years, the DLO anticipates it will receive approximately 28 regular¹ cases in 2021.

In terms of how quickly a case is litigated, the average lifespan for all cases that were closed from 2010 to 2020 was 2 years, 7 months, and 8 days.

STAFFING

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

SERVICES AND SUPPLIES

The DLO budget request for services and supplies is slightly increased from the prior year for purposes of staff development and succession planning. We are requesting funding for a Senior Staff Counsel to attend a certificate program with Harvard Business School Online. The choices include Management Essentials, an 8-week program that concentrates on decision-making; implementation, organizational learning, and change management (\$1,600); Strategy Execution, a 6-week program that teaches the tools, skills, and frameworks to successfully implement strategy within your organization (\$1,750); and Leadership Principles, a 6-week course geared towards bringing out the best in others by applying and adapting your leadership style and managing the conditions that drive team performance (\$1,750). We will send one Senior Staff Counsel to one of these programs in fiscal year 2021-2022.

We are also requesting a slight increase in travel and transportation funds to adjust for cancelled educational events due to COVID-19.

FUTURE

The DLO looks forward to working with its internal business partners in moving towards a fully electronic operation, including mail and electronic filings. The DLO attorneys have already had success in conducting some hearings entirely remotely through Microsoft Teams and other technology.

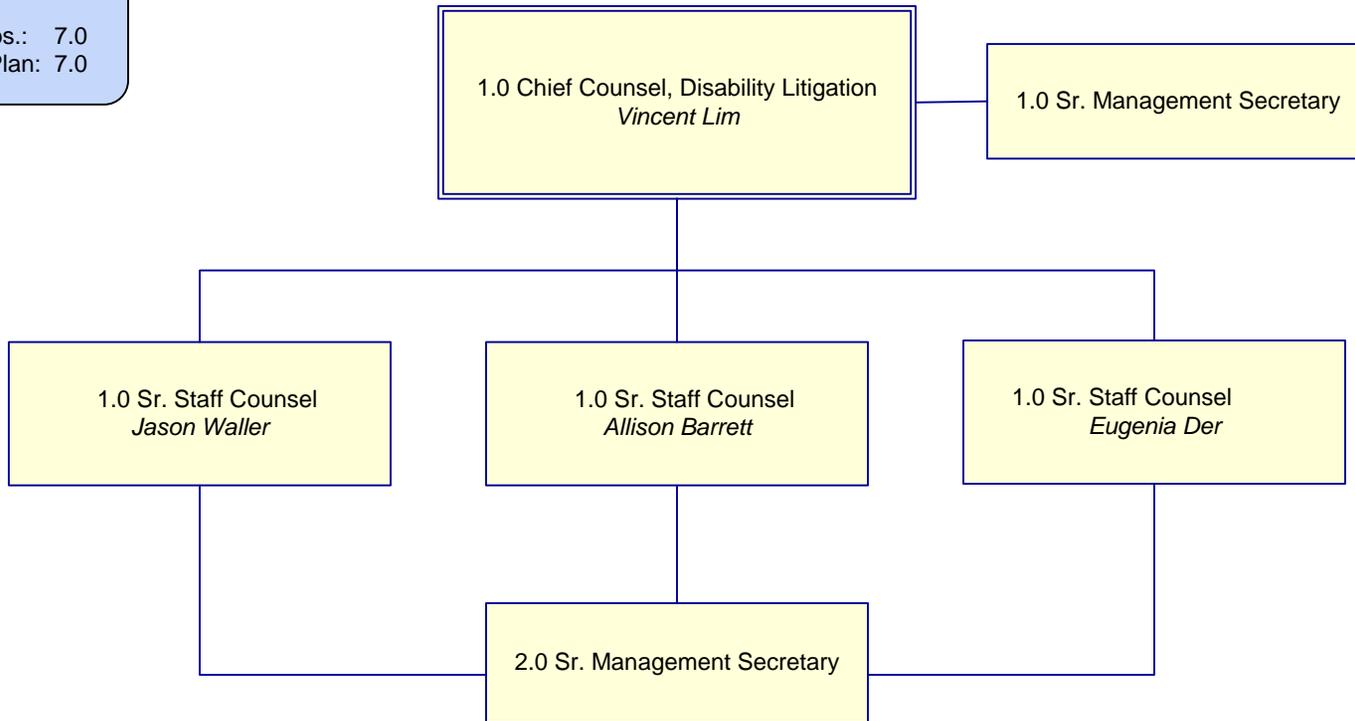
¹Regular cases are cases that are not Earlier Effective Date correction appeals.

DISABILITY LITIGATION

FISCAL YEAR 2021-2022

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

2021-2022 Bud. Pos.: 7.0
2021-2022 Hiring Plan: 7.0

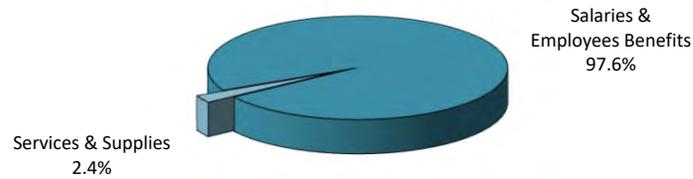


LACERA
FISCAL YEAR 2021-2022
BUDGET SUMMARY

DISABILITY LITIGATION

	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET		
	PROPOSED BUDGET 2021-2022	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(03-31-21)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$2,141,130	\$2,035,878	\$1,393,776	\$2,035,379	(\$499)	-0.02%	\$105,252	5.2%
Services & Supplies	52,500	42,600	25,093	33,500	(9,100)	-21.4%	9,900	23.2%
OPERATING BUDGET	\$2,193,630	\$2,078,478	\$1,418,868	\$2,068,879	(\$9,599)	-0.5%	\$115,152	5.5%

2021 - 2022 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2021-2022
SALARIES AND EMPLOYEE BENEFITS SUMMARY

DISABILITY LITIGATION

	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$1,294,960	\$1,256,001	\$867,816	\$1,255,500	(\$501)	0.0%	\$38,959	3.1%
Total Agency Temp Salaries	0	8,700	0	0	(8,700)	-100.0%	(8,700)	-100.0%
Employee Benefits (Variable)	729,886	660,752	445,473	668,514	7,762	1.2%	69,134	10.5%
Employee Benefits (Other)	77,393	77,290	53,899	76,517	(773)	-1.0%	103	0.1%
OPEB Contribution	37,991	32,235	26,588	34,848	2,613	8.1%	5,756	17.9%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	0	0	0	0	0	0.0%	0	0.0%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	0	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	900	900	0	0	(900)	-100.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$2,141,130	\$2,035,878	\$1,393,776	\$2,035,379	(\$499)	-0.02%	\$105,252	5.2%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$2,141,130	\$2,035,878	\$1,393,776	\$2,035,379	(\$499)	-0.02%	\$105,252	5.2%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 03/15/21, with the exception of Agency Temp Salaries, which are as of 03/31/21.

LACERA
FISCAL YEAR 2021-2022
SALARIES

DISABILITY LITIGATION

2021-2022 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT			
09215A	CHIEF COUNSEL, DISABILITY LITIGATION	1	LS18	23,936	287,234			
09213A	SENIOR STAFF COUNSEL	3	LS16	58,300	699,603			
00441A	SENIOR MANAGEMENT SECRETARY	3	97G	22,807	273,680			
	POSITIONS	<u>7</u>			<u>1,260,517</u>			
VACANT POSITIONS		# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
	POSITIONS	<u>0</u>			<u>0</u>			
	TOTAL POSITIONS	7						
	GROSS SALARIES				<u>1,260,517</u>			
	ANTICIPATED MOU SALARY INCREASE**				<u>0</u>			
	ANTICIPATED STEP AND/OR MERIT SALARY INCREASE				<u>34,443</u>			
	BONUS				<u>0</u>			
	120-DAY RETIREE(S)				<u>0</u>			
	TOTAL SALARIES				<u>1,294,960</u>			

MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/21.
 Represented/Non-Represented positions are shown at actual salaries as of 01/01/21.
 Represented positions shown in blue.
 Vacancies are shown at the 1st Step.
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 0% to calculate anticipated MOU increase.

LACERA
FISCAL YEAR 2021-2022
SERVICES & SUPPLIES ACCOUNT SUMMARY

DISABILITY LITIGATION

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
AUTO EXPENSE	\$3,000	\$3,100	\$798	\$1,800	(\$1,300)	-41.9%	(\$100)	-3.2%
TRANSPORTATION & TRAVEL	6,800	4,500	0	0	(4,500)	-100.0%	2,300	51.1%
OFFICE SUPPLIES & EQUIPMENT	1,500	1,800	503	1,000	(800)	-44.4%	(300)	-16.7%
LEGAL FEES & SERVICES	7,500	10,500	3,976	5,600	(4,900)	-46.7%	(3,000)	-28.6%
EDUCATIONAL EXPENSES	33,000	22,000	19,816	25,100	3,100	14.1%	11,000	50.0%
MISCELLANEOUS	700	700	0	0	(700)	-100.0%	0	0.0%
TOTAL	\$52,500	\$42,600	\$25,093	\$33,500	(\$9,100)	-21.4%	\$9,900	23.2%

*All amounts rounded to the nearest dollar.



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.

Additionally, 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.

INVENTORY OF CASES

Disability Retirement Services currently has 689 pending cases. This number fluctuates regularly as applications are accepted, closed, and processed on a daily, weekly, and monthly basis.

Our current average monthly production is 45 cases to the Board of Retirement per month with an average processing time of 13.5 months. Our 3-year average annual production is 536 cases. Our goal remains to process an average of 50 cases monthly within 12 months or less.

DRS was not successful in achieving our stated goal this fiscal year due to COVID-19. Although our productivity has remained consistent, delays in timeliness and an increase in productivity were not realized as DRS management focused on moving operations from a paper driven process and in-office workforce to a virtual process and remote workforce with new tools, technology, processes, and procedures.

STAFFING

There are currently 41 budgeted full-time positions in DRS. 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 2021-22.

Temp Agency

Staff is requesting two agency-temporary administrative staff to support both our intake and all three investigative teams due to COVID-19 and recent process and procedure changes as well as the extended leave of one of our Senior Typist Clerks in FY 2021-22.

Classification Study

The Board approved a classification study of the Disability Retirement Specialist Supervisor position for FY 2020-2021 as the role and responsibilities of the supervisor position in Disability Retirement Services had substantially increased over the years. However, due to COVID-19 and competing priorities, the classification study was not completed by the end of the FY 2020-2021. Therefore, we are requesting the classification study be approved for FY 2021-2022.

SERVICES AND SUPPLIES

Medical Fees

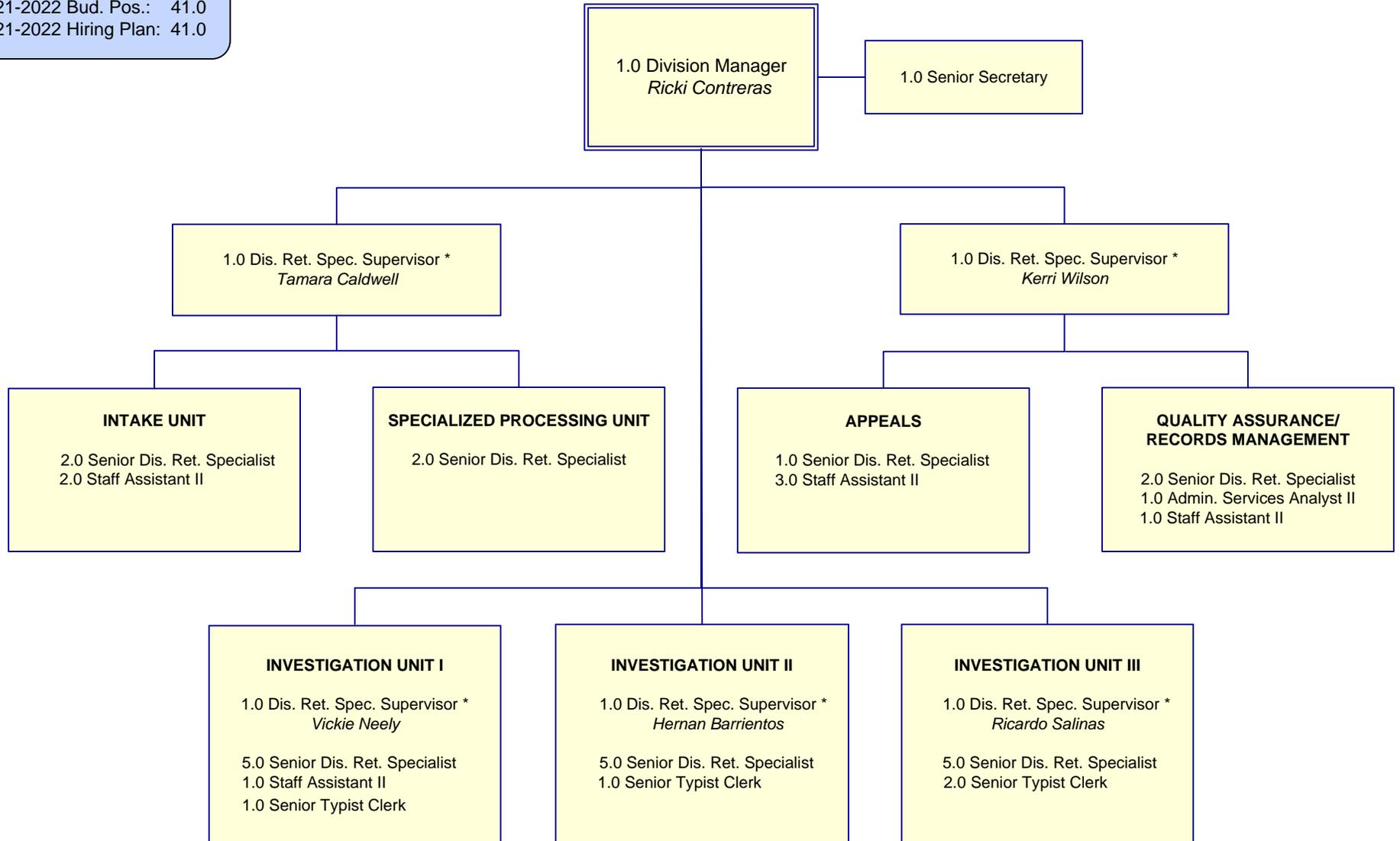
Staff requests an additional \$600,000 to cover the anticipated increase in medical fees due to the adoption of a new medical fee schedule which is pending Board of Retirement approval in June 2021. The adoption of a new medical fee schedule was recommended by staff in response to a new workers' compensation fee schedule effective April 1, 2021. The recommended increase will allow LACERA to remain competitive with regard to panel physician compensation in med-legal evaluations and reporting. It is imperative for LACERA to retain a well-qualified panel of Board Certified Physicians and ensure our members continue to receive timely and quality independent medical evaluations.

DISABILITY RETIREMENT

FISCAL YEAR 2021-2022

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

2021-2022 Bud. Pos.: 41.0
 2021-2022 Hiring Plan: 41.0



+ Added position

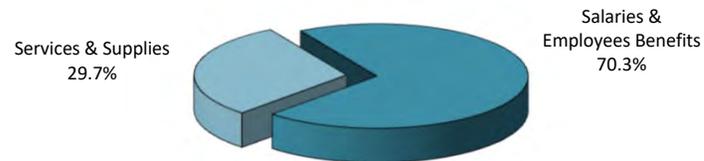
* Classification and/or compensation study requested.

LACERA
FISCAL YEAR 2021-2022
BUDGET SUMMARY

DISABILITY RETIREMENT

	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
Salaries & Employees Benefits	\$6,962,398	\$6,347,485	\$4,228,015	\$6,349,340	\$1,855	0.03%	\$614,913	9.7%
Services & Supplies	2,935,000	2,363,800	1,056,656	2,235,200	(128,600)	-5.4%	571,200	24.2%
OPERATING BUDGET	\$9,897,398	\$8,711,285	\$5,284,672	\$8,584,540	(\$126,745)	-1.5%	\$1,186,113	13.6%

2021 - 2022 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2021-2022
SALARIES AND EMPLOYEE BENEFITS SUMMARY

DISABILITY RETIREMENT

	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$3,971,485	\$3,793,694	\$2,476,243	\$3,768,603	(\$25,091)	-0.7%	\$177,791	4.69%
Total Agency Temp Salaries	143,000	72,100	65,254	72,100	0	0.0%	70,900	98.34%
Employee Benefits (Variable)	2,467,442	2,127,520	1,417,537	2,134,159	6,639	0.3%	339,922	15.98%
Employee Benefits (Other)	237,356	235,819	165,125	233,460	(2,359)	-1.0%	1,537	0.65%
OPEB Contribution	116,515	98,351	89,487	124,145	25,794	26.2%	18,164	18.47%
Stipends	0	0	0	0	0	0.0%	0	0.00%
Overtime	16,100	9,500	12,496	15,000	5,500	57.9%	6,600	69.47%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.00%
Sick Leave Buyback	6,000	6,000	1,873	1,873	(4,127)	-68.8%	0	0.00%
Rideshare Allowance	4,500	4,500	0	0	(4,500)	-100.0%	0	0.00%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.00%
ADJUSTED GROSS S&EB	\$6,962,398	\$6,347,485	\$4,228,015	\$6,349,340	\$1,855	0.0%	\$614,913	9.7%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$6,962,398	\$6,347,485	\$4,228,015	\$6,349,340	\$1,855	0.03%	\$614,913	9.7%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 03/15/21, with the exception of Agency Temp Salaries, which are as of 03/31/21.

LACERA
FISCAL YEAR 2021-2022
SALARIES

DISABILITY RETIREMENT

2021-2022 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT			
00773A	DIVISION MANAGER	1	LS12	15,510	186,117			
01643A	DISABILITY RETIRE. SPECIALIST SUPV.	5	106F	48,481	581,768			
01632A	SENIOR DISABILITY RETIRE. SPECIALIST	21	102F	176,410	2,116,920			
00420A	ADMINISTRATIVE SERVICES ANALYST II	1	93H	7,151	85,810			
00427A	STAFF ASSISTANT II	6	92E	38,185	458,222			
00439A	SENIOR SECRETARY	1	89G	6,062	72,750			
00446A	SENIOR TYPIST CLERK	4	79B	18,968	227,611			
POSITIONS		39			3,729,197			
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	102F	6,740	80,882	80,882		
00427A	STAFF ASSISTANT II	1	92E	5,127	61,523	61,523		
						142,405	0	0
POSITIONS		2			142,405			
TOTAL POSITIONS		41						
GROSS SALARIES					3,871,602			
ANTICIPATED MOU SALARY INCREASE**					0			
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE					32,535			
BONUS					67,347			
120-DAY RETIREE(S)					0			
TOTAL SALARIES					3,971,485			

MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/21.
 Represented/Non-Represented positions are shown at actual salaries as of 01/01/21.
 Represented positions shown in blue.
 Vacancies are shown at the 1st Step.
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 0% to calculate anticipated MOU increase.

LACERA
FISCAL YEAR 2021-2022
SERVICES & SUPPLIES ACCOUNT SUMMARY

DISABILITY RETIREMENT

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
TRANSPORTATION & TRAVEL	\$8,000	\$6,000	\$0	\$0	(\$6,000)	-100.0%	\$2,000	33.3%
OFFICE SUPPLIES & EQUIPMENT	6,000	6,000	1,357	2,700	(3,300)	-55.0%	0	0.0%
PROFESSIONAL & SPEC. SRVCS.	224,500	225,000	132,949	225,000	0	0.0%	(500)	-0.2%
LEGAL FEES & SERVICES	20,000	30,000	4,592	8,000	(22,000)	-73.3%	(10,000)	-33.3%
DISABILITY FEES & SERVICES	2,665,500	2,086,000	914,783	1,992,500	(93,500)	-4.5%	579,500	27.8%
EDUCATIONAL EXPENSES	10,700	10,300	2,975	6,700	(3,600)	-35.0%	400	3.9%
MISCELLANEOUS	300	500	0	300	(200)	-40.0%	(200)	-40.0%
TOTAL	\$2,935,000	\$2,363,800	\$1,056,656	\$2,235,200	(\$128,600)	-5.4%	\$571,200	24.2%

*All amounts rounded to the nearest dollar.



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 requesting to add one Special Assistant position for the FY 2021-2022 budget. The Special Assistant will be responsible for assisting the Chief Deputy Officer and the two Assistant Executive Officers with special projects throughout the year. Projects may range from acting as a project manager on annual strategic planning efforts, major initiatives like developing a new budget process, to researching assignments and analytics of data generated by division management to help identify areas of operational efficiencies. This position may also be assigned to assist divisions as needed. The position will report to the Deputy Chief Executive Officer with dotted line reporting to the two Assistant Executive Officers.

In FY 2020-2021, LACERA added a Chief Information Security Officer (CISO) and began building out an Information Security Team. The CISO and his team are responsible for establishing privacy policies and procedures, evaluating adherence to those policies and procedures, reviewing authorization and privacy control structures such as administrative access rights, and independently evaluating vendor security operational controls to make

sure they are sufficiently in compliance with best practices. They are also responsible for educating LACERA staff on cybersecurity risks and best practices.

The CISO functionally reports directly to the Executive Office. However, the CISO and the Security team hired by the CISO were hired under positions allocated to the Systems Division on the Org Chart. In order to ensure their independence and objectivity so that they can carry out their oversight of IT security, and the security protocols across all LACERA divisions, both the CISO and the Security team should not be included in the Systems Division reporting structure. For this reason, we propose to move the five Information Security positions from the Systems Division to the Executive Office. The team will continue to report to the CISO who reports to the Chief Executive Officer. Our plan is to complete preparations to create an Information Security Division for consideration at the mid-year budget adjustment.

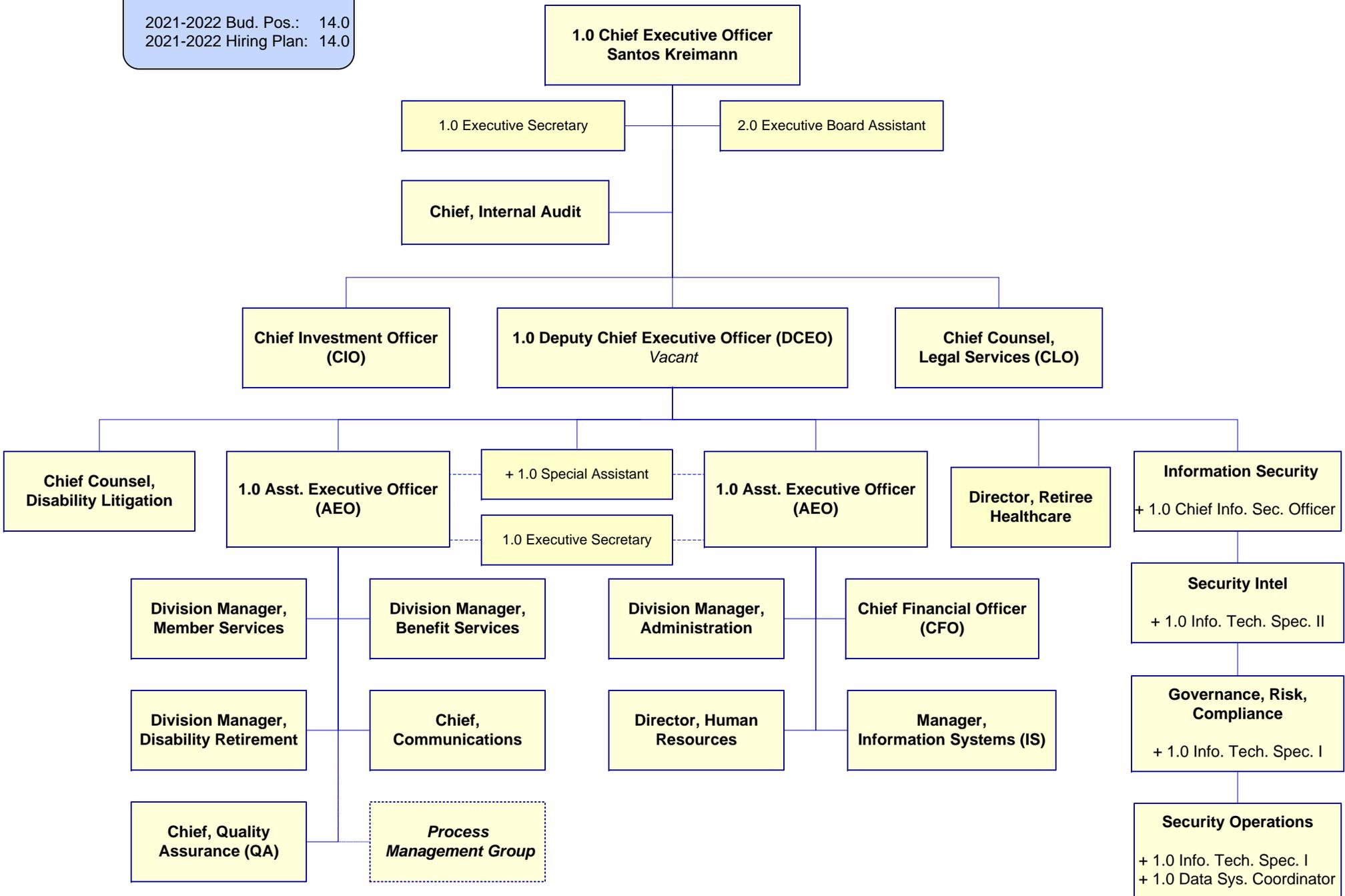
SERVICES AND SUPPLIES

The Executive Office is not requesting any significant changes in the Services and Supplies budget over what was requested at the mid-year budget adjustment in December 2020. However, to realign and properly assign costs to the respective divisions with operational responsibilities we have reassigned \$60,000 in costs to the Legal Office for Legislative Consultants.

