

FISCAL YEAR
2024-2025



ADMINISTRATIVE,
RETIREE HEALTHCARE BENEFITS, AND
OPEB TRUST BUDGETS

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Mission

To provide the vision and direction to the LACERA organization utilizing people, systems, policies, and processes for the purpose of implementing LACERA’s mission to produce, protect, and provide the promised benefits to our members.

The proposed Administrative Budget for FY 2024-25 represents the fiscal plan for implementing LACERA’s administrative and operational objectives toward achieving our mission to produce, protect and provide the promised benefits to our members. This proposed budget reflects the Strategic Priorities and Strategic Initiatives outlined in the Board of Retirement’s adopted 2023-28 Strategic Plan and the Board of Investments Strategic Plan.

BOR Strategic Priorities

- Superior Member Experience
- Innovation Through Technology
- Investing In People

- Enterprise Risk Management and Compliance
- Fiscal Durability

BOI Strategic Initiatives

- Enhance Operational Effectiveness
- Optimize Investment Model
- Maximize Stewardship and Ownership Rights
- Strengthen Influence on Fees and Cost of Capital
- LACERA T.I.D.E.

Together, the BOR and BOI ensure LACERA’s resources are allocated appropriately and prudently managed, consistent with their fiduciary duties to our members.

Board of Retirement’s Strategic Priorities

Superior Member Experience

LACERA remains committed to innovating and continuously improving the member experience, from the beginning of their career through the legacy they leave their survivors. We call this the “member lifecycle” and the member experience is defined by the many “member journeys” that reflect different stages for their lifecycle. Each member journey is defined by every interactive touchpoint they have with LACERA throughout that journey. We recognize that LACERA’s membership is diverse, with different needs and

preferences that often change at different stages of their lifetime. Our approach to service must be nimble enough to meet their individual needs today and into the future.

Our current focus is augmenting our highly personalized service by building an educational, digital, customized, and member-centered framework for every stage of the member journey with the long-term goal of enabling members to conveniently access our benefit and healthcare enrollment services 24/7 and confidently retire in the palm of their hand.

In FY 2023-24, LACERA created a Member Experience Council, a team of subject matter experts from all member-facing groups and key internal business partners, to identify all the various member journeys. This group is actively working on their formal charter and outlining their roles and responsibilities, which will be considered and approved by the Ethics and Compliance Committee (ECC), and developing their internal communication plan.

In FY 2024-25, LACERA plans to expand on this foundational work by identifying and defining member journeys and identifying, defining, and documenting the retiree healthcare roadmap. The group will continue to map individual journeys, determine how we can improve the member experience, and track the member experience performance to ensure we continually focus on making these journeys a superior member experience.

Innovation Through Technology

LACERA is committed to leveraging technological solutions to advance capabilities, increase productivity, and elevate our operational maturity. Information technology (IT) tools, when well designed and implemented, support the effective and efficient accomplishment of an organization's goals, objectives, and strategies. LACERA's strategic objectives over the next five years will work toward maturing and adapting LACERA IT architecture and applications infrastructure.

Our current focus centers on data and knowledge—specifically, developing an enterprise approach to information gathering, integration, analysis, and sharing that fosters decision-making through the adoption of a business intelligence platform. Additionally, we intend to implement an enterprise-wide knowledge management system to digitally capture, document, organize, and access critical business knowledge and information.

The Systems Division plays a critical role in successfully implementing all of LACERA's strategic priorities and initiatives. New technology solutions to business problems are vetted through the Information Technology Coordination Committee (ITCC). Once approved and budgeted, the Project Management Office leads the implementation with subject matter experts in the impacted operating divisions, and then transitions the ongoing support and maintenance to either the Infrastructure Group or the Business Solutions Group. A detailed summary of planned IT projects for FY 2024-25 can be found immediately following this summary.

Investing in People

LACERA recognizes that the key to its success lies in its people. Our overarching goal is to make LACERA the employer of choice by offering a workplace culture that values and encourages staff development, actively implements equity and inclusion in our policies and practices, pays fair wages, values employees' ideas, and provides staff the tools and resources necessary for individual and collective success.

In FY 2023-24, LACERA is on track to administer exams to promulgate 25 new lists, onboard 40 new permanent staff in 10 of 15 divisions throughout the organization, and provide internships for seven students. Hiring includes a new core training class of 21 RBS Is (expected to start in June), while promotions will include 28 existing staff (including 17 new RBS IIs who will graduate from the core training).

Additionally, the following major projects worked on in FY 2023-24 support the Investing in People strategic priority:

- *Hiring Manager Playbook*: Human Resources developed a guide for LACERA managers responsible for hiring decisions (hiring managers). The guide helps managers to communicate: employment laws and rules (such as civil service rules) that LACERA follows to ensure fair and equal employment, choices hiring managers may have in how they go about filling vacant positions, and the set of procedures to follow to ensure compliance with applicable employment laws and rules that LACERA is subject to. The *Hiring Manager Playbook* is available for staff and manager reference on LACERA Connect, our staff intranet site, and is now being used consistently across the organization. The *Hiring Playbook* is intended to be a living document and will be amended as needed to reflect opportunities to streamline processes and procedures while still safeguarding LACERA's commitment to civil service and equal employment opportunities for all.
- *Leadership Pipeline*: LACERA managers (MAC Team) developed and documented a succession-planning tool known as the Leadership Pipeline. The Leadership Pipeline is a transparent set of guidelines for all employees, tailored to LACERA's unique expectations at all staffing levels. This document will be socialized with staff; made accessible to all on LACERA Connect, our staff intranet site; and used by managers as part of their staff development responsibilities and to consistently communicate expectations and standards.
- *IDEA Initiative*: At the suggestion of staff, LACERA has rebranded our enterprise-wide diversity, equity, and inclusion (DEI) program, formerly known as LEAD, as IDEA (Inclusion, Diversity, Equity, and Accessibility). Although the framework remains the same and touches on the employee experience, member experience, and business partners and community partners, the old acronym was challenging to remember. In addition, staff felt it was important to add accessibility and belonging as fundamental to the initiative.

In FY 2024-25, LACERA will continue focusing on reducing our vacancy rate through increased hiring; increasing staff training and development; and maturing our workplace culture. Implementing our hiring plan priorities is expected to result in a reduction of staff vacancies from 21 percent to 15 percent. We will continue to explore opportunities to simplify our *Hiring Playbook*, revise our rater training, enhance recruitment and application communication through technology, and implement a more efficient job analysis tool used to create competency-based assessments. We will focus on better supporting existing staff by revising and publishing an updated employee handbook, improving and expanding our use of performance management tools, increasing and expanding staff training and development opportunities, reviewing our policies and procedures through a DEI lens to identify and seek to remove artificial barriers, and soliciting and obtaining employee feedback to support their sense of belonging within the organization.

Enterprise Risk Management and Compliance

LACERA will enhance and elevate our risk governance structure through the establishment of formal compliance and enterprise risk management (ERM) programs that will facilitate management's compliance and risk management efforts. These efforts are continuous because risks constantly change.

In FY 2024-25, LACERA plans to focus on foundational actions towards implementing a centralized Ethics and Compliance Program (ECP). The purpose of the ECP is to promote a strong and engaged culture of ethical conduct and compliance with laws, regulations, policies, and procedures in order to meet our fiduciary duty to LACERA members, reduce risk, and improve business operations. The FY 2024-25 workplan includes:

- Ongoing communication to socialize the goals and objectives of the ECP;
- Develop and obtain approval from the Board of Retirement and Board of Investments for a program charter;
- Compile an inventory of all LACERA policies and procedures;
- Update LACERA's Code of Ethical Conduct and develop a training program to support and reinforce expectations;
- Identify the critical risk areas and the program oversight structure required;
- Obtain County approval for the Chief Ethics and Compliance Officer (CECO) position and staffing structure;
- Recruit and onboard a CECO; and
- Identify how the program will assess and measure success by evaluating the current baseline and key performance indicators.

Fiscal Durability

LACERA has two equally critical responsibilities when it comes to managing resources and fund assets. We must:

- Ensure prudent and durable fiscal management of LACERA's budget and resources expended to administer the benefits, and
- Ensure the Board of Investments' strategic initiatives to manage LACERA's investment portfolio are implemented and supported to maximize the performance of our funds.

These responsibilities are necessary to ensure the long-term viability of the fund and intergenerational equity for future members, balanced with keeping employer and member contribution rates low and services provided to our members high.

In FY 2023-24, LACERA implemented its first automated budget system, Questica Budget (QB), replacing its decades-old manual practices that were inefficient and lacked real-time reporting and transparency. This new system was used to develop this FY 2024-25 Budget and is being used by LACERA managers to monitor and manage their FY 2023-24 budgetary resources. LACERA also implemented an automated accounts payable system (AP Certify) and is finalizing implementation of an enterprise contract lifecycle management system (Cobblestone).

In addition, staff have begun the critical work of updating and revising LACERA's Actuarial Funding Policy, incorporating LACERA's Investment Policy Statement. The Actuarial Funding Policy guides the BOI in determining the employer and member contribution rates toward achieving a 100 percent funding ratio. Staff anticipates bringing the proposed new Actuarial Funding Policy to the BOI by June 2024.

In FY 2024-25 LACERA will continue developing and promoting organizational tools and a mindset of supporting enterprise-wide fiscal responsibility. Specific projects include:

- Designing and implementing a centralized Vendor Management Program within the Administrative Services Division, which will leverage the use of AP Certify, Cobblestone, and QB, and improve compliance with LACERA's fiscal and purchasing policies
- Beginning the process of identifying future needs for an enterprise resource planning tool to replace our aging financial system and implementation requirements
- Designing and delivering basic financial training for all staff
- Creating a non-administrative budget in QB and automating the budget book publishing
- Implementing an automated travel module to better support trustee and staff travel needs

LACERA will also continue to support the BOI's strategic initiatives discussed below.

Board of Investments' Strategic Initiatives

Implementation of the Board of Investments' Strategic Initiatives is key to ensuring the plan's long-term fiscal durability and moving toward our vision to be a best-in-class

investor. While the Investments Office has primary responsibility for these initiatives, they are supported by the Executive Office, Legal Services Office, and the Business Services Group (Human Resources, Financial and Accounting Services, Systems, and Administrative Services).

Enhance Operational Effectiveness

Our objective is to maximize the efficiency of our resources (internal, external, human, and technological) and mitigate varied investment and enterprise risks, to improve future outcomes. Investments Office staff continue to optimize presentation and quality of information available to the Board of Investments; are considering Other Post Employment Benefits (OPEB) structure evolutions; are searching for a consolidated public and private markets investment analysis platform, as well as other technological improvements; and plan to elevate LACERA's operational due diligence function.

Optimize Investment Model

Our objective is to leverage our competitive advantages through deliberate investment models and structures that harness technology, cost effectiveness, and human capital to maximize risk-adjusted returns. In FY 2024-25, the Investments Office will continue cultivating a dynamic investment program; further optimize internal staff investment committees and due diligence practices; continue to refine rebalancing practices; adopt complexity where well-rewarded and limit unrewarded complexity; and organize effective educational sessions and orientations.

Maximize Stewardship and Ownership Rights

Our objective is to steward our investments, including legal rights associated with them, in a manner that safeguards our economic interests and durable financial value, including through proxy voting, engagement, and policy advocacy. The Investments Office plans to update climate modeling to inform the Board's 2024 strategic asset allocation decision; expand environmental, social, and governance (ESG) factors, climate reporting, and data coverage in private asset classes; integrate global real estate sustainability benchmarks (GRESBs) and the Responsible Contractor Policy in entire real assets; assume voting rights in the OPEB separate account structure; and amplify progress and leadership in governance and ESG initiatives.

Strengthen Influence on Fees and Cost of Capital

Our objective is to strengthen our influence on fees and cost of capital with the goal of maximizing returns by minimizing cost across all investment strategies and structures in a manner that promotes durable investment returns. We plan to work toward this by continuing to be "term-makers" as opposed to "term-takers" on fees, legal, and other terms; foster creativity when designing terms and account structures to both limit risks and enhance expected return outcomes; and communicate progress toward optimizing implementation costs through improved expense and fee analytics and reporting.

Although under the County Employees Retirement Law of 1937 (CERL) investment fees are not included in the administrative budget, the expenditures are noted in the Non-Administrative Expense section of the FY 2024-25 Proposed Budget documents.

LACERA T.I.D.E. (Towards Inclusion, Diversity, and Equity)

Our objective is to improve outcomes through comprehensive, total fund efforts that encourage constructive, inclusive, and equitable talent management with our investment partners, industry, and internally. We plan to work toward becoming an employer of choice at all levels, from internships to management; inspire LACERA's investment managers to adopt DEI programs to increase risk-adjusted returns; utilize wider data sets to inform manager DEI benchmarking progress; integrate takeaways from private equity/ portfolio company board DEI reviews into fund underwriting and monitoring; and continue to enhance insights on firm ownership demographics, where available. While complementary, LACERA T.I.D.E. is distinct from the Board of Retirement's DEI initiative, IDEA, in that it focuses on investment staff and partnerships.

Conclusion

The FY 2024-25 Proposed Budget reflects the resources necessary to effectively and efficiently administer the retirement programs to fulfill LACERA's mission. Once Trustees review this fiscal plan and are satisfied that it is prudent, we anticipate they will approve and adopt the FY 2024-25 Budget.

Summary of Technology Modernization Projects for FY 2024-25

Project Title	Description	Benefit/Goal	FY 24/25 Budget	Phase	Estimated Completion Date
Member Experience Communication Project (MECP)	LACERA seeks to modernize our existing telecommunications infrastructure for servicing our members. This funding is requested to support LACERA's telecommunications strategy to acquire a world-class Member Service Contact Center solution that integrates with our existing Microsoft suite of products, case management application, and our pension administration system. Initial funding for this project was requested during the FY 2023-24 budget to support both the Pasadena office and Member Service Contact Center; however, the member servicing portion was deferred to focus on updates to the corporate telecommunications infrastructure.	The goal is to establish a modern member contact center that provides efficient customer service, omnichannel support, and an enhanced customer experience. The benefits will be enhanced service quality, reduced costs, and improved member satisfaction.	\$600,000	Phase 1 of 1	06/30/25
Member Case Management System: Phase 2	Case management continues to be a top priority for LACERA in the upcoming fiscal year. During FY 2023-24, LACERA will complete implementation of Phase 1 of the project, which includes the Disability Retirement, Disability Appeals, and First Payment processes. The estimate in this current fiscal year is for continuous enhancements to the implemented Phase 1 processes as those workflows mature and to begin implementation of Phase 2. Phase 2 will focus on the insurance enrollment and member appeals resolution processes, which include legal review, insurance appeals and escalation, insurance enrollment, and administrative appeals and escalation. The future phases may involve additional RFPs for professional services, or LACERA may choose to implement the additional phases using internal resources.	The goal is to track and manage insurance enrollment, administrative appeals, and escalation cases. The benefits will be more efficient processing, greater automation, and improved member satisfaction.	\$500,000	Phase 2 of 5	06/30/25
Enterprise Knowledgebase Solution	To support LACERA's strategic objective of Innovation Through Technology, the organization seeks to implement an enterprise knowledge management solution that stores and organizes the knowledge and information of the organization into a single robust solution. We currently maintain this critical enterprise content in multiple formats and on disparate systems. This project will improve the efficiency of processes and operations by reducing the time and effort required to access and use relevant knowledge and information, preserve intellectual assets by capturing and storing knowledge of subject matter experts or retirees, and support learning and development of staff by providing a resource to acquire and update their knowledge and skills.	The goals are to establish a centralized repository and workflow for business rules, procedures, and operating instructions. The benefits will be consistent and transparent development, review, publication, and adoption of business rules. This new system will also allow us to retire older disparate systems: the Benefits Wiki, KBase, Member Services Operating Instructions, and Benefits Index.	\$250,000	Phase 1 of 1	06/30/25

Summary of Technology Modernization Projects for FY 2024-25

Project Title	Description	Benefit/Goal	FY 24/25 Budget	Phase	Estimated Completion Date
Secure Access Service Edge (SASE) Solution	To support LACERA's strategic objective of Innovation Through Technology, the Systems Division and Information Security Office seek to implement an SASE solution that will enable the organization to better support our remote and hybrid workforce automatically by connecting them to nearby cloud gateways for better performance. This project will replace the organization's current Netskope solution with a more simplified system that is easier to manage and troubleshoot and provides consistent, secure access to all applications, while allowing the engineering and information security teams to have full visibility and inspection across all network ports and protocols.	The goal is to replace our Netskope solution with a system that is less complex, easier to troubleshoot, and provides consistent secure access to all applications. The benefits are smooth and secure access for our end users, whether they are in the office or working remotely.	\$235,000	Phase 1 of 1	06/30/25
Member Identity Verification Solution	To support LACERA's strategic objective of Superior Member Service and as part of our commitment to protecting the promised benefits, the organization seeks to improve our member identity verification processes. This project will ensure the organization can leverage identity verification and/or authentication services that adhere to the highest standards of data privacy and protection while enhancing the user experience and member satisfaction, reducing operational costs, and improving compliance and security requirements.	The goal is to ensure that LACERA is using the identity verification and/or authentication services that adhere to the highest standards of data privacy and protection. The benefits include continued compliance with security requirements while enhancing member experience and satisfaction.	\$220,000	Phase 1 of 1	06/30/25
Facilities Management Solution	The Administrative Services Division seeks to implement an enterprise facilities management software solution to replace the current tediously manual and labor-intensive processes. The new system will seek to implement automation to ensure that the organization can properly manage the health and safety of our work environment while enhancing our ability to improve facilities-type requests. The same amount for this project was requested during the FY 2023-24 budget; however, this project was deferred due to resource constraints and the need to focus on higher priority initiatives.	The goal is to provide automation, process improvement, transparency, and metrics for LACERA's facilities management process.	\$150,000	Phase 1 of 1	06/30/25
Teams Room Conversion	The Systems Division is converting all LACERA conference rooms to Microsoft Teams-enabled meeting rooms. This project is being implemented in three phases, with Phases 1 and 2 completed during the FY 2023-24 budget. Funding for Phase 3 is being carried forward from the FY 2023-24 budget, and once completed, each conference room will provide a rich and collaborative Teams meeting experience that is simple to use and supports LACERA's flexible hybrid work environment.	The goal is to facilitate collaboration for LACERA's hybrid workforce. The benefits include enhanced collaboration and inclusivity, efficient meeting execution, and increased productivity.	\$125,000	Phases 3 of 3	06/30/25

Summary of Technology Modernization Projects for FY 2024-25

Project Title	Description	Benefit/Goal	FY 24/25 Budget	Phase	Estimated Completion Date
Benefits PBI Upgrade	To support LACERA’s strategic objective of Superior Member Service, the Benefits Division seeks to replace its current end-of-life member/beneficiary research system. The new system will ensure that the organization can quickly and accurately identify deceased members and locate or identify the beneficiary, to fulfill our fiduciary responsibilities and pay out the owed benefits. The same amount for this project was requested during the FY 2023-24 budget; however, this project was deferred due to resource constraints and in lieu of the vendor extending support in the current system.	The goal is to reduce the risk of benefit overpayments to deceased members and more efficiently locate beneficiaries who are owed death benefits.	\$100,000	Phase 1 of 1	06/30/25
Digital Mailroom	LACERA seeks a virtual mailroom to ensure business continuity by providing efficient and secure management of incoming mail. The virtual mailroom would use an outsourced solution to provide uninterrupted document processing and remote accessibility. During FY 2024-25, LACERA would like to complete a pilot project for the digital mailroom to ensure that the solution would be effective and provide business continuity and seamless disaster recovery.	The goal for the virtual mailroom is to provide uninterrupted document processing and remote accessibility. The benefits include business continuity and productivity enhancements.	\$100,000	Phase 1 of 1	06/30/25
Human Resources Recruitment Module (Neogov)	LACERA seeks to expand our use of Neogov to include the “Attract” talent acquisition modules, expand the use of the “Perform” modules to include performance evaluations for represented staff members, and add the use of the “Learn” module as an organization learning management system.	The goals of the expanded use of Neogov are to enhance candidate relationship management and to streamline the recruitment process. The benefits will include simplified sourcing of candidates, automating outreach to applicants, organizing candidates skills for efficient follow-up, and providing actionable insights for employee development.	\$71,000	Phase 1 of 1	06/30/25
Policy, Governance Risk and Compliance (GRC), and Audit Solution	LACERA seeks to implement a comprehensive Governance Risk and Compliance (GRC) solution that includes the following modules: Policy Management, IT Governance Risk and Compliance, Enterprise Risk Management, Ethics and Compliance, and Audit.	The goals of the project include the ability to identify and assess risks, predict and prevent losses, comply with industry standards, and provide transparent information sharing. The benefits include greater efficiency, increased transparency, and overall organizational accountability.	\$70,000	Phase 1 of 1	06/30/25



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2024-2025

Mission

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

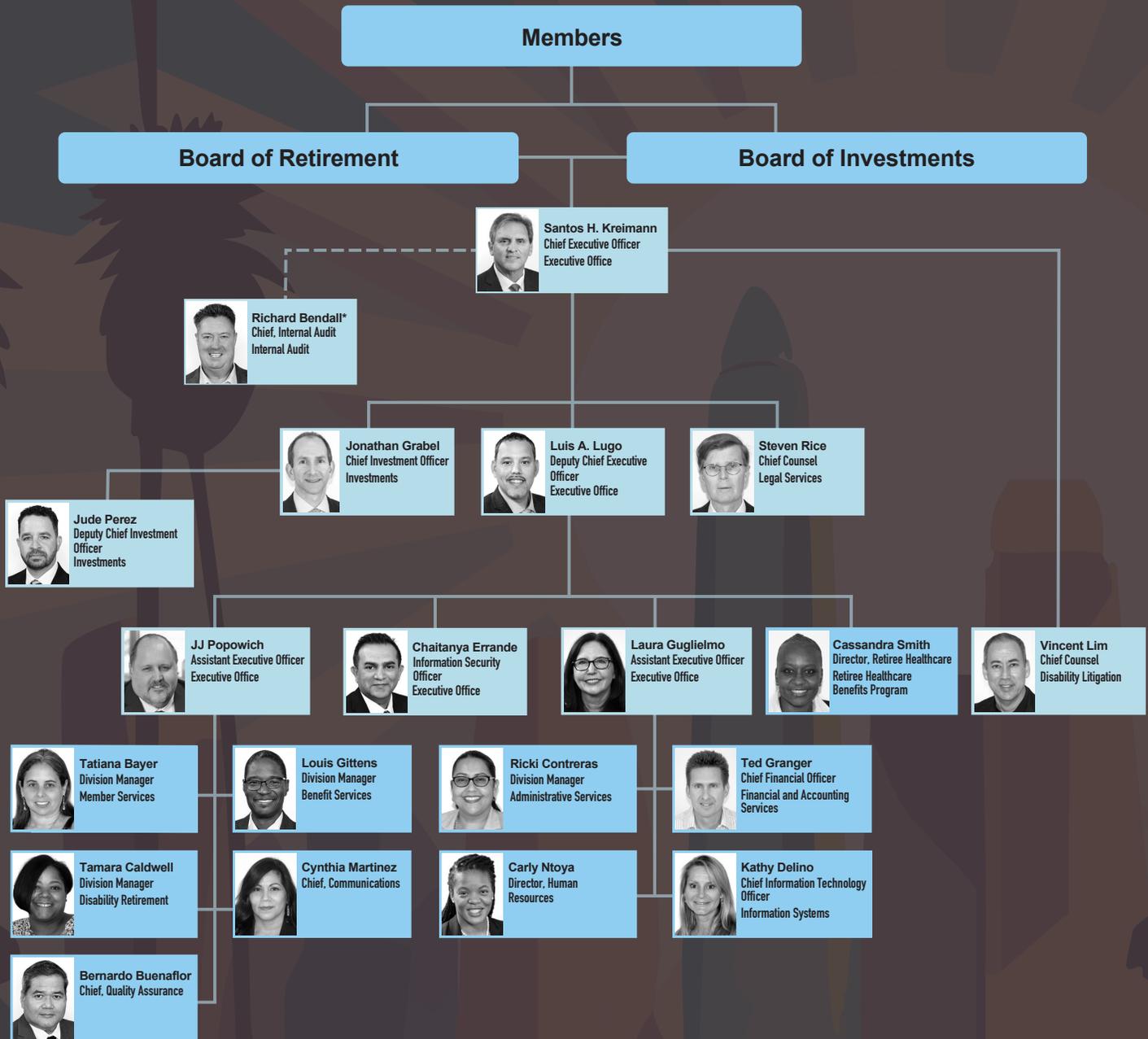
Vision

Empowering our members to enjoy a healthy and secure retirement

Values

Accountability Collaboration Inclusivity
Innovation Integrity Transparency

Organizational Chart



* Reports functionally to the Audit Committee and administratively to the CEO

Board of Retirement

Mission Statement

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

The Board

Composed of nine trustees and two alternates:

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

Responsibilities

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



Shawn R. Kehoe
Chair
Elected by Safety Members



Les Robbins
Vice Chair
Elected by Retired Members



Ronald Okum
Secretary
Appointed by Board of Supervisors



Nancy M. Durazo
Elected by General Members



Elizabeth B. Ginsberg
Treasurer and Tax Collector
Ex-Officio Member



Vivian H. Gray
Elected by General Members



Jason E. Green
Elected by Safety Members



James P. Harris
Elected by Retired Members



Wayne Moore
Appointed by Board of Supervisors



David Ryu
Appointed by Board of Supervisors



Antonio Sanchez
Appointed by Board of Supervisors

Board of Investments

Mission Statement

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

The Board

Composed of nine trustees:

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

Responsibilities

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



Patrick L. Jones
Chair
Appointed by Board of Supervisors



David E. Ryu
Vice Chair
Appointed by Board of Supervisors



Jason E. Green
Secretary
Elected by Safety Members



Trevor Fay
Appointed by Board of Supervisors



Mike Gatto
Appointed by Board of Supervisors



Elizabeth B. Ginsberg
Treasurer and Tax Collector
Ex-Officio Member



Debbie Martin
Elected by Retired Members



Nicole Mi
Elected by General Members



Vacant
Elected by General Members

BUDGET POLICIES

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

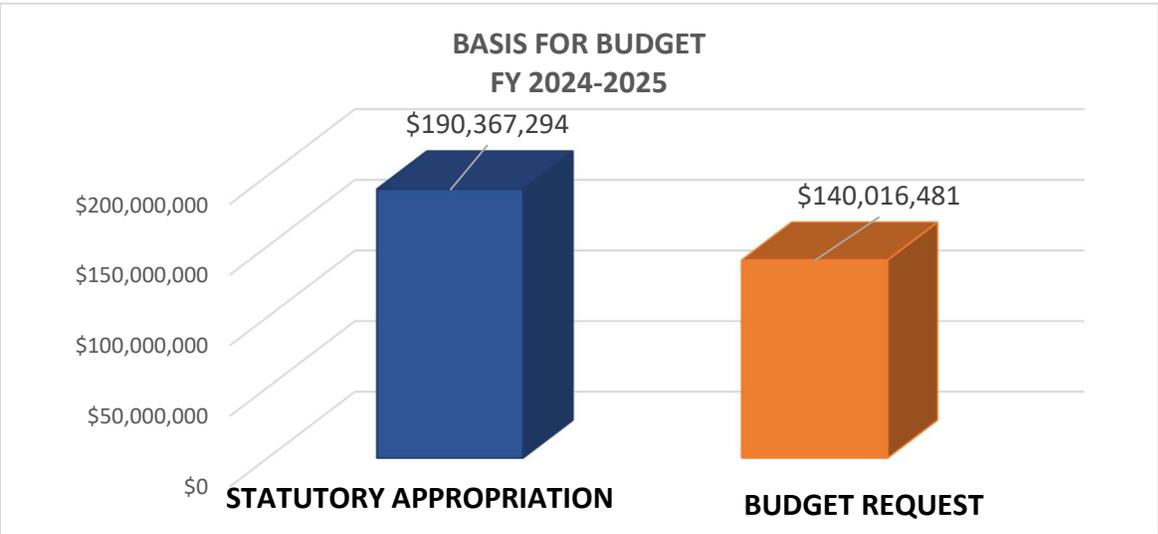
The budget is made up of three operating funds: the Administrative Fund, the Retiree Healthcare Benefits Program Fund, and the Other Post-Employment Benefits (OPEB) Trust Fund.

The annual budget aligns with LACERA’s fiscal year (FY), the 12-month period from July 1 to June 30.

Legal Requirement

Government Code 31580.2 of the County Employees Retirement Law (1937 Act) requires the annual adoption of a budget covering the entire expense of administration of the retirement system. The code requires that the expenses be charged against the earnings of the retirement fund and that the expenses may not exceed 21 basis points (0.21 percent) of the actuarial accrued liability of the retirement system. Although expenses for computer software, hardware, and computer technology consulting services are included in the Administrative Budget, such costs are not subject to the budget limit. Additionally, Government Code Section 31596.1 provides that the following expenses shall not be considered as costs of administering the system: investing its moneys, securing custodial bank services, securing actuarial services, and securing attorney services. As such, these costs are not included in the Administrative Budget.

Per the 1937 Act, LACERA’s statutory appropriation for FY 2024-25 is \$190,367,294. The proposed budget for FY 2024-25 totals \$140,016,481, \$50,350,813 below the statutory appropriation limit. Further, CERL requires that the administrative budget be funded from investment earnings of the plan.



JOGC Oversight

In addition to the statutory codes, the budget is also guided by LACERA's Joint Organizational Governance Committee (JOGC), which provides oversight during the annual budget development cycle. The process consists of staff developing a preliminary budget plan that considers and supports the approved strategic objectives and general operating needs. The preliminary budget is presented to the JOGC for review. Recommendations by the JOGC are presented to the Board of Retirement and Board of Investments ("the Boards") during the budget hearings. Staff incorporates changes agreed upon in the budget hearings and brings the recommended budget to the Board of Retirement and the Board of Investments for review and independent adoption before June 30.

Budgetary Control and Financial Forecasting

LACERA has a responsibility to maintain a fiscally sustainable budget that aligns our Strategic Plan objectives and goals with the itemized resources and organization required to fulfill our mission, vision, and values. This financial plan is developed by staff and management and is approved by the Boards. After the budget is developed and approved, staff and management have a responsibility to monitor and forecast expenditures to ensure resources are being used as intended to meet LACERA's needs.

While the annual budget process is designed to develop the 12-month budget or financial plan for approval prior to the start of the fiscal year, a mid-year review of that plan helps to ensure the enterprise is on track. During the mid-year budget review process, the Boards may address any enterprise-critical, unforeseen, and emergency resources not included in the current fiscal year budget. The mid-year budget review shall be presented to the JOGC for information or action if required.

Chief Executive Officer (CEO) Authority

In FY 2022-23, the Boards adopted a new Budget Policy that, among other things, granted the CEO the authority to transfer up to \$1 million between major fund categories (e.g., between Salaries and Employee Benefits and Services and Supplies) or between accounts within a major fund category (e.g., between postage and insurance within Services and Supplies) to address operational needs in a timely manner. Such changes shall be communicated to the Boards as part of the regular budget control reporting. The CEO may not increase total appropriations or add position authority without the approval of the Boards.

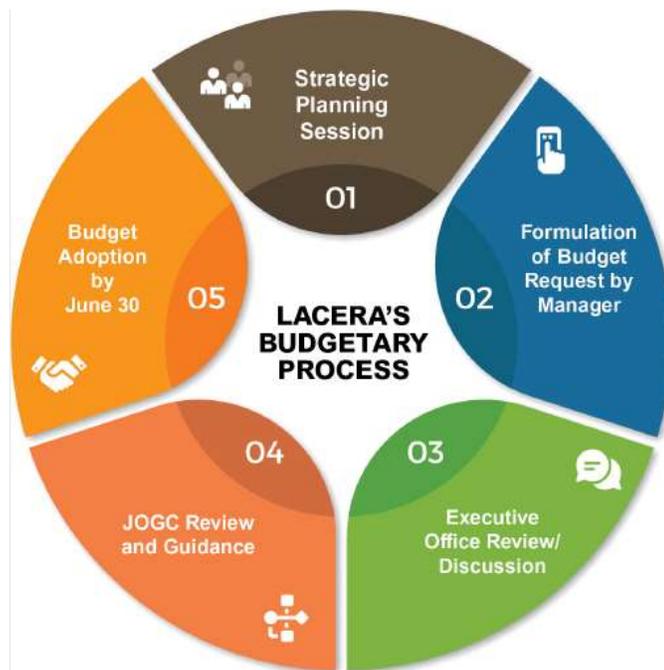
Retiree Healthcare Benefits Program

LACERA's Retiree Healthcare Benefits Program provides healthcare benefits to our membership on behalf the plan sponsors. The insurance premiums are borne solely by the participants of the plan or the plan sponsor if the participant is eligible for such benefits. LACERA trust funds are not used for premium payments. The direct costs and variable overhead costs associated with the administration of the Retiree Healthcare Benefits Program are fully included with the monthly premium payments and, as such, are not included in the Administrative Budget.

Non-Administrative Expenses

As provided in Government Code Section 31596.1, the expenses of investing its moneys, securing custodial bank services, actuarial services, and attorney services shall not be considered a cost of administering the system. As such, investment expenses are not included in the Administrative Budget, but are illustrated as part of the Non-Administrative Expenses section of the budget.

BUDGET PROCESS



LACERA's budget process includes five major stages, as depicted in the diagram above. The budget process typically begins in October of each year and coincides with the strategic planning discussion, which is generally held offsite by the management team to engage in team-building exercises and begin discussion about organizational priorities and strategic direction consistent with the Boards' vision.

The budget is a fiscal plan that supports the organization's planned activities and goals for the upcoming year. The first stage of the budget is to review the strategic plan priorities and work plans for the coming fiscal year. From October to November, the management team begins to formulate their budget requests to support those activities. Throughout the month of December, the budget team meets with the managers to gather information about their needs. This discussion helps the budget team and their partners begin preparing spending plans to support the divisional and management requests.

During the month of January, the management team meets with the Executive Office to present their proposed budgets. During this process, the Executive Office weighs the requests against the organizational goals and the strategic plan as well as ancillary support requirements. These discussions help refine the requests and balance competing needs throughout the organization. At the end of this process, the Executive Office and the management team agree upon their divisional requests and the Budget Unit begins to assemble the budget.

The fourth stage includes presenting the preliminary budget to the JOGC for review, discussion, and guidance. The JOGC meeting is open to the public and all Trustees are invited to participate in the discussion. Staff incorporates changes requested by the JOGC and prepares the final proposed budget on behalf of the JOGC for consideration by the Board of Retirement and Board of Investments.

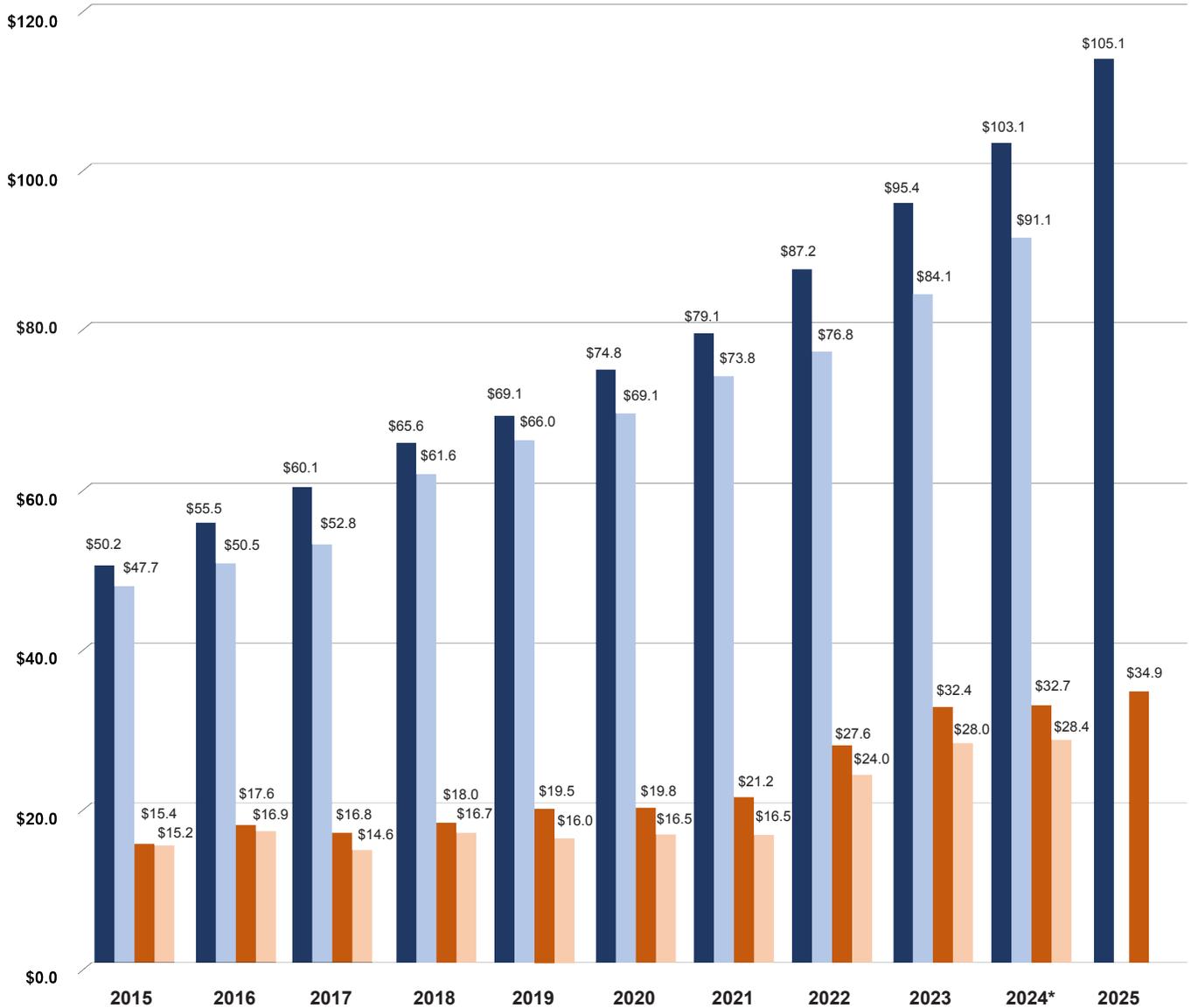
Lastly, the JOGC's proposed budget is submitted for approval at the meetings of each Board in June. Each year the budget must be adopted by June 30 to take effect on July 1.