EXECUTIVE OFFICE

FISCAL YEAR 2021-2022

2020-2021 Bud. Pos.: 8.0
 2020-2021 Hiring Plan: 7.0
 2021-2022 Bud. Pos.: 14.0
 2021-2022 Hiring Plan: 14.0



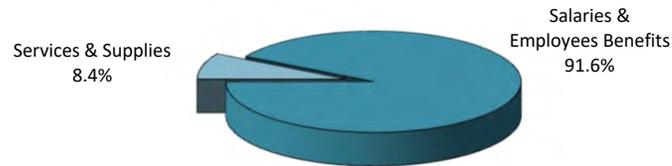
+ Added position
 [Dotted Box] Added new division "Process Management Group" (pending)

LACERA
FISCAL YEAR 2021-2022
BUDGET SUMMARY

EXECUTIVE OFFICE

	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET		
	PROPOSED BUDGET 2021-2022	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(03-31-21)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$3,490,434	\$1,899,420	\$1,365,359	\$2,033,736	\$134,316	7.1%	\$1,591,014	83.8%
Services & Supplies	318,800	428,700	109,840	204,075	(224,625)	-52.4%	(109,900)	-25.6%
OPERATING BUDGET	\$3,809,234	\$2,328,120	\$1,475,198	\$2,237,811	(\$90,309)	-3.9%	\$1,481,114	63.6%

2021 - 2022 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2021-2022
SALARIES AND EMPLOYEE BENEFITS SUMMARY

EXECUTIVE OFFICE

	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$2,073,672	\$1,204,464	\$796,793	\$1,195,190	(\$9,274)	-0.8%	\$869,208	72.2%
Total Agency Temp Salaries	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	1,139,992	493,613	447,516	657,738	164,125	33.2%	646,379	130.9%
Employee Benefits (Other)	123,933	76,879	53,612	76,110	(769)	-1.0%	47,054	61.2%
OPEB Contribution	60,837	32,063	28,606	41,798	9,735	30.4%	28,774	89.7%
Stipends	65,000	65,000	37,752	58,900	(6,100)	-9.4%	0	0.0%
Overtime	25,600	25,000	1,078	4,000	(21,000)	-84.0%	600	2.4%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	0	1,000	0	0	(1,000)	-100.0%	(1,000)	-100.0%
Rideshare Allowance	1,400	1,400	0	0	(1,400)	-100.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$3,490,434	\$1,899,420	\$1,365,359	\$2,033,736	\$134,316	7.1%	\$1,591,014	83.8%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$3,490,434	\$1,899,420	\$1,365,359	\$2,033,736	\$134,316	7.1%	\$1,591,014	83.8%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 03/15/21, with the exception of Agency Temp Salaries, which are as of 03/31/21.

LACERA
FISCAL YEAR 2021-2022
SALARIES

EXECUTIVE OFFICE

2021-2022 BUDGET

	FILLED POSITIONS	# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT
00776L	CHIEF EXECUTIVE OFFICER	1	LR27	33,333	400,000
00792A	ASSISTANT EXECUTIVE OFFICER (UC)	1	LS16	19,515	234,183
00745A	EXECUTIVE BOARD ASSISTANT	2	104K	18,850	226,200
00442A	EXECUTIVE SECRETARY	2	101G	17,249	206,991

POSITIONS 6 1,067,374

	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)	1	LR18	16,292	195,507	195,507		
00792A	ASSISTANT EXECUTIVE OFFICER (UC)	1	LS16	14,098	169,179	169,179		
00775A	SPECIAL ASSISTANT	1	LS12	10,557	126,681	126,681		
00806A	CHIEF INFO. SEC. OFFICER	1	LS12	10,557	126,681			63,341
00802A	INFORMATION TECHNOLOGY SPECIALIST II	1	123G	11,942	143,306	143,306		
00801A	INFORMATION TECHNOLOGY SPECIALIST I	2	118E	10,377	124,523		186,784	
00469A	DATA SYSTEMS COORDINATOR	1	111C	8,540	102,475	102,475		
						737,147	186,784	63,341

POSITIONS 8 987,272

TOTAL POSITIONS 14

GROSS SALARIES 2,054,646

ANTICIPATED MOU SALARY INCREASE** 0

ANTICIPATED STEP AND/OR MERIT SALARY INCREASE 19,025

BONUS 0

120-DAY RETIREE(S) 0

TOTAL SALARIES 2,073,672

MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/21.
Represented/Non-Represented positions are shown at actual salaries as of 01/01/21.
[Represented positions shown in blue.](#)

Vacancies are shown at the 1st Step.
*All amounts rounded to the nearest dollar.

** Gross salaries are multiplied by 0% to calculate anticipated MOU increase.

LACERA
FISCAL YEAR 2021-2022
SERVICES & SUPPLIES ACCOUNT SUMMARY

EXECUTIVE OFFICE

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
AUTO EXPENSE	\$12,300	\$17,800	\$1,711	\$3,475	(\$14,325)	-80.5%	(\$5,500)	-30.9%
TRANSPORTATION & TRAVEL	17,000	18,000	50	100	(17,900)	-99.4%	(1,000)	-5.6%
OFFICE SUPPLIES & EQUIPMENT	4,500	4,500	517	600	(3,900)	-86.7%	0	0.0%
PROFESSIONAL & SPEC. SRVCS.	205,000	260,000	94,388	175,000	(85,000)	-32.7%	(55,000)	-21.2%
EDUCATIONAL EXPENSES	64,000	68,400	11,106	21,000	(47,400)	-69.3%	(4,400)	-6.4%
MISCELLANEOUS	16,000	60,000	2,068	3,900	(56,100)	-93.5%	(44,000)	-73.3%
TOTAL	\$318,800	\$428,700	\$109,840	\$204,075	(\$224,625)	-52.4%	(\$109,900)	-25.6%

*All amounts rounded to the nearest dollar.



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 LACERA’s Mission by conducting investment and administrative financial transactions while ensuring compliance with regulatory and statutory financial reporting mandates.

The FASD team strives to provide a high level of service to external and internal stakeholders. Our current operating capacity is constrained by our human resources where we have a number of vacancies within the Division. Staff continue to show their significant commitment to serving the LACERA members. The workload is managed by staff absorbing the duties and responsibilities of vacant positions, using overtime, deferring vacations, and acquiring temporary staffing. A significant focus for the upcoming fiscal year will be on recruiting and hiring efforts. Once the staffing numbers reach a higher level, additional strategic initiatives and special projects can be completed.

FASD’s budget request seeks to maintain financial reporting quality, ensure financial transactions are completed timely and accurately, support LACERA Trustees and organizational initiatives, while mitigating risks and managing change. To accomplish this, FASD requests authorization to:

1. Upgrade two entry-level Accounting Technician I positions to journey-level Accountant positions.
2. Partner with Human Resources to aggressively recruit and fill vacant positions which will improve staff moral and reduce the reliance on temporary staffing for critical needs.

3. Renew the CAFR (Comprehensive Annual Financial Report) preparation software tool for a multi-year agreement. This technology-based solution, to replace the standard labor-intensive manual process and benefit two work groups in their CAFR related responsibilities: (1) for FASD in preparing the CAFR; and (2) for the external auditor and key LACERA staff in reviewing/verifying information included in the CAFR.
4. Investigate and implement an efficient travel and expense technology solution to satisfy previous external audit recommendations to reduce the time and effort required by travelers and staff to capture and submit documents which substantiate claimable expenses.

STAFFING

Reclassification

The Division's organizational chart currently includes two budget Accounting Technician I positions. One of the positions is vacant due to retirement while the other position is held by a qualified staff member. We are requesting that both positions be upgraded to the Accountant level. As they were established long ago, these positions were designed to operate at the clerical level. However, the work of these positions has become more complex and demanding over time, and many of the duties assigned to staff are at a higher technical level. We are requesting that both positions be upgraded to the level of Accountant.

- A study conducted by AON Consulting found the Accounting Technician I in the Disbursement Unit currently performs duties and responsibilities at the scope and level of Accountant and recommended the position be reclassified.
- The Accounting Technician I position in the Reconciliation Unit was recently vacated due to retirement. We are requesting a reclassification of the position to the higher-level Accountant based on the operational need to have all staff able to perform the full scope of professional accounting duties, at the Accountant level.

Recruitment

The Financial and Accounting Services Division currently has 10 vacant budgeted positions of which four of 10 are currently filled with temporary staff. Our personnel classification study, originated in 2017 and impacts 26 of the 30 positions, is in progress. During this time, we were advised to limit hiring of staff to avoid obtaining underqualified personnel. Various retirements, resignations, and internal transfers to other Divisions have contributed to our high vacancy rate.

Currently, plans have been established to fill some vacant positions before the end of fiscal year 2020-2021. Once these permanent positions are hired, should they create additional vacancies due to promotions, we will reconfigure our temporary staffing levels

for the mid-year budget request. We are requesting a total of eight additional temporary staff for the upcoming fiscal year.

Seven Temporary Staff Positions - Accountants

FASD currently employs two temporary staff in the Investment Accounting Section and two temporary staff in the General Accounting Section. Our budget request includes maintaining these existing four temporary positions.

For the upcoming fiscal year, we are requesting three additional temporary staff at the Accountant level in order to continue to support LACERA's operations and fulfillment of organizational goals and objectives.

Two temporary accountants would be assigned to the Investment Accounting Section as wire monitors within each of the Public Markets Unit and the Direct Investments Unit. The Investment Accounting Section process over 2,000 wires annually and each Unit uses a designated Accountant to act as a wire monitor which oversees every step of each transaction to ensure the process is handled accurately and timely. Currently, both wire monitor positions are vacant due to a retirement and a transfer within the Division. State Street Bank currently provides two wire transfer platforms but is in the process of consolidating all transactions onto one platform. These changes will require additional training, monitoring, and diligence by staff as new processes are established. In addition to the wire monitoring responsibilities, these two vacant positions are responsible for investment accounting assignments such as monitoring and reconciling investment transactions, which is another critical task completed by our Division. Hiring temporary staff to fill these vacant positions will help the Investment Accounting Section better manage and distribute the workload among the team.

One temporary accountant would be assigned to the Reconciliation Unit within the General Accounting Section. The position was vacated due to retirement, while one existing staff working within the Reconciliation Unit has taken on some additional duties within the Reporting and Compliance Unit.

One Temporary Staff Position- Secretary

The secretarial staff manage a significant workload volume including daily tasks as well as project-based assignments. The staff currently assigned to the Secretary position is performing a dual role assignment as the interim Senior Secretary, a position which remains vacant.

Overtime

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 anticipated new responsibilities, unforeseen special projects, and

given the high number of vacancies, maintaining a budget for overtime has proven to be prudent.

TECHNOLOGY

Renewing the CAFR Preparation Tool

In conjunction with Systems Division, FASD implemented Workiva's *Wdesk* platform which was used to prepare the two prior years' CAFRs. During the implementation process, FASD established the audited financial statements within *Wdesk* and created templates for data to be input and linked year over year. This essentially laid out the framework in FY 2018-2019 which was replicated to a new file to prepare the FY 2019-2020 audited financial statements. During the final review stage, auditors and key LACERA staff accessed the platform to provide comments electronically where FASD conveniently tracked document versions, changes and suggestions.

We anticipate executing a multi-year commitment in accordance with the General Purchasing Policy for LACERA to continue to use *Wdesk*. The time and labor efficiencies, including the ability of staff to prepare and review the financial statements remotely, of *Wdesk* were more significantly realized with the second year as the templates created and used during implementation were carried over and refreshed. In addition, due to the pandemic and the remote work arrangement, the software's ability to store and share files electronically proved to be very useful and efficient. Upon favorable review of *Wdesk*'s effectiveness, staff will make a recommendation and request approval to enter into a multi-year agreement with Workiva.

Implementing a Technological Tool to Address Travel

At the direction of the Trustees in a joint Board meeting to address a recommendation made by Mosaic Governance Advisors, LLC during their review of the Education and Travel Policy, FASD seeks to implement a technological tool to address LACERA's current suboptimal system related to our travel processes.

FASD will work in conjunction with Systems to implement a digital tool that will address the inefficient areas related to travel such as routing, storing, and retrieving hard copy documents; enhance integration between the accounting, corporate card, and travel reporting platforms; and provide detailed and summarized reporting that is useful in identifying trends to support proper oversight.

These issues can be resolved through a 3rd party cloud-based travel system that will modernize LACERA's operations and back-office systems, eliminate the heavily paper-based system, and create efficiencies by keeping and sharing information on a central platform.

We anticipate executing a one-year commitment in accordance with the General Purchasing Policy for LACERA to test and evaluate a travel system. 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 \$240,000 represents a \$2,100 or 0.9%, decrease when compared with the prior fiscal year, mid-year budget adjustment. This is primarily attributable to the smaller budget for the educational expenses and transportation and travel categories. While FASD plans anticipate a relatively normal travel year for FY 2021-2022, we expect that staff will prefer attending webinars and online events to obtain education and qualifying units as compared to in-person conferences and events, at least until the pandemic concerns are subsided. Generally, webinars and online events are less expensive than large group conferences.

LOOKING FORWARD

During the fiscal year 2021-2022, staff is looking forward to working with the Communications Division to revise the Popular Annual Financial Report (PAFR) prepared and sent to all members each year. The PAFR has been updated several times over the years, but this project will include a comprehensive format and content review.

Some organizational changes happening now and in the coming year will impact FASD such as the hiring of a new Assistant Executive Officer and Chief Financial Officer. Staff members are highly anticipating new leadership and new ideas. As such, staff will continue to move forward in implementing the strategic goals of the organization as identified within the CEO's 100-day Report. One initiative where FASD has partnered with Administrative Services is the implementation of a new budget software tool. In addition, FASD will work closely with other Divisions to explore an enterprise resource planning (ERP) software that can be used to manage day-to-day business operations such as accounting, procurement, project management, risk management and compliance, human resources, and inventory.

As we anticipate the classification study's completion, we look forward to filling existing, currently vacant positions as well as future vacancies due to retirement or departure. Our focus will be on staff training and education to help bridge the gap between staff with seasoned experience and a broad knowledge base and those new to LACERA. We anticipate spending time on effort to transfer historical knowledge among staff and in making plans for future changes.

The responsibilities of the Reporting and Compliance Unit (RCU) continue to increase in complexity and volume. Frequent updates to actuarial reporting standards, financial accounting standards and new projects have become routine. Positions within this Unit are included within the classification study. The Section is currently staffed with one Accountant while another staff provides support and completes projects on a part time basis. The need for additional resources will be reviewed.

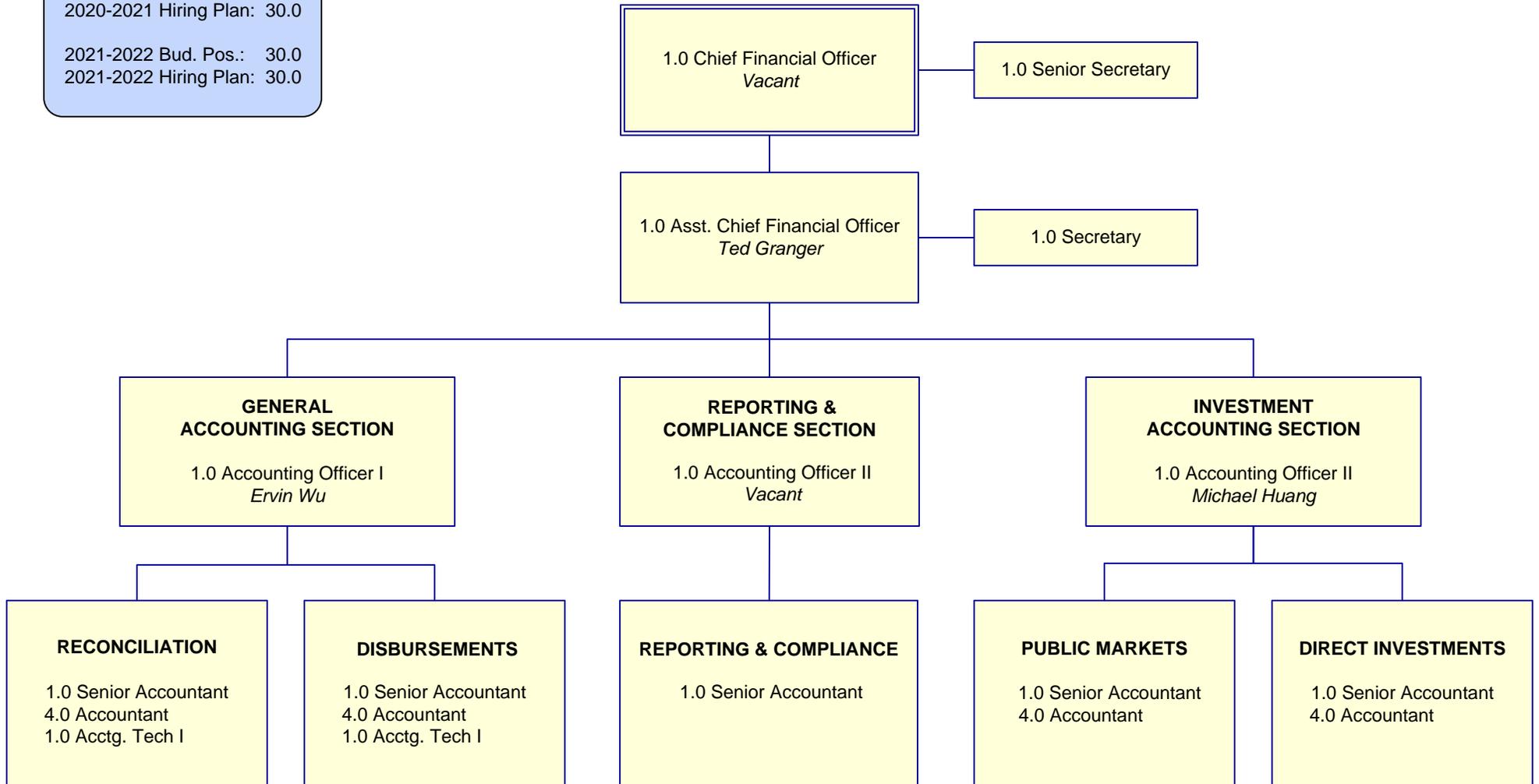
CONCLUSION

This budget request was developed to provide the Financial and Accounting Services Division with vital resources to readily contribute towards the fulfillment of LACERA's Mission and Vision.

FINANCIAL AND ACCOUNTING SERVICES DIVISION

FISCAL YEAR 2021-2022

2020-2021 Bud. Pos.: 30.0
 2020-2021 Hiring Plan: 30.0
 2021-2022 Bud. Pos.: 30.0
 2021-2022 Hiring Plan: 30.0



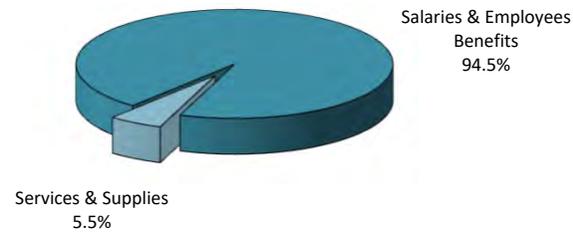
*Classification study in progress for all positions except management and administrative support staff.

LACERA
FISCAL YEAR 2021-2022
BUDGET SUMMARY

FINANCIAL AND ACCOUNTING SERVICES

	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET		
	PROPOSED BUDGET 2021-2022	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(03-31-21)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	4,100,488	\$3,760,227	\$2,238,422	\$3,588,809	(\$171,418)	-4.6%	\$340,261	9.0%
Services & Supplies	240,000	242,100	10,183	214,200	(27,900)	-11.5%	(2,100)	-0.9%
OPERATING BUDGET	\$4,340,488	\$4,002,327	\$2,248,605	\$3,803,009	(\$199,318)	-5.0%	\$338,161	8.4%

2021 -2022 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2021-2022
SALARIES AND EMPLOYEE BENEFITS SUMMARY

FINANCIAL AND ACCOUNTING SERVICES

	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$1,942,091	\$1,915,071	\$1,208,767	\$1,886,060	(\$29,011)	-1.5%	\$27,020	1.4%
Total Agency Temp Salaries	729,400	505,400	236,057	450,000	(55,400)	-11.0%	224,000	44.3%
Employee Benefits (Variable)	1,168,551	1,060,130	619,243	993,192	(66,938)	-6.3%	108,421	10.2%
Employee Benefits (Other)	116,069	135,298	95,251	133,945	(1,353)	-1.0%	(19,229)	-14.2%
OPEB Contribution	56,977	56,428	41,686	57,492	1,064	1.9%	549	1.0%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	67,900	68,400	31,513	62,215	(6,185)	-9.0%	(500)	-0.7%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	12,000	12,000	5,745	5,745	(6,255)	-52.1%	0	0.0%
Rideshare Allowance	7,500	7,500	160	160	(7,340)	-97.9%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$4,100,488	\$3,760,227	\$2,238,422	\$3,588,809	(\$171,418)	-4.6%	\$340,261	9.0%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$4,100,488	\$3,760,227	\$2,238,422	\$3,588,809	(\$171,418)	-4.6%	\$340,261	9.0%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 03/15/21, with the exception of Agency Temp Salaries, which are as of 03/31/21.

LACERA

FISCAL YEAR 2021-2022

SALARIES

FINANCIAL & ACCOUNTING SERVICES

2021-2022 BUDGET

FILLED POSITIONS	# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT
00799A ASSISTANT CHIEF FINANCIAL OFFICER	1	LS10	13,622	163,469
00418A ACCOUNTING OFFICER II	1	105D	9,542	114,503
00417A ACCOUNTING OFFICER I	1	101H	8,190	98,276
00146A SENIOR ACCOUNTANT	3	97C	23,619	283,432
00415A ACCOUNTANT	12	93A	81,132	973,584
00413A ACCOUNTING TECHNICIAN I	1	84F	5,575	66,896
00438A SECRETARY	1	83D	4,714	56,570
POSITIONS	20			1,756,729

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	10,557	126,681			
00418A ACCOUNTING OFFICER II	1	105D	7,275	87,303			
00146A SENIOR ACCOUNTANT	2	97C	5,842	70,105	70,105		
00415A ACCOUNTANT	4	93A	5,216	62,592			31,296
00439A SENIOR SECRETARY	1	89G	4,749	56,992			
00413A ACCOUNTING TECHNICIAN I	1	84F	4,137	49,643			24,821
POSITIONS	10			126,223	70,105	0	56,117

TOTAL POSITIONS	30						
GROSS SALARIES				1,882,952			
ANTICIPATED MOU SALARY INCREASE**				0			
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE				12,791			
BONUS				46,349			
120-DAY RETIREE(S)				0			
TOTAL SALARIES				1,942,091			

MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/21.

Represented/Non-Represented positions are shown at actual salaries as of 01/01/21.

Represented positions shown in blue.

Vacancies are shown at the 1st Step.

*All amounts rounded to the nearest dollar.

** Gross salaries are multiplied by 0% to calculate anticipated MOU increase.

LACERA

FISCAL YEAR 2021-2022

SERVICES & SUPPLIES ACCOUNT SUMMARY

FINANCIAL AND ACCOUNTING SERVICES

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
TRANSPORTATION & TRAVEL	\$14,000	\$12,500	\$0	\$0	(\$12,500)	-100.0%	\$1,500	12.0%
OFFICE SUPPLIES & EQUIPMENT	3,500	3,500	3,979	5,000	1,500	42.9%	0	0.0%
BANK SERVICES	200,500	195,000	(435)	195,000	0	0.0%	5,500	2.8%
EDUCATIONAL EXPENSES	19,000	28,100	4,774	11,700	(16,400)	-58.4%	(9,100)	-32.4%
MISCELLANEOUS	3,000	3,000	1,865	2,500	(500)	-16.7%	0	0.0%
TOTAL	\$240,000	\$242,100	\$10,183	\$214,200	(\$27,900)	-11.5%	(\$2,100)	-0.9%

*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, selection, performance and workforce management, classification, 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, leave management, and American Disability Act (ADA)/Family Medical Leave Act (FMLA)/California Family Rights Act (CFRA)/Fair Labor Standards Act (FLSA) administration.

STAFFING

Human Resources requests a Human Resources Analyst in anticipation of assuming full responsibility for personnel assignment transactions effective July 1, 2021. Currently the County of Los Angeles Board of Supervisors performs this function on LACERA's behalf.

Human Resources also requests an additional Human Resources Analyst to support the Employee and Organizational Development (EOD) unit. In addition to the current offerings, EOD will expand to include programs related to leadership development, succession planning, inclusion, and employee engagement.

Successes

The Human Resources Division is pleased to report we have taken steps to improve our processes and procedures, which have improved our efficiency and service to staff members. Among these successes are:

- Human Resources staff members took the lead in conducting contact tracing, administering COVID-19 related leaves, and creating safety protocols. This work continues as safety regulations change frequently.
- The development and implementation of an updated examination request process that justifies the immediate need for testing to fill any vacancies.
- The Return to Work Unit expanded the Leave Management Program to create essential position functional analyses for 15 classifications.
- The Employee Engagement Survey was launched in February 2021. Once the results are compiled and reported, there will be follow-up for Staff Members 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 at LACERA.
- Human Resources provided training for all staff members and managers working remotely. We also developed a non-emergency Telework policy for use after the safer-at-home restrictions are lifted.
- Recruitment Staff worked with the Communications Division to create branded recruitment bulletins for posting and advertising open/competitive employment opportunities. This change is particularly effective for management positions.
- Human Resources issued a Request for Proposal and contracted with Alliance Resources Consulting to conduct the search for the Deputy Chief Executive Officer position. Alliance will also conduct the search for the Assistant Executive Officer once the Deputy Executive Officer is hired.
- Proposed programming in support of the Administrative Equity Initiative.
- Hired five permanent staff members; secured twenty-five temporary staff to fill critical vacancies; processed 73 leaves; and coordinated 180+ training courses for staff.