HISTORY: BUDGET EXPENDITURES

Salaries and Employee Benefits & Services and Supplies

2015-2025

(\$ in Millions)



* The Actual Expenditures for the budget year ending 2024 are projected based on YTD figures through 01/31/2024.

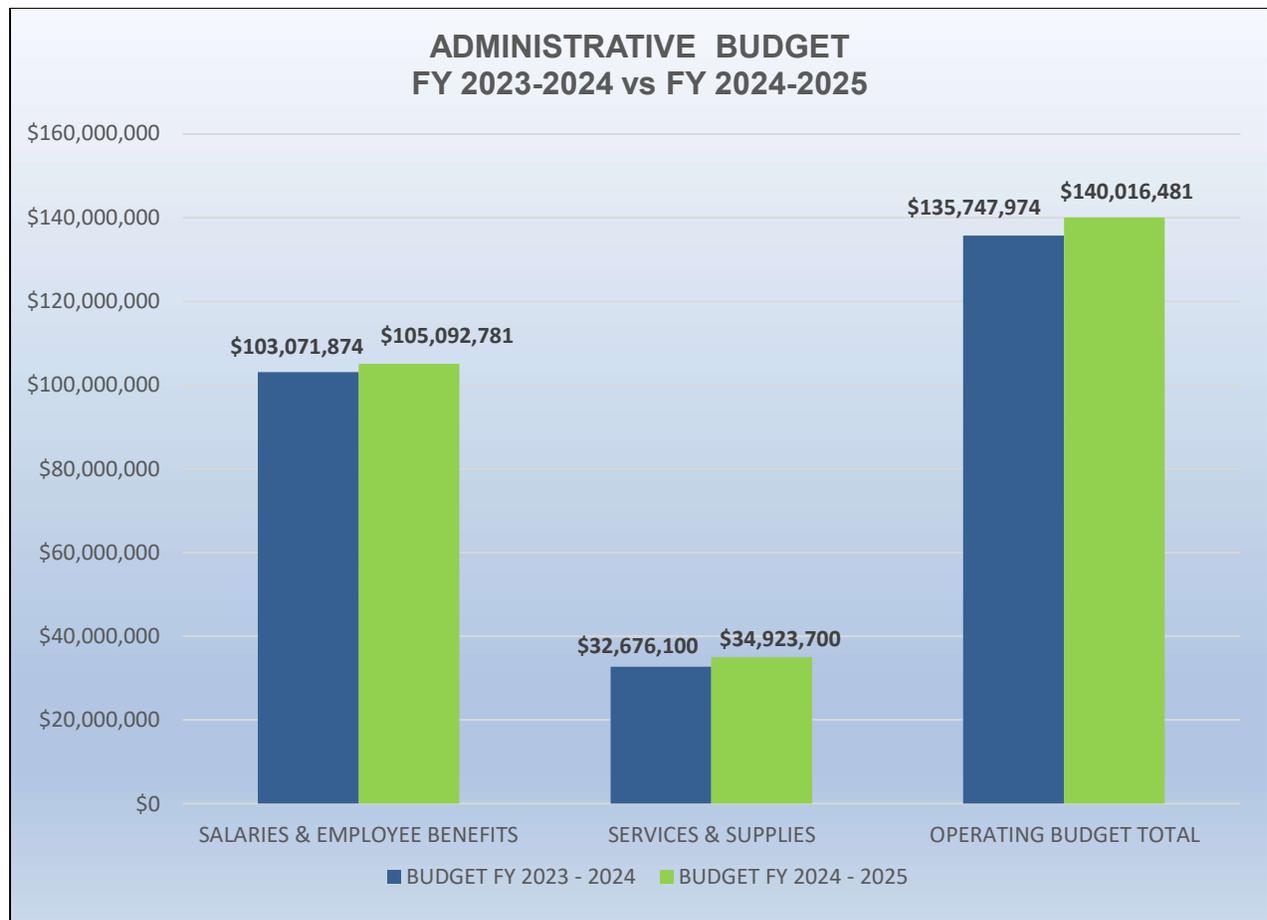
- Salaries and Employee Benefits Approved Budget
- Salaries and Employee Benefits Actual Expenditures
- Services and Supplies Approved Budget
- Services and Supplies Actual Expenditures

BUDGET REQUEST SUMMARY

Overview

The Administrative Budget consists of two components: Salaries and Employee Benefits (S&EB) and Services and Supplies (S&S). The proposed Administrative Budget request for FY 2024-25 is \$140,016,481. This represents a 3.1 percent increase from the prior year budget.

ADMINISTRATIVE BUDGET	BUDGET FY 2023-24	BUDGET FY 2024-25	VARIANCE	% CHANGE
SALARIES & EMPLOYEE BENEFITS	\$103,071,874	\$105,092,781	\$2,020,907	2.0%
SERVICES & SUPPLIES	\$32,676,100	\$34,923,700	\$2,247,600	6.9%
OPERATING BUDGET TOTAL	\$135,747,974	\$140,016,481	\$4,268,507	3.1%



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

For additional details see the divisional tabs.

DIVISION	BUDGET REQUEST FY 2023-24	BUDGET REQUEST FY 2024-25	VARIANCE	% CHANGE
Administrative Services	\$16,108,407	\$16,946,279	\$837,872	5.2%
Benefits	12,449,401	12,838,241	388,840	3.1%
Board of Retirement	303,500	341,500	38,000	12.5%
Board of Investments	551,000	556,000	5,000	0.9%
Communications	4,117,688	3,752,475	(365,213)	-8.9%
Disability Litigation	2,561,141	2,504,711	(56,430)	-2.2%
Disability Retirement	11,797,091	11,620,273	(176,818)	-1.5%
Ethics & Compliance Office	182,700	219,400	36,700	20.1%
Executive Office	5,276,414	4,039,504	(1,236,910)	-23.4%
Financial & Accounting Services	5,688,738	5,658,426	(30,312)	-0.5%
Human Resources	6,743,589	6,470,103	(273,486)	-4.1%
Information Security Office	0	1,590,829	1,590,829	0.0%
Internal Audit	3,613,148	3,294,298	(318,850)	-8.8%
Investment Office	18,223,968	19,377,272	1,153,304	6.3%
Legal Services	9,815,031	10,387,249	572,218	5.8%
Member Services	11,063,298	12,020,576	957,278	8.7%
Quality Assurance	3,383,333	3,320,272	(63,061)	-1.9%
Systems	23,869,524	25,079,073	1,209,549	5.1%
TOTAL	\$135,747,974	\$140,016,481	\$4,268,507	3.1%

Salaries and Employee Benefits Summary

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

S&EB CATEGORY	BUDGET REQUEST FY 2023-24	BUDGET REQUEST FY 2024-25	VARIANCE	% CHANGE
<u>SALARIES & OTHER PAY</u>				
Permanent / County Temporary	\$55,823,026	\$59,820,943	\$3,997,917	7.2%
Agency Temporary	5,683,700	4,219,800	(1,463,900)	-25.8%
LACERA Intern Program	288,000	336,000	48,000	16.7%
Stipends	65,000	65,000	0	0.0%
Overtime	1,150,900	1,388,700	237,800	20.7%
Bilingual Bonus	22,800	20,400	(2,400)	-10.5%
Transportation Allowance	28,800	36,000	7,200	25.0%
Rideshare Allowance	70,300	70,300	0	0.0%
Sick Leave Buyback	68,800	68,800	0	0.0%
TOTAL SALARIES & OTHER PAY	\$63,201,326	\$66,025,943	\$2,824,617	4.5%
<u>VARIABLE BENEFITS</u>				
Retirement	13,294,641	11,694,440	(1,600,201)	-12.0%
FICA Contribution	1,060,986	867,404	(193,582)	-18.2%
County Subsidy–Insurance	3,651,760	3,651,760	0	0.0%
Options Plan	4,515,725	5,821,379	1,305,654	28.9%
Life Insurance	22,003	26,217	4,214	19.1%
Health Insurance Temps	626,306	375,682	(250,624)	-40.0%
Flexible Benefit Plan	18,805	18,805	0	0.0%
Thrift Plan/Horizons	2,251,400	2,392,838	141,438	6.3%
Savings Plan	1,527,202	1,546,989	19,787	1.3%
Pension Savings Plan	59,193	59,193	0	0.0%
Megaflex	7,264,514	6,574,702	(689,812)	-9.5%
TOTAL VARIABLE BENEFITS	\$34,292,535	\$33,029,408	(\$1,263,127)	-3.7%
OPEB CONTRIBUTION	\$1,989,012	\$2,366,430	\$377,418	19.0%
OTHER BENEFITS	\$3,588,999	\$3,671,000	\$82,001	2.3%
TOTAL EMPLOYEE BENEFITS	\$39,870,546	\$39,066,838	(\$803,708)	-2.0%
TOTAL SALARIES & EMPLOYEE BENEFITS	\$103,071,874	\$105,092,781	\$2,020,907	2.0%

Assumptions

The following assumptions were used in developing the budgets:

- LACERA utilizes an incremental-based budget process with the prior year resources as the “budget base” adjusted to reflect changes to activities or costs.
- Salaries are budgeted based on projected yearly costs by position. Filled positions assume salary-step and/or merit increases where eligible.
- Vacant positions are budgeted at the first step and salary savings are calculated by reducing the salary cost by the number of months it takes to hire against the position. The number of months funded are based on LACERA’s hiring plan and are clearly identified in each division’s tab. Vacant positions as of January 2024 that are expected to be filled by June 30, 2024 are budgeted for the full year.
- The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.
- Variable benefits costs are adjusted consistent with Los Angeles County negotiated fringe benefit rates.
- To ensure steady and consistent trained staffing levels in our member-facing divisions, and to accommodate an annual specialist basic training program, LACERA will over-hire 11 Retirement Benefits Specialists I. These over-hires are not funded in the budget. Instead, salary savings generated from assumed attrition will be used to support the staffing.
- New positions are included only when they can be supported by planned hiring activity and availability of Los Angeles County Ordinance position authority.

Explanation of S&EB Costs

The proposed budget for S&EB totals \$105,092,781, an increase of approximately \$2.0 million or 2.0 percent. A breakdown of the significant changes impacting S&EB costs are detailed below.

Staffing Changes

A net increase of six permanent positions are requested for FY 2024-25, bringing LACERA’s budgeted authority (excluding the Retiree Healthcare Program) from 497 to 503, as outlined below.

Summary of Position Changes

DIVISION	#	POSTION TITLE	FULL YEAR SALARY	FULL YEAR TOTAL EMPLOYEE BENEFITS	FULL YEAR BUDGET IMPACT
Administrative Services	1.0	Supervising Administrative Assistant II	\$105,034	\$68,272	\$173,306
	2.0	Administrative Services Analyst III	\$156,661	\$101,830	\$258,491
	(1.0)	Receptionist	(\$43,819)	(\$28,482)	(\$72,301)
Financial & Accounting Services	3.0	Accountant	\$207,226	\$134,697	\$341,922
Investment Office	1.0	Finance Analyst II	\$139,772	\$90,852	\$230,623
	(1.0)	Finance Analyst I	(\$96,588)	(\$62,782)	(\$159,370)
Legal Services	1.0	Legal Analyst	\$83,311	\$54,152	\$137,462
Total	6.0		\$551,597	\$358,538	\$910,134

**Based on the hiring plan*

Permanent/County Temporary Salaries

Funding for Permanent/County Temporary Salaries is increasing by approximately \$4.0 million or 7.2 percent. The six new positions account for a portion of this increase, but other factors include full-year funding for previously unfunded or partially funded vacant positions, salary-step and merit increases, and the last six months of negotiated cost-of-living adjustment (COLA) increases through December 31, 2024. No future COLAs beyond that date were included in the proposed budget.

Agency Temporary Salaries

Funding for Agency Temporary Salaries is reduced by approximately \$1.5 million, or 26 percent, from FY 2023-24, reflecting LACERA's planned hiring. Tremendous effort is underway to permanently fill LACERA's critical vacancies with highly qualified professionals, allowing for substantive reductions in this line item.

Intern Program

Internships are part of LACERA's diversity, equity, and inclusion strategies. Our intent is to provide underrepresented students with opportunities to learn about LACERA and how we fulfill our mission to produce, protect and provide the promised benefits to our members by offering short-term employment and mentorship. They are provided hands-on experience that increases their professional preparedness.

For FY 2024-25, LACERA hopes to welcome 15 Interns to work on special projects across the organization as outlined below:

Division	No.	Project Description
Administrative Services	1	Records management
Communications	1	Social media platform rollout
Information Security Office	1	Knowledge management and information security program projects
Executive Office	1	Communications projects
Investments Office	4*	Performance attribution, market research, and investment analysis
Legal Office	2	Legal projects (law students)
Quality Assurance	1	Data consolidation/CEM benchmarking report
Systems	3	Workflow automation, onsite data center, and data lake
Retiree Healthcare	1	Automation of quality metrics
Total	15	

** Two funded through LACERA and two funded through outside organizations*

At LACERA, internships are paid with the intention to ensure access to these opportunities. The FY 2024-25 Administrative Budget includes \$336,000 to fund 13 Interns; two additional Interns for the Investments Division will be funded through outside organizations that seek to encourage individuals of diverse and underrepresented backgrounds.

Employee Benefits

Total employee benefits are projected to total \$39,066,838, a decrease of approximately \$800,000 or 2.0 percent. Total variable benefits decrease by a net of nearly \$1.3 million, while Other Post-Employment Benefits (OPEB) contributions and other benefits increased by approximately \$500,000. Within variable benefits, retirement costs decreased by approximately \$1.6 million. This represents the employer portion of pension benefits that LACERA pays for its own employees, and the reduction is tied to the higher percentage of employees who are in the PEPR plan (Plan G).

Total Budgeted Positions

Based on the proposal of a net increase of six permanent positions, LACERA's total budgeted positions count will be 503.

DIVISION	BUDGETED POSITIONS FY 2023-2024	CHANGE	BUDGETED POSITIONS FY 2024-2025
ADMINISTRATIVE SERVICES	42	2	44
BENEFITS DIVISION	79	0	79
COMMUNICATIONS	14	0	14
DISABILITY LITIGATION	7	0	7
DISABILITY RETIREMENT	44	0	44
ETHICS AND COMPLIANCE OFFICE	1	0	1
EXECUTIVE OFFICE	9	1	10
FINANCIAL & ACCOUNTING	30	3	33
HUMAN RESOURCES	21	0	21
INFORMATION SECURITY OFFICE	5	0	5
INTERNAL AUDIT SERVICES	11	0	11
INVESTMENT OFFICE	46	0	46
LEGAL SERVICES	28	0	28
MEMBER SERVICES	79	0	79
QUALITY ASSURANCE	19	0	19
SYSTEMS	62	0	62
TOTAL	497	6	503

Ordinance Positions

Ordinance positions reflect the employment authority by classification ratified by the Los Angeles County Board of Supervisors for LACERA. Not all positions outlined in LACERA's Ordinance are funded in the budget. Each year, the Board of Retirement and the Board of Investments adopt a budget, which includes funding for a specified number of positions. Most of these positions are funded for a full year; positions that are anticipated to be vacant at the beginning of the fiscal year are generally funded for less than 12 months. Historically, LACERA has maintained a higher number of Ordinance positions than budgeted to allow flexibility in filling positions within specific classifications. Each time a position is filled, it must be applied against an authorized position identified in the Ordinance, and funding must be available within the budget. Additionally, when the Boards authorize new positions as part of the budget, they cannot be immediately filled if there is not sufficient authority within the Ordinance, and it typically takes the Board of Supervisors several months to add new positions to LACERA's Ordinance. For this reason, LACERA management is not requesting any new positions in the FY 2024-25 Budget that are not already included in existing Ordinance. However, some positions, such as the Chief Ethics and Compliance Officer, are currently pending.

Vacancy Information

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

Once the executive and management teams have agreed on a plan, the staffing requests are approved in the budget proposal presented to the Boards. The vacant position chart below shows that there are 106 vacant positions as of March 31, 2024. However, LACERA anticipates hiring or promoting 49 staff in the fourth quarter of FY 2023-24, of which at least half will be new staff members.

Given the high vacancy rate, LACERA management did not include any new positions unless the classification had a current or planned hiring list and where sufficient position authority was currently available in the Ordinance.

Vacant Positions Summary

DIVISION	BUDGETED POSITIONS FY 2023-24	VACANCY (AS OF 03/31/24)	%	BUDGETED POSITIONS FY 2024-25*
Administrative Services	42	17	40%	44
Benefits	79	1	1%	79
Communications	14	6	43%	14
Disability Litigation	7	0	0%	7
Disability Retirement Services	44	8	18%	44
Ethics & Compliance Office	1	1	100%	1
Executive	9	1	11%	10
Financial Accounting Services	30	4	13%	33
Human Resources	21	6	29%	21
Information Security Office	5	4	80%	5
Internal Audit	11	3	27%	11
Investments	46	8	17%	46
Legal Services Ø	28	10	36%	28
Member Services	79	11	14%	79
Quality Assurance	19	5	26%	19
Systems	62	21	34%	62
LACERA Total	497	106	21%	503

*Includes new requested positions

Ø Includes three budgeted positions not yet approved by Board of Supervisors

Hiring Plan

LACERA's Human Resources (HR) Division is working toward our goal of simplifying and improving our hiring process and developed a *Hiring Manager Playbook* to document our current hiring policies and procedures. HR also expanded its staffing capacity in FY 2023-24. As a result, they are on track to promulgate 25 hiring lists by the end of the fiscal year, double the number of lists created in FY 2022-23. Once lists are created, hiring managers interview and select candidates to fill specific vacancies. When new staff are considered, they must undergo an extensive background process. As a result, we expect to see a significant increase in the number of new staff hired and internal promotions, with 49 such actions in the fourth quarter of FY 2023-24 alone.