Challenges

- Human Resources continues to work to overcome obstacles encountered with filling the amount of vacancies. Using a different approach, two temporary staff were hired to assist with recruiting and selection.
- Administering the examination for Retirement Benefits Specialist (RBS) I, the classification used in the trainee cohort. Testing delays create additional vacancies, which negatively impact the member facing divisions.
- Implementation of recommendations resulting from completed classification studies.
- Inaccessibility of personnel, payroll, and workers compensation files outside of the LACERA office. Processes related to personnel transactions, payroll, and leave management are paper-based and depend on multiple approvals.

Human Resources Future Plans

We are pleased to present an outline of goals and initiatives that will be our focus for the 2021-2022 Fiscal Year:

- Develop a transition plan to bring personnel transactions in-house with minimal disruption to service.
- Continue to partner with the Systems Division to find software that can reduce paper driven processes and to track personnel transactions.
- Identify and implement a succession planning framework, including training profiles for individual contributors, supervisors, and managers.
- Develop an Employee Engagement Program to address the actionable items discovered from the Employee Engagement Survey.
- Develop and modify The Leave Case Management Program (LMP) as needed.
- Engage with our labor partners at SEIU to negotiate the Memorandum of Understanding for Bargaining Units 850 and 851.
- Broaden the Diversity, Equity, and Inclusion program, including advancing diversity recruitment.
- Conduct the executive searches for the Systems and Financial and Accounting Services Divisions.
- Support in the development and execution of LACERA's strategic plan.

Budget Variances:

In comparing our FY 2021-2022 Budget to that of the previous fiscal year, notable variances are found in the following areas:

Human Resources Consulting: additional expenses anticipated for negotiations and classification studies.

Departmental Training: additional expenses anticipated for training software licenses and additional training throughout the organization.

Departmental Training:

The Human Resources Division expects to continue LACERA's commitment as a learning organization. We are requesting to increase our current budgeted funds to \$250,000.

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

- Harassment Prevention Training for all new staff members (every six months)
- Telework training for all staff members
- Eight hours of training for each staff member, including two hours of training related to diversity in the workplace

- Use of technology

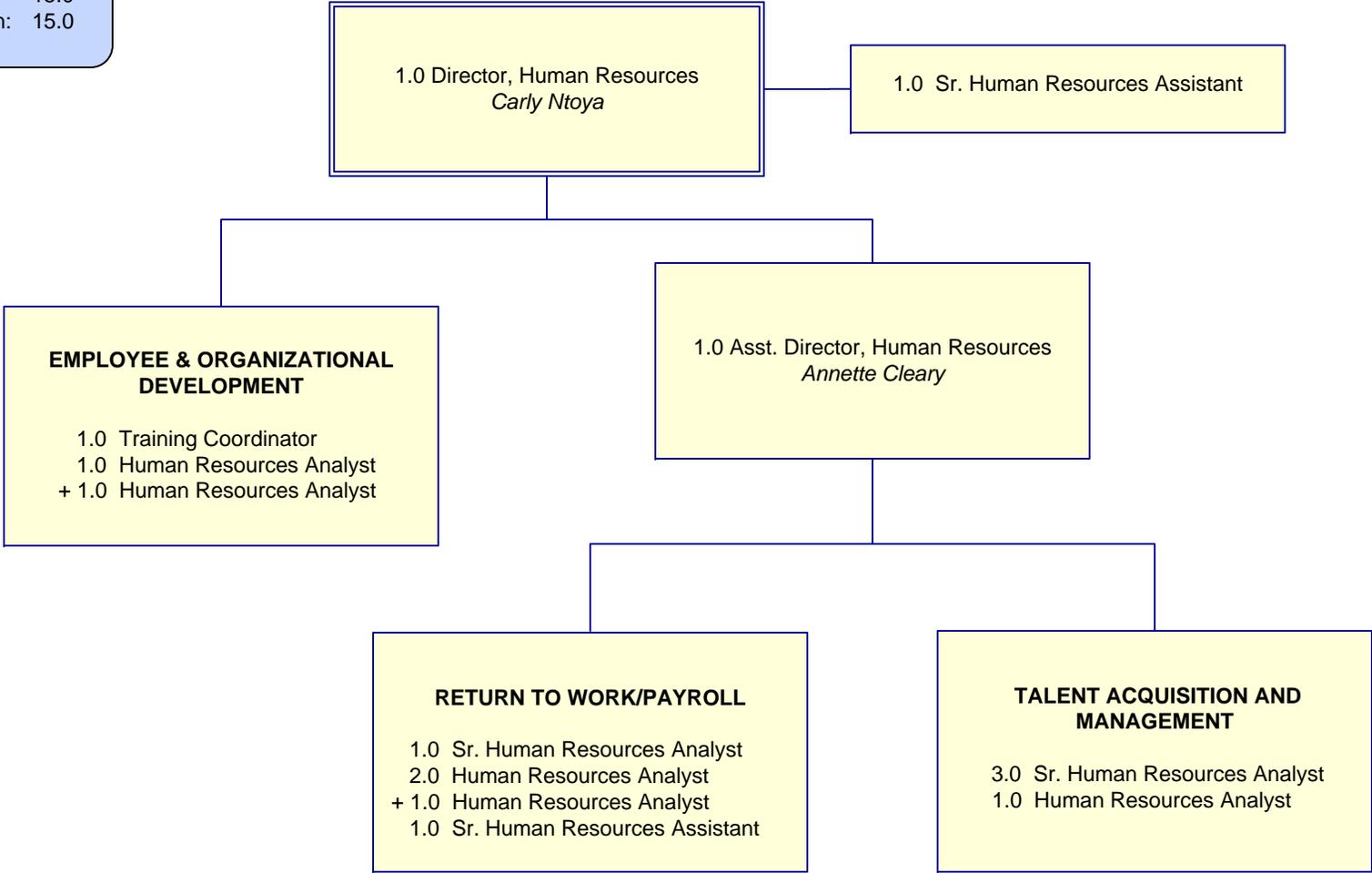
For Management Staff Members:

- Management Training Plan, including:
 - New hire training for new managers
 - Crucial Conversations
 - Emotional Intelligence
 - 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 2021-2022

2020-2021 Bud. Pos.:	13.0
2020-2021 Hiring Plan:	13.0
2021-2022 Bud. Pos.:	15.0
2021-2022 Hiring Plan:	15.0



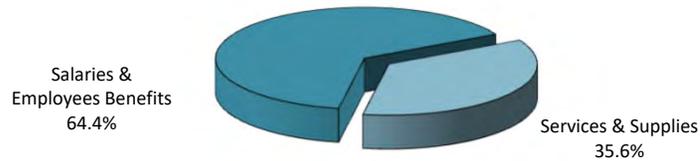
+ Added position
 * Classification study for all positions requested.

LACERA
FISCAL YEAR 2021-2022
BUDGET SUMMARY

HUMAN RESOURCES

	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET		
	PROPOSED BUDGET 2021-2022	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(03-31-21)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$2,926,303	\$2,388,658	\$1,675,458	\$2,447,130	\$58,472	2.4%	\$537,645	22.5%
Services & Supplies	1,619,300	1,807,100	643,631	1,300,200	(506,900)	-28.1%	(187,800)	-10.4%
OPERATING BUDGET	\$4,545,603	\$4,195,758	\$2,319,088	\$3,747,330	(\$448,428)	-10.7%	\$349,845	8.3%

2021 - 2022 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2021-2022
SALARIES AND EMPLOYEE BENEFITS SUMMARY

HUMAN RESOURCES

	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$1,513,977	\$1,387,072	\$993,176	\$1,463,352	\$76,280	5.5%	\$126,905	9.1%
Total Agency Temp Salaries	47,700	47,700	53,885	60,000	12,300	25.8%	0	0.0%
LACERA Intern Program	312,000	72,000	3,750	15,000	(57,000)	-79.2%	240,000	333.3%
Employee Benefits (Variable)	913,126	757,732	530,775	776,466	18,734	2.5%	155,394	20.5%
Employee Benefits (Other)	90,483	85,356	59,523	84,502	(854)	-1.0%	5,127	6.0%
OPEB Contribution	44,417	35,598	34,007	47,010	11,412	32.1%	8,819	24.8%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	2,900	1,500	342	800	(700)	-46.7%	1,400	93.3%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	0	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	1,700	1,700	0	0	(1,700)	-100.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$2,926,303	\$2,388,658	\$1,675,458	\$2,447,130	\$58,472	2.4%	\$537,645	22.5%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$2,926,303	\$2,388,658	\$1,675,458	\$2,447,130	\$58,472	2.4%	\$537,645	22.5%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 03/15/21, with the exception of Agency Temp Salaries, which are as of 03/31/21.

LACERA
FISCAL YEAR 2021-2022
SALARIES

HUMAN RESOURCES

2021-2022 BUDGET

<u>FILLED POSITIONS</u>		<u># POS.</u>	<u>SCHEDULE</u>	<u>ACTUAL MO. RATE</u>	<u>ANNUAL AMOUNT</u>			
00425A	DIRECTOR, HUMAN RESOURCES	1	LS12	13,774	165,290			
00437A	ASSISTANT DIRECTOR, HUMAN RESOURCES	1	LS10	12,835	154,018			
00436A	SENIOR HUMAN RESOURCES ANALYST	4	102K	35,709	428,513			
01886A	TRAINING COORDINATOR	1	102J	8,906	106,867			
00434A	HUMAN RESOURCES ANALYST	4	98K	31,216	374,588			
00435A	SENIOR HUMAN RESOURCES ASSISTANT	2	92A	13,314	159,768			
	POSITIONS	13			1,389,044			
<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>
00434A	HUMAN RESOURCES ANALYST	2	98K	6,107	73,286			73,286
	POSITIONS	2			73,286	0	0	73,286
	TOTAL POSITIONS	15						
	GROSS SALARIES				1,462,330			
	ANTICIPATED MOU SALARY INCREASE**				0			
	ANTICIPATED STEP AND/OR MERIT SALARY INCREASE				14,322			
	BONUS				37,326			
	120-DAY RETIREE(S)				0			
	TOTAL SALARIES				1,513,977			

MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/21.
 Represented/Non-Represented positions are shown at actual salaries as of 01/01/21.
 Represented positions shown in blue.
 Vacancies are shown at the 1st Step.
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 0% to calculate anticipated MOU increase.

LACERA
FISCAL YEAR 2021-2022
SERVICES & SUPPLIES ACCOUNT SUMMARY

HUMAN RESOURCES

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
TRANSPORTATION & TRAVEL	\$9,000	\$9,000	\$0	\$0	(\$9,000)	-100.0%	\$0	0.0%
OFFICE SUPPLIES & EQUIPMENT	8,000	8,000	3,205	5,500	(2,500)	-31.3%	0	0.0%
PARKING FEES	377,000	377,000	309,042	420,000	43,000	11.4%	0	0.0%
PROFESSIONAL & SPEC. SRVCS.	425,800	383,300	207,208	329,700	(53,600)	-14.0%	42,500	11.1%
COMPUTER SERVICES & SUPPORT	55,000	42,000	25,285	35,500	(6,500)	-15.5%	13,000	31.0%
EDUCATIONAL EXPENSES	512,000	500,300	68,653	303,000	(197,300)	-39.4%	11,700	2.3%
MISCELLANEOUS	232,500	487,500	30,238	206,500	(281,000)	-57.6%	(255,000)	-52.3%
TOTAL	\$1,619,300	\$1,807,100	\$643,631	\$1,300,200	(\$506,900)	-28.1%	(\$187,800)	-10.4%

*All amounts rounded to the nearest dollar.



Mission

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

INTRODUCTION

The purpose of Internal Audit is to provide independent, 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.

- Initiated SOC1 over OPEB Census data
- Consulted on the Establishment of an End-User InfoSec Manual
- Oversaw ongoing actuarial audit activities
- Oversaw Real Estate Advisor Compliance and Operational Audits
- Oversaw Audit Committee Charter Revisions and Hiring of New Audit Committee Consultant
- Established a fully functional remote audit team
- Enhanced and formalized the Recommendation Follow-up Process
- Performed a Quality Assurance Improvement Program (QAIP) over Internal Audit Operations
- Upgraded Internal Audit's Automated Audit Management System

STAFFING

We are not requesting any changes to the budgeted staff positions, although a compensation study has been requested for the Principal Internal Auditors.

We look forward to participating in LACERA's internship program this year and are planning to employ an intern to work on a special project during the Fiscal Year. The budget for our intern will be included in Human Resources' budget.

We are continuing to evaluate, improve, and ensure that we provide comprehensive training for personnel at all levels to develop themselves as auditors, obtain credentials and provide for succession planning to the management (Principal) and Division Management level (Chief Audit Executive).

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) and the Audit Committee to ensure that Internal Audit resources are appropriate, sufficient, and effectively deployed.

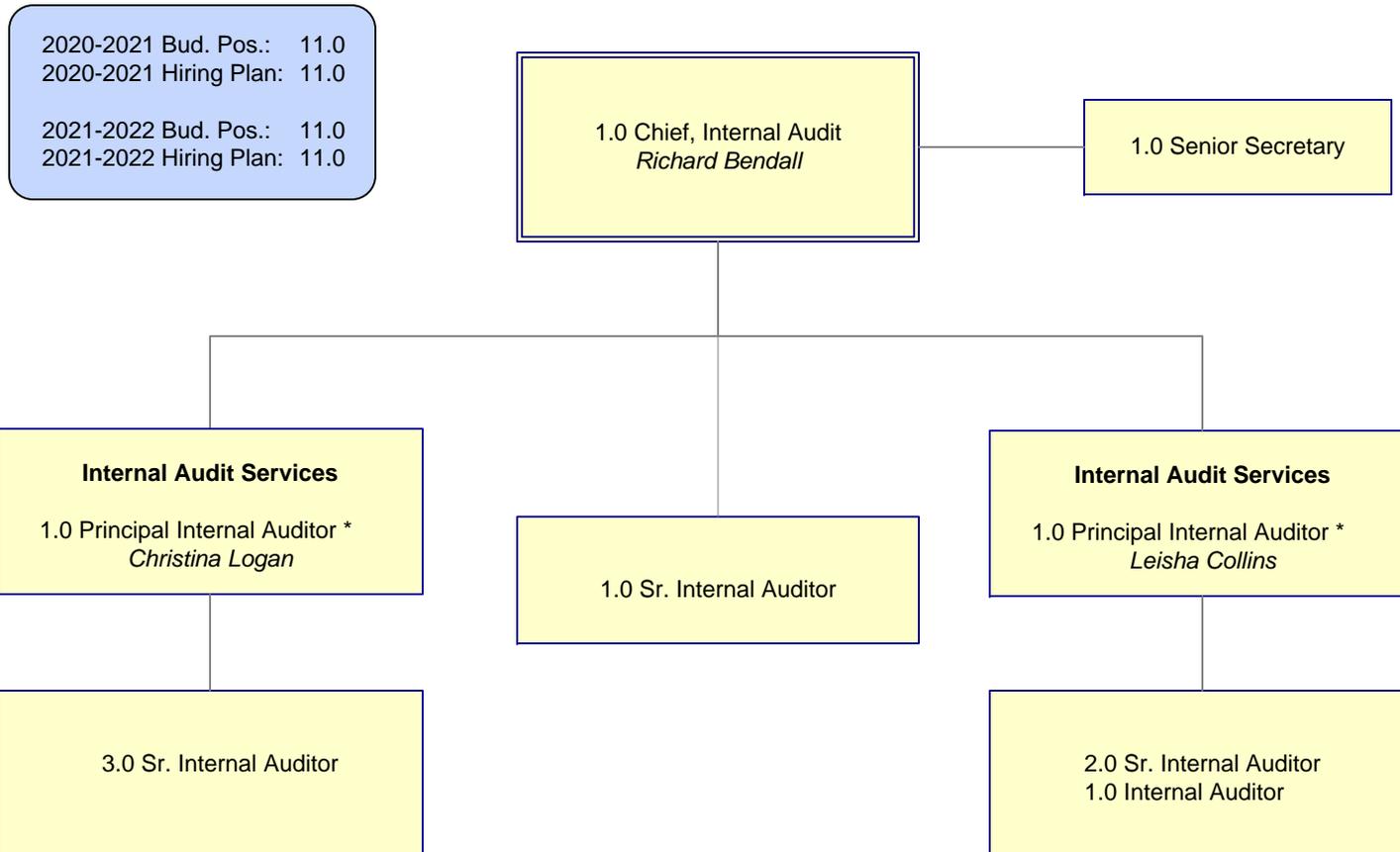
Internal Audit continues to leverage the use of external resources to better meet the needs of the organization and address the Audit Plan. The cost associated with these resources are a significant portion of the budget, \$650,000. Of this,

approximately \$150,000 is for the external financial audit. \$250,000 is to be at the discretion of staff to perform external IT audits, real estate advisor audits, and other external audits as needed to address the Audit Plan. Another \$250,000 was added by the Audit Committee for contingency purposes at their discretion, for additional work needed based on an existing audit finding.

Our total S&S budget increased by \$262,600, from \$457,900 for our mid-year approved current Fiscal Year budget to \$720,900 for Fiscal Year 2021-2022. However, \$250,000 of this is due to the Audit Committee moving their contingency funding to our S&S Budget this year, rather than the contingency residing off budget (as it was for this current budget year for the Audit Committee's \$500,000 contingency).

INTERNAL AUDIT

FISCAL YEAR 2021-2022



2020-2021 Bud. Pos.: 11.0
 2020-2021 Hiring Plan: 11.0
 2021-2022 Bud. Pos.: 11.0
 2021-2022 Hiring Plan: 11.0

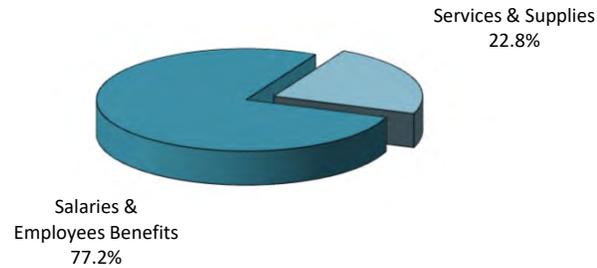
* Classification study for the position requested

LACERA
FISCAL YEAR 2021-2022
BUDGET SUMMARY

INTERNAL AUDIT

	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET		
	PROPOSED BUDGET 2021-2022	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(03-31-21)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$2,433,813	\$2,121,686	\$1,495,923	\$2,251,768	\$130,082	6.1%	\$312,127	14.7%
Services & Supplies	720,500	457,900	196,169	340,900	(\$117,000)	-25.6%	262,600	57.3%
OPERATING BUDGET	\$3,154,313	\$2,579,586	\$1,692,092	\$2,592,668	\$13,082	0.5%	\$574,727	22.3%

2021 - 2022 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2021-2022
SALARIES AND EMPLOYEE BENEFITS SUMMARY

INTERNAL AUDIT

	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$1,454,721	\$1,336,307	\$940,279	\$1,403,219	\$66,912	5.0%	\$118,414	8.9%
Total Agency Temp Salaries	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	843,072	661,052	467,206	723,989	62,937	9.5%	182,020	27.5%
Employee Benefits (Other)	86,941	82,232	57,345	81,410	(822)	-1.0%	4,709	5.7%
OPEB Contribution	42,678	34,296	30,601	42,150	7,854	22.9%	8,382	24.4%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	4,900	4,800	492	1,000	(3,800)	-79.2%	100	2.1%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	0	1,500	0	0	(1,500)	-100.0%	(1,500)	-100.0%
Rideshare Allowance	1,500	1,500	0	0	(1,500)	-100.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$2,433,813	\$2,121,686	\$1,495,923	\$2,251,768	\$130,082	6.1%	\$312,127	14.7%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$2,433,813	\$2,121,686	\$1,495,923	\$2,251,768	\$130,082	6.1%	\$312,127	14.7%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 03/15/21, with the exception of Agency Temp Salaries, which are as of 03/31/21.

LACERA
FISCAL YEAR 2021-2022
SALARIES

INTERNAL AUDIT

2021-2022 BUDGET

<u>FILLED POSITIONS</u>		<u># POS.</u>	<u>SCHEDULE</u>	<u>ACTUAL MO. RATE</u>	<u>ANNUAL AMOUNT</u>			
00774A	CHIEF, INTERNAL AUDIT	1	LS12	15,979	191,742			
00762A	PRINCIPAL INTERNAL AUDITOR	2	115B	23,625	283,499			
00763A	SENIOR INTERNAL AUDITOR	5	108K	51,691	620,292			
00764A	INTERNAL AUDITOR	1	102G	8,862	106,343			
00439A	SENIOR SECRETARY	1	89G	5,588	67,060			
	POSITIONS	10			1,268,936			
<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>
00763A	SENIOR INTERNAL AUDITOR	1	108K	8,010	96,119	96,119		
	POSITIONS	1			96,119	96,119	0	0
	TOTAL POSITIONS	11						
	GROSS SALARIES				1,365,055			
	ANTICIPATED MOU SALARY INCREASE**				0			
	ANTICIPATED STEP AND/OR MERIT SALARY INCREASE				16,815			
	BONUS				72,851			
	120-DAY RETIREE(S)				0			
	TOTAL SALARIES				1,454,721			

MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/21.
 Represented/Non-Represented positions are shown at actual salaries as of 01/01/21.
 Represented positions shown in blue.
 Vacancies are shown at the 1st Step.
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 0% to calculate anticipated MOU increase.

LACERA
FISCAL YEAR 2021-2022
SERVICES & SUPPLIES ACCOUNT SUMMARY

INTERNAL AUDIT

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
TRANSPORTATION & TRAVEL	\$17,000	\$8,600	\$0	\$0	(\$8,600)	-100.0%	\$8,400	97.7%
OFFICE SUPPLIES & EQUIPMENT	1,500	1,700	0	300	(1,400)	-82.4%	(200)	-11.8%
PROFESSIONAL & SPEC. SRVCS.	671,000	421,000	182,349	321,000	(100,000)	-23.8%	250,000	59.4%
EDUCATIONAL EXPENSES	30,500	25,800	13,820	19,400	(6,400)	-24.8%	4,700	18.2%
MISCELLANEOUS	500	800	0	200	(600)	-75.0%	(300)	-37.5%
TOTAL	\$720,500	\$457,900	\$196,169	\$340,900	(\$117,000)	-25.6%	\$262,600	57.3%

*All amounts rounded to the nearest dollar.



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 and Diversity, Equity, and Inclusion (DEI) 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 onboarded a total fund risk system, assessed its operational capabilities to identify areas for optimization, and developed a more robust framework around our DEI initiatives. Additionally, each functional team performed a mid or full-cycle structure review for their respective asset

category which led to changes that better align LACERA investments with its portfolio objectives.

LACERA's most important resource is its people. Towards this end, the Investment Office has continued to focus on cross-asset category collaboration to enhance the team's overall investment knowledge and perspectives. 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 will continue evaluating additional co-investment opportunities, enhance its operational capabilities, continue optimizing the investment model, and focus on elevating our DEI initiatives. For additional information, please see the 2021 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 2021-2022 the Investment Office is requesting one additional Finance Analyst III to assist with portfolio stewardship and corporate governance. The Investment Office's organizational chart has been updated to further align the team with LACERA's functional asset allocation framework and elevate stewardship and corporate governance.

In recent years, LACERA has focused on developing foundational pillars and parameters for growing its corporate governance and ESG efforts and incorporating the evaluation of these factors across the total portfolio. This is consistent with our theme of transitioning from allocator to investor. Those foundations include:

1. Established approved policies, such as LACERA's *Corporate Governance Principles*, articulating what sound governance means to LACERA.
2. Expanded ownership rights, by developing and attaining approval to restructure the global equity portfolio to retain proxy voting rights and apply LACERA's custom policy
3. Defined focused priorities for corporate and public policy engagement where LACERA can advocate best practices in line with its *Corporate Governance Principles*, including influencing public policy, advocating best practices, and improving quality ESG data disclosures; e.g.:
 - a. Joint letters and separate comment letters to the SEC and legislators
 - b. Corporate engagements e.g. California board diversity initiative and Climate Action 100+
 - c. Collaboration with affiliated associations, such as CII, ICGN, PRI and ACGA
4. Developing an approach to ESG integration based on materiality to economic performance, in-line with evolving market best practice, and as part of holistic, multi-dimensional portfolio management and monitoring, including 5-point assessment tool such as probing managers across asset classes to identify and understand best practices and incorporate learnings into enhanced manager due diligence and monitoring
5. Incorporating sound corporate governance and ESG integration into a total fund view, including contributing to further developing total fund portfolio analytics (including ESG data), workplans, and board planning (as opposed to a siloed

project area), as well as navigating occasional ESG-related projects, such as shepherding analysis and fund options

With core foundational aspects of the program in place and program orientations on strategic priorities identified in the 2021 Investment Division Work Plan under the initiative to Maximize Stewardship and Ownership Rights, LACERA could benefit from additional staff resources to responsibly implement and further act on adopted policies and identified priorities.

Accordingly, additional assigned resources would be beneficial in order to:

- Support responsible proxy voting, as LACERA expands from voting at 1,610 meetings to ~10,000
- Provide research, writing, and implementation support to corporate and public policy engagements with capacity to lead key aspects of governance projects
- Conduct data analytics on security, manager, and total fund-level using sourced ESG data and existing tools in Bloomberg and corporate filings on executive compensation, governance practices, and financial disclosures to support ESG integration and prioritized engagements
- Assist on manager-level ESG assessments as part of integrated, manager scorecard due diligence and monitoring

SERVICES AND SUPPLIES

There is a 13% increase in the proposed Fiscal Year 2021-2022 Supplies and Services budget compared to the approved Fiscal Year 2020-2021 budget. We expect an increase in travel, education, and certification expenses due to an expanded team as new and existing budgeted positions are filled.