Services and Supplies (S&S)

The FY 2024-25 Services and Supplies (S&S) budget is \$34,923,700, an increase of \$2,247,600, or 6.9 percent. S&S costs are reflective of the daily operational needs of the organization and are primarily based on historical expenditures adjusted for inflation. Reductions or additions for one-time expenditures are also applied. Significant or noteworthy increases or decreases are explained below:

- Computer Services & Support expenses are expected to increase by \$2,228,400 or 42.2 percent, however of this amount, \$455,000 was moved from Office Supplies and Equipment related to existing divisional IT supplies and equipment. Four new accounts were created under Computer Services & Support to allow us to segregate new and existing IT needs for both divisions and enterprise-wide. LACERA continues to invest heavily in new IT software, which is also included in this account. Please refer to the detail on page 8 for additional detail.
- Educational Expenses are expected to increase by approximately \$365,000 or 25.4 percent due to inflationary costs for educational conferences and a modest increase in the number of educational conferences for staff and trustees.
- Transportation & Travel expenses increased by \$93,600, or 11.4 percent, reflecting inflationary increases as well as a modest increase for staff and trustee education-related travel.
- Equipment Maintenance costs are expected to decrease by \$305,000, or 41.6 percent, primarily due the completion of the uninterruptible power supply upgrade, key card reader upgrade, and audio visual upgrades
- Legal Fees & Services are expected to increase by \$240,000, or 11.5 percent based on current use trends.

Services & Supplies Summary

S&S CATEGORY	BUDGET REQUEST FY 2023-24	BUDGET REQUEST FY 2024-25	VARIANCE	% CHANGE
Auto Expenses	\$52,800	\$51,300	(\$1,500)	-2.8%
Communications	570,000	440,000	(130,000)	-22.8%
Transportation & Travel	818,700	912,300	93,600	11.4%
Postage	1,143,700	1,179,000	35,300	3.1%
Stationery & Forms	982,700	1,022,500	39,800	4.1%
Office Supplies & Equipment	1,103,900	730,600	(373,300)	-33.8%
Insurance	1,374,700	1,460,200	85,500	6.2%
Equipment Maintenance	733,300	428,300	(305,000)	-41.6%
Equipment Rents & Leases	250,000	260,000	10,000	4.0%
Building Costs	7,800,000	7,800,000	0	0.0%
Parking Fees	482,000	517,000	35,000	7.3%
Professional & Specialized Services	4,500,600	4,585,100	84,500	1.9%
Bank Services	200,000	200,000	0	0.0%
Legal Fees & Services	2,093,000	2,333,000	240,000	11.5%
Disability Fees & Services	3,090,300	3,090,300	0	0.0%
Computer Services & Support	5,279,600	7,508,000	2,228,400	42.2%
Educational Expenses	1,441,800	1,807,400	365,600	25.4%
Miscellaneous	759,000	598,700	(160,300)	-21.1%
TOTAL	\$32,676,100	\$34,923,700	\$2,247,600	6.9%

LACERA

FISCAL YEAR 2024-2025

SALARIES AND EMPLOYEE BENEFITS
CATEGORY SUMMARY

	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023 - 2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		BUDGET	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE
			(01-31-24)	PROJECTION	BUDGET	% CHANGE		
Gross Salaries	\$59,820,943	\$55,823,026	\$25,750,038	\$52,271,200	(\$3,551,826)	-6.4%	\$3,997,917	7.2%
Salary Differential	-	-	-	-	-	-	-	-
Permanent Salaries	\$59,820,943	\$55,823,026	\$25,750,038	\$52,271,200	(\$3,551,826)	-6.4%	\$3,997,917	7.2%
Outside Agency Temporary Staffing	4,219,800	5,683,700	2,824,928	4,788,200	(895,500)	-15.8%	(1,463,900)	-25.8%
LACERA Intern Program	336,000	288,000	6,016	12,300	(275,700)	-95.7%	48,000	16.7%
Variable Benefits								
Retirement	11,694,440	13,294,641	5,376,908	10,915,900	(2,378,741)	-17.9%	(1,600,201)	-12.0%
FICA Contribution	867,404	1,060,986	429,672	873,000	(187,986)	-17.7%	(193,582)	-18.2%
County Subsidy - Insurance	3,651,760	3,651,760	1,110,331	2,254,600	(1,397,160)	-38.3%	0	0.0%
Options Plan	5,821,379	4,515,725	2,153,510	4,372,000	(143,725)	-3.2%	1,305,654	28.9%
Life Insurance	26,217	22,003	11,579	24,000	1,997	9.1%	4,214	19.1%
Health Insurance Temps	375,682	626,306	117,593	238,800	(387,506)	-61.9%	(250,624)	-40.0%
Flexible Benefit Plan	18,805	18,805	7,135	14,500	(4,305)	-22.9%	0	0.0%
Thrift Plan/Horizons	2,392,838	2,251,400	764,954	1,553,500	(697,900)	-31.0%	141,438	6.3%
Savings Plan	1,546,989	1,527,202	525,658	1,067,800	(459,402)	-30.1%	19,787	1.3%
Pension Savings Plan	59,193	59,193	13,163	26,800	(32,393)	-54.7%	0	0.0%
Megaflex	6,574,702	7,264,514	2,746,758	5,576,800	(1,687,714)	-23.2%	(689,812)	-9.5%
Total	33,029,408	34,292,535	13,257,263	26,917,700	(7,374,835)	-21.5%	(1,263,127)	-3.7%
Other Benefits	3,671,000	3,588,999	1,456,576	2,957,800	(631,199)	-17.6%	82,001	2.3%
OPEB Contribution	2,366,430	1,989,012	1,023,806	2,079,000	89,988	4.5%	377,418	19.0%
Stipends	65,000	65,000	19,582	39,800	(25,200)	-38.8%	0	0.0%
Overtime	1,388,700	1,150,900	993,869	1,926,800	775,900	67.4%	237,800	20.7%
Bilingual Bonus	20,400	22,800	7,150	14,200	(8,600)	-37.7%	(2,400)	-10.5%
Sickleave Buyback	68,800	68,800	75,561	84,200	15,400	22.4%	0	0.0%
Rideshare Allowance	70,300	70,300	1,845	3,700	(66,600)	-94.7%	0	0.0%
Transportation Allowance	36,000	28,800	19,500	36,000	7,200	25.0%	7,200	25.0%
S&EB TOTAL	\$105,092,781	\$103,071,874	\$45,436,133	\$91,130,900	(\$11,940,974)	-11.6%	\$2,020,907	2.0%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA
FISCAL YEAR 2024-2025
SALARIES AND EMPLOYEE BENEFITS
DIVISION SUMMARY

	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023 - 2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		BUDGET	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE
			(01-31-24)	PROJECTION	BUDGET	% CHANGE		
Administrative Services	\$6,040,479	\$5,512,307	\$1,972,838	\$3,949,300	(\$1,563,007)	-28.4%	\$528,172	9.6%
Benefits	12,720,941	12,363,301	6,431,999	12,995,800	632,499	5.1%	357,640	2.9%
Communications	2,118,875	2,600,188	955,790	1,927,000	(673,188)	-25.9%	(481,313)	-18.5%
Disability Litigation	2,451,211	2,510,041	1,237,026	2,509,600	(441)	-0.02%	(58,830)	-2.3%
Disability Retirement	8,241,073	8,428,091	3,849,439	7,780,700	(647,391)	-7.7%	(187,018)	-2.2%
Ethics and Compliance Office	\$127,400	90,700	0	0	(90,700)	-100.0%	36,700	40.5%
Executive Office	3,224,904	4,604,614	2,245,168	4,371,900	(232,714)	-5.1%	(1,379,710)	-30.0%
Financial & Accounting Services	5,405,426	5,435,438	2,405,152	4,781,400	(654,038)	-12.0%	(30,012)	-0.6%
Human Resources	4,206,103	4,403,989	1,374,759	2,674,000	(1,729,989)	-39.3%	(197,886)	-4.5%
Information Security Office	1,118,129	0	0	0	0	0.0%	1,118,129	0.0%
Internal Audit	2,545,098	2,888,948	1,260,877	2,560,100	(328,848)	-11.4%	(343,850)	-11.9%
Investment Office	19,027,772	17,875,468	8,044,147	16,328,500	(1,546,968)	-8.7%	1,152,304	6.4%
Legal Services	7,904,049	7,341,731	2,714,546	5,470,200	(1,871,531)	-25.5%	562,318	7.7%
Member Services	11,942,576	11,034,098	5,208,590	10,550,100	(483,998)	-4.4%	908,478	8.2%
Quality Assurance	3,234,172	3,301,233	1,438,762	2,921,300	(379,933)	-11.5%	(67,061)	-2.0%
Systems Division	14,784,573	14,681,724	6,297,041	12,311,000	(2,370,724)	-16.1%	102,849	0.7%
S&EB TOTAL	\$105,092,781	\$103,071,874	\$45,436,133	\$91,130,900	(\$11,940,974)	-11.6%	\$2,020,907	2.0%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA
FISCAL YEAR 2024-2025
AGENCY TEMPORARY STAFFING
DIVISION SUMMARY

	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023 - 2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		BUDGET	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE
			(01-31-24)	PROJECTION	BUDGET	% CHANGE		
Administrative Services	\$280,500	\$457,800	\$149,712	\$256,700	(\$201,100)	-43.9%	(\$177,300)	-38.7%
Benefits	0	62,200	10,879	62,200	0	0.0%	(62,200)	-100.0%
Communications	276,400	331,000	44,536	76,400	(254,600)	-76.9%	(54,600)	-16.5%
Disability Litigation	0	0	0	0	0	0.0%	0	0.0%
Disability Retirement	407,300	138,100	103,717	177,900	39,800	28.8%	269,200	194.9%
Ethics & Compliance Office	0	0	0	0	0	0.0%	0	0.0%
Executive Office	0	645,200	497,450	825,000	179,800	27.9%	(645,200)	-100.0%
Financial & Accounting Services	482,500	776,700	297,706	510,400	(266,300)	-34.3%	(294,200)	-37.9%
Human Resources	50,500	139,000	122,900	140,000	1,000	0.7%	(88,500)	-63.7%
Information Security Office	170,000	0	0	0	0	0.0%	170,000	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	116,700	179,400	129,859	222,700	43,300	24.1%	(62,700)	-34.9%
Member Services	295,800	72,600	16,149	27,700	(44,900)	-61.8%	223,200	307.4%
Quality Assurance	0	0	0	0	0	0.0%	0	0.0%
Systems Division	2,140,100	2,881,700	1,452,019	2,489,200	(392,500)	-13.6%	(741,600)	-25.7%
TOTAL	\$4,219,800	\$5,683,700	\$2,824,928	\$4,788,200	(\$895,500)	-15.8%	(\$1,463,900)	-25.8%

*All amounts rounded to the nearest dollar.

LACERA
BUDGET REQUEST INFORMATION
AGENCY TEMPORARY STAFFING
HISTORY OF EXPENDITURES

DIVISION	FYE 2022		FYE 2023		FYE 2024		FYE 2025
	Budget	Actual	Budget	Actual	Budget	Projection	Budget
Administrative Services	\$587,000	\$456,645	\$473,400	\$282,409	\$457,800	\$256,700	\$280,500
Benefits	71,900	69,194	154,900	92,043	62,200	62,200	0
Communications	79,600	1,213	56,200	41,983	331,000	76,400	276,400
Disability Litigation	0	0	9,800	0	0	0	0
Disability Retirement	143,000	43,941	129,000	52,858	138,100	177,900	407,300
Ethics & Compliance Office	0	0	0	0	0	0	0
Executive Office	0	0	1,129,700	1,077,533	645,200	825,000	0
Financial & Accounting Services	729,400	473,724	778,100	485,257	776,700	510,400	482,500
Human Resources	47,700	36,327	144,300	137,617	139,000	140,000	50,500
Information Security Office	0	0	0	0	0	0	170,000
Internal Audit	0	0	0	0	0	0	0
Investment Office	0	0	0	0	0	0	0
Legal Services	150,000	103,549	196,600	132,911	179,400	222,700	116,700
Member Services	0	0	37,000	0	72,600	27,700	295,800
Quality Assurance	0	0	0	0	0	0	0
Systems	2,193,100	3,899,919	4,576,300	2,941,429	2,881,700	2,489,200	2,140,100
GRAND TOTAL	\$4,001,700	\$5,084,512	\$7,685,300	\$5,244,040	\$5,683,700	\$4,788,200	\$4,219,800

*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2024-2025
OVERTIME REQUEST
DIVISION SUMMARY

	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023 - 2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE		
Administrative Services	\$47,300	\$35,700	\$5,074	\$10,300	(\$25,400)	-71.1%	\$11,600	32.5%
Benefits	562,900	426,400	459,680	850,000	423,600	99.3%	136,500	32.0%
Communications	4,500	4,500	645	1,400	(3,100)	-68.9%	0	0.0%
Disability Litigation	2,900	2,800	491	1,000	(1,800)	-64.3%	100	3.6%
Disability Retirement	140,800	103,600	108,522	220,400	116,800	112.7%	37,200	35.9%
Ethics & Compliance Office	0	0	0	0	0	0.0%	0	0.0%
Executive Office	28,400	27,600	20,140	40,900	13,300	48.2%	800	2.9%
Financial & Accounting Services	62,800	64,700	36,777	74,700	10,000	15.5%	(1,900)	-2.9%
Human Resources	6,500	4,700	11,817	16,000	11,300	240.4%	1,800	38.3%
Information Security Office	0	0	0	0	0	0.0%	0	0.0%
Internal Audit	5,500	5,300	0	0	(5,300)	-100.0%	200	3.8%
Investment Office	800	800	0	0	(800)	-100.0%	0	0.0%
Legal Services	20,300	19,900	16,174	32,900	13,000	65.3%	400	2.0%
Member Services	264,900	214,200	197,234	400,400	186,200	86.9%	50,700	23.7%
Quality Assurance	11,900	11,500	1,260	2,600	(8,900)	-77.4%	400	3.5%
Systems Division	229,200	229,200	136,054	276,200	47,000	20.5%	0	0.0%
TOTAL	\$1,388,700	\$1,150,900	\$993,869	\$1,926,800	\$775,900	67.4%	\$237,800	20.7%

*All amounts rounded to the nearest dollar.

LACERA

BUDGET REQUEST INFORMATION

**OVERTIME
HISTORY OF EXPENDITURES**

DIVISION	FYE 2022		FYE 2023		FYE 2024		FYE 2025
	Budget	Actual	Budget	Actual	Budget	Projection	Budget
Administrative Services	\$50,000	\$5,833	\$49,400	\$9,935	\$35,700	\$10,300	\$47,300
Benefits	398,000	451,675	398,100	580,501	426,400	850,000	562,900
Communications	4,100	3,403	4,800	2,721	4,500	1,400	4,500
Disability Litigation	0	0	6,600	1,058	2,800	1,000	2,900
Disability Retirement	16,100	43,275	165,300	120,189	103,600	220,400	140,800
Ethics & Compliance Office	0	0	0	0	0	0	0
Executive Office	25,600	472	25,600	17,850	27,600	40,900	28,400
Financial & Accounting Services	67,900	40,904	65,300	45,783	64,700	74,700	62,800
Human Resources	2,900	1,310	3,800	18,840	4,700	16,000	6,500
Information Security Office	0	0	0	0	0	0	0
Internal Audit	4,900	986	5,000	928	5,300	0	5,500
Investment Office	1,000	0	1,000	0	800	0	800
Legal Services	30,000	20,897	18,400	20,668	19,900	32,900	20,300
Member Services	133,800	221,062	174,000	268,449	214,200	400,400	264,900
Quality Assurance	21,300	264	21,500	803	11,500	2,600	11,900
Systems	133,300	171,708	150,000	215,349	229,200	276,200	229,200
GRAND TOTAL	\$888,900	\$961,790	\$1,088,800	\$1,303,073	\$1,150,900	\$1,926,800	\$1,388,700

*All amounts rounded to the nearest dollar.

LACERA

BUDGET REQUEST INFORMATION

**VACANT POSITIONS
SUMMARY**

DIVISION	BUDGETED POSITIONS FY 2023-2024	VACANCY (AS OF 03/31/24)	%	BUDGETED POSITIONS FY 2024-2025*	VACANCY	%
Administrative Services	42	17	40%	44	19	43%
Benefits	79	1	1%	79	1	1%
Communications	14	6	43%	14	6	43%
Disability Litigation	7	0	0%	7	0	0%
Disability Retirement Services	44	8	18%	44	8	18%
Ethics & Compliance Office	1	1	100%	1	1	100%
Executive	9	1	11%	10	1	10%
Financial Accounting Services	30	4	13%	33	7	21%
Human Resources	21	6	29%	21	6	29%
Information Security Office	5	4	80%	5	4	80%
Internal Audit	11	3	27%	11	3	27%
Investments	46	8	17%	46	8	17%
Legal Services Ø	28	10	36%	28	10	36%
Member Services	79	11	14%	79	11	14%
Quality Assurance	19	5	26%	19	5	26%
Systems	62	21	34%	62	21	34%
LACERA Total	497	106	21%	503	111	22%

* Includes new requested positions.

Ø Includes three (3) budgeted positions not yet approved by Board of Supervisors.

LACERA
FISCAL YEAR 2024-2025
SERVICES AND SUPPLIES
CATEGORY SUMMARY

	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023 - 2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE		
Auto Expense	\$51,300	\$52,800	\$26,242	\$33,100	(\$19,700)	-37.3%	(\$1,500)	-2.8%
Communications	440,000	570,000	203,974	495,200	(74,800)	-13.1%	(130,000)	-22.8%
Transportation and Travel	912,300	818,700	239,771	573,500	(245,200)	-29.9%	93,600	11.4%
Postage	1,179,000	1,143,700	519,772	1,035,000	(108,700)	-9.5%	35,300	3.1%
Stationery and Forms	1,022,500	982,700	301,420	777,100	(205,600)	-20.9%	39,800	4.1%
Office Supplies and Equipment	730,600	1,103,900	270,184	978,400	(125,500)	-11.4%	(373,300)	-33.8%
Insurance	1,460,200	1,374,700	1,217,452	1,220,600	(154,100)	-11.2%	85,500	6.2%
Equipment Maintenance	428,300	733,300	339,458	666,500	(66,800)	-9.1%	(305,000)	-41.6%
Equipment Rents and Leases	260,000	250,000	128,817	221,000	(29,000)	-11.6%	10,000	4.0%
Building Costs	7,800,000	7,800,000	4,058,727	6,862,600	(937,400)	-12.0%	0	0.0%
Parking Fees	517,000	482,000	308,897	529,600	47,600	9.9%	35,000	7.3%
Professional and Spec. Svcs.	4,585,100	4,500,600	1,435,507	3,538,100	(962,500)	-21.4%	84,500	1.9%
Bank Services	200,000	200,000	114,271	195,900	(4,100)	-2.1%	0	0.0%
Legal Fees and Services	2,333,000	2,093,000	1,120,633	1,985,200	(107,800)	-5.2%	240,000	11.5%
Disability Fees and Services	3,090,300	3,090,300	1,285,158	2,273,300	(817,000)	-26.4%	0	0.0%
Computer Services and Support	7,508,000	5,279,600	2,995,448	5,095,000	(184,600)	-3.5%	2,228,400	42.2%
Educational Expense	1,807,400	1,441,800	408,341	1,088,300	(353,500)	-24.5%	365,600	25.4%
Miscellaneous	598,700	759,000	432,907	809,500	50,500	6.7%	(160,300)	-21.1%
S&S TOTAL	\$34,923,700	\$32,676,100	\$15,406,980	\$28,377,900	(\$4,298,200)	-13.2%	\$2,247,600	6.9%

*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2024-2025
SERVICES AND SUPPLIES
DIVISION SUMMARY

	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023 - 2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE		
Administrative Services	\$10,905,800	\$10,596,100	\$6,155,475	\$9,293,900	(\$1,302,200)	-12.3%	\$309,700	2.9%
Benefits	117,300	86,100	8,314	40,400	(45,700)	-53.1%	31,200	36.2%
Board of Retirement	341,500	303,500	63,209	270,900	(32,600)	-10.7%	38,000	12.5%
Board of Investment	556,000	551,000	231,066	471,700	(79,300)	-14.4%	5,000	0.9%
Communications	1,633,600	1,517,500	518,169	1,200,200	(317,300)	-20.9%	116,100	7.7%
Disability Litigation	53,500	51,100	18,182	43,200	(7,900)	-15.5%	2,400	4.7%
Disability Retirement	3,379,200	3,369,000	1,436,018	2,535,800	(833,200)	-24.7%	10,200	0.3%
Ethics and Compliance Office	92,000	92,000	11,500	79,000	(13,000)	-14.1%	0	0.0%
Executive Office	814,600	671,800	177,979	530,300	(141,500)	-21.1%	142,800	21.3%
Financial & Accounting Services	253,000	253,300	128,924	226,800	(26,500)	-10.5%	(300)	-0.1%
Human Resources	2,264,000	2,339,600	921,732	1,869,700	(469,900)	-20.1%	(75,600)	-3.2%
Information Security Office	472,700	0	0	0	0	0.0%	472,700	0.0%
Internal Audit	749,200	724,200	257,238	453,800	(270,400)	-37.3%	25,000	3.5%
Investment Office	349,500	348,500	140,510	247,300	(101,200)	-29.0%	1,000	0.3%
Legal Services	2,483,200	2,473,300	1,372,050	2,374,100	(99,200)	-4.0%	9,900	0.4%
Member Services	78,000	29,200	13,937	26,800	(2,400)	-8.2%	48,800	167.1%
Quality Assurance	86,100	82,100	5,245	68,200	(13,900)	-16.9%	4,000	4.9%
Systems	10,294,500	9,187,800	3,947,434	8,645,800	(542,000)	-5.9%	1,106,700	12.0%
S&S TOTAL	\$34,923,700	\$32,676,100	\$15,406,980	\$28,377,900	(\$4,298,200)	-13.2%	\$2,247,600	6.9%

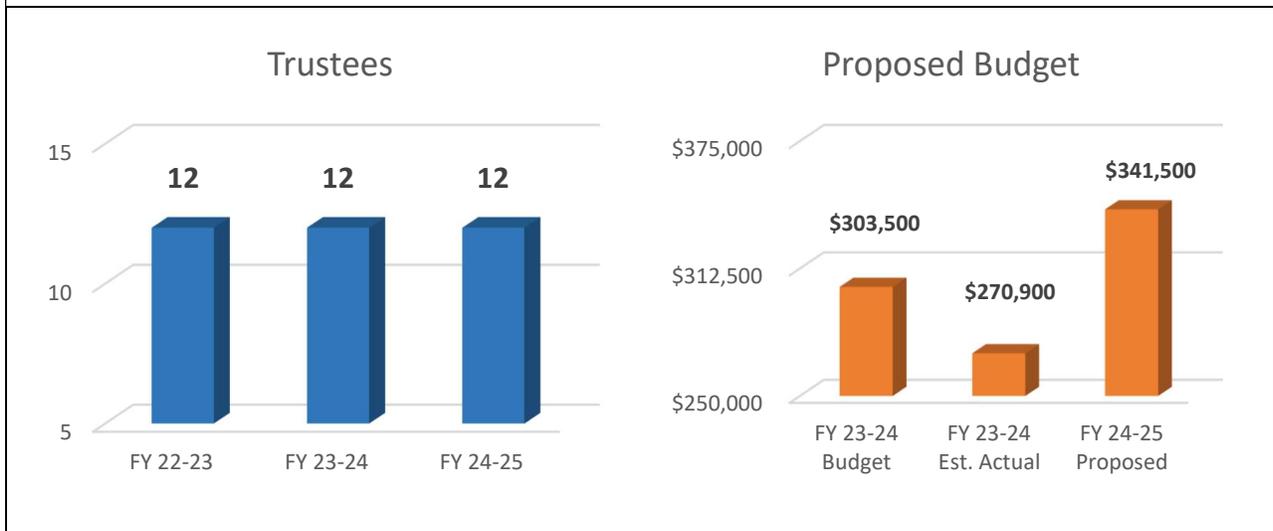
*All amounts rounded to the nearest dollar.

BOARD OF RETIREMENT



FY 2024-25 Proposed Budget

The Board of Retirement is responsible for the strategic direction of the association and the administration of the retirement system and retiree healthcare benefits program, and the review and processing of disability retirement applications. The Board must execute its duties with care, skill, prudence and diligence. The Board is composed of 11 trustees. Four are appointed by the Los Angeles County Board of Supervisors; two are elected by general active members; one trustee and one alternate trustee are elected by safety members; and one trustee and one alternate trustee are elected by retired members. The law requires the County Treasurer and Tax Collector to serve as an ex-officio trustee. The Deputy County Treasurer and Tax Collector serves as the acting ex-officio trustee in the absence of the ex-officio trustee when needed.



Summary of Significant Changes:

<u>Description</u>	<u>Position Changes</u>	<u>Amount</u>
• Board Off-Site		\$38,000

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

The Board of Retirement supports LACERA's 2023-28 Strategic Plan, providing broad direction to Chief Executive Officer.

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

Removal of One-Time Expenditures

Board of Retirement does not have one-time expenditures for FY 2024-25 that need to be removed.

Services and Supplies Adjustments

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

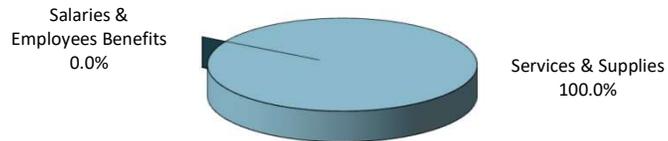
Board Offsite Meeting Expense – The Board offsite budget request increased by \$38,000 to \$150,000.

LACERA
FISCAL YEAR 2024-2025
BUDGET SUMMARY

BOARD OF RETIREMENT

	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)			
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
Salaries & Employees Benefits	\$0	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
Services & Supplies	341,500	303,500	63,209	270,900	(32,600)	-10.7%	38,000	12.5%
OPERATING BUDGET	\$341,500	\$303,500	\$63,209	\$270,900	(\$32,600)	-10.7%	\$38,000	12.5%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2024-2025
SERVICES & SUPPLIES ACCOUNT SUMMARY

BOARD OF RETIREMENT

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)			
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	\$93,500	\$93,500	\$37,156	\$63,800	(\$29,700)	-31.8%	\$0	0.0%
EDUCATIONAL EXPENSES	86,000	86,000	20,795	86,000	0	0.0%	0	0.0%
MISCELLANEOUS	162,000	124,000	5,258	121,100	(2,900)	-2.3%	38,000	30.6%
TOTAL	\$341,500	\$303,500	\$63,209	\$270,900	(\$32,600)	-10.7%	\$38,000	12.5%

*All amounts rounded to the nearest dollar.

BOARD OF RETIREMENT

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SERVICES & SUPPLIES					
Transportation & Travel	93,500	52,121	93,500	63,800	93,500
Educational Expenses	86,000	57,989	86,000	86,000	86,000
Miscellaneous	112,000	88,386	124,000	121,100	162,000
TOTAL OPERATING BUDGET	\$291,500	\$198,496	\$303,500	\$270,900	\$341,500

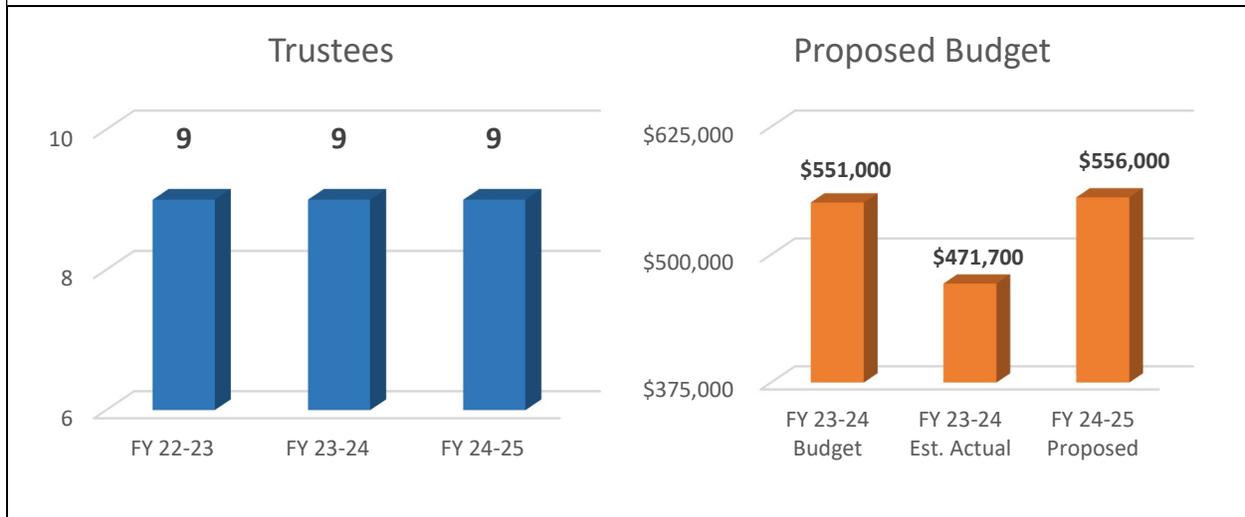
*All amounts rounded to the nearest dollar.

BOARD OF INVESTMENTS

BUDGET HIGHLIGHTS FISCAL YEAR 2024-2025

FY 2024-25 Proposed Budget

The Board of Investments is responsible for establishing LACERA's investments policies and objectives, as well as exercising authority and control over the investment management of the Pension Fund. The Board must exercise its duties with care, skill, prudence and diligence. The Board is composed of nine trustees. Four trustees are appointed by the Los Angeles County Board of Supervisors; two are elected by active general members; one is elected by safety members; and one is elected by retired members. The law requires the County Treasurer and Tax Collector serve as an ex-officio trustee. The Deputy County Treasurer and Tax Collector serves as the acting ex-officio trustee sitting in for the ex-officio trustee as needed.



Summary of Significant Changes:

Description	Position Changes	Amount
<ul style="list-style-type: none"> Food/Beverages 	--	\$5,000

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

The Board of Investments supports LACERA's Investments Strategic Plan, providing broad direction to the Chief Investment Officer and Chief Executive Officer.

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

Removal of One-Time Expenditures

Board of Investment does not have one-time expenditures for FY 2024-25 that need to be removed.

Services and Supplies Adjustments

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

Food/Beverages

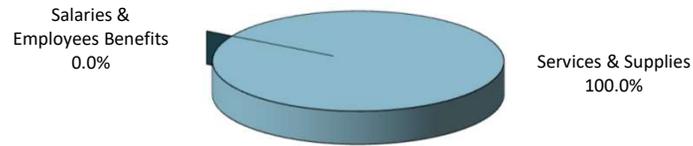
The Food/Beverages budget request increased by \$5,000 to \$17,000.

LACERA
FISCAL YEAR 2024-2025
BUDGET SUMMARY

BOARD OF INVESTMENTS

	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-24)	PROJECTION	BUDGET		
Salaries & Employees Benefits	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
Services & Supplies	556,000	551,000	231,066	471,700	-14.4%	5,000	0.9%
OPERATING BUDGET	\$556,000	\$551,000	\$231,066	\$471,700	-14.4%	\$5,000	0.9%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2024-2025
SERVICES & SUPPLIES ACCOUNT SUMMARY

BOARD OF INVESTMENTS

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE		
TRANSPORTATION & TRAVEL	\$246,000	\$246,000	\$96,581	\$220,000	(\$26,000)	-10.6%	\$0	0.0%
EDUCATIONAL EXPENSES	200,000	200,000	62,387	172,000	(28,000)	-14.0%	0	0.0%
MISCELLANEOUS	110,000	105,000	72,097	79,700	(25,300)	-24.1%	5,000	4.8%
TOTAL	\$556,000	\$551,000	\$231,066	\$471,700	(\$79,300)	-14.4%	\$5,000	0.9%

*All amounts rounded to the nearest dollar.

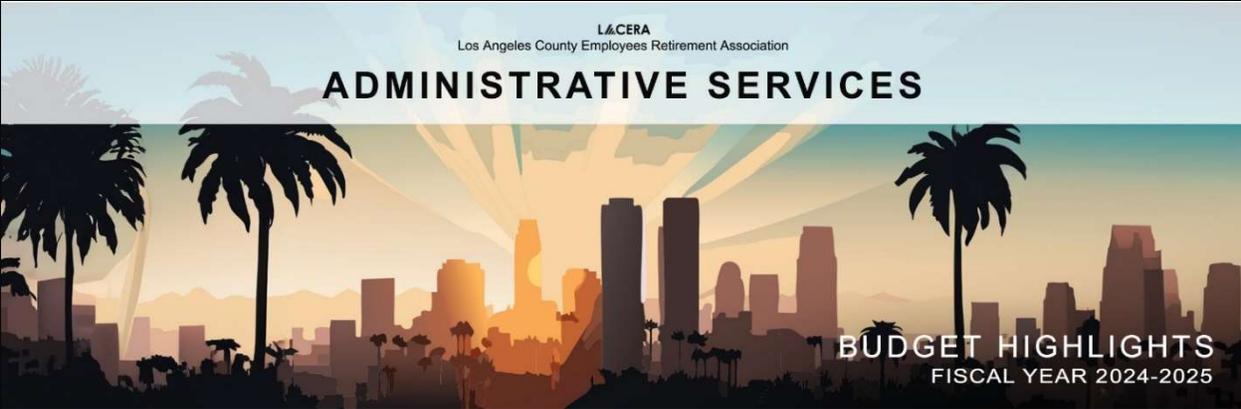
BOARD OF INVESTMENT

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

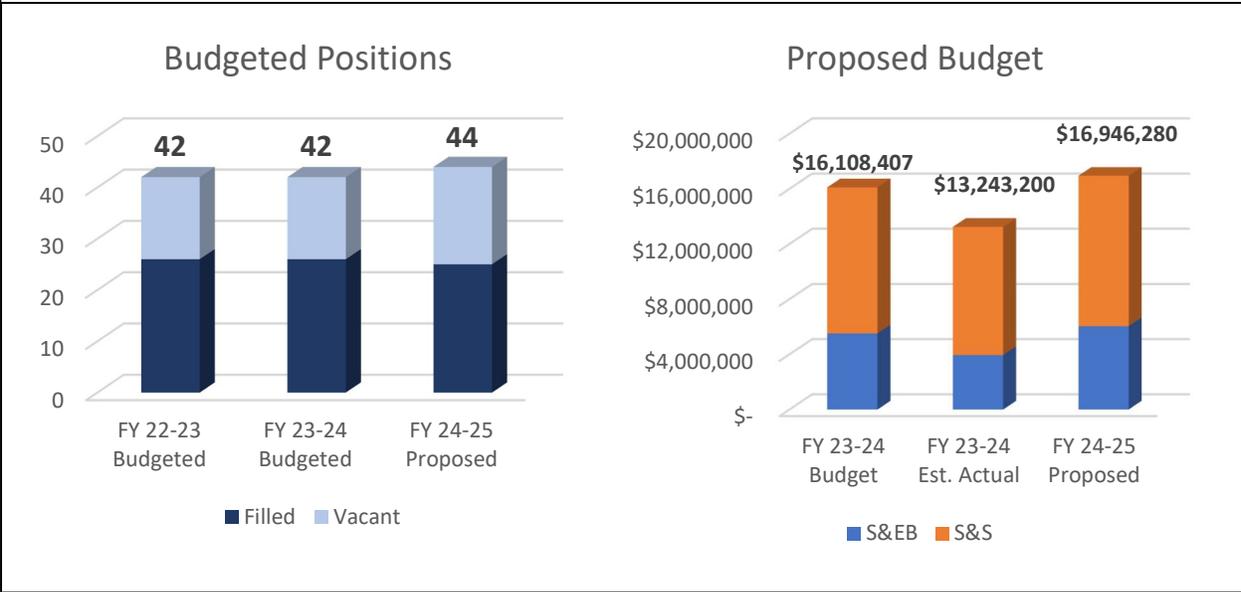
	FYE 2023		FYE 2024		Proposed Budget
	Budget	Actual	Budget	Projection	
SERVICES & SUPPLIES					
Transportation & Travel	242,000	158,306	246,000	220,000	246,000
Educational Expenses	150,000	147,119	200,000	172,000	200,000
Miscellaneous	106,000	80,079	105,000	79,700	110,000
TOTAL OPERATING BUDGET	\$498,000	\$385,504	\$551,000	\$471,700	\$556,000

*All amounts rounded to the nearest dollar.



FY 2024-25 Proposed Budget

The Administrative Services Division provides the operational infrastructure that supports all divisions in administering LACERA's programs and services. Specific services include budget development and monitoring; procurement; contract compliance; document processing; records management; facilities management; and risk management, including business continuity, insurance, and health and safety.



Summary of Significant Changes:

Description	Position Changes	Amount
<ul style="list-style-type: none"> Creation of Vendor Management Section Add three positions: 1 SAA II, 2 ASA IIIs 	3	\$261,695
<ul style="list-style-type: none"> Deletion of Receptionist 	(1)	(\$43,819)
<ul style="list-style-type: none"> Reduction in Agency Temp Staffing 		(\$177,300)
<ul style="list-style-type: none"> Consultant for Facilities Master Plan 		\$150,000
<ul style="list-style-type: none"> Transfer of Security Services: Sheriff 		\$32,000

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

Renovation of Seventh Floor, Systems/FASD

As reported last fiscal year, the Systems Division and Financial and Accounting Services Division (FASD) space had not been renovated in 20 years. To make the renovation timelier, the entire seventh floor was renovated simultaneously. This was a huge undertaking, but we are pleased to inform you that we have completed this project.

Automated Budget System

As reported last fiscal year, the Administrative Services Division (ASD) has never had an automated budget development or control system, relying upon Excel spreadsheets and manual processes. After conducting an extensive needs assessment and releasing a Request for Proposal (RFP), Questica was selected as the budget software provider. The implementation plan was introduced at the end of the calendar year 2022, and regular meetings between Questica and LACERA subject matter experts have moved the software implementation along. We planned to use the new system to develop the FY 2024-2025 budget, and we are pleased to inform you that we are on target.