INVESTMENT OFFICE

FISCAL YEAR 2021-2022

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

2021-2022 Bud. Pos.: 45.0
2021-2022 Hiring Plan: 45.0

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
3.0 Finance Analyst II
1.0 Finance Analyst I
1.0 Sr. Secretary

2.0 Finance Analyst III
1.0 Finance Analyst II

2.0 Finance Analyst III
3.0 Finance Analyst II
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 III
1.0 Finance Analyst II
1.0 Finance Analyst I

+ Added position

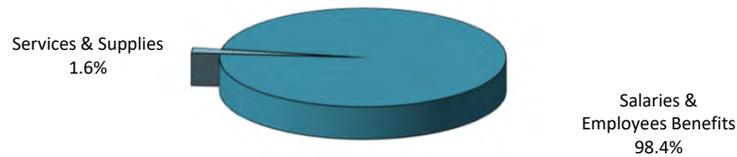
∅ Not yet approved by Board of Supervisors

LACERA
FISCAL YEAR 2021-2022
BUDGET SUMMARY

INVESTMENT OFFICE

	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET		
	PROPOSED BUDGET 2021-2022	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(03-31-21)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$16,189,519	\$14,104,163	\$9,732,695	\$14,094,252	(\$9,911)	-0.07%	\$2,085,356	14.8%
Services & Supplies	268,500	237,300	84,589	94,800	(142,500)	-60.1%	31,200	13.1%
OPERATING BUDGET	\$16,458,019	\$14,341,463	\$9,817,285	\$14,189,052	(\$152,411)	-1.1%	\$2,116,556	14.8%

2021 - 2022 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2021-2022

SALARIES AND EMPLOYEE BENEFITS SUMMARY

INVESTMENT OFFICE

	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$10,263,564	\$9,344,757	\$6,319,766	\$9,254,934	(\$89,823)	-1.0%	\$918,807	9.8%
Total Agency Temp Salaries	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	4,998,241	3,930,135	2,868,640	4,055,555	125,420	3.2%	1,068,106	27.2%
Employee Benefits (Other)	613,402	575,043	401,010	569,293	(5,750)	-1.0%	38,359	6.7%
OPEB Contribution	301,112	239,828	138,179	207,270	(32,558)	-13.6%	61,284	25.6%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	1,000	1,000	0	0	(1,000)	-100.0%	(0)	0.0%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	0	1,200	0	0	(1,200)	-100.0%	(1,200)	-100.0%
Rideshare Allowance	5,000	5,000	0	0	(5,000)	-100.0%	0	0.0%
Transportation Allowance	7,200	7,200	5,100	7,200	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$16,189,519	\$14,104,163	\$9,732,695	\$14,094,252	(\$9,911)	-0.1%	\$2,085,356	14.8%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$16,189,519	\$14,104,163	\$9,732,695	\$14,094,252	(\$9,911)	-0.07%	\$2,085,356	14.8%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 03/15/21, with the exception of Agency Temp Salaries, which are as of 03/31/21.

LACERA
FISCAL YEAR 2021-2022
SALARIES

INVESTMENT OFFICE

2021-2022 BUDGET

FILLED POSITIONS	# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT
00493A CHIEF INVESTMENT OFFICER (UC)	1	LR28	56,266	675,187
00495A PRINCIPAL INVESTMENT OFFICER	1	LR23	38,813	465,760
00496A PRINCIPAL INVESTMENT OFFICER (UC)	4	LR23	126,717	1,520,608
00492A SENIOR INVESTMENT OFFICER	4	LR20	95,134	1,141,611
00769A FINANCE ANALYST III	12	LR16	228,004	2,736,048
00768A FINANCE ANALYST II	11	LR12	140,768	1,689,210
00767A FINANCE ANALYST I	3	105E	28,441	341,293
00441A SENIOR MANAGEMENT SECRETARY	1	97G	7,739	92,863
00439A SENIOR SECRETARY	3	89G	18,688	224,250

POSITIONS 40 8,886,830

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	25,144	301,726			150,863
00495A PRINCIPAL INVESTMENT OFFICER	1	LR23	23,390	280,676	280,676		
00769A FINANCE ANALYST III	3	LR16	14,098	169,179	507,536		

788,212 0 150,863

POSITIONS 5 939,075

TOTAL POSITIONS 45

GROSS SALARIES 9,825,905

ANTICIPATED MOU SALARY INCREASE** 0

ANTICIPATED STEP AND/OR MERIT SALARY INCREASE 246,853

BONUS 190,806

120-DAY RETIREE(S) 0

TOTAL SALARIES 10,263,564

MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/21.
 Represented/Non-Represented positions are shown at actual salaries as of 01/01/21.
 Represented positions shown in blue.
 Vacancies are shown at the 1st Step.
 *All amounts rounded to the nearest dollar.
 Ø Pending Board of Supervisors approval and is calculated at 6 months or 50% filled.
 ** Gross salaries are multiplied by 0% to calculate anticipated MOU increase.

LACERA
FISCAL YEAR 2021-2022
SERVICES & SUPPLIES ACCOUNT SUMMARY

INVESTMENT OFFICE

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
TRANSPORTATION & TRAVEL	\$141,000	\$120,000	\$140	\$300	(\$119,700)	-99.8%	\$21,000	17.5%
OFFICE SUPPLIES & EQUIPMENT	4,500	5,000	1,087	1,500	(3,500)	-70.0%	(500)	-10.0%
EDUCATIONAL EXPENSES	116,000	104,800	82,816	92,000	(12,800)	-12.2%	11,200	10.7%
MISCELLANEOUS	7,000	7,500	547	1,000	(6,500)	-86.7%	(500)	-6.7%
TOTAL	\$268,500	\$237,300	\$84,589	\$94,800	(\$142,500)	-60.1%	\$31,200	13.1%

*All amounts rounded to the nearest dollar.



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 Commercial Contracts, and Litigation and Employment), 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 and Contracts, to ensure that we keep up with the sophistication of investment and commercial contracting 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 within the organization by providing a compliance leader to work with subject matter experts in LACERA's other divisions. To maintain austerity in recent years, the Office has deferred needed budget requests in these areas.

The Office's FY 2021-2022 budget continues to include the Principal Counsel positions not yet approved by the Board of Supervisors. These positions were approved by the Boards in 2017.

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 2021-2022 to be more efficient. Therefore, we have increased the Services and Supplies budget only to reflect the proposed greater headcount.

STAFFING

A. New Positions

The Office's FY 2021-2022 budget addresses four categories of positions that are needed to ensure that the Office continues to provide excellent legal services to the Boards, staff in all Divisions, and members and to meet organizational changes in other parts of LACERA, such as the Executive Office, Investments, and the new organizational chart proposed by the Chief Executive Office. The current structure is over fifteen years old. LACERA has greatly changed during that time, as has the legal landscape and the sophistication of the services that the Office's clients in the organization require. The requested positions will help establish a foundation on which the Office can build to meet the challenges of the future.

1. **Senior Staff Counsel.** The Office proposes that the budget add one additional Senior Staff Counsel for the Investments and Contracts Section to support investments and commercial transactions work. Currently, this section of the Office has eight staff members, including one Senior Staff Counsel and two Staff Counsel (and one vacant Staff Counsel to be filled), supporting billions of dollars of investment transactions and millions of dollars in commercial contracts annually. The investment component of the Office's work has and will continue to experience increasing volume as the management of the portfolio has increased in complexity, particularly with direct investments, and as the size of the Investment Office has grown. The Office requires another Senior Staff Counsel to supervise and perform investment and commercial work. The Legal Office has recruited two high quality Staff Counsel in the past few years to support investment legal work. One of these attorneys has left to join the Investment Office. We also have an experienced Staff Counsel supporting commercial transactions. In order to retain excellent attorneys and recruit additional well-credentialed and experienced attorneys in the future, the Legal Office must be able to offer a promotional path to Senior Staff Counsel. The last promotion to Senior Staff Counsel in the Office was nine years ago, in 2012. Both to support growing legal work and the development of our existing attorneys, a Senior Staff Counsel position in the Investment Section of the Legal Office is justified for the FY 2021-2022 budget.

Currently, the Los Angeles County compensation ordinance provides for only ten authorized Senior Staff Counsel to support the Legal Office and the Disability Litigation Office. Eight of these positions are currently filled between the two offices. The new position proposed above will bring the total of filled positions to nine. To support continued support for organizational needs across the sections of the Office, the Office proposes that the number of authorized positions be increased from ten to twelve. This request has no immediate budget impact. However, it is important to prepare for the future.

2. **Staff Counsel.** The Legal Office requests the addition of one Staff Counsel in the Benefits Section. The Benefits Section of the Office currently has five staff members, including one Senior Staff Counsel and one Staff Counsel, supporting benefits issues raised from throughout the organization, including the Executive

Office and the Member Services, Benefits, and Quality Assurance Divisions, and other divisions as needed, and responding to direct inquiries from members and from the plan sponsor. LACERA is fortunate to have one the preeminent CERL attorneys currently serving as its Senior Staff Counsel, with over 25 years of experience and service. While her retirement is not schedule, it is on the horizon in the next several years and LACERA must prepare. Well-qualified CERL lawyers cannot be recruited because there is not sufficient supply of such attorneys in the market; they must be trained in house at LACERA. It takes many years to become proficient in the CERL. Therefore, the Legal Office must begin to prepare those lawyers now. While we have one Staff Counsel currently, another is needed to be trained by our Senior Staff Counsel while she is still with the organization. In addition to succession planning, a second Staff Counsel is needed to support the growing Benefits works in the Legal Division. The increase in workload has added a week or more to response times for certain time-sensitive staff and member requests, which is not in the interest of LACERA or its members. Another Staff Counsel will mitigate this issue and help maintain the Benefit Section's historical prompt service levels. For these reasons, the FY 2021-2022 budget proposes the addition of one additional Staff Counsel in the Benefits Section.

The compensation ordinance includes five authorized Staff Counsel positions. The Legal Office currently has four filled positions and one authorized vacant position which is expected to be filled soon, thereby exhausting the currently authorized number of positions. To support the requested new Staff Counsel for the Benefits Section and anticipate future growth, the Legal Office proposes that the authorized number be increased to seven. The seventh position is needed to prepare for the future and will have no immediate budget impact.

B. Positions Pending County Approval

The following positions require action by the Board of Supervisors. They are not funded in the FY 2021-2022 budget. They will be added in the mid-year budget adjustment once approved.

- 1. *Principal Counsel.*** Two positions were approved by the Boards in 2017. They have not yet been approved by the Board of Supervisors. These positions will enable better management of the Office by freeing Chief Counsel to focus on strategic planning with the Executive Office and the managers of LACERA's other divisions, enhancing the development of higher-level expertise and management experience within the Legal Office, and improving succession planning. The Principal Staff Counsel will, between them, provide substantive oversight of the sections in the office. Currently, the Chief Counsel must personally and directly oversee work in all sections, which detracts from the time available for strategic planning, the most important legal issues across the sections, and the increasingly complex governance issues raised by the Boards. With the increase in the amount and complexity of legal issues in the organization since 2017, the need for these positions is greater now than it was then.

2. **Director of Compliance.** This position has been previously discussed with the Boards. However, it has not been proposed to be filled in the past three budgets to assist in austerity measures. Action by the Board of Supervisors is required to add the position to the compensation ordinance. A compliance director will further the organization's operational and investment compliance by providing dedicated expertise and full-time commitment to the compliance function, which is currently spread throughout the Legal Office and even other parts of the organization. The strengthening of LACERA's compliance by adding a dedicated position to supplement the compliance efforts of management and Internal Audit. A Director of Compliance will enable LACERA to implement a compliance structure in line with the Institute of internal Auditor's "three lines" model of compliance, with the first line being the delivery of services and support for services, the second line being management of risk, and the third line being the independent role of Internal Audit. A Director of Compliance fits within the second line, which currently does not have dedicated staff at LACERA, although a variety of staff give some attention to the issue. The Director of Compliance should be funded in FY 2021-2022.

C. 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 has now been completed. The results support the need for an additional Senior Staff Counsel in the Transactions Section of the office.
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 has now been completed. No staffing changes are currently required as a result of this study.

D. Temporary Services and Overtime

The Agency Temporary budget for FY 2021-2022 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 needs overtime from time to time throughout the year 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 will continue to be efficient in the use of temporary staff and overtime and authorizes requests in these areas only when there is demonstrated need to complete work necessary to fulfill LACERA's Mission.

SERVICES AND SUPPLIES

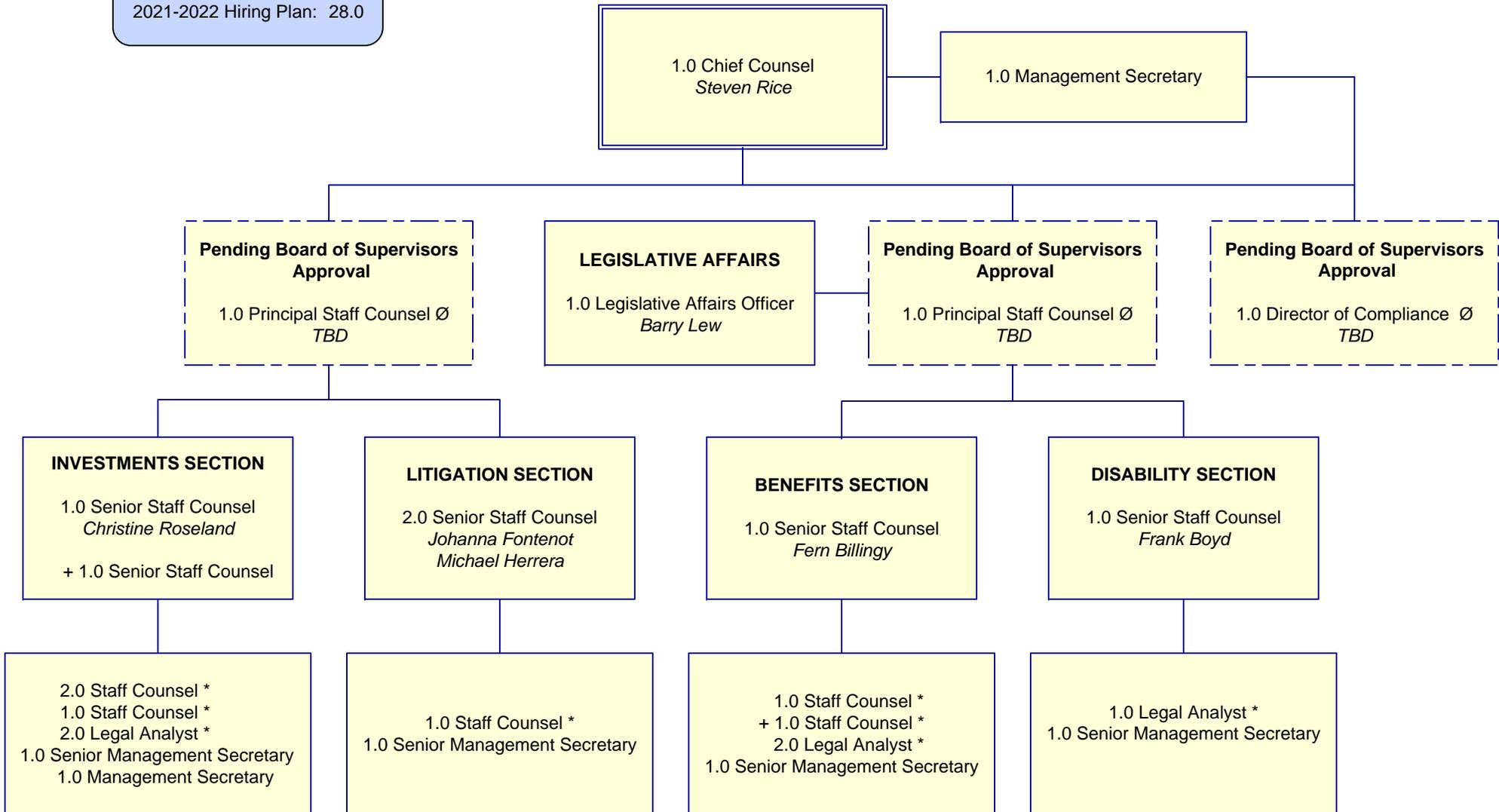
The budget for Services and Supplies is primarily based on historical expenditures, adjusted for experience and increased headcount. LACERA will continue to be efficient across the board in FY 2021-2022, primarily through a focus on efficiency, continued reduction in the physical hard copy library in favor of electronic resources, and 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.

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 proposes an increase in FY 2021-2022 to recognize recent trends in outside counsel usage, while at the same time committing to manage outside counsel assignments to manage cost.

LEGAL SERVICES

FISCAL YEAR 2021-2022

2020-2021 Bud. Pos.: 26.0
 2020-2021 Hiring Plan: 24.0
 2021-2022 Bud. Pos.: 28.0
 2021-2022 Hiring Plan: 28.0



+ Added position

* Classification study for the position requested

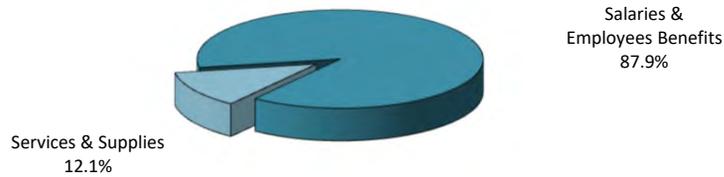
Ø Not yet approved by Board of Supervisors (1.0 Principal Staff Counsel in Investments and Litigation Team, 1.0 Principal Staff Counsel in Benefits and Disability Team, & 1.0 Director of Compliance in Legal Services)

LACERA
FISCAL YEAR 2021-2022
BUDGET SUMMARY

LEGAL SERVICES

	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET		
	PROPOSED BUDGET 2021-2022	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(03-31-21)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$6,108,955	\$5,592,106	\$3,568,649	\$5,465,289	(\$126,817)	-2.3%	\$516,849	9.2%
Services & Supplies	840,100	780,100	810,062	1,111,200	331,100	42.4%	60,000	7.7%
OPERATING BUDGET	\$6,949,055	\$6,372,206	\$4,378,711	\$6,576,489	\$204,283	3.2%	\$576,849	9.1%

2021 - 2022 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2021-2022
SALARIES AND EMPLOYEE BENEFITS SUMMARY

LEGAL SERVICES

	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$3,588,077	\$3,419,765	\$2,148,865	\$3,310,390	(\$109,375)	-3.2%	\$168,312	4.9%
Total Agency Temp Salaries	85,400	53,500	57,562	67,500	14,000	26.2%	31,900	59.6%
Employee Benefits (Variable)	2,092,770	1,793,865	1,137,868	1,770,741	(23,124)	-1.3%	298,905	16.7%
Employee Benefits (Other)	214,441	217,052	151,363	214,880	(2,172)	-1.0%	(2,611)	-1.2%
OPEB Contribution	105,267	90,524	67,316	86,878	(3,646)	-4.0%	14,743	16.3%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	18,100	12,500	4,026	12,500	0	0.0%	5,600	44.8%
Bilingual Bonus	2,400	2,400	1,650	2,400	0	0.0%	0	0.0%
Sick Leave Buyback	0	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	2,500	2,500	0	0	(2,500)	-100.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$6,108,955	\$5,592,106	\$3,568,649	\$5,465,289	(\$126,817)	-2.3%	\$516,849	9.2%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$6,108,955	\$5,592,106	\$3,568,649	\$5,465,289	(\$126,817)	-2.3%	\$516,849	9.2%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 03/15/21, with the exception of Agency Temp Salaries, which are as of 03/31/21.

LACERA
FISCAL YEAR 2021-2022
SALARIES

LEGAL SERVICES

2021-2022 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT
09216A	CHIEF COUNSEL	1	LS19	26,509	318,109
09213A	SENIOR STAFF COUNSEL	5	LS16	103,564	1,242,764
09212A	STAFF COUNSEL	3	LS12	44,726	536,709
00795A	LEGISLATIVE AFFAIRS OFFICERS	1	113B	11,795	141,544
09235A	LEGAL ANALYST	5	99L	39,641	475,686
00441A	SENIOR MANAGEMENT SECRETARY	3	97G	21,377	256,529
00440A	MANAGEMENT SECRETARY	2	93G	13,699	164,393

POSITIONS 20 3,135,734

VACANT POSITIONS		# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
99999A	PRINCIPAL STAFF COUNSEL Ø	2	LS17	15,156	181,867			
99999A	DIRECTOR OF COMPLIANCE Ø	1	LS16	14,098	169,179			
09213A	SENIOR STAFF COUNSEL	1	LS16	14,098	169,179			84,589
09212A	STAFF COUNSEL	3	LS12	10,557	126,681	126,681		126,681
00441A	SENIOR MANAGEMENT SECRETARY	1	97G	5,900	70,803			35,402
						126,681	0	246,672

POSITIONS 8 373,353

TOTAL POSITIONS 28

GROSS SALARIES 3,509,087

ANTICIPATED MOU SALARY INCREASE** 0

ANTICIPATED STEP AND/OR MERIT SALARY INCREASE 71,205

BONUS 7,785

120-DAY RETIREE(S) 0

TOTAL SALARIES 3,588,077

MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/21.
 Represented/Non-Represented positions are shown at actual salaries as of 01/01/21.
 Represented positions shown in blue.
 Vacancies are shown at the 1st Step.
 *All amounts rounded to the nearest dollar.
 Ø Pending Board of Supervisors approval.
 ** Gross salaries are multiplied by 0% to calculate anticipated MOU increase.

LACERA
FISCAL YEAR 2021-2022
SERVICES & SUPPLIES ACCOUNT SUMMARY

LEGAL SERVICES

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
AUTO EXPENSE	\$4,400	\$3,400	\$524	\$2,920	(\$480)	-14.1%	\$1,000	29.4%
TRANSPORTATION & TRAVEL	26,400	10,000	0	0	(10,000)	-100.0%	16,400	164.0%
OFFICE SUPPLIES & EQUIPMENT	6,000	6,000	1,581	2,200	(3,800)	-63.3%	0	0.0%
PROFESSIONAL & SPEC. SRVCS.	252,300	273,700	213,186	273,680	(20)	0.0%	(21,400)	-7.8%
LEGAL FEES & SERVICES	445,000	395,000	523,485	745,200	350,200	88.7%	50,000	12.7%
EDUCATIONAL EXPENSES	103,000	90,000	71,262	87,000	(3,000)	-3.3%	13,000	14.4%
MISCELLANEOUS	3,000	2,000	23	200	(1,800)	-90.0%	1,000	50.0%
TOTAL	\$840,100	\$780,100	\$810,062	\$1,111,200	\$331,100	42.4%	\$60,000	7.7%

*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

Through the challenges presented by the COVID pandemic, Member Services, with the support of all LACERA, was able to innovate and create new channels of service that includes virtual counseling, webinars and a Call Center where Specialists can efficiently provide service while working remotely. We will continue to offer these service channels to our more than 184,000 members, survivors and beneficiaries, as well as offering traditional channels of service, such as in person counseling at our Member Services Center while ensuring the safety of our staff members and visiting members.

Member Services goal for FY 2021-2022 is to fully staff all 79 positions our Board of Retirement has authorized for our Division. Member Services is not asking for more positions this fiscal year.

STAFFING

For fiscal year 2021-2022 Member Services is not asking for more positions beyond the 79 positions it has been provided by the Board of Retirement. We have openings due to staff member retirements and promotional opportunities in LACERA. Many of our vacancies will be filled in the future from our next Core Benefits Training class that is scheduled to begin early August 2021.

Overtime

The requested overtime budget for Fiscal Year 2021-2022 is \$133,800 which is like the pre-COVID pandemic expenditures of Fiscal Year 2017-2018 and Fiscal Year 2018-2019. For this fiscal year, our Overtime budget will be used primarily to expand services on most Saturdays during the March Madness retirement season (December to April). One of the many Member Services innovations during the past fiscal year was the introduction of Saturday Call Center Services. Since Saturday is currently not a regular workday for Member Services staff members, Saturday Call Center service is supported entirely through our Overtime budget.

Agency Temporary Employees

Member Services is staffed by permanent Retirement Benefit Specialists and does not employ Agency Temporary employees.

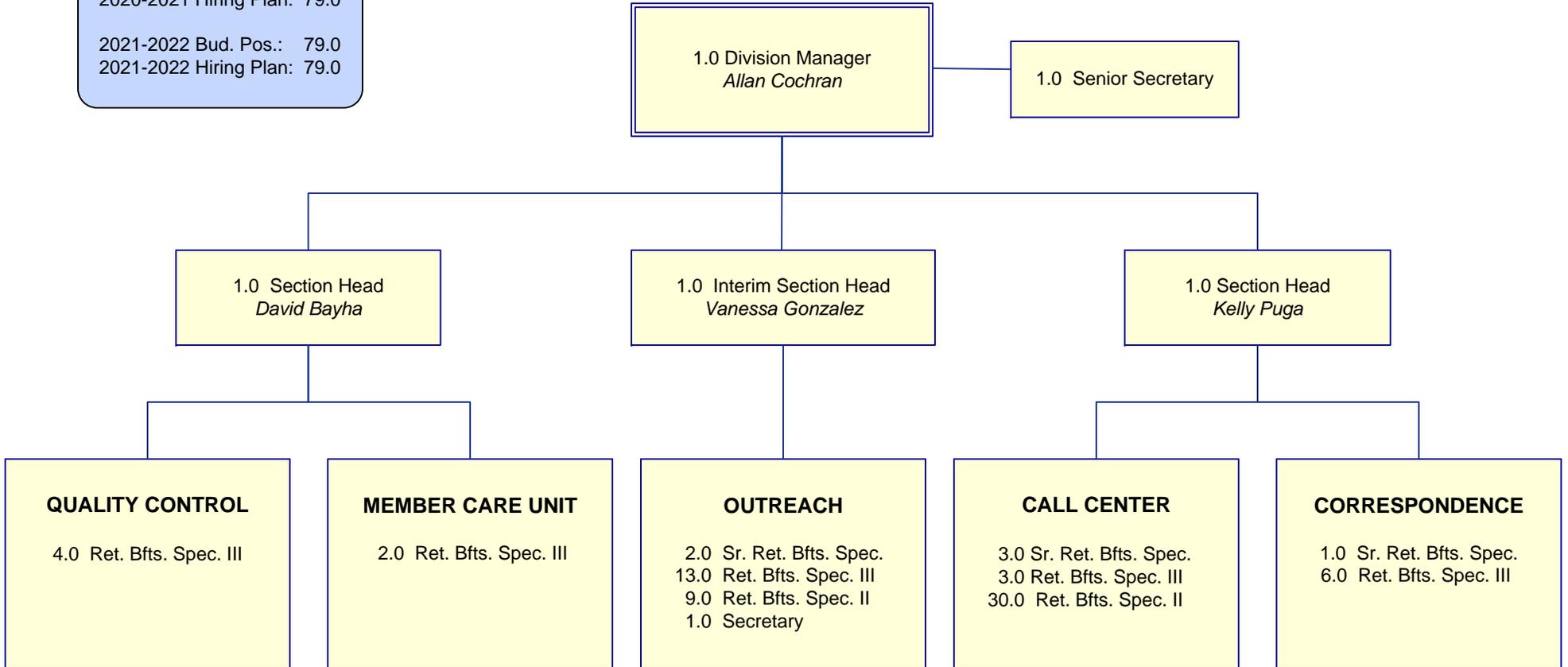
SERVICES AND SUPPLIES

The services and supplies budget request are like past years and based on actual and historical expenditure trends.

MEMBER SERVICES DIVISION

FISCAL YEAR 2021-2022

2020-2021 Bud. Pos.: 79.0
 2020-2021 Hiring Plan: 79.0
 2021-2022 Bud. Pos.: 79.0
 2021-2022 Hiring Plan: 79.0

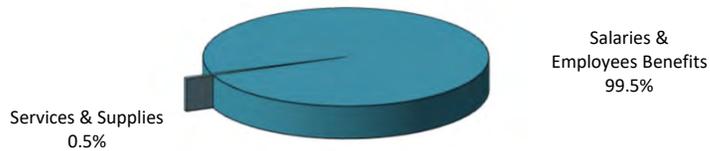


LACERA
FISCAL YEAR 2021-2022
BUDGET SUMMARY

MEMBER SERVICES

	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET		
	PROPOSED BUDGET 2021-2022	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(03-31-21)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$10,331,305	\$9,691,407	\$6,128,347	\$9,310,354	(\$381,053)	-3.9%	\$639,898	6.6%
Services & Supplies	55,500	51,000	670	2,519	(48,481)	-95.1%	4,500	8.8%
OPERATING BUDGET	\$10,386,805	\$9,742,407	\$6,129,017	\$9,312,873	(\$429,534)	-4.4%	\$644,398	6.6%

2021 - 2022 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2021-2022
SALARIES AND EMPLOYEE BENEFITS SUMMARY

MEMBER SERVICES

	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$6,147,368	\$6,006,252	\$3,702,832	\$5,708,425	(\$297,827)	-5.0%	\$141,116	2.3%
Total Agency Temp Salaries	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	3,460,588	2,994,104	1,901,301	2,904,109	(89,995)	-3.0%	466,484	15.6%
Employee Benefits (Other)	367,397	369,603	260,446	365,907	(3,696)	-1.0%	(2,206)	-0.6%
OPEB Contribution	180,351	154,147	127,037	173,183	19,036	12.3%	26,204	17.0%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	133,800	130,500	113,451	130,500	0	0.0%	3,300	2.5%
Bilingual Bonus	16,800	16,800	9,350	14,300	(2,500)	-14.9%	0	0.0%
Sick Leave Buyback	15,000	10,000	13,850	13,850	3,850	38.5%	5,000	50.0%
Rideshare Allowance	10,000	10,000	80	80	(9,920)	-99.2%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$10,331,305	\$9,691,407	\$6,128,347	\$9,310,354	(\$381,053)	-3.9%	\$639,898	6.6%
Salary Differential **	-	-	-	-	-	-	-	-
TOTAL S&EB	\$10,331,305	\$9,691,407	\$6,128,347	\$9,310,354	(\$381,053)	-3.9%	\$639,898	6.6%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 03/15/21, with the exception of Agency Temp Salaries, which are as of 03/31/21.

LACERA
FISCAL YEAR 2021-2022
SALARIES

MEMBER SERVICES

2021-2022 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT			
00773A	DIVISION MANAGER	1	LS12	14,187	170,249			
00772A	SECTION HEAD, LACERA	2	LS9	21,614	259,370			
01312A	SENIOR RETIREMENT BENEFITS SPECIALIST	5	101F	41,959	503,511			
01311A	RETIREMENT BENEFITS SPECIALIST III	23	96A	164,582	1,974,984			
00439A	SENIOR SECRETARY	1	89G	6,062	72,750			
01310A	RETIREMENT BENEFITS SPECIALIST II	37	89F	200,750	2,408,998			
POSITIONS		69			5,389,861			
VACANT POSITIONS		# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
00772A	SECTION HEAD, LACERA	1	LS9	8,498	101,973			50,987
01312A	SENIOR RETIREMENT BENEFITS SPECIALIST	1	101F	6,560	78,719	78,719		
01311A	RETIREMENT BENEFITS SPECIALIST III	5	96A	5,657	67,884	339,420		
01310A	RETIREMENT BENEFITS SPECIALIST II	2	89F	4,738	56,852		85,278	
00438A	SECRETARY	1	83D	4,007	48,081	48,081		
POSITIONS		10			602,484	466,220	85,278	50,987
TOTAL POSITIONS		79						
GROSS SALARIES					5,992,345			
ANTICIPATED MOU SALARY INCREASE**					0			
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE					138,430			
BONUS					16,594			
120-DAY RETIREE(S)					0			
TOTAL SALARIES					6,147,368			

MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/21.
 Represented/Non-Represented positions are shown at actual salaries as of 01/01/21.
 Represented positions shown in blue.
 Vacancies are shown at the 1st Step.
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 0% to calculate anticipated MOU increase.

LACERA
FISCAL YEAR 2021-2022
SERVICES & SUPPLIES ACCOUNT SUMMARY

MEMBER SERVICES

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
TRANSPORTATION & TRAVEL	\$21,700	\$5,000	\$119	\$119	(\$4,881)	-97.6%	\$16,700	334.0%
OFFICE SUPPLIES & EQUIPMENT	12,500	15,000	500	800	(14,200)	-94.7%	(2,500)	-16.7%
EDUCATIONAL EXPENSES	16,500	21,500	50	1,300	(20,200)	-94.0%	(5,000)	-23.3%
MISCELLANEOUS	4,800	9,500	0	300	(9,200)	-96.8%	(4,700)	-49.5%
TOTAL	\$55,500	\$51,000	\$670	\$2,519	(\$48,481)	-95.1%	\$4,500	8.8%

*All amounts rounded to the nearest dollar.



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) performs four main functions in service to LACERA’s Member Operations Group (MOG), which are those Divisions that provide retirement benefit services to LACERA’s members. QA’s services consist of:

- Independent transactional audits of work processed by MOG staff for our members
- Technical benefits training for MOG staff, from new hires to veterans
- Developing performance metrics based upon new functions in Workspace
- Special projects as assigned by the Executive Office and consistent with QA’s independent quality assurance function.

Quality Auditing

QA independently reviews and reports on the benefit-related business transactions performed by the MOG. The accuracy and completeness of business transactions are measured by audit criteria agreed established by QA and the Executive Office after consultation between QA and auditee Divisions. 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.

QA compiles an annual report to the Board of Retirement on the preceding fiscal year on the overall accuracy and quality of the services LACERA members receive.

Future Quality Audit Plans

QA is reviewing current audit criteria with the auditee divisions with a view to triaging audit cases based primarily on risk. While risk has always been a criterion, QA is developing pre-completion, in addition to the traditional post-completion, audits, and these will be conducted by QA auditors and complemented by Supervisory reviews performed by the auditee’s Supervisor and team Leads.

Employee Development

To help support continuity of work quality, employee development, and performance improvement within LACERA, Quality Assurance offers 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 100% before being finalized. Training materials are reviewed and updated before each session to reflect changes in the retirement law, LACERA's business policies, and LACERA's Systems processing. In 2020, QA conducted our second such training with 13 participants, trained and evaluated by nine QA instructors on 22 Benefits processes. Even under the COVID conditions, trainees processed 2,951 cases with an overall accuracy of 96.37 percent during the production periods.

QA has developed eLearning modules to broaden our blended learning approach and continues to develop more using the Udemy and Articulate software tools, which has proven most effective. This offers a combination of interactive learning complimented with face-to-face learning as well as easily accessed refresher information.

This year, due to COVID exigencies, veteran refresher training was not conducted. ACE Pilot Phase II program resumed in August 2020. Before the COVID-19 crisis, QA had completed five of six ACE Technical modules and seven of eight business/leadership soft-skill courses. QA is currently in the final module Policy Production Project with PMG. The ACE program did conduct remote meetings for participants with Disability Retirement, Benefits PMG, and Benefits Death and Legal team. The ACE pilot program was completed in June 2020 and has led to a clear strategic path forward for the ACE program.

Future Training Plans

QA will continue actively to convert all business process procedural information to the interactive eLearning format through Articulate.

The ACE program is being re-envisioned as specific training to produce Retirement Benefits Specialists who are qualified to perform an account analysis that can certify that the member's account is clean in all its data and does not require deep research prior to performing a transaction. Secondly, the ACE program will serve as the deep training needed for staff to perform the most complex benefit transactions.

Production Metrics

QA is assembling a team to develop, in concert with LACERA's Systems Division, a program for extracting and presenting meaningful data from Workspace to assist the Member Operations Group and others in LACERA to fulfill their mission of Producing, Protecting and Providing the Promised Benefits to LACERA's members. This team will be headed by a Senior Quality Auditor. Initially, QA plans to employ 2 interns to assist in developing the necessary technology infrastructure and data presentation tools, as well as initial implementation throughout the Member Operations Group. Future staffing needs for this team will be revisited as it transitions to support more business analytics.

The objectives of the Metrics program are to support Member Operations Group:

1. Resource Planning and Budgeting
2. Process Improvement
3. Workload Management
4. Workforce Management

Performance of the Metrics program is measured based on its:

1. Efficiency
2. Reliability and accuracy
3. Usability

Special Projects

QA engages in special projects assigned by the Executive Office which are appropriate for QA's skills and resources, and which do not compromise QA's standards of independence, objectivity, and professional ethics. For example, 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, Executive Office, and the County Auditor Controller. The Quality Analysts also performed annual Census Testing of 30 randomly selected member records. The PEPRA Embedded Pay Codes Testing, PEPRA Final Compensation Testing, and Retro-Salary Adjustment projects are in process. Quality Assurance collaborates with other divisions to facilitate data clean-up projects as directed by LACERA's strategic goals.

Future Special Projects

QA will develop improved communication intra- and inter-divisionally for tracking and reporting the status of service requests submitted to QA for audit and other varied requests. It is hoped that the methods QA develops for managing special projects can be leveraged for the greater good of the MOG.

Successes

QA has continued to function effectively during the COVID relocation of staff to teleworking offsite.

The reports given above for audit, training and special projects document the successes achieved by the QA & Metrics Division.

Challenges

This year the primary challenge has been coping with relocation of staff offsite due to the COVID health concerns. All of QA's work has been impacted in how it is conducted and reported from a distance and how communication can be coordinated between auditor and auditee. All insights garnered through the COVID changes to business operations have propelled QA into its revision of the audit and of the collection and reporting of data.

QA are developing priorities for completing eLearning modules and posting them online as well as organize easy access catalog of available courses and record online participation. QA has obtained the software licenses to pursue this goal and may need more.

In addition, as related to COVID, QA needs scanning technology to communicate e-documents for necessary approvals as well as to digitize training record documents to improve record keeping.

QA has the challenge of creating a shared database for the processing and audit of work objects from staff selection through the audit process to sending the completed member request. This is a temporary solution, a necessary bridge for the audit process until the Workspace workflow functions now being developed by Systems become available. QA is working closely with Systems to ensure the data and the movement of the data will work well for auditor and auditee.

STAFFING REQUEST

There are currently four vacancies in Quality Assurance. When filled, these four vacancies will have the following responsibilities:

- Two will supervise the QA Audit functions, each with a team of up to six auditors
- One will supervisor a new Metrics function currently under development
- One will supervise the QA Training function

We expect to fill three of these vacancies in FY 2020-2021. We anticipate filling the fourth vacant Senior Quality Auditor vacancy in FY 2021-2022.

One QA staff member entered the LDP program in November 2019 for a 6-month period. This staff member has remained with the Administrative Services Division to date, due to unavoidable staff absence. QA would like the return of its staff member as soon as can be arranged.

If available, it was mentioned that possibly two interns might be available. QA would like to consider that option for FY 2021-2022, especially with respect to the development and implementation of new metrics and training.

SERVICES AND SUPPLIES

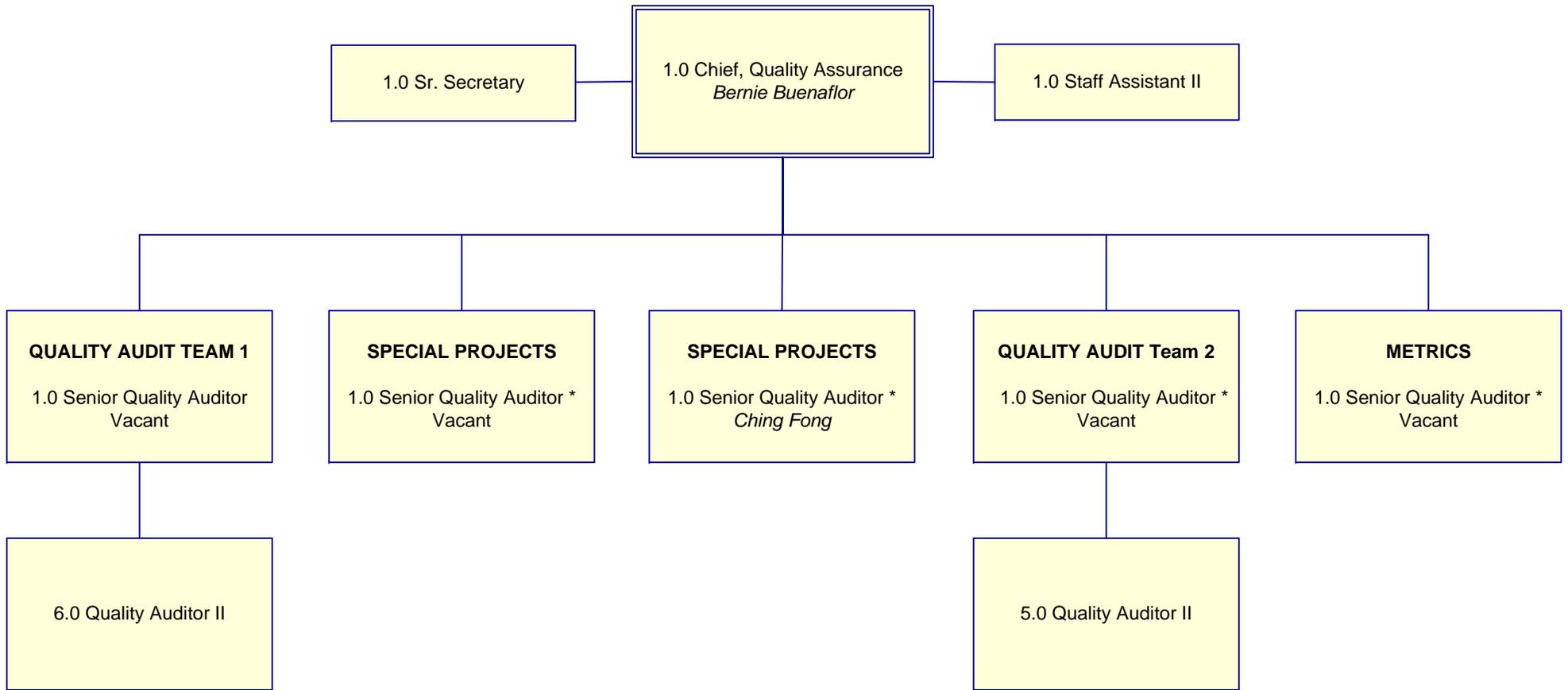
Our request for services and supplies has decreased based on divisional restructuring for lean operating efficiency and to changes from physical travel for staff training purposes to online training.

QUALITY ASSURANCE DIVISION

FISCAL YEAR 2021-2022

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

2021-2022 Bud. Pos.: 19.0
 2021-2022 Hiring Plan: 19.0



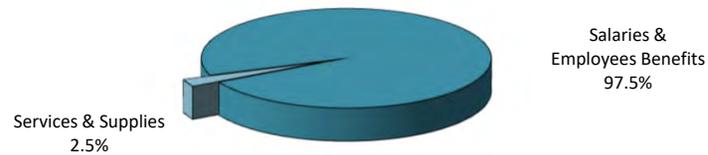
* Classification study for the position requested

LACERA
FISCAL YEAR 2021-2022
BUDGET SUMMARY

QUALITY ASSURANCE

	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET		
	PROPOSED BUDGET 2021-2022	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(03-31-21)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$3,334,939	\$3,183,593	\$2,040,646	\$3,040,449	(\$143,144)	-4.5%	\$151,346	4.8%
Services & Supplies	83,900	91,500	4,925	58,016	(33,484)	-36.6%	(7,600)	-8.3%
OPERATING BUDGET	\$3,418,839	\$3,275,093	\$2,045,570	\$3,098,465	(\$176,628)	-5.4%	\$143,746	4.4%

2021 - 2022 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2021-2022

SALARIES AND EMPLOYEE BENEFITS SUMMARY

QUALITY ASSURANCE

	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$1,968,269	\$1,930,095	\$1,243,395	\$1,839,468	(\$90,627)	-4.7%	\$38,174	2.0%
Total Agency Temp Salaries	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	1,166,791	1,077,459	664,193	1,013,438	(64,021)	-5.9%	89,332	8.3%
Employee Benefits (Other)	117,634	122,675	85,548	121,448	(1,227)	-1.0%	(5,041)	-4.1%
OPEB Contribution	57,745	51,163	45,286	62,760	11,597	22.7%	6,582	12.9%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	21,300	0	2,224	3,335	3,335	0.0%	21,300	0.0%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	1,000	0	0	0	0	0.0%	1,000	0.0%
Rideshare Allowance	2,200	2,200	0	0	(2,200)	-100.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$3,334,939	\$3,183,593	\$2,040,646	\$3,040,449	(\$143,144)	-4.5%	\$151,346	4.8%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$3,334,939	\$3,183,593	\$2,040,646	\$3,040,449	(\$143,144)	-4.5%	\$151,346	4.8%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 03/15/21, with the exception of Agency Temp Salaries, which are as of 03/31/21.

LACERA
FISCAL YEAR 2021-2022
SALARIES

QUALITY ASSURANCE

2021-2022 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT			
00780A	CHIEF, QUALITY ASSURANCE	1	LS12	15,742	188,908			
00798A	SENIOR QUALITY AUDITOR	1	106A	9,471	113,652			
00797A	QUALITY AUDITOR II	11	100K	91,021	1,092,249			
00427A	STAFF ASSISTANT II	1	92E	5,127	61,523			
00439A	SENIOR SECRETARY	1	89G	6,229	74,750			
POSITIONS		15			1,531,083			
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	4	106A	7,420	89,040	356,160		
POSITIONS		4			356,160	356,160	0	0
TOTAL POSITIONS		19						
GROSS SALARIES					1,887,243			
ANTICIPATED MOU SALARY INCREASE**					0			
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE					14,058			
BONUS					66,968			
120-DAY RETIREE(S)					0			
TOTAL SALARIES					1,968,269			

MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/21.
 Represented/Non-Represented positions are shown at actual salaries as of 01/01/21.
 Represented positions shown in blue.
 Vacancies are shown at the 1st Step.
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 0% to calculate anticipated MOU increase.

LACERA
FISCAL YEAR 2021-2022
SERVICES & SUPPLIES ACCOUNT SUMMARY

QUALITY ASSURANCE

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		OVER/(UNDER)	
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	\$12,000	\$9,000	\$716	\$716	(\$8,284)	-92.0%	\$3,000	33.3%
OFFICE SUPPLIES & EQUIPMENT	2,000	3,000	369	600	(2,400)	-80.0%	(1,000)	-33.3%
PROFESSIONAL & SPECIALIZED SERVICES	50,000	50,000	0	50,000	0	0.0%	0	0.0%
EDUCATIONAL EXPENSES	19,500	28,800	3,840	6,500	(22,300)	-77.4%	(9,300)	-32.3%
MISCELLANEOUS	400	700	0	200	(500)	-71.4%	(300)	-42.9%
TOTAL	\$83,900	\$91,500	\$4,925	\$58,016	(\$33,484)	-36.6%	(\$7,600)	-8.3%

*All amounts rounded to the nearest dollar.



Mission

The Systems Division (Systems) oversees all aspects of information technology for LACERA. Systems provides technology support services and creates innovative application solutions to assist the organization in meeting our commitment to protect, produce, and provide the promised benefits to our members.

INTRODUCTION

In support of the LACERA’s mission to strengthen, modernize, and build a world-class technological infrastructure, Systems has implemented new remote computing capabilities, cloud-hosted services, better systems redundancies, and stronger cybersecurity features. This budget request for fiscal year 2021-2022 reflects the divisions ongoing commitment to provide the highest level of end user support to our internal customers. This budget will also provide the organization with the resources needed to address disruptive cyber incidents, improve our cybersecurity program, and modernize the enterprise authentication and authorization capabilities.

STAFFING

The Systems Division is continuing to evaluate and make appropriate staffing adjustments necessary to ensure we have the proper resources to meet our commitments, support LACERA’s mission, and to create the most efficient, productive, and secure enterprise.

The Systems Division is requesting the addition of three ordinance positions to the budget. We will also be moving five Systems Division positions to a newly created division, Information Security, which will reside under the Executive Office. Finally, we will be removing two Programming Systems Specialists positions, which are no longer needed. These requests will result in a net change of four positions removed from the Systems Division budget:

Positions Requested for FY 2021/2022:	3
Positions Moved to Information Security (under Executive Office)	(5)
Positions Removed FY 2021/2022:	(2)
Net Change:	(4)

The three ordinance positions that we are requesting are Data Systems Analyst I (DSA I) positions; two for the Helpdesk and one for the Application Development and Business Solutions teams. The current Helpdesk consists of 4 permanent staff that service both the onsite and remote technological needs of the organization. On average, the Helpdesk receives approximately 30 requests per day (10 phone calls and 23 emails) or over 8000 requests annually to troubleshoot IT related issues. The current average response time for incoming requests is approximately 24 hours due to the varying complexity of issues that can take anywhere from 2 minutes to resolve or several days to research and identify the root cause. While we have been able to supplement the Helpdesk with temporary staffing, the additional permanent resources will ensure adequate coverage for the hybrid workforce and support management's initiative to reduce the backlog of unresolved tickets and decrease our average response time by 25%. In addition, the Systems Division needs a leadership pipeline. The Helpdesk is also a good introduction to all services provided by our division and is an effective training group for IT leadership for motivated employees.

The Application Development and Business Solutions team supports our Pension Administration System that provides our members and their survivors the promised benefits. We are requesting an additional DSA I to join this group to support the retired member processes, learn the business rules and technology used to support our retired members, and provide a leadership pipeline for this critical business function.

To ensure the security of our data and systems, the Systems Division hired a Chief Information Security Officer (CISO) during the past fiscal year. The CISO in turn hired four information security specialists: one Security Intelligence Specialist, one Governance, Risk, and Compliance Specialist, and two Security Operations Analysts. The CISO and his team are responsible for establishing privacy policies and procedures, evaluating adherence to those policies and procedures, reviewing authorization and privacy control structures such as administrative access rights, and independently evaluating vendor security operational controls to make sure they are sufficiently in compliance with best practices. They are also responsible for educating LACERA staff on cybersecurity risks and best practices. The CISO position is currently budgeted in the Systems Division but reports directly to the Executive Office. In order for the Information Security team to carry out their core functions, they must be independent of the IT operations and all other divisions for which they provide security oversight. For this reason, we propose to move the five Information Security positions from our Systems division to the Executive Office with plans to create a new Division for the Information Security group at the mid-year budget.

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
- 4) Support for extended office hours during peak months

SERVICES AND SUPPLIES

LACERA’s budget aggregates all information technology expenditures, including those that are division-specific, within Systems budget. This provides centralized technology services to all divisions, sets LACERA’s technology standards, and coordinates and governs organization-wide technology related initiatives to improve planning and technology investments decisions.

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

- Planning: Ensure LACERA’s IT processes support the organizations overall Strategic Plan, consolidate fragmented infrastructure and network appliances, develop, and update standard operating procedures, expand enterprise solutions, and redesign the delivery of services
- Maintenance: Product support, licensing fees, ongoing and established operational costs, etc.
- New Projects: Requirements gathering, workflow understanding and optimization, allocation for new systems, applications, products, or services.