Enterprise Contract Lifecycle Management System (ECLM)

As reported last fiscal year, this system will replace our current contract management database with an enterprise-wide solution that includes automated workflows and reporting capabilities and will integrate with new and existing technology solutions. The vendor selected for the ECLM system is Cobblestone. We previously met with the vendor to outline the deployment plan and expected the system to be fully functional by the summer of 2023. We experienced unexpected delays and plan to soft launch the ECLM prior to the end of the 2023-24 fiscal year. End-user training will be ongoing through the end of the fiscal year.

Procurement/Accounts Payable/Travel System

As reported last fiscal year, the ASD, FASD, and Systems Division have collaborated to automate, simplify, and improve our procurement and accounts payable approval and workflow processes. This software processes electronic payment methods, including automating requisitions and invoicing. We anticipated this system would roll out in phases, starting with Procurement and Accounts Payable, followed by the Expense phase by the summer of 2023. Although we experienced unexpected delays, we are pleased to inform you that that implementation occurred in January 2024.

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

The ASD goals and objectives are to provide the operational infrastructure that supports the divisions in administering LACERA programs and services. ASD plays a leading role in LACERA's Fiscal Durability Strategic Priority, ensuring that resources are utilized appropriately and judiciously. Some of these fiscal elements involve improvements in:

- Financial and budgeting systems that support LACERA's ability to make, monitor, and ensure prudent and strategic expenditure decisions.
- Systems, technologies and processes that can simplify and improve staff efficiency and effectiveness.
- Developing and reinforcing a fiscal prudent mindset.
- Ensure LACERA's staff and management responsible for financial operations have appropriate training and qualifications.

Specific functions include:

- Budget Development and Monitoring
- Business Continuity Management
- Business Insurance Management
- Contract Management and Compliance
- Document Processing/Mailroom Services
- Facilities Management/Renovations
- Health and Safety Services
- Purchasing and Procurement Services
- Records and Information Management
- Rideshare Administration
- Risk Management

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of Investment for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.

Adjustments to Permanent Staffing

Administrative Services is requesting the following changes:

Addition	Removal
1 Supervising Administrative Assistant II 2 Administrative Services Analyst IIIs	1 Receptionist

LACERA presently operates a decentralized vendor management program. Each division has one or more contract administrators responsible for ensuring compliance with LACERA's applicable laws, rules, and standards, including data privacy and security. The current structure poses numerous challenges: inconsistent practices, limited risk visibility, and ineffective performance management, to name a few. With the recent adoption of a strategic plan that prioritizes risk mitigation, compliance, and the creation of internal controls and tools to ensure fiscal durability, a centralized vendor management program is foundational to executing our objectives.

This section would support 15 divisions with vendor management, including vendor engagement, due diligence, solicitations, risk assessment and mitigation, selection, contract negotiation, onboarding, monitoring, and offboarding of LACERA vendors. LACERA currently manages approximately 450 contracts on an ongoing basis, with contract administrators in each division. Based on our experience, we can anticipate 100 solicitations annually, which results in 100 new/renewed contracts annually. Our average annual contract close-out rate is 60. For FY 2023 we processed nearly 3,100 payment requests related to contracts. Due to the diversity of the needs of each division and the complexity of the work involved, ASD management is requesting the addition of one (1) Supervising Administrative Assistant II and two (2) Administrative Services Analyst IIIs to support a centralized Vendor Management Section in ASD. The Supervising Administrative Assistant II will oversee procurement and contracts.

Additionally, ASD is deleting the receptionist position as the role and duties have been moved to the Member Services Center.

Temporary Staffing

ASD's proposed budget for Agency Temporary staff is \$280,500 for FY 2024-25. This is an estimated 40 percent decrease in allocated funds for temporary staff, as ASD anticipates filling nine vacancies by the end of FY 2024.

ASD currently has 42 budgeted positions, with 13 vacancies in the following functional areas: Budget, Contracts, Facilities, Records Management, and Document Processing.

Human Resources anticipates opening an exam for the Administrative Services Analyst (ASA) series and the Intermediate Typist Clerk positions prior to the end of the 2023-24

fiscal year, which will fill nine of our current vacancies in Budget, Contracts, Facilities, Records Management, and the Document Processing Center (DPC).

Reorganization and a centralized vendor management section are also being proposed (proposed FY 2024-25 org chart attached), which may expand the hiring of two additional ASA IIIs. The above-referenced exam would allow for immediate hiring of the proposed ASA IIIs.

While our goal remains to hire permanent staff to fill the remaining vacancies, the continued use of temporary staff is a practical solution we continue to employ. If vacancies are not filled, ASD will request additional funding for temporary staffing in the mid-year budget.

Overtime Needs

We expect overtime to be necessary for FY 2024-25 during periods of heightened activity related to budget preparation, facilities maintenance, repairs and modifications, and special projects and for the DPC staff during the March Rush. The amount of overtime will be reduced due to technological changes in processing members' Medicare Part B Premium documents. However, the overall budget will increase slightly as ASD staff continue supporting several technological projects outlined above as subject matter experts. Overtime will be essential for staff to continue to support these projects while fulfilling their current duties.

Interns

In response to our organization's growing need for efficient records management, the Records and Information Management Unit seeks a highly motivated, detail-oriented, meticulous intern to spearhead a comprehensive records management project. This role will involve conducting a thorough organization-wide inventory of business records and utilizing advanced data analysis techniques to extract valuable insights. The intern will play a pivotal role in assessing the current state of our records and formulate recommendations for updating the Records Retention Schedule and ensuring compliance with industry regulations. This hands-on experience will give the intern valuable records management skills and significantly enhance our overall organizational efficiency and information governance. The funding for Interns is budgeted in Human Resources and is not reflected in the Administrative Services Budget.

Rehired Retirees

Administrative Services is not requesting any rehired retiree assistance in FY 2024-2025.

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

Removal of One-Time Expenditures

Administrative Services has no anticipated one-time expenditures for FY 2024-25.

Services and Supplies Adjustments

Consulting and Contracting Services

This year, ASD will embark on a strategic facility planning process to align our short- and long-term facility plans with our anticipated future needs. This planning process is essential as we envision LACERA's future state as a \$100 billion fund. We are requesting \$150,000 for this service and the development of a five- to 10-year facilities master plan.

Renovation

The renovation budget will remain flat in anticipation of executing the facilities master plan.

Security Services

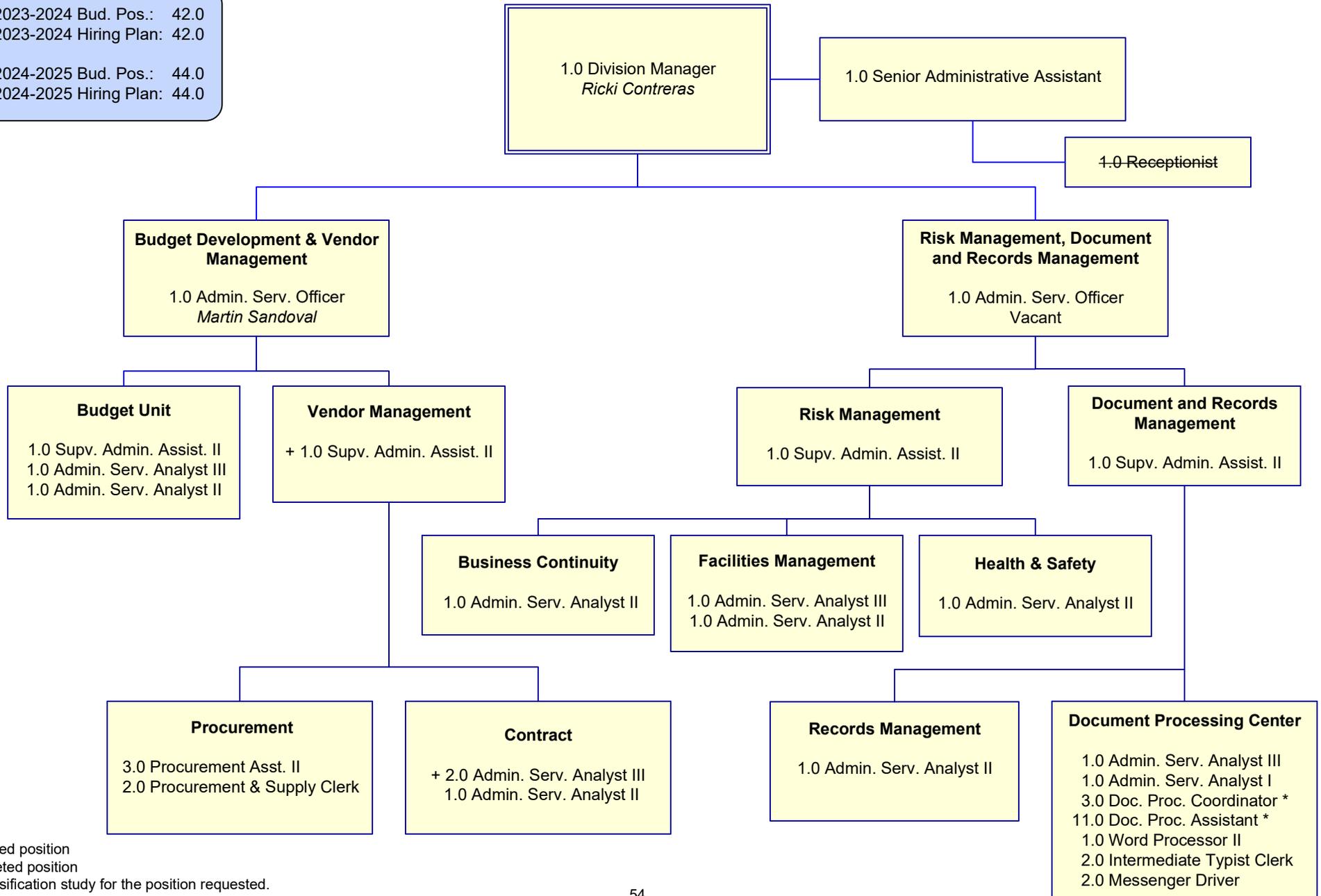
One more notable change is the consolidation of administration for security services with the movement of the Security Services–Sheriff account from Human Resources to the Administrative Services budget. The allocated funds for this line item are \$32,000.

Administrative Services' S&S budget for FY 2024-25 will essentially remain flat compared to the FY 2023-24 adopted budget.

ADMINISTRATIVE SERVICES DIVISION

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.: 42.0
 2023-2024 Hiring Plan: 42.0
 2024-2025 Bud. Pos.: 44.0
 2024-2025 Hiring Plan: 44.0



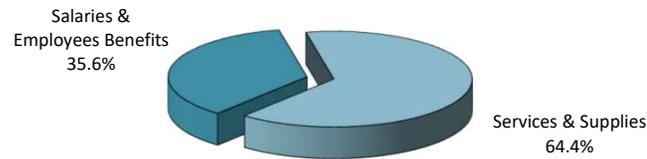
+ Added position
 - Deleted position
 * Classification study for the position requested.

LACERA
FISCAL YEAR 2024-2025
BUDGET SUMMARY

ADMINISTRATIVE SERVICES DIVISION

	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET		
	PROPOSED BUDGET 2024-2025	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(01-31-24)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$6,040,479	\$5,512,307	\$1,972,838	\$3,949,300	(\$1,563,007)	-28.4%	\$528,172	9.6%
Services & Supplies	10,905,800	10,596,100	6,155,475	9,293,900	(1,302,200)	-12.3%	309,700	2.9%
OPERATING BUDGET	\$16,946,279	\$16,108,407	\$8,128,312	\$13,243,200	(\$2,865,207)	-17.8%	\$837,872	5.2%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2024-2025
SALARIES AND EMPLOYEE BENEFITS SUMMARY

ADMINISTRATIVE SERVICES DIVISION

	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$3,425,263	\$2,813,145	\$1,083,726	\$2,200,000	(\$613,145)	-21.8%	\$612,118	21.8%
Total Agency Temp Salaries	280,500	457,800	149,712	256,700	(201,100)	-43.9%	(177,300)	-38.7%
Employee Benefits (Variable)	1,928,832	1,911,226	600,671	1,219,900	(691,326)	-36.2%	17,605	0.9%
Employee Benefits (Other)	208,726	180,309	71,603	145,400	(34,909)	-19.4%	28,417	15.8%
OPEB Contribution	135,659	99,927	51,433	104,500	4,573	4.6%	35,733	35.8%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	47,300	35,700	5,074	10,300	(25,400)	-71.1%	11,600	32.5%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	7,300	7,300	8,774	8,800	1,500	20.5%	0	0.0%
Rideshare Allowance	6,900	6,900	1,845	3,700	(3,200)	-46.4%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$6,040,479	\$5,512,307	\$1,972,838	\$3,949,300	(\$1,563,007)	-28.4%	\$528,172	9.6%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$6,040,479	\$5,512,307	\$1,972,838	\$3,949,300	(\$1,563,007)	-28.4%	\$528,172	9.6%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA
FISCAL YEAR 2024-2025
BUDGET POSITIONS

ADMINISTRATIVE SERVICES DIVISION

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0773	DIVISION MANAGER, LACERA	1	LS12
0410	ADMINISTRATIVE SERVICES OFFICER, LACERA	1	LS09
0423	SUPERVISING ADMIN ASSIST II, LACERA	2	110A
0421	ADMINISTRATIVE SERVICES ANALYST III	1	101D
0420	ADMINISTRATIVE SERVICES ANALYST II	3	097D
0472	DOCUMENT PROCESSING COORDINATOR	2	087C
0471	DOCUMENT PROCESSING ASSISTANT, LACERA	7	084C
0464	PROCUREMENT ASSISTANT II, LACERA	3	091H
0448	WORD PROCESSOR II, LACERA	1	086B
0467	PROCUREMENT & SUPPLY CLERK, LACERA	2	085A
0461	MESSENGER DRIVER, LACERA	2	078D
Total Filled Positions =		25	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0410	ADMINISTRATIVE SERVICES OFFICER, LACERA	1	LS09
0423	SUPERVISING ADMIN ASSIST II, LACERA	2	110A
0421	ADMINISTRATIVE SERVICES ANALYST III	4	101D
0420	ADMINISTRATIVE SERVICES ANALYST II	3	097D
0439	SENIOR ADMINISTRATIVE ASSISTANT, LACERA	1	094B
0419	ADMINISTRATIVE SERVICES ANALYST I	1	087L
0472	DOCUMENT PROCESSING COORDINATOR	1	087C
0471	DOCUMENT PROCESSING ASSISTANT, LACERA	4	084C
0445	INTERMEDIATE TYPIST-CLERK, LACERA	2	078K
Total Vacant Positions =		19	
TOTAL POSITIONS =		44	

Non-Represented positions shown in black.
 Represented positions shown in blue.
 Salary schedule as of 01/01/2024.

LACERA

FISCAL YEAR 2024-2025

SERVICES & SUPPLIES ACCOUNT SUMMARY

ADMINISTRATIVE SERVICES DIVISION

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE		
AUTO EXPENSE	\$33,000	\$33,500	\$20,543	\$21,600	(\$11,900)	-35.5%	(\$500)	-1.5%
TRANSPORTATION & TRAVEL	31,600	17,600	0	5,300	(12,300)	-69.9%	14,000	79.5%
POSTAGE	350,000	351,500	350,000	350,000	(1,500)	-0.4%	(1,500)	-0.4%
STATIONERY & FORMS	1,000	1,000	0	1,000	0	0.0%	0	0.0%
OFFICE SUPPLIES & EQUIPMENT	320,500	298,000	127,649	220,100	(77,900)	-26.1%	22,500	7.6%
INSURANCE	1,460,200	1,374,700	1,217,452	1,220,600	(154,100)	-11.2%	85,500	6.2%
EQUIPMENT MAINTENANCE	3,300	3,300	1,345	3,700	400	12.1%	0	0.0%
EQUIPMENT RENTS & LEASES	260,000	250,000	128,817	221,000	(29,000)	-11.6%	10,000	4.0%
BUILDING COSTS	7,800,000	7,800,000	4,058,727	6,862,600	(937,400)	-12.0%	0	0.0%
PROFESSIONAL & SPEC. SRVCS.	583,000	429,000	244,761	352,800	(76,200)	-17.8%	154,000	35.9%
EDUCATIONAL EXPENSES	49,200	25,500	1,122	25,500	0	0.0%	23,700	92.9%
MISCELLANEOUS	14,000	12,000	5,058	9,700	(2,300)	-19.2%	2,000	16.7%
TOTAL	\$10,905,800	\$10,596,100	\$6,155,475	\$9,293,900	(\$1,302,200)	-12.3%	\$309,700	2.9%

*All amounts rounded to the nearest dollar.

ADMINISTRATIVE SERVICES

BUDGET REQUEST INFORMATION

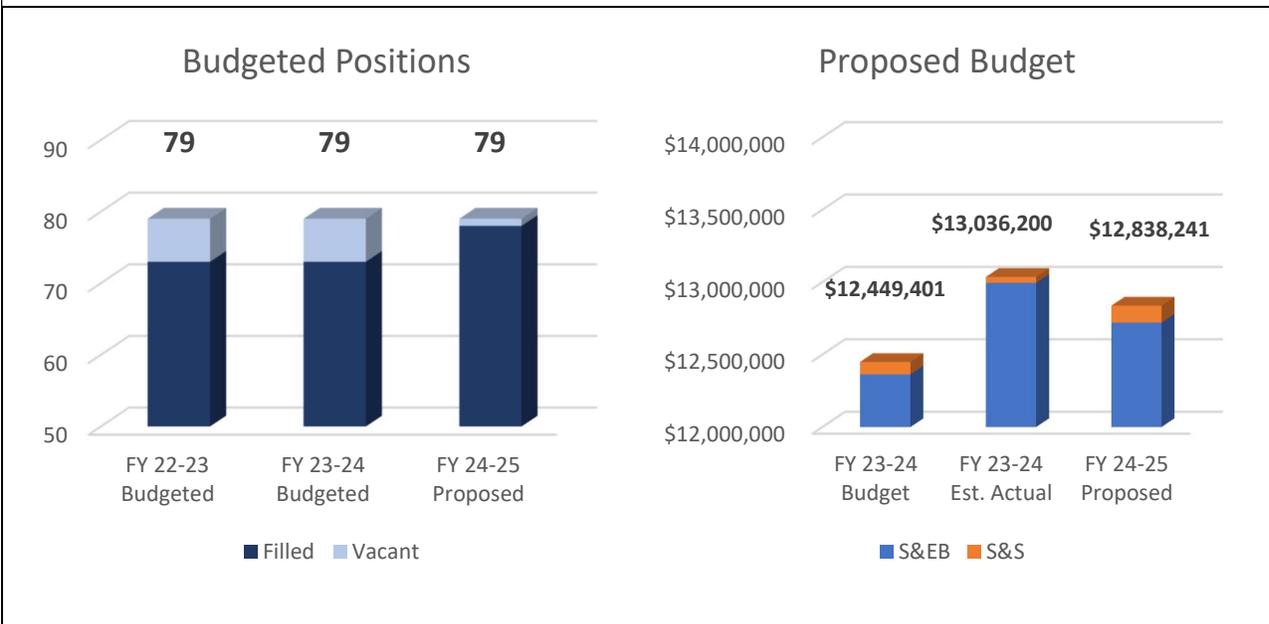
HISTORY OF EXPENDITURES

	FYE 2023		FYE 2024		Proposed Budget
	Budget	Actual	Budget	Projection	
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$2,223,984	\$2,030,036	\$2,813,145	\$2,200,000	\$3,425,263
Total Agency Temp Salaries	473,400	282,409	457,800	256,700	280,500
Employee Benefits (Variable)	1,426,725	1,137,500	1,911,226	1,219,900	1,928,832
Employee Benefits (Other)	166,766	150,922	180,309	145,400	208,726
OPEB Contribution	88,501	87,935	99,927	104,500	135,659
OPEB Contribution (Budget Surplus)	0	88,501	0	0	0
Stipends	0	0	0	0	0
Overtime	49,400	9,935	35,700	10,300	47,300
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	7,300	7,799	7,300	8,800	7,300
Rideshare Allowance	6,900	4,540	6,900	3,700	6,900
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Auto Expenses	111,500	(47,904)	33,500	21,600	33,000
Transportation & Travel	8,000	2,369	17,600	5,300	31,600
Postage	331,400	331,423	351,500	350,000	350,000
Stationery & Forms	3,800	0	1,000	1,000	1,000
Office Supplies & Equipment	327,000	177,905	298,000	220,100	320,500
Insurance	1,120,600	976,329	1,374,700	1,220,600	1,460,200
Equipment Maintenance	3,300	2,443	3,300	3,700	3,300
Equipment Rents & Leases	287,000	199,499	250,000	221,000	260,000
Building Costs	7,961,300	6,124,765	7,800,000	6,862,600	7,800,000
Professional & Specialized Services	366,000	308,326	429,000	352,800	583,000
Educational Expenses	13,500	8,558	25,500	25,500	49,200
Miscellaneous	13,500	11,047	12,000	9,700	14,000
TOTAL OPERATING BUDGET	\$14,989,876	\$11,894,337	\$16,108,407	\$13,243,200	\$16,946,279

*All amounts rounded to the nearest dollar.