The list of projects highlights Systems fiscal year 2021-2022 budget requests:

Project	Total Cost	Description
Telecommunications upgrade and Hosted Contact Center	\$250,000	Estimate to modernize our existing telecommunications infrastructure. This funding is requested to support LACERA’s telecommunications strategy both for our Pasadena Office and to acquire a world-class Member Service Contact Center solution that integrates with our existing Microsoft suite of products.
Uninterruptible Power Supply (UPS) upgrade	\$250,000	The UPS units that provide critical backup power to LACERA’s data centers during outages are at the end of life. This funding is requested to redesign and replace the existing units to create a redundant power system.
Member Case Management (Phase 2)	\$200,000	Estimate for the software & hardware (or hosted solution) plus professional implementation and consulting services. The case management solution will integrate with Workspace and the Member

		Portal and will be used by all member facing divisions. The total estimated costs for this project are \$300,000. \$100,000 was requested as part of the 2020/2021 mid-year adjustment and this \$200,000 represents Phase 2 of the project.
Administrative Workflow Management System (Phase 2)	\$200,000	Estimate for a workflow management system for administrative workflows, such as Human Resources, IT Service Management (ITSM), Security, Operations, and Governance, Risk and Compliance (GRC). The total estimated costs for this project are \$300,000. \$100,000 was requested as part of the 2020/2021 mid-year adjustment and this \$200,000 represents Phase 2 of the project.
Information/Cybersecurity	\$175,000	Estimate for evaluating technologies and/or methods to enhance the security and resiliency of our operational support systems against internal and external cyber threats. This will also protect the organization against the threat of cyberattacks by supporting concept studies and product demonstrations.
Contract Management System	\$150,000	Estimate of the implementation cost for an enterprise contract management system that will integrate with the organization's existing financial/accounting system and provide enhanced end user functionality.
Travel/Expense Management System	\$150,000	Estimate of the implementation cost for an enterprise travel/expense management system that will integrate with the organization's existing financial/accounting system and provide enhanced end user functionality.
Budget System Software Consulting Services	\$150,000	Estimate of the cost for a budget software consultant to redesign LACERA's budget process and recommend automated budget system software. This request goes hand in hand with the request for budget system software. LACERA's current budget process needs to be reengineered, and the use of an experienced consultant will

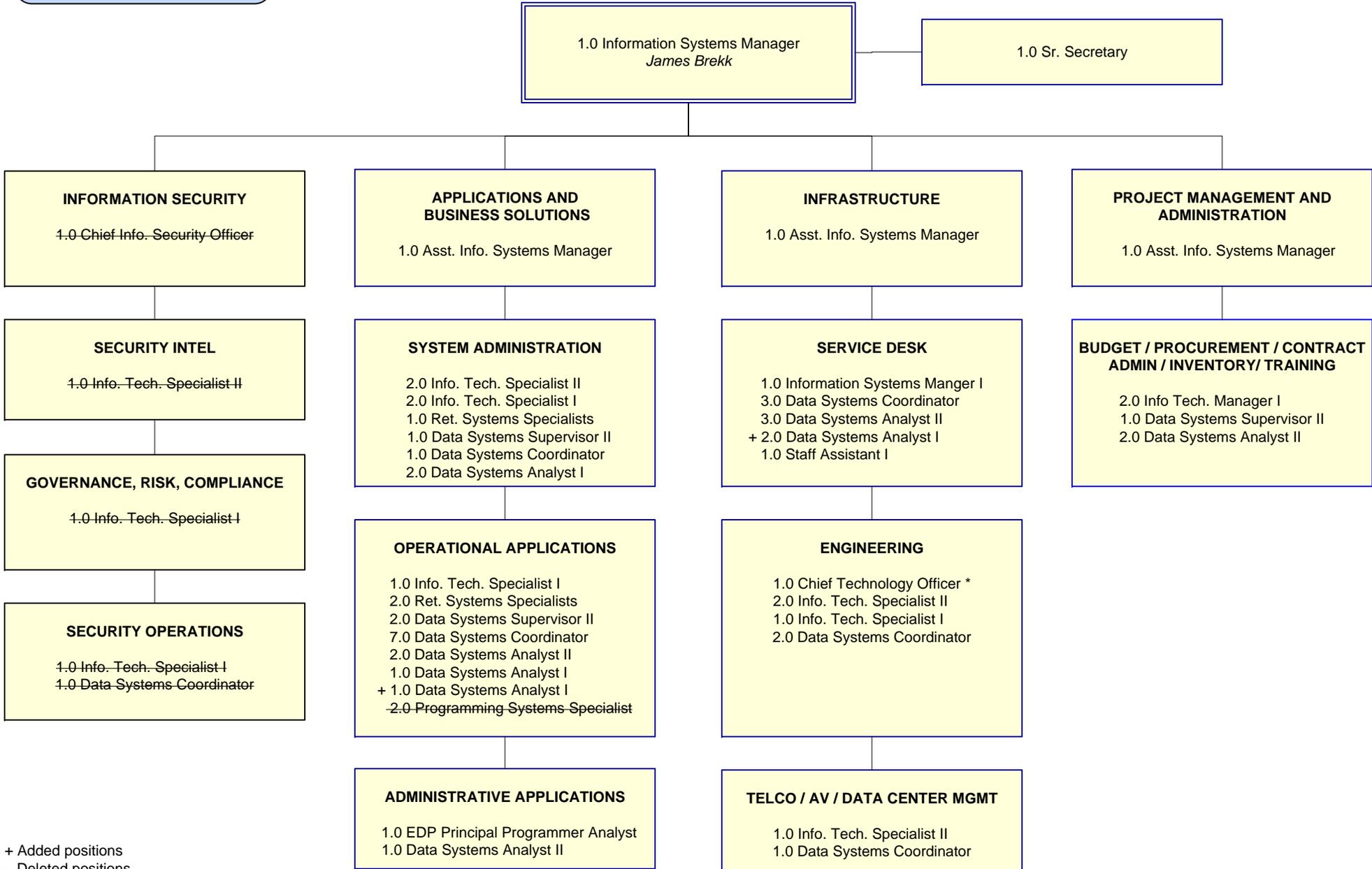
		ensure that the new process and the software selected will be optimal.
Budget System Software	\$140,000	Estimate of the implementation cost for a new budget system that will support the 100-day goal of reengineering the budget process. This cost was previously included in the midyear budget adjustments for FY 2020-21; however, the budget software team will not be able to complete the procurement process before the end of this fiscal year and will need to roll this money over to next fiscal year.
Continual IT equipment upgrade (Workstations, Laptops and Monitors)	\$100,000	Estimate for replacing end of life workstations, acquiring more laptops to further enhance mobile and teleworking capabilities, and provide dual monitors to all LACERA's workforce as needed.

2020-2021 Bud. Pos.: 60.0
 2020-2021 Hiring Plan: 59.0
 2021-2022 Bud. Pos.: 56.0
 2021-2022 Hiring Plan: 56.0

SYSTEMS DIVISION

FISCAL YEAR 2021-2022

Pending Board of Supervisors Approval
 1.0 Information Tech. Manager II Ø



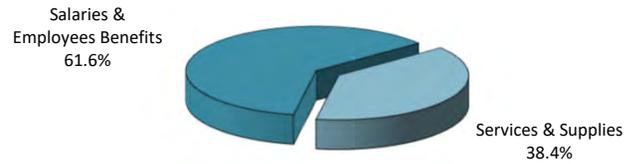
+ Added positions
 — Deleted positions
 * Classification study for the position requested
 Ø Not yet approved by Board of Supervisors

LACERA
FISCAL YEAR 2021-2022
BUDGET SUMMARY

SYSTEMS DIVISION

	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET		
	PROPOSED BUDGET 2021-2022	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(03-31-21)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$12,565,331	\$12,109,828	\$6,979,607	\$10,997,959	(\$1,111,869)	-9.2%	\$455,503	3.8%
Services & Supplies	7,840,400	8,182,800	3,586,126	8,265,640	82,840	1.0%	(342,400)	-4.2%
OPERATING BUDGET	\$20,405,731	\$20,292,628	\$10,565,733	\$19,263,599	(\$1,029,029)	-5.1%	\$113,103	0.6%

2021 - 2022 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2021-2022
SALARIES AND EMPLOYEE BENEFITS SUMMARY

SYSTEMS DIVISION

	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$6,381,630	\$5,740,488	\$3,198,562	\$4,967,078	(\$773,410)	-13.5%	\$641,142	11.2%
Total Agency Temp Salaries	1,762,500	2,650,000	1,613,013	2,650,000	0	0.0%	(887,500)	-33.5%
Employee Benefits (Variable)	3,698,379	3,005,525	1,674,771	2,687,197	(318,328)	-10.6%	692,854	23.1%
Employee Benefits (Other)	381,398	397,170	277,644	393,200	(3,970)	-1.0%	(15,772)	-4.0%
OPEB Contribution	187,224	165,644	107,869	158,314	(7,330)	-4.4%	21,580	13.0%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	133,300	130,100	95,678	130,100	0	0.0%	3,200	2.5%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	12,000	12,000	11,670	11,670	(330)	-2.8%	0	0.0%
Rideshare Allowance	8,900	8,900	400	400	(8,500)	-95.5%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$12,565,331	\$12,109,828	\$6,979,607	\$10,997,959	(\$1,111,869)	-9.2%	\$455,503	3.8%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$12,565,331	\$12,109,828	\$6,979,607	\$10,997,959	(\$1,111,869)	-9.2%	\$455,503	3.8%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 03/15/21, with the exception of Agency Temp Salaries, which are as of 03/31/21.

LACERA
FISCAL YEAR 2021-2022
SERVICES & SUPPLIES ACCOUNT SUMMARY

SYSTEMS DIVISION

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
COMMUNICATIONS	\$925,000	\$740,000	\$405,996	\$725,000	(\$15,000)	-2.0%	\$185,000	25.0%
TRANSPORTATION & TRAVEL	4,600	10,100	1,275	3,900	(6,200)	-61.4%	(5,500)	-54.5%
POSTAGE	390,000	390,000	201,000	390,000	0	0.0%	0	0.0%
OFFICE SUPPLIES & EQUIPMENT	349,600	546,800	747,657	895,340	348,540	63.7%	(197,200)	-36.1%
EQUIPMENT MAINTENANCE	609,500	632,200	200,100	552,000	(80,200)	-12.7%	(22,700)	-3.6%
PROFESSIONAL & SPECIALIZED SERVICES	984,600	1,974,600	493,005	1,822,100	(152,500)	-7.7%	(990,000)	-50.1%
COMPUTER SERVICES & SUPPORT	4,539,600	3,851,600	1,533,854	3,853,000	1,400	0.0%	688,000	17.9%
EDUCATIONAL EXPENSES	36,500	36,500	3,239	24,000	(12,500)	-34.2%	0	0.0%
MISCELLANEOUS	1,000	1,000	0	300	(700)	-70.0%	0	0.0%
TOTAL	\$7,840,400	\$8,182,800	\$3,586,126	\$8,265,640	\$82,840	1.0%	(\$342,400)	-4.2%

*All amounts rounded to the nearest dollar.

PROJECTED NON-ADMINISTRATIVE EXPENSES
For the Fiscal Year Ended June 30, 2022

	Current Year		Prior Year ACTUAL FOR FY 2019-2020
	EXPENSES	PROJECTED	
	AS OF 12/31/2020	FOR FY 2021-2022	
Pension Trust Fund:			
Investment Management Fees			
U.S. Equity	\$ 9,269,634	\$ 9,930,529	\$ 11,862,809
Non-U.S. Equity	14,701,312	25,300,079	36,214,224
Fixed Income	17,912,523	35,833,751	27,686,590
Cash and Short-Term	276,046	436,046	818,018
Mortgage Loan Services	23,848	46,848	61,853
Private Equity	3,908,704	8,743,802	13,012,188
Real Estate	3,375,255	18,385,099	25,616,537
Hedge Funds	-	-	705,364
Commodities	1,815,899	3,631,797	3,812,973
Total Investment Management Fees	51,283,221	102,307,950	119,790,556
Other Investment Expenses			
Consultants			
General Investment Portfolio	197,500	395,000	355,000
Private Equity	362,500	1,037,500	1,378,945
Real Estate	156,060	312,120	234,090
Other Consulting Fees	498,800	932,711	1,021,284
	1,214,860	2,677,331	2,989,319
Custodians			
Banking and Treasury	1,530,215	2,530,215	2,619,313
Mortgages	-	5,000	5,000
	1,530,215	2,535,215	2,624,313
Performance and Other Fees	47,591,367	108,207,735	83,727,294
Investment Legal Counsel	400,233	650,000	188,969
Total Other Investment Expenses	50,736,675	114,070,282	89,529,895
Total Management Fees and Other Investment Expenses	\$ 102,019,897	\$ 216,378,232	\$ 209,320,451
Actuarial Consulting Services	179,662	359,323	397,076
Total Pension Fund Non-Administrative Expenses	\$ 102,199,558	\$ 216,737,555	\$ 209,717,527
Retiree Health Care (RHC) Program Funds:			
Fixed Income Management Fees	\$ 40,726	\$ 81,476	\$ 73,791
Short-Term Management Fees	10,022	22,592	20,576
Custodian Fees	16,416	33,581	33,234
Total RHC Program Non-Administrative Expenses	\$ 67,164	\$ 137,649	\$ 127,600
Other Post Employment Benefits (OPEB) Trust Fund:			
Enhanced Cash Management Fees	\$ 2,211	\$ 13,052	\$ 11,505
Commodities Management Fees	\$ 49,666	\$ 105,293	\$ 76,743
Global Equity Management Fees	\$ 103,625	\$ 219,887	\$ 133,481
Fixed Income Management Fees	\$ 104,776	\$ 224,245	\$ 172,814
Real Estate Management Fees	\$ 47,039	\$ 101,410	\$ 70,692
General Investment Portfolio Consultant	\$ 27,500	\$ 55,000	\$ 55,000
Investment Legal Fees	\$ -	\$ 10,000	\$ 9,667
Custodian Fees	\$ 165,314	\$ 330,629	\$ 332,873
Total OPEB Trust Non-Administrative Expenses	\$ 500,133	\$ 1,059,516	\$ 862,775

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 – Roll out of the Board Agenda process resulted in additional testing and reprogramming.					
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	The implementation of SharePoint has made this application obsolete. Since the objective of the goal has been met by alternate technological solutions. The goal is complete.					

- 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	The implementation of SharePoint has made this application obsolete.					
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	This project was recently reinitiated with Iveta Brecko serving as the Project Manager under Celso Templo’s direction in the Systems Division Project Management Office. The interested parties have recently attended vendor demonstrations for possible software solutions.					

- 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	LS			
Current Update	In Process: As part of Case Management Project					

- 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	LS			
Current Update	<p>In Process: This should be included in the Case Management Project going forward. The Case Management project was recently reinitiated with Iveta Brecko serving as the Project Manager under Celso Templo's direction in the Systems Division Project Management Office.</p> <p>The business partner assigned has been corrected from DL to LS.</p>					
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, LS			
Current Update	<p>Not Started: Pending completion of Disability Process Management. The process management developed for the disability application process will be reused for the appeal process. Additionally, this should be included in the Case Management Project going forward. The Case Management project was recently reinitiated with Iveta Brecko serving as the Project Manager under Celso Templo's direction in the Systems Division Project Management Office.</p> <p>LS has been added as a business partner.</p>					

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

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	DR			
Current Update	The major features of the Disability Tracker have been implemented in Workspace. There are a few additional processes to implement including Board Agenda processing, vendor management, and ad hoc case processing exceptions.					

- 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	In Process: This should be included in the Case Management Project going forward. The Case Management project was recently reinitiated with Iveta Brecko serving as the Project Manager under Celso Templo’s direction in the Systems Division Project Management Office.					
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	This should be included in the Case Management Project going forward. The Case Management project was recently reinitiated with Iveta Brecko serving as the Project Manager under Celso Templo’s direction in the Systems Division Project Management Office.					
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	This should be included in the Case Management Project going forward. The Case Management project was recently reinitiated with Iveta Brecko serving as the Project Manager under Celso Templo’s direction in the Systems Division Project Management Office.					

- 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 are on target for our promised launch on July 30, 2021.					

- 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 prototyping phase with an expected implementation date of June 2021.					

- 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 template for an online election form. This form will be tested when the MSC reopens and after the redesigned lacera.com is launched. 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. The introduction of Virtual Counseling has required LACERA to seek additional programming to accommodate online scheduling for these types of appointments.					
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	<p>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.</p> <p>COVID has derailed this project. Systems will begin developing a post COVID telcom strategy with Member Services and the Executive Office that will include a new call recording system.</p>					
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	<p>During the 2019-2020, this objective was listed as “In Process”, with 48 additional recording ports have been added and 24 have designated for Disability staff scheduled for implementation later on this FY 2019-2020. The COVID-19 pandemic required LACERA to pivot to a cloud based Call Center solution. As a result this objective was terminated. Systems will work with Member Services, Retiree Healthcare, and the IT Council to developing a post COVID telcom strategy, including a call recording system.</p>					

- 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 has not been incorporated at this time. The initial decision to not complete this stream was due to low volume. However, it must be completed in order to ensure error free processing.					
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	This should be included in the Case Management Project going forward. The Case Management project was recently reinitiated with Iveta Brecko serving as the Project Manager under Celso Templo's direction in the Systems Division Project Management Office.					

- 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 is working with Systems to complete the programming to support the final design. An RFP for printing both Active and Retirement Member Benefit Statements has been drafted and is pending data from Systems. Estimated RFP to the Trustees for review/approval is July 2021. Rebecca Sun from Systems is the IT representative on the project team.					

- 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. This is being put back into production and a re-review by SMEs is currently moving forward. Once approved, it will be ready for print.					
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. Communications has completed the balance of the Options scripts and are pending a videographer to develop the videos.					

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

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. This task is pending release of Course 1 and the launch of the redesigned lacera.com					
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	Due to the COVID-19 Pandemic and lack of resources to develop this appropriately, the objective was delayed.					

- 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.					
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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.					
<hr/>						
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. This is an ongoing objective and part of the normal work process. It is deemed complete, in as much as a formal process has been developed and implemented on an ongoing basis.					

- Cultivate a Risk Intelligent Organization >>> Member Centric Process Management (Continued)

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	Compass 365, a Microsoft Gold Partner, recently completed an assessment of our legacy Knowledge management system(s). This project has been assigned to Tom De Luca under the direction of Celso Templo in the Project Management Office. Tom will use Compass 365's report to move forward.					

- 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			
Current 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			
Current Update	Completed.					

- Cultivate a Risk Intelligent Organization >>> Scrubbing Legacy Data
(Continued)

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.					
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. Systems received the test file and follow up files from the Auditor/Controller in May 2020; however, LACERA is currently discussing whether the QSAL data received from the A/C is enough to accurately calculate PEPRA FAC.</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	<p>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.</p> <p>QA believes this task is complete.</p>					

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

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Graduate Inaugural Class						
	FY 2020 – 21	QA	EO/MS			
Current Update	The inaugural class graduated in 2020. However, the program was placed on hold due to the need to re-evaluate the goals. The program was originally designed to train staff to a high technical level. Additional components were added to include management and supervisory skill development. The program will be re-evaluated to determine how it can be re-designed to focus on technical skills, complex account analysis, and to correct and certify accounts.					

- 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. The vendor, CPS’s Institute for Public Sector Employee Engagement, conducted the survey in February 2021. The results will be delivered to Staff and the Board in May and June. The previously planned face-to-face focus groups will be conducted virtually. The focus groups and action items are planned for FY 2021-22.					
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	Complete. CPS conducted the Employee Engagement Survey in February 2021. A total of 352 Staff completed the survey, which is an 86% response rate. The results will be delivered to Staff and the Boards in May and June.					

Envision 2021: Investments Division Work Plan and Strategic Initiatives

Board of Investments

January 13, 2021

Jonathan Grabel – Chief Investment Officer



LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

Discussion Outline

- I. Work Plan Background

- II. Plan for 2021 and Beyond

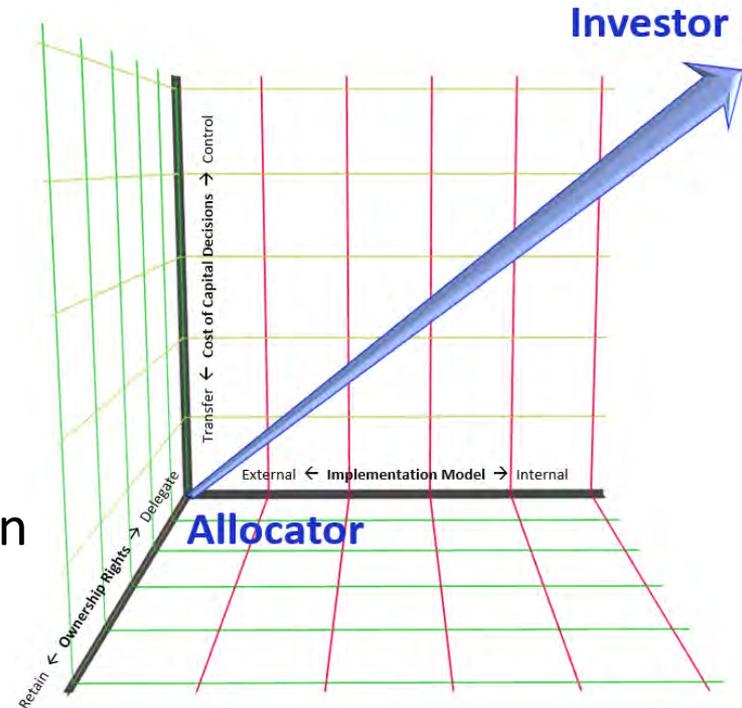
- III. Appendix: Preliminary Project Schedules for 2021

Investments Division Work Plan



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 Board meetings, and Offsites into a cohesive action plan
3. Promote **disciplined execution** and aligned resources for defined priorities



Establish a Work Plan and Adapt

A thoughtful work plan is a necessary first step. Beyond having a plan, execution and adaptability are important. 2020 reminds us that surprises happen and even the best plan may need to be revised.

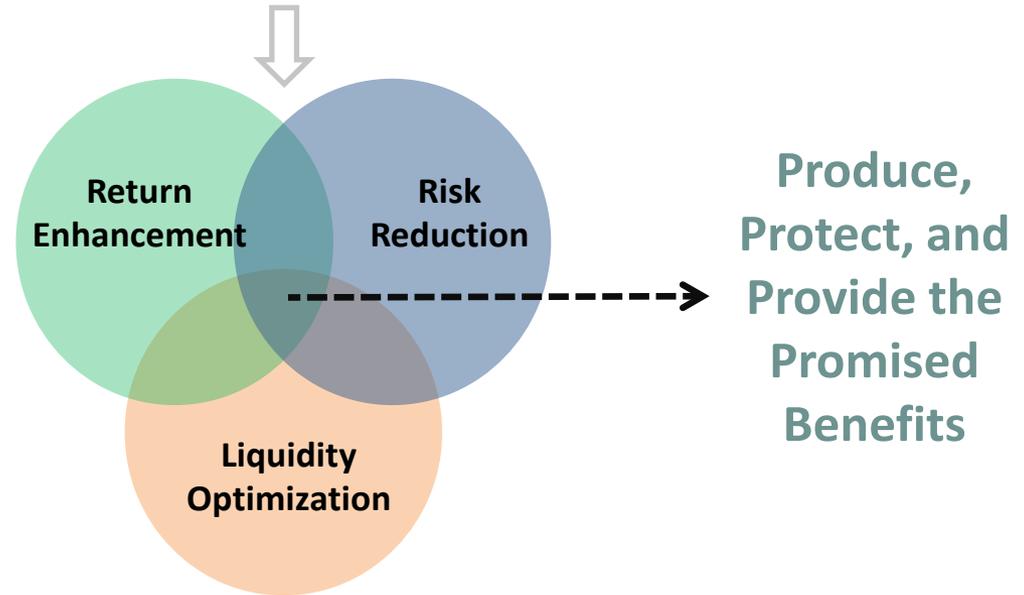


Envision 2021

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



LACERA T.I.D.E.



Select Highlights of 2020 Accomplishments



Execute Strategic Asset Allocation



Enhance Operational Effectiveness

- Conducted review of investment office operational due diligence process
- Successfully managed fund liquidity through onset of COVID-19 economic crisis
- Incorporated remote due diligence practices into LACERA's multi-dimensional process
- Concluded search for Real Estate administrator and total Fund performance and risk platform
- Improved continuity crisis management and remote cash flow capabilities
- Completed private market scorecard methodology and grading and enhanced performance reporting



Optimize Investment Model

- Completed functional asset category structure reviews
- Continued to evaluate internal asset management for public markets
- Continued to increase Private Equity in-house co-investments and secondary activities
- Adapted to conduct remote diligence including initial mandates in private infrastructure funds



Maximize Stewardship and Ownership Rights

- Completed full year of exercising voting authority across the global equity portfolio
- Completed initial carbon footprinting assessment and conducted climate scenario analysis to inform upcoming SAA
- Maintained A+ assessment from UN Principles for Responsible Investments for ESG strategy and corporate governance
- Actively supported and collaborated with key associations (CII, SASB, ILPA, PRI and others) to advance LACERA principles



Strengthen Influence on Fees and Cost of Capital

- Generated fee savings across the portfolio
- Implemented creative structures such as performance fees with a hard hurdle and evergreen mandates
- Expanded in-house and co-investment secondary parameters to help further drive fee savings in PE portfolio



Raise LACERA T.I.D.E.

- Supported expanded DEI initiatives in private markets with ILPA and AIMA
- Formalized ongoing near and long term objectives under TIDE banner
- Completed baseline assessment of all investment partners' DEI profiles and practices
- Engaged 100 companies on corporate board diversity, with over 110 new directors appointed

Plan for 2021 and Beyond



Envision 2021

Strategic Initiatives: Key Short Term Projects

Enhance Operational Effectiveness

- Conduct Private Equity and Real Estate consultant searches
- Balance remote working and back-to-the-office
- Address complexities in Real Estate operations
- Create discrete overlay and hedging category
- Refine investment procedure manual
- Elevate operational due diligence

Optimize Investment Model

- Install risk platform capabilities and incorporate output
- Minimize benchmark misfit
- Enhance risk budgeting methodologies
- Implement structure review initiatives
- Develop emerging manager programs

Maximize Stewardship and Ownership Rights

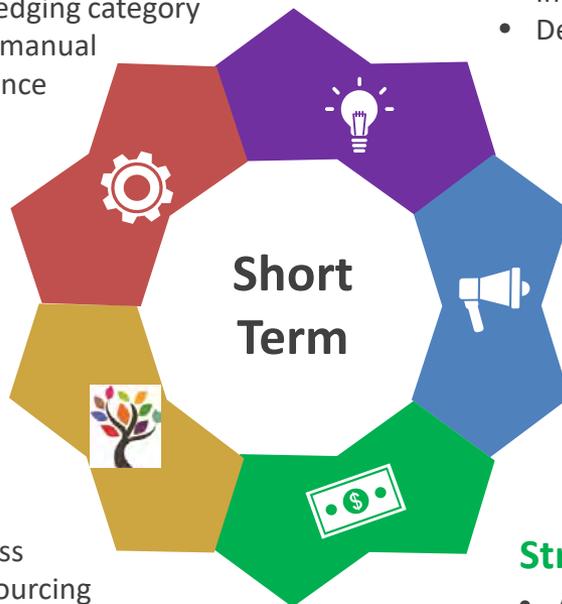
- Review Corporate Governance and Stewardship Principles
- Pursue effective public policy advocacy with CII, others
- Prioritize alignment of interests with business partners
- Complete proxy research and platform RFP
- Execute defined engagement initiatives

Raise LACERA T.I.D.E.

- Walk the talk
- Influence and monitor progress
- Refine RFP practices; widen sourcing
- DEI reporting from money managers
- Active advocacy including event sponsorship
- Engage with public companies to benefit board diversity

Strengthen Influence on Fees and Cost of Capital

- Apply creative fee structures to align interests
- Hire a dedicated managed account service provider
- Continue expansion of in-house co-investment and secondary program



Short term strategic initiatives cover those with less than a three-year horizon



Envision 2021

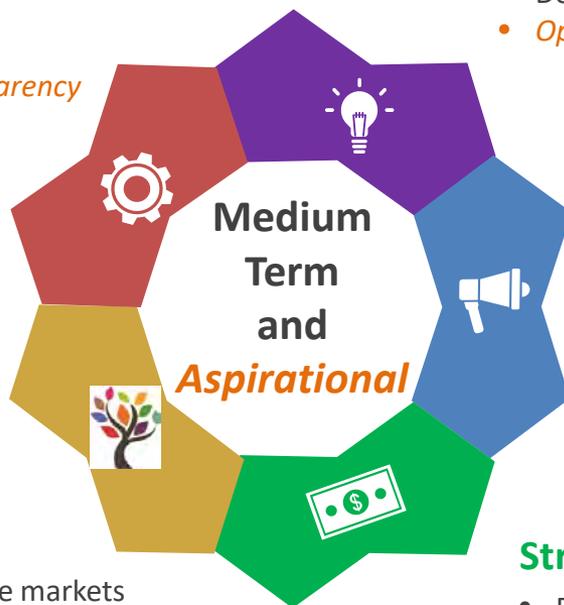
Strategic Initiatives: Medium Term and Aspirational

Enhance Operational Effectiveness

- Consider operational structure of the OPEB Master Trust
- Standardize and refine performance and risk reports
- Expand contract compliance for private markets
- Refine rebalancing practices
- Custody bank search
- *Increase position-level transparency*

Optimize Investment Model

- Evaluate additional investment strategies for the OPEB Master Trust
- Explore in-house investment management in public markets
- Form alliances with similarly situated investors
- Develop co-investing in Real Assets
- *Opportunistically evaluate early-stage manager seeding*



Maximize Stewardship and Ownership Rights

- Refine and continue to execute engagement initiatives
- Elevate relevant discussions with business partners
- Climate aware asset allocation implementation
- Produce thought and white papers
- *Influence market best practices and policy*

Raise LACERA T.I.D.E.

- Be adaptable; refine goals
- Move beyond data collection
- Expand engagement to private markets
- Inspire industry towards active DEI participation
- *Be an in-demand employer of choice*

Strengthen Influence on Fees and Cost of Capital

- Partner with like-minded institutional investors
- Consider creative alternative account and fee structures
- Balance being an in-demand LP with top-tier access while driving LP-friendly terms
- *Be dynamic*

Many short-term projects evolve over time and become medium term and aspirational initiatives that may not be shown above



Prospective 2021 Calendar

Tentative Board of Investments and Committee Meetings

	January	February	March	April	May	June	July	August	September	October	November	December
Board of Investments	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	<i>[Potential mid-year virtual or Q4 in-person Offsite]</i>											
Corporate Governance Committee		✓								✓		
Credit and Risk Mitigation Committee			✓						✓			
Equity: Public/Private Committee					✓						✓	
Real Assets Committee						✓						✓

- Each committee meets at least two times
- Additional meetings would be scheduled on an as-needed basis
- Will work with the Board regarding Offsite format and logistics



Envision 2021

Aspirations

IPS and Beliefs



LACERA Values



Continuous Board Guidance



Strategic Asset Allocation



Allocator to Investor



Staffing and Culture



Envision 2021: Work Plan and Strategic Initiatives

Enhance risk adjusted return expectations while maintaining liquidity to ...



... produce, protect, and provide the promised benefits



Appendix



1st Quarter 2021 Preliminary Monthly Calendar View

FEBRUARY 2021	
Board of Investments:	
Category	Subject
Total Fund	Strategic Asset Allocation Study
Total Fund	4Q2020 Trust and OPEB Performance Report
Total Fund	Meketa 4Q2020 Trust and OPEB Performance Report
Total Fund	Revised Risk Reports – MSCI Barra One Preview
Growth	Private Equity Investment Recommendation
Risk Mitigation	Hedge Funds Investment Recommendation (2)
Real Assets	Real Estate Investment Recommendation (2)
Real Assets	Infrastructure Investment Recommendation
Credit	Illiquid Credit Investment Recommendation
Committee: Corporate Governance	
Category	Subject
Corporate Governance	Governance & Stewardship Principles Review
Corporate Governance	Possible Governance Ballot Actions

MARCH 2021	
Board of Investments:	
Category	Subject
Total Fund	OPEB Strategic Asset Allocation Recommendation
Total Fund	Strategic Asset Allocation Study
Total Fund	Board Offsite Planning
Growth	Private Equity Investment Recommendation
Risk Mitigation	Dedicated Managed Account Recommendation
Real Assets	Real Estate Investment Recommendation
Real Assets	Natural Resources Investment Recommendation
Credit	LIBOR Update Report
Credit	High Yield RFP Manager Recommendation
Corporate Governance	Governance & Stewardship Principles (Advanced)
Corporate Governance	Possible Governance Ballot Actions (Advanced)
Committee: Credit and Risk Mitigation	
Category	Subject
Credit	Illiquid Credit Education

Please note that certain listed items are subject to Committee advancement and/or Board approval



2nd Quarter 2021 Preliminary Monthly Calendar View

APRIL 2021	
Board of Investments:	
Category	Subject
Total Fund	Strategic Asset Allocation Study
Total Fund	Investment Procedure Manual Update
Total Fund	OPEB IPS Update
Growth	Private Equity Investment Recommendation
Real Assets	Infrastructure Investment Recommendation
Committee: none	
Category	Subject

MAY 2021	
Board of Investments:	
Category	Subject
Total Fund	Strategic Asset Allocation Recommendation
Total Fund	1Q2021 Trust and OPEB Performance Report
Total Fund	Meketa 1Q2021 Trust and OPEB Performance Report
Growth	Private Equity Investment Recommendation
Real Assets	Natural Resources Investment Recommendation
Corporate Governance	Proxy Platform and Research RFP Recommendation
Committee: Equity	
Category	Subject
Growth	Private Equity Synthetic Portfolio Education
Growth	Private Equity Emerging Manager MQs
Growth	Global Equity Currency Hedging Program Review

JUNE 2021	
Board of Investments:	
Category	Subject
Total Fund	IPS Update
Total Fund	General Consultant Search MQs
Growth	Private Equity Emerging Manager MQs (Advanced)
Growth	Private Equity Investment Recommendation
Committee: Real Assets	
Category	Subject
Real Assets	Real Estate Structure Review
Real Assets	Review of Role and Correlation to Other Assets
Real Assets	Title Holding Company Commercial Bank Review

Please note that certain listed items are subject to Committee advancement and/or Board approval



3rd Quarter 2021 Preliminary Monthly Calendar View

JULY 2021	
Board of Investments:	
Category	Subject
Total Fund	Potential Board Offsite
Total Fund	Active Overlay Recommendation
Growth	Private Equity Investment Recommendation
Growth	Assessment of Manager Search Process
Real Assets	Real Estate Structure Review (Advanced)
Real Assets	Infrastructure Investment Recommendation
Committee: none	
Category	Subject

AUGUST 2021	
Board of Investments:	
Category	Subject
Total Fund	2Q2021 Trust and OPEB Performance Report
Total Fund	Meketa 2Q2021 Trust and OPEB Performance Report
Growth	Private Equity Investment Recommendation
Risk Mitigation	Hedge Funds Investment Recommendation
Real Assets	Natural Resources Investment Recommendation
Committee: none	
Category	Subject

SEPTEMBER 2021	
Board of Investments:	
Category	Subject
Total Fund	Consultant Self-Evaluations
Total Fund	Risk Budgeting Education
Growth	Private Equity Investment Recommendation
Growth	Private Equity Consultant Recommendation
Committee: Credit and Risk Mitigation	
Category	Subject
Risk Mitigation	Structure Review
Credit	Structure Review
Credit	Emerging Manager Program

Please note that certain listed items are subject to Committee advancement and/or Board approval



4th Quarter 2021 Preliminary Monthly Calendar View

OCTOBER 2021	
Board of Investments:	
Category	Subject
Growth	Private Equity Investment Recommendation
Risk Mitigation	Structure Review (Advanced)
Credit	Structure Review (Advanced)
Credit	Emerging Manager Program (Advanced)
Real Assets	Infrastructure Investment Recommendation
Real Assets	Real Estate Investment Recommendation
Committee: Corporate Governance	
Category	Subject
Corporate Governance	Proxy Voting Results and Trends FY2021
Corporate Governance	PRI Assessment Results and ESG Integration Update
Corporate Governance	Governance Engagement Initiatives Update and Review

NOVEMBER 2021	
Board of Investments:	
Category	Subject
Total Fund	3Q2021 Trust and OPEB Performance Report
Total Fund	Meketa 3Q2021 Trust and OPEB Performance Report
Total Fund	T.I.D.E. Initiative Update
Growth	Private Equity Emerging Manager Recommendation
Growth	Private Equity Investment Recommendation
Real Assets	Natural Resources Investment Recommendation
Committee: Equity	
Category	Subject
Growth	2022 Private Equity Commitment Pacing
Growth	Analysis of the Role of Activist Managers

DECEMBER 2021	
Board of Investments:	
Category	Subject
Total Fund	AB2833 - Investment Fee Validation Review
Total Fund	Custody Bank Search MQs
Growth	Private Equity Investment Recommendation
Growth	2022 Private Equity Commitment Pacing (Advanced)
Growth	Analysis of the Role of Activist Managers (Advanced)
Credit	Illiquid Credit Investment Recommendation
Committee: Real Assets	
Category	Subject
Real Assets	International Real Estate Implementation Plan
Real Assets	Real Assets Structure Review

Please note that certain listed items are subject to Committee advancement and/or Board approval



STRATEGIC PLAN

RETIREE HEALTHCARE PROGRAM

Yesterday, Today, Tomorrow

FISCAL YEARS ENDING 2020-2022



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 2022-2023
Medicare 101 web video	FY 2022-2023
RHC members' electronic submission of enrollment	FY 2022-2023

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 2022-2023
Automate monthly premium reconciliation process	FY 2022-2023
Electronic submission to carriers*	FY 2021-2022

*Currently testing electronic submission of enrollments to Kaiser (weekly files as of February 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 2022-2023
Develop Medicare 101 Packet	FY 2022-2023

*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	Postponed
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 2022-2023
Automation of Medicare Part B retrievals	FY 2022-2023

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	Postponed

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 2022-2023

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Retiree Healthcare Benefits Program

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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 2021-2022 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.
- Audits Unit
Assists in conducting extensive operational and procedural audits to ensure guidelines are followed by staff. Engage in carrier auditing of account to reflect that accurate eligibility and premiums are being paid. Monthly call monitoring of phone calls between members and staff to assert that retirees are being provided accurate information during each encounter.
- RHC Call Center

Assists member and the organization at large with resolving complex questions regarding the Retiree Healthcare Benefits Program and provides information to management regarding its impact on division operations.

RHC Successes:

- Polished 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
- Established virtual call center and are able to assist members with their questions remotely
- Established work-from-home guidelines and have access to the system, eHR and Intranet
- Staff are able to upload documents to Workspace and send documents to members via Workspace
- Staff have been able to adjust working from home and process enrollment forms electronically with the use of Acrobat Reader

RHC Challenges:

- Inability for members to be able to submit electronic enrollment forms
- Submitting paper enrollments to the health plan carriers
- Limited office space
- 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
- Some of our work processes still require us to go to the office

STAFFING

There are currently 31 budgeted positions in Retiree Healthcare. Our budget request for Fiscal Year 2021-2022 will increase our budgeted positions from 31 to 37 by adding two Retirement Benefits Specialist III's to the Operations Unit and four Retirement Benefits Specialist II's that will be equally divided between the Audits Unit and the Call Center.

Two Retirement Benefits Specialist II's will be assigned to the Retiree Healthcare Call Center to assist with the increasing volume of phone calls that Retiree Healthcare has been experiencing. This will allow the Operations team to focus on their enrollment processes and assisting members resolve complex healthcare eligibility, prescription, and medical benefit claims issues.

The remaining two Retirement Benefits Specialist II's will be assigned to the

Audits/Financial Unit to assist with member data and carrier audits, member billings, and handling COBRA billings. This will allow the higher-level Retirement Benefits Specialist III's assigned to the Audits Unit to focus on triaging incoming work, checking enrollments staff accuracy, and call monitoring.

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 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, Operations staff provides support to the Retiree Healthcare Call Center with one staff assigned and located in the Member Services Center (MSC) to assist with face-to-face counselling.
- Lastly, staff is requesting that a re-classification study of the entire Retirement Benefits Specialist class be conducted to reclassify to another item class. Currently, Retiree Healthcare is unable to hire new staff, without the candidate participating and completing the one-year CORE benefit training program before we are able to fill our vacant positions. While we support and agree with the CORE training, the training provided does not include the skills and knowledge needed once completing with the CORE training. Thus, upon the candidate completing the year training, they must then be trained on the Retiree Healthcare position for an additional 6 weeks at minimal in order to service and educate members about their LACERA benefits. During this time, the Retiree Healthcare Division is understaffed.

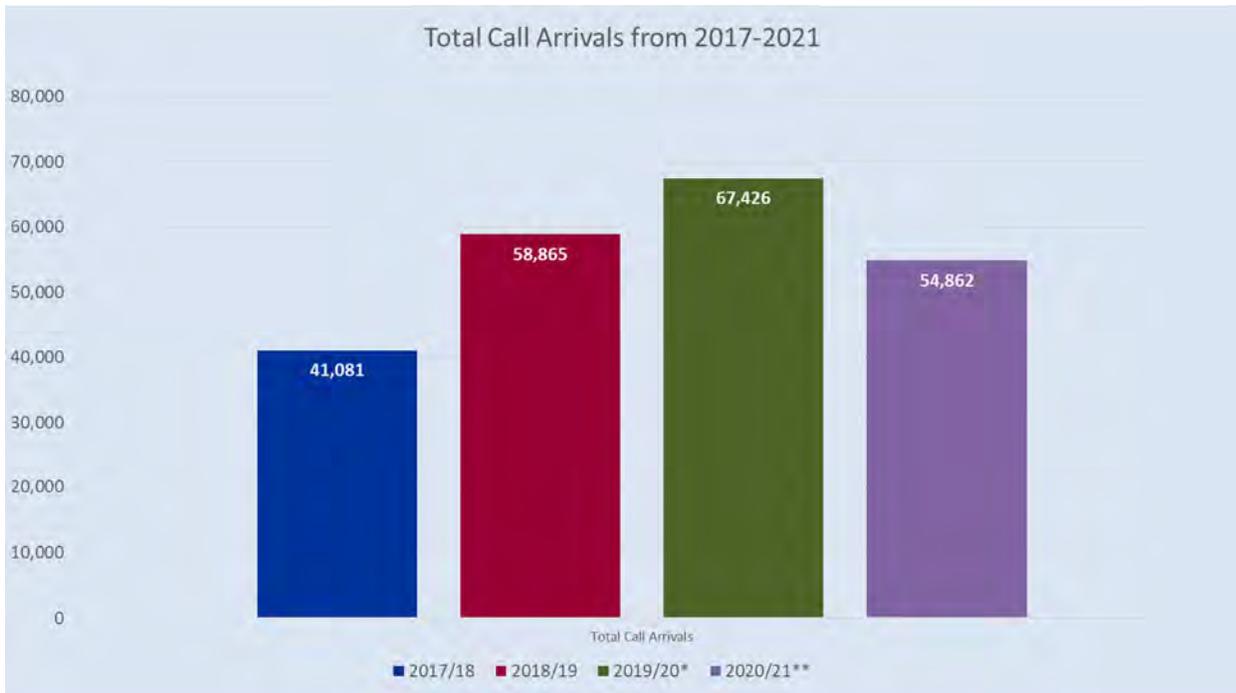
Agency Temp

Staff is requesting six Agency Temps to assist in Operations, Audits, and the Call Center. Our workload is ever increasing due to March Madness, annual Part B verification project, increasing enrollments, carrier discrepancy report projects, and call volume. Since working from home due to the current Covid-19 pandemic and closure of Member Service Center for a face-to-face meeting, member healthcare insurance inquiries through the healthcare e-mail, member portal, and call center have increased.

RHC Call Center Section

Adding two Agency Temps will assist our Call Center in the ever-increasing volume of calls as shown in the charts below. Currently, Operations and Audits staff also provides support to the Call Center as the call volume is increasing. Having additional staff in the

Call Center will also help free up Operations and Audits staff to focus on their primary tasks of member enrollment processing and checking.



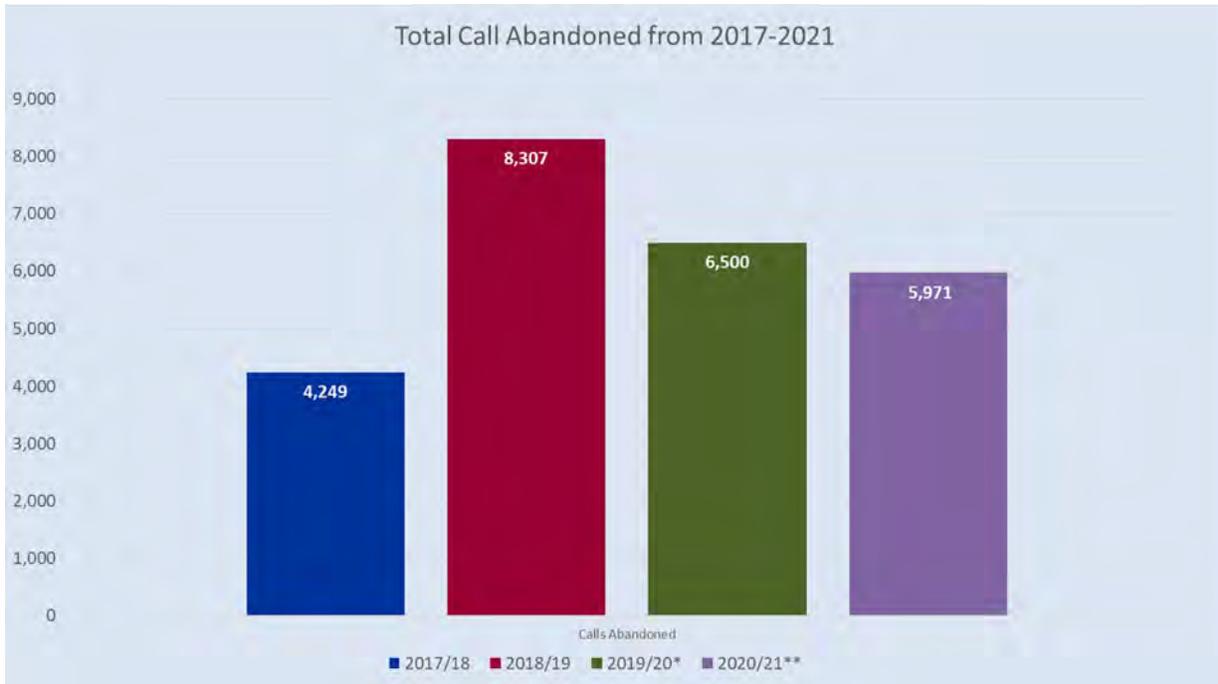
* Total does not include calls received for March 2020 to April 2020, due to statewide Covid-19 pandemic lockdown. Call Center shut down and not available remotely.

**Total includes calls received from July 2019 to January 2021 only.



* Total does not include calls received for March 2020 to April 2020, due to statewide Covid-19 pandemic lockdown. Call Center shut down and not available remotely.

**Total includes calls received from July 2019 to January 2021 only.



* Total does not include calls received for March 2020 to April 2020, due to statewide Covid-19 pandemic lockdown. Call Center shut down and not available remotely.

**Total includes calls received from July 2019 to January 2021 only.

Operations Section

Average of enrollment (work objects) received daily: 100 to 150

Average of total work objects received daily: 250 (not including Part B)

Average of processing time for an enrollment: 45 minutes to 1 hour

Staff's average on total enrollment (by member) completed (if able to allocate full 8 hours per day on their primary duties) is 4 to 5 enrollments. Currently, Operations staff are allocating an average of 2 to 3 hours daily in assisting with Call Center incoming calls, and this includes supervisors assisting in the AWS VCC Supervisor Queue.

We currently have six full time staff processing healthcare enrollment forms, responding to member correspondence, responding to healthcare enrollment or eligibility Service Requests via Workspace, Medicare Part B premium verification, contacting carriers resolving member enrollment, and benefit issues in Operations. One staff member is assisting the call center on a half-day basis. Two agency temps are assisting in processing the high volume of Medicare Part B premium verification project.

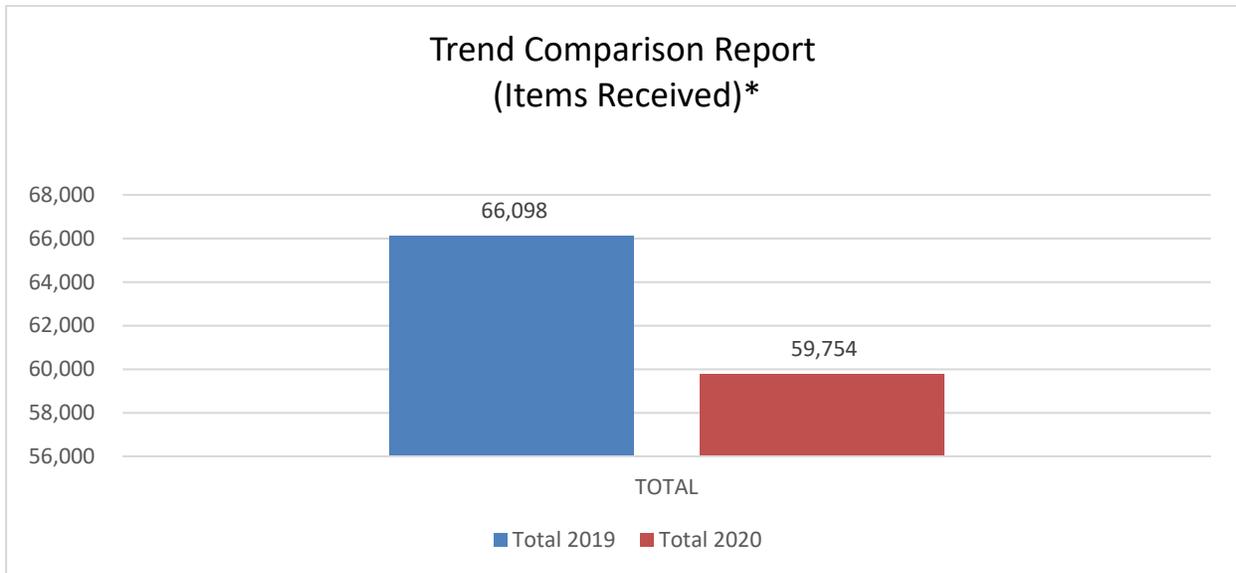
Additional factors for increase in work volume:

- Operations staff are also now uploading documents on Workspace since we began working from home. Before the COVID-19 pandemic, documents were sent to DPC for scanning. It takes time to upload documents as they need time to be prepped, organized, ensure they are legible, and add the received date and saved as PDF in order to upload to Workspace.
- Increase in work objects received and processed due to March Madness
- Increase volume of work objects due to the annual Medicare Part B premium verification project

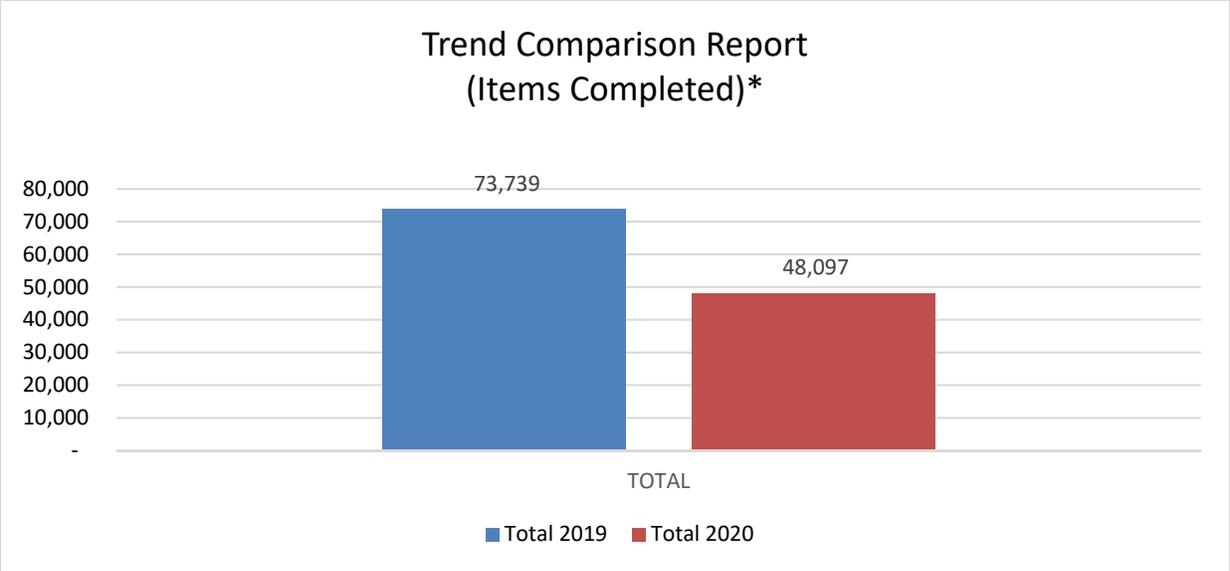
The volume of daily work received daily is very high compared to the hours allocated to duties and tasks. The additional two agency temp staff being requested will greatly assist the Operations unit.