The Benefits Division is responsible for accurately and consistently calculating the member’s promised pension benefit, collecting the required contributions to fund those benefits, and safeguarding, or protecting, the members’ accounts. This work is done in compliance with CERL, PEPPRA, Board of Retirement regulations, and organizational policies and values. The Benefits Division is made up of four sections to perform this mission-critical work: Core Benefits Services; Special Benefits Services; Account Integrity Services; and the Process Management Group.



Summary of Significant Changes:

<u>Description</u>	<u>Position Changes</u>	<u>Amount</u>
• Remove agency temp staffing		(\$62,000)
• Increase Travel		\$7,400
• Increase Pension Benefit Information		\$5,000
• Increase Registration Fees		\$18,000

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

- Guide and provide consultation regarding the automation of Temporary Time purchases
- Guide and provide consultation regarding the automated calculation of Final Average Compensation (FAC) for PEPRA members
- Design and implement the process to reduce LACERA's risk regarding retirees who work part-time up to 960 hours
- Redesign LACERA's Recovery of Underpaid Contributions and Overpaid Benefits to conform with industry best practices and improve the member experience
- Clarify the Supplemental Disability process to address situations where members are not assigned an alternate position prior to the granting of the disability
- Work with Systems to create a process where staff can generate Previous Service contracts through Workspace without the use of the Excel templates

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

The following objectives support the Strategic Plan priorities of the Superior Member Experience and Investing in People. These goals will help improve the member experience by increasing our flexibility to respond to changes, while developing future leaders as they learn how to build better trust and accountability, develop cohesive teams, and collaborate on behalf of our members:

- Increase opportunities for staff to network and gain industry knowledge by attending outside training and conferences
- Work with an outside consultant to help Benefits managers and supervisors build cohesive and collaborative teams and work with the entire division to foster a culture of trust and accountability

This upcoming fiscal year, we will increase the number of industry-related conferences and trainings as well as the number of staff who attend them. Supervisors will be invited to represent LACERA at industry events. In addition to SACRS and CALAPRS Benefits Roundtables, leaders within the division will attend Public Plan Policy: Pensions II training provided by the International Foundation of Employee Benefit Plans (IFEBC), Cost Effective Measurement (CEM), and the National Conference on Public Employee Retirement Systems (NCPERS). (NCPERS offers a variety of conferences. Benefits will attend the one titled Annual Conference and Exhibitions [ACE]).

In addition to increasing participation in industry events, we would like to transform the culture of the Benefits Division by working with an outside consultant. We will begin by working with the leadership team (supervisors and above) to further develop their skills and abilities to become better leaders. We will also focus on the whole division, so the entire team grows together, allowing the leadership team to immediately apply what they learn and receive feedback as part of the training process.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.

Adjustments to Permanent Staffing

No additional permanent staffing is requested in FY 2024-25.

Other adjustments to permanent staff may be required. We will revisit this during the Mid-Year Amendment or for FY 2025-26.

Temporary Staffing

LACERA plans to offer a Core Benefits Training class beginning in late FY 2023-24 to ensure a steady inflow of new, fully trained Retirement Benefits Specialist to support the Benefits and Member Services Division. These trainees are County Temporary until they successfully complete the training program.

The Benefits Division does not anticipate any use of agency temporary staffing in FY 2024-25, resulting in a decrease of \$62,000

Overtime Needs

The Benefits Division anticipates the need for approximately 8,600 hours of overtime at an approximate cost of \$563,000 in FY 2024-25. This is the same amount of overtime budgeted in FY 2023-24 and is required to ensure we provide a Superior Member Experience through the delivery of timely and accurate responses to member requests.

Interns

The Benefits Division does not anticipate any use of interns in FY 2024-25.

Rehired Retirees

The Benefits Division does not anticipate any use of rehired retirees in FY 2024-25.

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

Removal of One-Time Expenditures

The Benefits Division has no anticipated one-time expenditures for FY 2024-25.

Services and Supplies Adjustments

Travel and Registration Fees

Funding totaling \$12,600 for staff travel is requested for FY 2024-25, an increase of \$7,400. This funding is required for staff development and will allow approximately 11 staff members to participate in a variety of industry educational conferences.

Additionally, staff will participate in a virtual conferences as well. Registration fees are increasing from \$31,000 to \$49,000 for staff attending educational conferences offered both in person and virtually.

Pension Benefit Information (PBI)

Benefits requests death verification from Pension Benefit Information (PBI) for retirees, allowing us to prevent overpayments and locate beneficiaries in a timely manner. This year, to improve our survivor experience, we would like PBI to verify the status of deferred and inactive members with funds on deposit. Learning of these deaths as soon as possible increases the likelihood of successfully reaching out and paying the appropriate beneficiaries. Therefore, we are requesting an increase in the budget for this service from \$15,000 to \$20,000.

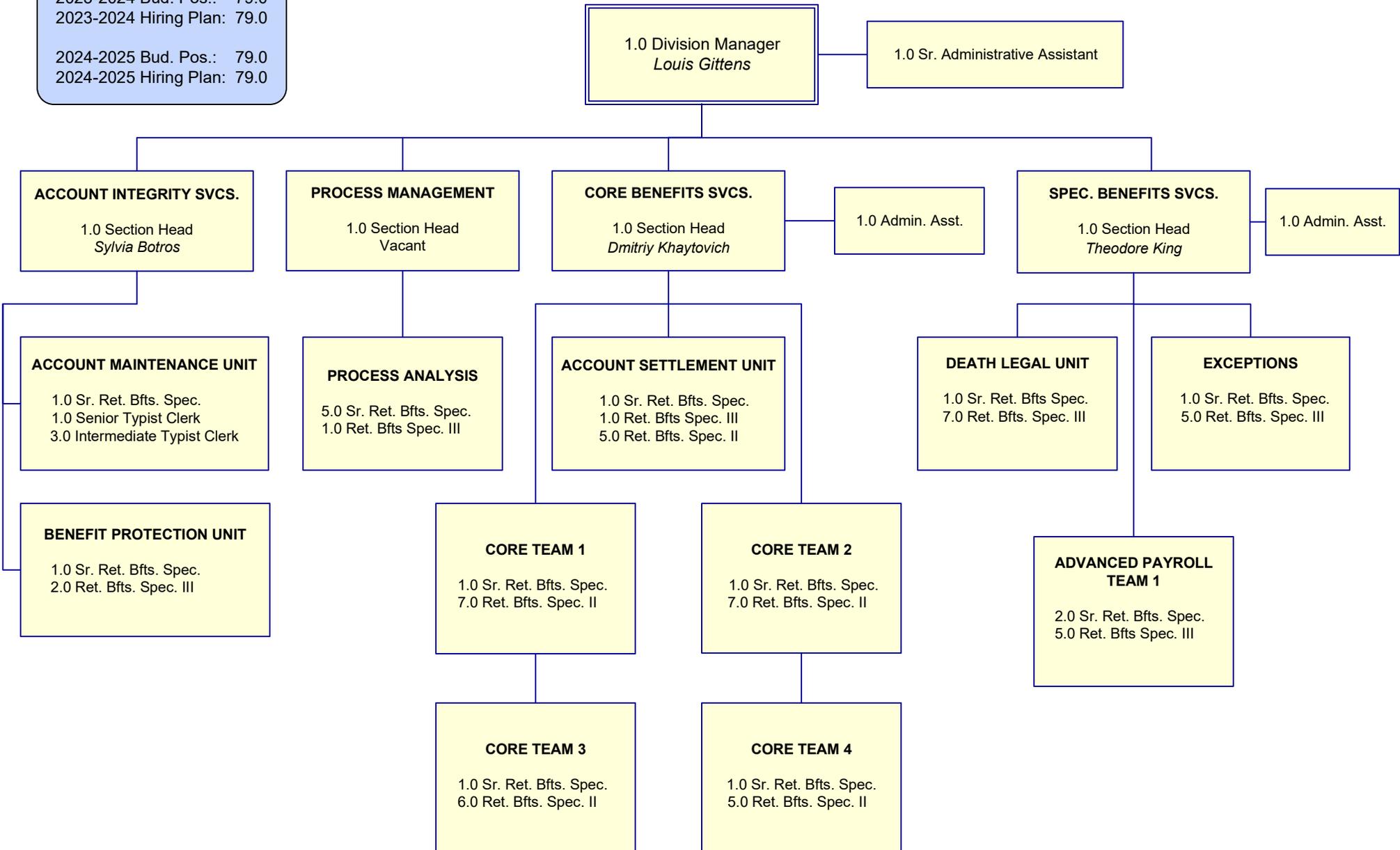
Miscellaneous

Historically, we celebrate staff's accomplishments at the end of the year with a division-wide lunch. It is a time for the entire division to come together and for the organization to show its appreciation to staff for their dedication and service. Existing funds are insufficient to cover the costs for the number of Benefits Division staff. Therefore, we will need to increase the budget in this area from \$800 to \$1,600.

BENEFITS DIVISION

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.: 79.0
 2023-2024 Hiring Plan: 79.0
 2024-2025 Bud. Pos.: 79.0
 2024-2025 Hiring Plan: 79.0

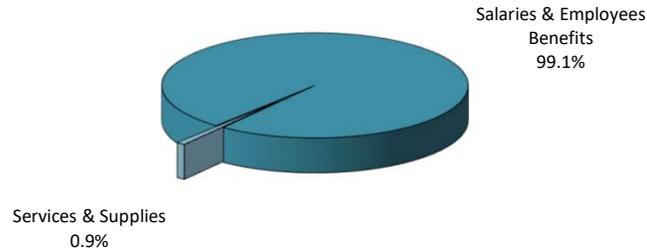


LACERA
FISCAL YEAR 2024-2025
BUDGET SUMMARY

BENEFITS DIVISION

	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET		
	PROPOSED BUDGET 2024-2025	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(01-31-24)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$12,720,941	\$12,363,301	\$6,431,999	\$12,995,800	\$632,499	5.1%	\$357,640	2.9%
Services & Supplies	117,300	86,100	8,314	40,400	(45,700)	-53.1%	31,200	36.2%
OPERATING BUDGET	\$12,838,241	\$12,449,401	\$6,440,313	\$13,036,200	\$586,799	4.7%	\$388,840	3.1%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2024-2025
SALARIES AND EMPLOYEE BENEFITS SUMMARY

BENEFITS DIVISION

	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		BUDGET	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE
			(01-31-24)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$7,118,357	\$6,799,486	\$3,716,641	\$7,544,800	\$745,314	11.0%	\$318,871	4.7%
Total Agency Temp Salaries	0	62,200	10,879	62,200	0	0.0%	(62,200)	-100.0%
Employee Benefits (Variable)	4,292,096	4,365,974	1,923,673	3,905,600	(460,374)	-10.5%	(73,878)	-1.7%
Employee Benefits (Other)	433,766	435,814	174,492	354,300	(81,514)	-18.7%	(2,048)	-0.5%
OPEB Contribution	281,922	241,527	124,315	252,400	10,873	4.5%	40,395	16.7%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	562,900	426,400	459,680	850,000	423,600	99.3%	136,500	32.0%
Bilingual Bonus	3,600	3,600	1,950	3,600	0	0.0%	0	0.0%
Sick Leave Buyback	12,000	12,000	20,368	22,900	10,900	90.8%	0	0.0%
Rideshare Allowance	16,300	16,300	0	0	(16,300)	-100.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$12,720,941	\$12,363,301	\$6,431,999	\$12,995,800	\$632,499	5.1%	\$357,640	2.9%
Salary Differential	-	-	-	-	-		-	
TOTAL S&EB	\$12,720,941	\$12,363,301	\$6,431,999	\$12,995,800	\$632,499	5.1%	\$357,640	2.9%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA
FISCAL YEAR 2023-2024
SALARIES

BENEFITS DIVISION

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0773	DIVISION MANAGER, LACERA	1	LS12
0772	SECTION HEAD, LACERA	3	LS9
1312	SENIOR RETIREMENT BENEFITS SPECIALIST	15	105B
1311	RETIREMENT BENEFITS SPECIALIST III	22	099H
0439	SENIOR ADMINISTRATIVE ASSISTANT, LACERA	1	094B
1310	RETIREMENT BENEFITS SPECIALIST II	30	093B
0438	ADMINISTRATIVE ASSISTANT, LACERA	2	087K
0446	SENIOR TYPIST-CLERK, LACERA	1	082J
0445	INTERMEDIATE TYPIST-CLERK, LACERA	3	078K
Total Filled Positions =		78	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0772	SECTION HEAD, LACERA	1	LS9
Total Vacant Positions =		1	
TOTAL POSITIONS =		79	

Non-Represented positions shown in black.
 Represented positions shown in blue.
 Salary schedule as of 01/01/2024.

LACERA
FISCAL YEAR 2024-2025
SERVICES & SUPPLIES ACCOUNT SUMMARY

BENEFITS DIVISION

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE		
TRANSPORTATION & TRAVEL	\$14,700	\$7,300	\$2,071	\$6,000	(\$1,300)	-17.8%	\$7,400	101.4%
OFFICE SUPPLIES & EQUIPMENT	3,400	3,400	593	1,100	(2,300)	-67.6%	0	0.0%
PROFESSIONAL & SPEC. SRVCS.	46,000	41,000	5,190	16,300	(24,700)	-60.2%	5,000	12.2%
EDUCATIONAL EXPENSES	51,600	33,600	460	16,200	(17,400)	-51.8%	18,000	53.6%
MISCELLANEOUS	1,600	800	0	800	0	0.0%	800	100.0%
TOTAL	\$117,300	\$86,100	\$8,314	\$40,400	(\$45,700)	-53.1%	\$31,200	36.2%

*All amounts rounded to the nearest dollar.

BENEFITS DIVISION

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

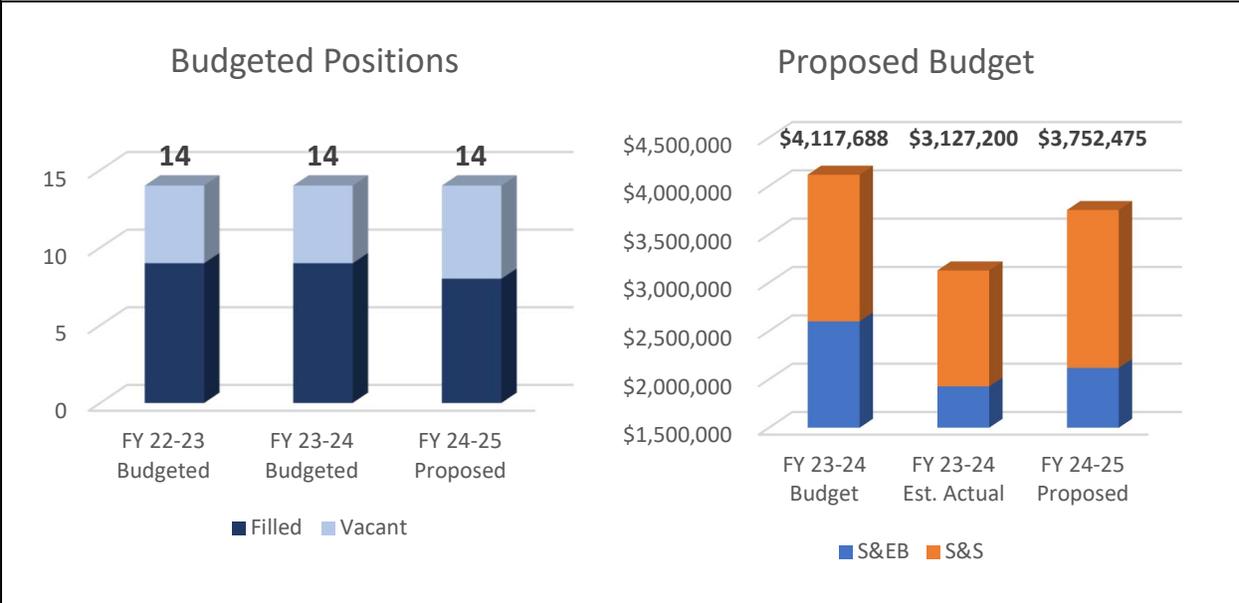
	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$6,706,995	\$6,787,742	\$6,799,486	\$7,544,800	\$7,118,357
Total Agency Temp Salaries	154,900	92,043	\$62,200	62,200	0
Employee Benefits (Variable)	4,019,322	3,396,311	\$4,365,974	3,905,600	4,292,096
Employee Benefits (Other)	423,908	389,069	\$435,814	354,300	433,766
OPEB Contribution	224,962	223,523	\$241,527	252,400	281,922
OPEB Contribution (Budget Surplus)	0	224,962	0	0	0
Stipends	0	0	0	0	0
Overtime	398,100	580,501	\$426,400	850,000	562,900
Bilingual Bonus	3,600	3,600	\$3,600	3,600	3,600
Sick Leave Buyback	12,000	12,891	\$12,000	22,900	12,000
Rideshare Allowance	16,300	0	\$16,300	0	16,300
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Transportation & Travel	6,500	5,501	\$7,300	6,000	14,700
Office Supplies & Equipment	3,400	1,881	\$3,400	1,100	3,400
Professional & Spec. Svcs.	41,000	31,874	\$41,000	16,300	46,000
Educational Expenses	7,600	7,345	\$33,600	16,200	51,600
Miscellaneous	800	800	\$800	800	1,600
TOTAL OPERATING BUDGET	\$12,019,386	\$11,758,043	\$12,449,401	\$13,036,200	\$12,838,241

*All amounts rounded to the nearest dollar.