Below are charts showing the Operations Section work volume:

Trend Report Comparison by Work Object

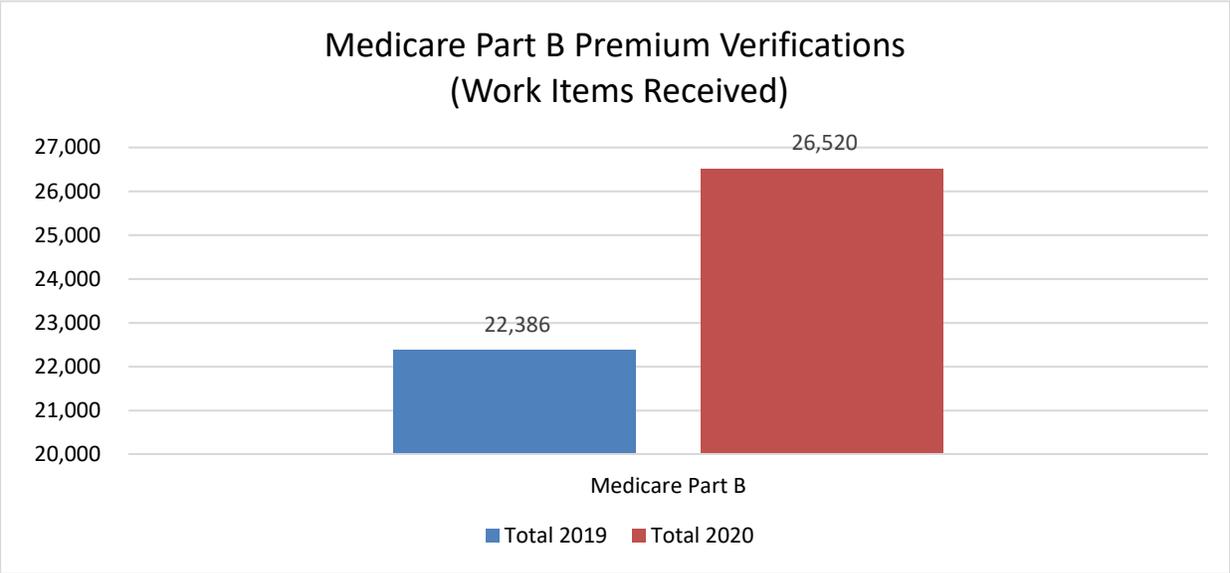


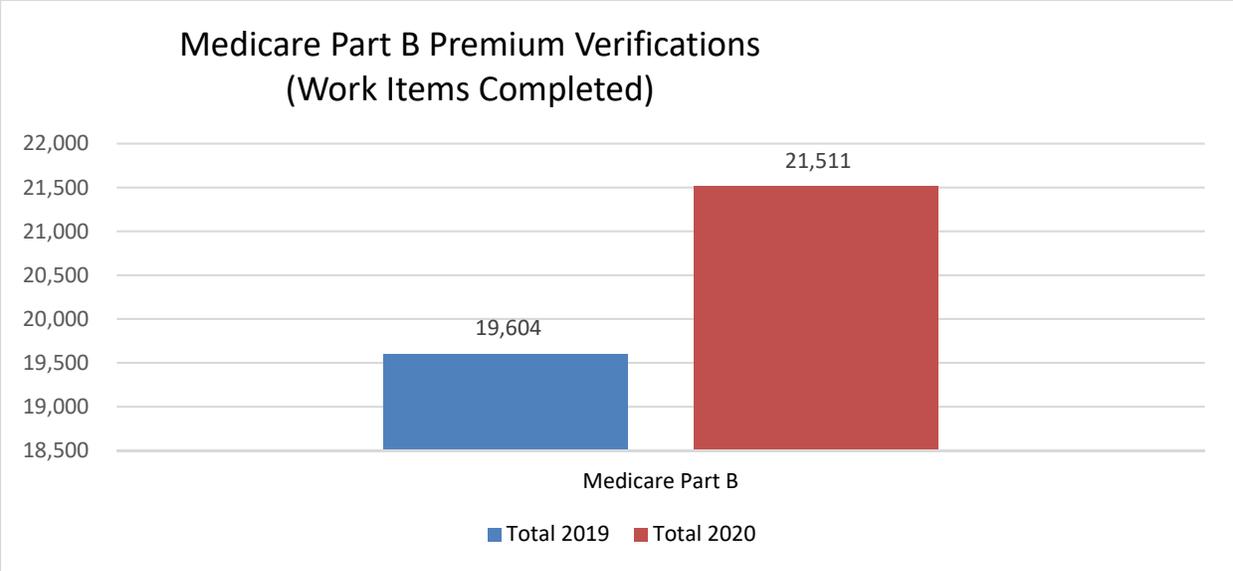
*Healthcare Insurance Work Objects: Enrollment Processing Inquiry, Escalation, Phone Inquiry, Correspondence, Enrollments, Future Enrollment (Active Status), March Madness, Medicare Part B



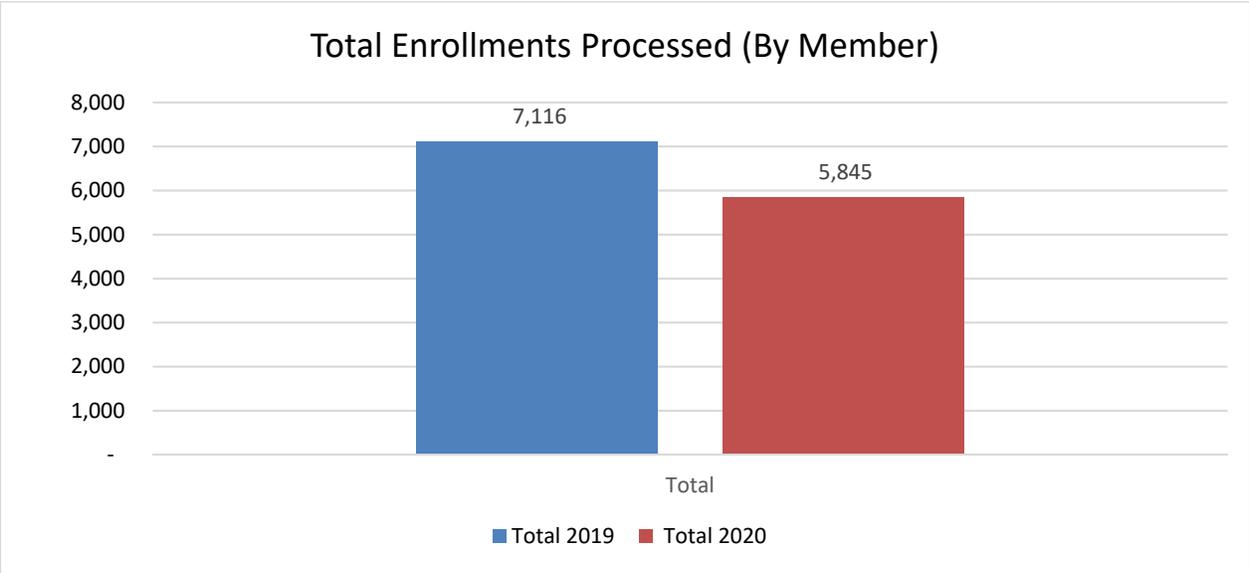
*Healthcare Insurance Work Objects: Enrollment Processing Inquiry, Escalation, Phone Inquiry, Correspondence, Enrollments, Future Enrollment (Active Status), March Madness, Medicare Part B

Medicare Part B Premium Verifications by Work Object





Total Enrollments Processed (By Member)



*Healthcare Insurance Enrollments: New Enrollments, Changes, Deleting Family Member, Cancelation, Survivor Re-Enrollment, Active Death Survivors

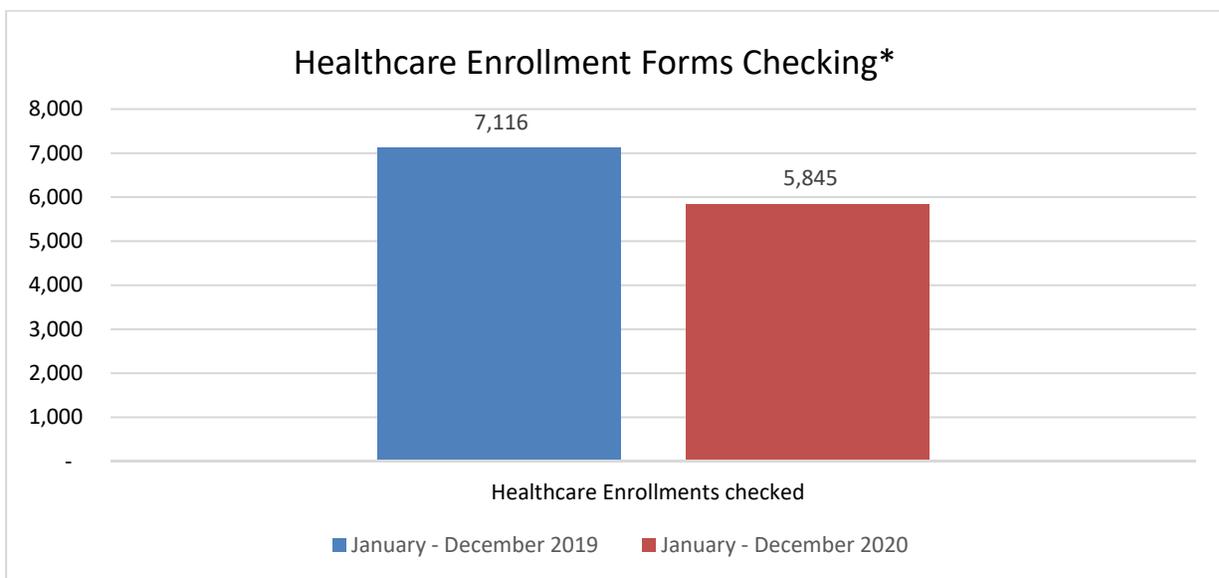
Audits Section

As the volume of work in Operations is increasing, it is also increasing in the Audits Section. Audits staff are responsible in checking all the healthcare enrollments that are processed in Operations to ensure they are processed and inputted in the System correctly. The Audits team is also responsible in processing and managing the death reports, carrier discrepancy reports, account analysis, years of service audits, call monitoring, account analysis, Code 19, Medicare Part B premium verification processing, member correspondence, and Part B audits. They are also called on to

assist in the RHC Call Center when all hands-on deck is required, including the supervisors.

Having the additional two Agency Temps would assist this team greatly in that more healthcare enrollment forms, especially during March Madness, are checked and completed therefore ensuring members are enrolled timely. In addition, the two additional staff would enable the Audit team to clear up the carrier discrepancy reports backlog, Code 19, Part B audits, and timely responses to healthcare e-mails and member portal inquiries. The Audits section is also responsible in responding to healthcare e-mails and member portal member inquiries. The volume has increased due to retired members not able to have a face-to-face meeting at LACERA due to the current pandemic.

Below chart shows the enrollments checking work volume comparison:



*Healthcare Insurance Enrollments: New Enrollments, Changes, Deleting Family Member, Cancellation, Survivor Re-Enrollment, Active Death Survivors

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, and for any unanticipated special projects and special mailings that regularly occur. The total overtime amount being requested for this fiscal year is \$118,500.

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
- Medicare Part B Premium Verification Notices
- Other unanticipated special mailings

We will not be conducting the Non-LACERA Medicare Part D warning/reminder notices and the Non-discrimination Notices in compliance with ACA 1557 in the coming fiscal year. They will be included in the annual letter packet mailing. The volume of the Medicare Part B Notices mailing will decrease as we will only target the members/survivors enrolled in a Medicare HMO and Medicare Supplement Plan (decrease of 10,000 notices). Due to these changes, we are decreasing our Postage-Special Retiree Mailings budget by \$100,000.

Professional and Specialized Services–Audits

We have budgeted \$120,000 to cover the cost of conducting the following program audits for this fiscal year:

Plante Moran/Cav Mac Audits	\$ 120,000
Total	\$ 120,000

- **Plante Moran/Cav Mac Audits**
Internal Audit is adding a SOC 1 Type 2 audit over OPEB data and the cost of GASB 75 as it relates to the RHCBP for this fiscal year and Plante Moran/Cav Mac will be performing the audits.

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 2021-2022 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:

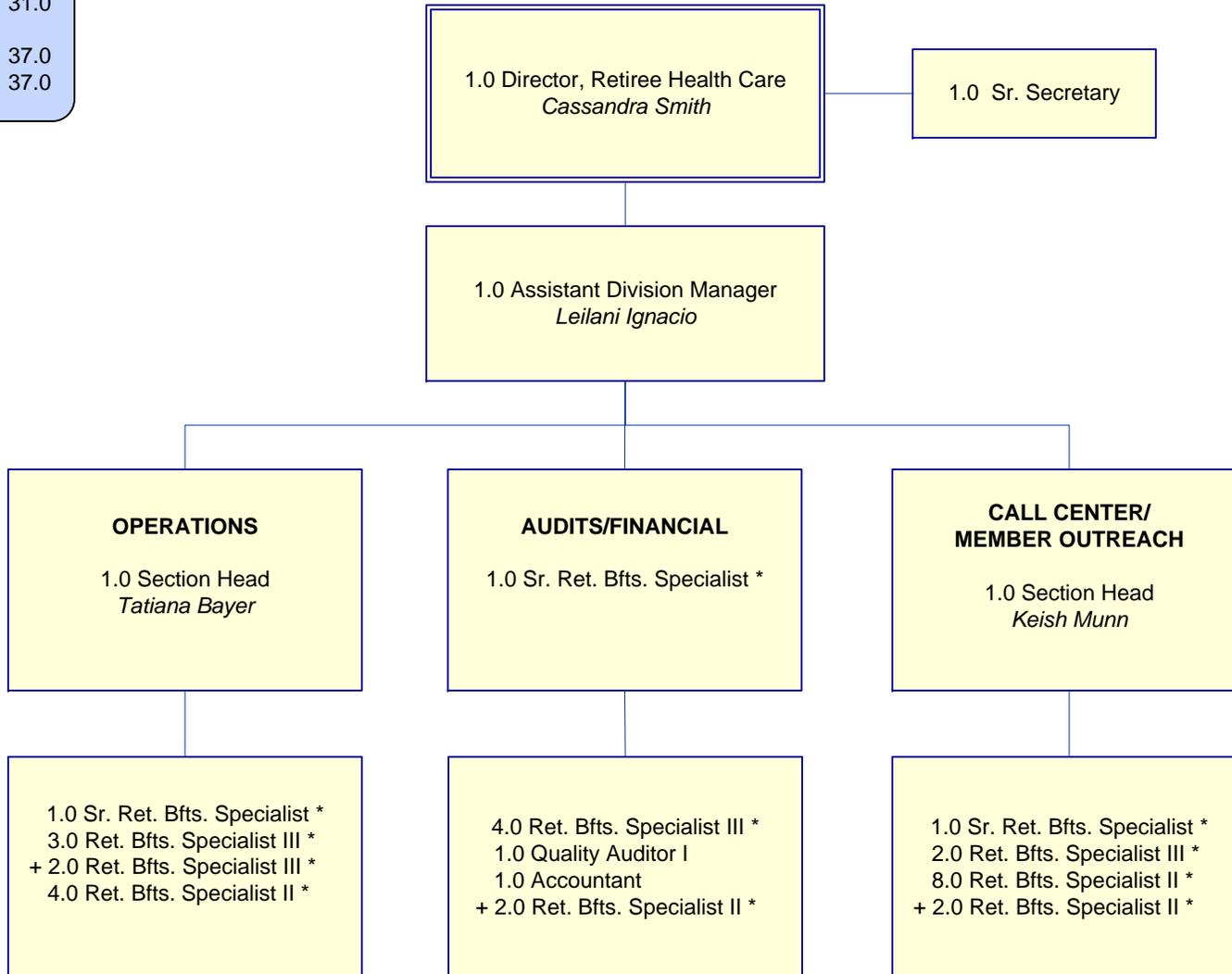
**RHC ADMIN REVENUE AND EXPENSES
FOR THE LAST 10 YEARS**

Fiscal Year Ending	Fee	Admin Revenue	Admin Expenses	Over/(Under)
FYE 2011	\$ 3.00	\$ 3,062,112	\$ 3,532,195	\$ (470,083)
FYE 2012	\$ 3.00	\$ 3,133,352	\$ 3,232,274	\$ (98,922)
FYE 2013	\$ 3.00	\$ 3,351,652	\$ 4,597,261	\$ (1,245,609)
FYE 2014	\$ 5.00	\$ 5,466,487	\$ 5,006,498	\$ 459,989
FYE 2015	\$ 5.00	\$ 5,578,149	\$ 5,424,333	\$ 153,816
FYE 2016	\$ 5.00	\$ 5,984,986	\$ 5,279,617	\$ 705,369
FYE 2017	\$ 8.00	\$ 9,631,327	\$ 5,326,190	\$ 4,305,137
FYE 2018	\$ 8.00	\$ 9,559,745	\$ 5,681,953	\$ 3,877,792
FYE 2019	\$ 8.00	\$ 9,823,062	\$ 6,118,267	\$ 3,704,794
FYE 2020	\$ 8.00	\$ 10,076,876	\$ 6,828,067	\$ 3,248,809

RETIREE HEALTH CARE BENEFITS PROGRAM

FISCAL YEAR 2021-2022

2020-2021 Bud. Pos.: 31.0
 2020-2021 Hiring Plan: 31.0
 2021-2022 Bud. Pos.: 37.0
 2021-2022 Hiring Plan: 37.0



+ Added position

* Classification study for the position requested.

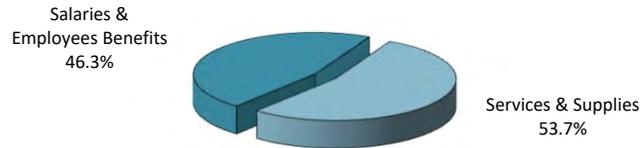
RETIREE HEALTHCARE BENEFITS PROGRAM

FISCAL YEAR 2021-2022

BUDGET SUMMARY

	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET		
	PROPOSED BUDGET 2021-2022	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(03-31-21)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$5,272,936	\$3,838,039	\$2,652,660	\$3,909,763	\$71,724	1.9%	\$1,434,897	37.4%
Services & Supplies	6,118,192	5,315,628	3,287,874	5,013,528	(302,100)	-5.7%	802,564	15.1%
OPERATING BUDGET	\$11,391,128	\$9,153,667	\$5,940,534	\$8,923,291	(\$230,376)	-2.5%	\$2,237,461	24.4%

2021 - 2022 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

RETIREE HEALTHCARE BENEFITS PROGRAM
FISCAL YEAR 2021-2022
SALARIES AND EMPLOYEE BENEFITS SUMMARY

	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$2,814,534	\$2,237,740	\$1,582,023	\$2,306,475	\$68,735	3.1%	\$576,794	25.8%
Total Agency Temp Salaries	511,700	308,000	196,351	308,000	0	0.0%	203,700	66.1%
Employee Benefits (Variable)	1,728,430	1,093,418	765,072	1,147,606	54,188	5.0%	635,012	58.1%
OPEB Contribution	82,573	66,081	40,978	54,470	(11,611)	-17.6%	16,492	25.0%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	118,500	115,600	58,952	83,227	(32,373)	-28.0%	2,900	2.5%
Bilingual Bonus	3,600	3,600	1,700	2,400	(1,200)	-33.3%	0	0.0%
Sick Leave Buyback	10,000	10,000	7,585	7,585	(2,415)	-24.2%	0	0.0%
Rideshare Allowance	3,600	3,600	0	0	(3,600)	-100.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$5,272,936	\$3,838,039	\$2,652,660	\$3,909,763	\$71,724	1.9%	\$1,434,897	37.4%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$5,272,936	\$3,838,039	\$2,652,660	\$3,909,763	\$71,724	1.9%	\$1,434,897	37.4%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 03/15/21, with the exception of Agency Temp Salaries, which are as of 03/31/21.

LACERA
FISCAL YEAR 2021-2022
SALARIES

RETIREE HEALTHCARE BENEFITS PROGRAM

2021-2022 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT			
00793A	DIRECTOR, RETIREE HEALTHCARE	1	LS14	16,887	202,646			
00771A	ASSISTANT DIVISION MANAGER	1	LS10	13,421	161,053			
00772A	SECTION HEAD	2	LS9	19,129	229,544			
01311A	RETIREMENT BENEFITS SPECIALIST III	9	96A	65,458	785,496			
00796A	QUALITY AUDITOR I	1	95H	7,624	91,488			
00415A	ACCOUNTANT	1	93A	7,028	84,336			
00439A	SENIOR SECRETARY	1	89G	6,229	74,750			
01310A	RETIREMENT BENEFITS SPECIALIST II	8	89F	45,338	544,062			
POSITIONS		24			2,173,374			
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	101F	6,600	79,199	237,597		
01311A	RETIREMENT BENEFITS SPECIALIST III	2	96A	5,657	67,884			67,884
01310A	RETIREMENT BENEFITS SPECIALIST II	8	89F	4,738	56,852			227,407
POSITIONS		13			532,887	237,597	0	295,291
TOTAL POSITIONS		37						
GROSS SALARIES					2,706,262			
ANTICIPATED MOU SALARY INCREASE**					0			
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE					32,279			
BONUS					0			
120-DAY RETIREE(S)		1			75,994			
TOTAL SALARIES					2,814,534			

MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/21.
 Represented/Non-Represented positions are shown at actual salaries as of 01/01/21.
 Represented positions shown in blue.
 Vacancies are shown at the 1st Step.
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 0% to calculate anticipated MOU increase.

RETIREE HEALTHCARE BENEFITS PROGRAM

BUDGET REQUEST INFORMATION

**AGENCY TEMPORARY STAFFING
HISTORY OF EXPENDITURES**

DIVISION	FYE 2019		FYE 2020		FYE 2021		FYE 2022
	Budget	Actual	Budget	Actual	Budget	Projection	Budget
Retiree Healthcare	\$132,100	\$69,213	\$60,300	\$231,964	\$308,000	\$308,000	\$511,700
GRAND TOTAL	\$132,100	\$69,213	\$60,300	\$231,964	\$308,000	\$308,000	\$511,700

*All amounts rounded to the nearest dollar.

RETIREE HEALTHCARE BENEFITS PROGRAM

BUDGET REQUEST INFORMATION

**OVERTIME
HISTORY OF EXPENDITURES**

DIVISION	FYE 2019		FYE 2020		FYE 2021		FYE 2022
	Budget	Actual	Budget	Actual	Budget	Projection	Budget
Retiree Healthcare	\$36,245	\$20,815	\$113,700	\$27,124	\$115,600	\$83,227	\$118,500
GRAND TOTAL	\$36,245	\$20,815	\$113,700	\$27,126	\$115,600	\$83,227	\$118,500

*All amounts rounded to the nearest dollar.

RETIREE HEALTHCARE BENEFITS PROGRAM

BUDGET REQUEST INFORMATION

**VACANT POSITIONS
SUMMARY**

Division	Budgeted Positions FY 2020-2021	Vacancy (as of 04/30/21)	%	Budgeted Positions FY 2021-2022*	Vacancy	%
Retiree Healthcare	31	7	23%	37	13	35%
TOTAL	31	7	23%	37	13	35%

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

RETIREE HEALTHCARE BENEFITS PROGRAM

FISCAL YEAR 2021-2022

SERVICES & SUPPLIES ACCOUNT SUMMARY

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE		
TRANSPORTATION & TRAVEL	\$28,500	\$25,000	\$0	\$0	(\$25,000)	-100.0%	\$3,500	14.0%
POSTAGE	300,000	400,000	61,099	400,000	0	0.0%	(100,000)	-25.0%
OFFICE SUPPLIES & EQUIPMENT	6,000	4,000	432	2,500	(1,500)	-37.5%	2,000	50.0%
OPERATIONAL COSTS	4,532,792	3,269,328	2,437,631	3,257,828	(11,500)	-0.4%	1,263,464	38.6%
PROFESSIONAL AND SPECIALIZED SERVICES	1,209,800	1,561,500	784,274	1,325,000	(236,500)	-15.1%	(351,700)	-22.5%
BANK SERVICES	21,500	21,000	0	21,000	0	0.0%	500	2.4%
EDUCATIONAL EXPENSES	19,300	34,500	4,438	7,000	(27,500)	-79.7%	(15,200)	-44.1%
MISCELLANEOUS	300	300	0	200	(100)	-33.3%	0	0.0%
TOTAL	\$6,118,192	\$5,315,628	\$3,287,874	\$5,013,528	(\$302,100)	-5.7%	\$802,564	15.1%

*All amounts rounded to the nearest dollar.



Table of Contents:

Other Post-Employment Benefits (OPEB) Trust

Program Description

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Program Description

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Cost Summary

Cost Summary

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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 2021-2022

PROPOSED BUDGET 2021-2022	CURRENT YEAR 2020-2021			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 20-21 BUDGET		
	YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE	
	BUDGET	(03-31-21)	PROJECTION	BUDGET	% CHANGE			
Salaries & Employees Benefits	\$495,700	\$428,043	\$321,032	\$402,360	(\$25,683)	-6.0%	\$67,658	15.8%
Services & Supplies	187,449	154,153	115,615	144,904	(9,249)	-6.0%	33,297	21.6%
OPERATING BUDGET	\$ 683,150	\$582,196	436,647	547,264	(34,932)	-6.0%	\$100,954	17.3%

2021 - 2022 PROPOSED BUDGET