FY 2024-25 Proposed Budget

Communications Division’s mission is to strategically envision, create, and distribute essential information and high-quality products for our members, stakeholders, and internal audiences, while consistently advancing our technological tools and outreach methods.



Summary of Significant Changes:

<u>Description</u>	<u>Position Changes</u>	<u>Amount</u>
• Newsletter Postage		\$12,000
• Annual Benefit Statement Postage		\$24,800
• New Hire Welcome Pkg		\$ 5,000
• Retiree Check Inserts		\$10,500
• Misc. Video Production		\$20,000
• Board Elections (Print & Mail)		\$30,000
• Board Member Scrolls (Trustee Award Materials)		\$ 5,000
• Premium Items (Promo Items)		\$10,000
• Strategic Planning Initiative		\$10,000

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

Communications Division maintained its regular schedule of requisite annual projects, continued to move prioritized projects forward to help achieve the Boards' existing strategic goals, and provided support for the strategic planning process.

Additional major projects that we are managing or supporting that will carry into 2024 or that are currently prioritized for 2024 are the strategic planning implementation phase, My LACERA campaign, Annual Retirement Benefits Statement (ABS) redesign, Pre-Retirement Guide redesign, retirement enhancements, and Retirement Options and Medicare 101 videos.

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

A few of our immediate goals, objectives and/or one-time projects for the 2024-2025 fiscal year are listed below.

- **Update plan books:** The member plan books should serve as the definitive source for all plan information. Since they are a supportive component for the Superior Member Experience priority, we want to redesign and update the plan books as one of the central media components of the omnichannel experience and enhanced educational content.
- **Complete Retirement University; begin production on revised My LACERA and Board Elections videos; increase overall video production:** Communications Division continues to increase video production due to growing demand for this format for internal and member-facing communications; our understanding of our member's need for various modes of learning materials/media; and as a part of the omnichannel experience.
- **Increase use of technological tools and online platforms**
 - *Build interactive e-learning/informational videos with specialized software:* For educational long-format videos, we want to build a more interactive experience for the member, incorporating questions and learning activities to enhance the video experience overall while increasing engagement and improving comprehension and retention.
 - *Incorporate Knowledge Base software:* We want enhance lacera.com with a more helpful, interactive home page through the creation of a knowledge base interface that guides the member to what they're specifically looking for.
- **Support LACERA's social media goals and strategy:** Using social media to communicate to our members will round out the omnichannel experience, and provide opportunities for digital engagement and promotion of LACERA's online resources. We anticipate adding new goals based on the development of the strategic plan initiatives, and reassessing or reprioritizing current projects to align with the organization's direction.

Training and Development Goals for 2024

Educational enrichment is instrumental for staff members in improving and modernizing their skillsets as well as maintaining enthusiasm for their craft. For 2024, the budget reflects Communications' goals to:

- Provide training for staff members in team-building, collaboration, and job-specific areas
- Join and participate in the California Association of Public Information Officials (CAPIO), including CAPIO training webinars and the annual conference (two staff members)
- Participate in the HOW marketing and technology conference (two staff members)

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.

Adjustments to Permanent Staffing

No proposed changes are requested for this fiscal year. We will continue to work with HR to fill the vacant positions for one Public Information Officer, one Senior Writer, two Senior Media Artists, two Writer IIs, and one Staff Assistant I.

Temporary Staffing

We are requesting three agency temporary staff members: one Senior Media Artist for one year, one Writer II for six months, and one Staff Assistant I for one year. These temporary positions are needed to backfill vacant positions to assist with work overflow.

Overtime Needs

Communications is requesting Overtime for various staff positions to be available when urgent requests arise that require the staff member to work beyond the normal hours to complete a task. Overtime may also be needed throughout the year when multiple major and unanticipated projects have the same deadline and the staff member needs the additional hours to complete the project(s). There are no changes to the number of Overtime hours.

Interns

Communications is not requesting interns in FY 2024-25.

Rehired Retirees

Communications is not requesting rehired retirees in FY 2024-25.

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

Removal of One-Time Expenditures

Communications does not have one-time expenditures for FY 2024-25 that need to be removed.

Services and Supplies Adjustments

Listed below are some S&S adjustments that Communications would like to highlight for FY 2024-25:

Postage

- Due to a 4 percent postage rate increase, we are requesting a slight increase in 2024 postage costs.
- *Pathways* and *Spotlight* postage costs have increased from \$215,000 to \$227,000.
- The Annual Benefit Statement mailing postage cost has increased from \$97,200 to \$122,000.

Stationery and Forms

Increases in distribution and/or production costs for LACERA communications components account for an overall increase, as detailed in the line items below:

- The New Hire Welcome Package cost has increased from \$10,000 to \$15,000 due to increased usage.
- The Retiree Check Inserts cost has increased from \$3,500 to \$14,000. There is an increase in cost for including inserts in the retiree check mailings to reach our members, resulting in a proposed \$10,500 increase.
- Board Elections (Print & Mail): \$30,000
- Trustee Awards Materials: \$5,000
- Strategic Planning Initiative: \$10,000

Professional and Specialized Services

- Requests for videos to support our communications to members has increased, and although we have an internal source to produce videos, we are unable to keep

up with the demand and are continuing to use an outsourced video production service. The Misc. Video Production cost has increased from \$30,000 to \$50,000. An increase request of \$20,000 has been proposed to cover this need.

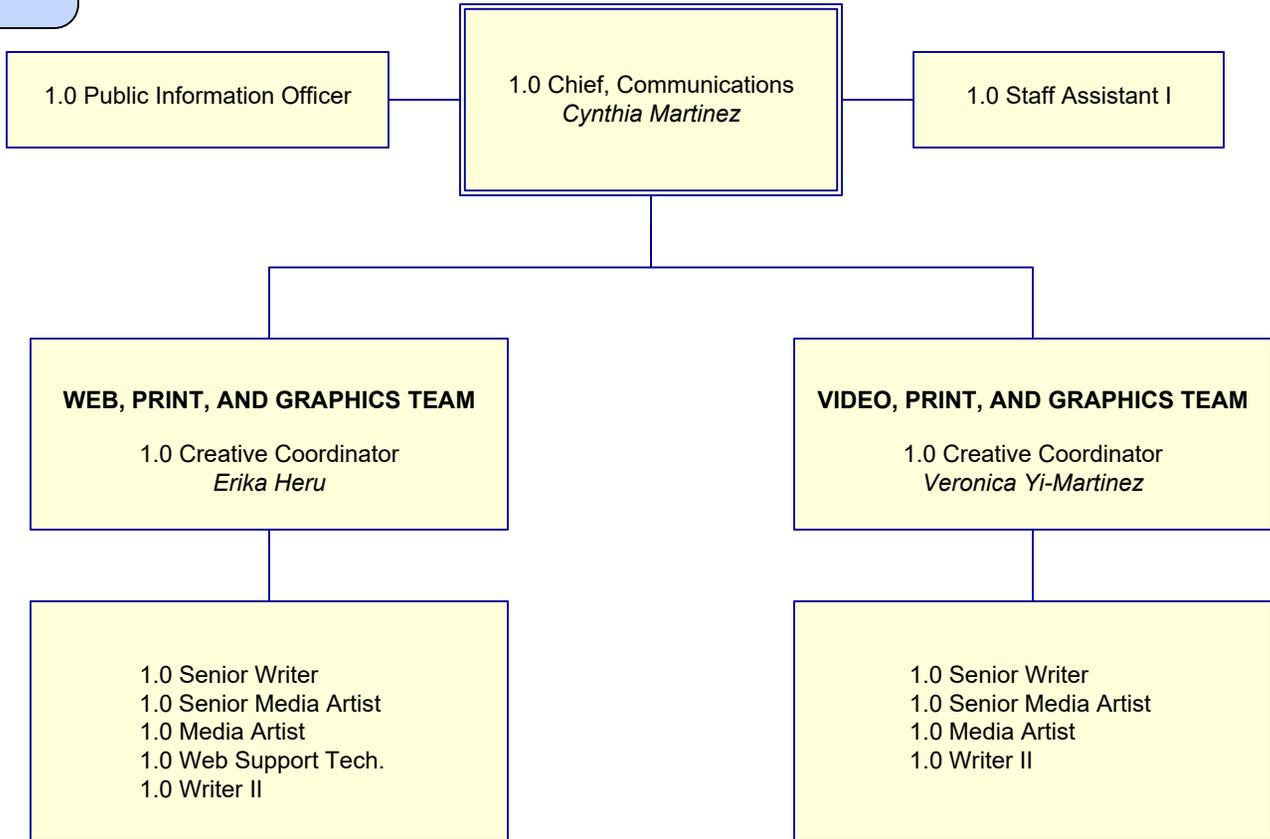
- Promotional Items: \$10,000

COMMUNICATIONS

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.: 14.0
2023-2024 Hiring Plan: 14.0

2024-2025 Bud. Pos.: 14.0
2024-2025 Hiring Plan: 14.0



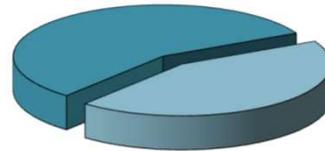
LACERA
FISCAL YEAR 2024-2025
BUDGET SUMMARY

COMMUNICATIONS

	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET		
	PROPOSED BUDGET 2024-2025	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(01-31-24)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$2,118,875	\$2,600,188	\$955,790	\$1,927,000	(\$673,188)	-25.9%	(\$481,313)	-18.5%
Services & Supplies	1,633,600	1,517,500	518,169	1,200,200	(317,300)	-20.9%	116,100	7.7%
OPERATING BUDGET	\$3,752,475	\$4,117,688	\$1,473,959	\$3,127,200	(\$990,488)	-24.1%	(\$365,213)	-8.9%

2024 - 2025 PROPOSED BUDGET

Salaries &
Employees Benefits
56.5%



Services & Supplies
43.5%

*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2024-2025

SALARIES & EMPLOYEE BENEFITS SUMMARY

COMMUNICATIONS

	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		BUDGET	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE
			(01-31-24)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$1,078,612	\$1,263,940	\$556,457	\$1,129,700	(\$134,240)	-10.6%	(\$185,328)	-14.7%
Total Agency Temp Salaries	276,400	331,000	44,536	76,400	(254,600)	-76.9%	(54,600)	-16.5%
LACERA Intern Program	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	646,418	870,339	298,872	607,100	(263,239)	-30.2%	(223,921)	-25.7%
Employee Benefits (Other)	65,726	81,012	32,171	65,400	(15,612)	-19.3%	(15,286)	-18.9%
OPEB Contribution	42,718	44,897	23,109	47,000	2,103	4.7%	(2,179)	-4.9%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	4,500	4,500	645	1,400	(3,100)	-68.9%	0	0.0%
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	\$2,118,875	\$2,600,188	\$955,790	\$1,927,000	(\$673,188)	-25.9%	(\$481,313)	-18.5%
Salary Differential	-	-	-	-	-		-	
TOTAL S&EB	\$2,118,875	\$2,600,188	\$955,790	\$1,927,000	(\$673,188)	-25.9%	(\$481,313)	-18.5%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA
 FISCAL YEAR 2024-2025
 BUDGET POSITIONS

COMMUNICATIONS

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0794	CHIEF, COMMUNICATIONS, LACERA	1	LS10
0779	CREATIVE COORDINATOR, LACERA	2	111A
0784	SENIOR WRITER, LACERA	1	108L
0807	SENIOR MEDIA ARTIST, LACERA	1	106J
0789	MEDIA ARTIST, LACERA	2	103D
0787	WEB SUPPORT TECHNICIAN, LACERA	1	099F
Total Filled Positions =		8	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0784	SENIOR WRITER, LACERA	1	108L
0465	PUBLIC INFORMATION OFFICER, LACERA	1	107K
0807	SENIOR MEDIA ARTIST, LACERA	1	106J
0786	WRITER II, LACERA	2	099F
0426	STAFF ASSISTANT I, LACERA	1	089A
Total Vacant Positions =		6	
TOTAL POSITIONS =		14	

Non-Represented positions shown in black.
 Represented positions shown in blue.
 Salary schedule as of 01/01/2024.

LACERA
FISCAL YEAR 2024-2025
SERVICES AND SUPPLIES

COMMUNICATIONS

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE		
TRANSPORTATION & TRAVEL	\$17,600	\$17,600	\$0	\$10,700	(\$6,900)	-39.2%	\$0	0.0%
POSTAGE	379,000	342,200	169,772	285,000	(57,200)	-16.7%	36,800	10.8%
STATIONERY & FORMS	1,021,500	981,700	301,420	776,100	(205,600)	-20.9%	39,800	4.1%
OFFICE SUPPLIES & EQUIPMENT	10,000	6,000	9,667	18,000	12,000	200.0%	4,000	66.7%
PROFESSIONAL & SPEC. SRVCS.	175,000	140,000	34,156	98,000	(42,000)	-30.0%	35,000	25.0%
EDUCATIONAL EXPENSES	29,900	29,400	2,643	11,500	(17,900)	-60.9%	500	1.7%
MISCELLANEOUS	600	600	510	900	300	50.0%	0	0.0%
TOTAL	\$1,633,600	\$1,517,500	\$518,169	\$1,200,200	(\$317,300)	-20.9%	\$116,100	7.7%

*All amounts rounded to the nearest dollar.

COMMUNICATIONS

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$1,242,896	\$1,057,213	\$1,263,940	\$1,129,700	\$1,078,612
Total Agency Temp Salaries	56,200	41,983	331,000	76,400	276,400
Employee Benefits (Variable)	740,334	549,060	870,339	607,100	646,418
Employee Benefits (Other)	78,556	71,350	81,012	65,400	65,726
OPEB Contribution	41,689	41,422	44,897	47,000	42,718
OPEB Contribution (Budget Surplus)	0	41,689	0	0	0
Stipends	0	0	0	0	0
Overtime	4,800	2,721	4,500	1,400	4,500
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	3,500	1,207	3,500	0	3,500
Rideshare Allowance	1,000	0	1,000	0	1,000
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Transportation & Travel	4,500	3,053	17,600	10,700	17,600
Postage	348,000	377,486	342,200	285,000	379,000
Stationery & Forms	804,500	664,082	981,700	776,100	1,021,500
Office Supplies & Equipment	6,000	14,465	6,000	18,000	10,000
Professional & Specialized Services	47,000	33,346	140,000	98,000	175,000
Computer Services & Support	14,000	7,331	0	0	0
Educational Expenses	29,400	2,539	29,400	11,500	29,900
Miscellaneous	600	426	600	900	600
TOTAL OPERATING BUDGET	\$3,422,975	\$2,909,373	\$4,117,688	\$3,127,200	\$3,752,475

*All amounts rounded to the nearest dollar.



L&CERA
Los Angeles County Employees Retirement Association

DISABILITY LITIGATION

BUDGET HIGHLIGHTS
FISCAL YEAR 2024-2025

FY 2024-25 Proposed Budget

The Disability Litigation Office is a distinct legal division, separate and independent from the Legal Office, that represents LACERA at the administrative level in disputed applications for disability retirement pensions, applications for service-connected survivors' allowances, and felony forfeitures.

The DLO is comprised of seven staff: one Chief Counsel, three Senior Staff Counsels, and three Senior Legal Secretaries. The Chief Counsel reports to the Chief Executive Officer.



Summary of Significant Changes

<u>Description</u>	<u>Position Changes</u>	<u>Amount</u>
For FY 2024-25, there are no significant changes to the DLO budget. The budget remains status quo with minor adjustments to existing accounts		

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

The Disability Litigation Office (DLO) has been working to develop and implement a case management system (Sol) to digitize and automate the disability litigation process. During the 2024-25 fiscal year, the Sol project will near completion as it is out of testing and is currently being utilized for live cases and appeals by both Disability Retirement Services and the Disability Litigation Office.

With Sol, the DLO has been able to convert all open cases into digital files. Staff can actively manage the files through Sol which includes documenting communications, reviewing digitized records, organizing exhibits electronically, and drafting letters/pleadings with auto-population of data from the Sol database.

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

The DLO looks forward to working with its internal business partners in the ongoing move toward a fully electronic operation to make our business operations and processes more efficient and to enhance employee productivity. We will continue to serve as active participants and subject matter experts in the development and implementation of Sol; and to wholeheartedly engage in LACERA-wide committees for the advancement of our organization as a whole.

The DLO team is actively involved in the implementation of LACERA's strategic plan. Five DLO members are currently team members on three different strategic objectives:

- Strategic Objective 2.2, Enterprise Knowledge Management System: 1-Senior Staff Counsel as Project Lead, 1-Senior Staff Counsel as team member, 1-Senior Legal Secretary as scribe
- Strategic Objective 3.1, IDEA Initiative: 1-Chief Counsel as team member, 1-Senior Staff Counsel as team member
- Strategic Objective 4.1, Enterprise Ethics and Compliance Plan: 1-Senior Staff Counsel as Project Co-Lead

The DLO is also fully committed to developing our staff with ongoing training in support of their long-term career goals. As part of Strategic Objective 4.1, it is anticipated that the Senior Staff Counsel on that team will be participating in ethics and compliance training in the next fiscal year. The Senior Legal Secretaries have received hands-on training to learn the budget process and they have been actively involved in the project management process of the Sol case management system.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.

Adjustments to Permanent Staffing

There are currently seven budgeted full-time positions in the DLO. No additional staff positions are requested currently.

Temporary Staffing

The DLO does not anticipate any use of temporary staffing in the next fiscal year.

Overtime Needs

For FY 2024-25, the DLO has budgeted 40 hours of overtime for Senior Legal Secretaries, as there is additional work necessary to finalize the Sol case management system. Although the Sol project is close to completion, as it becomes more operational, additional meetings and testing may be needed to fix bugs and edit functionality.

Interns

The DLO anticipates sharing legal interns with the Legal Office in the same manner as FY 2023-24.

Rehired Retirees

The DLO does not anticipate any use of rehired retirees in FY 2024-25.

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

Removal of One-Time Expenditures

DLO has no anticipated one-time expenditures for FY 2024-25.

Services and Supplies Adjustments

For FY 2024-25, there are no significant changes to the DLO budget. The budget remains status quo with only slight adjustments to existing accounts as detailed below:

Auto Mileage & Transportation – Decreases \$200 from \$1,000 to \$800

Travel – Increases \$400 from \$6,100 to \$6,500

Special Orders – Decreases \$300 from \$1,800 to \$1,500

Memberships – Decreases \$500 from \$3,500 to \$3,000

Registration Fees – Increases \$2,000 from \$3,000 to \$5,000

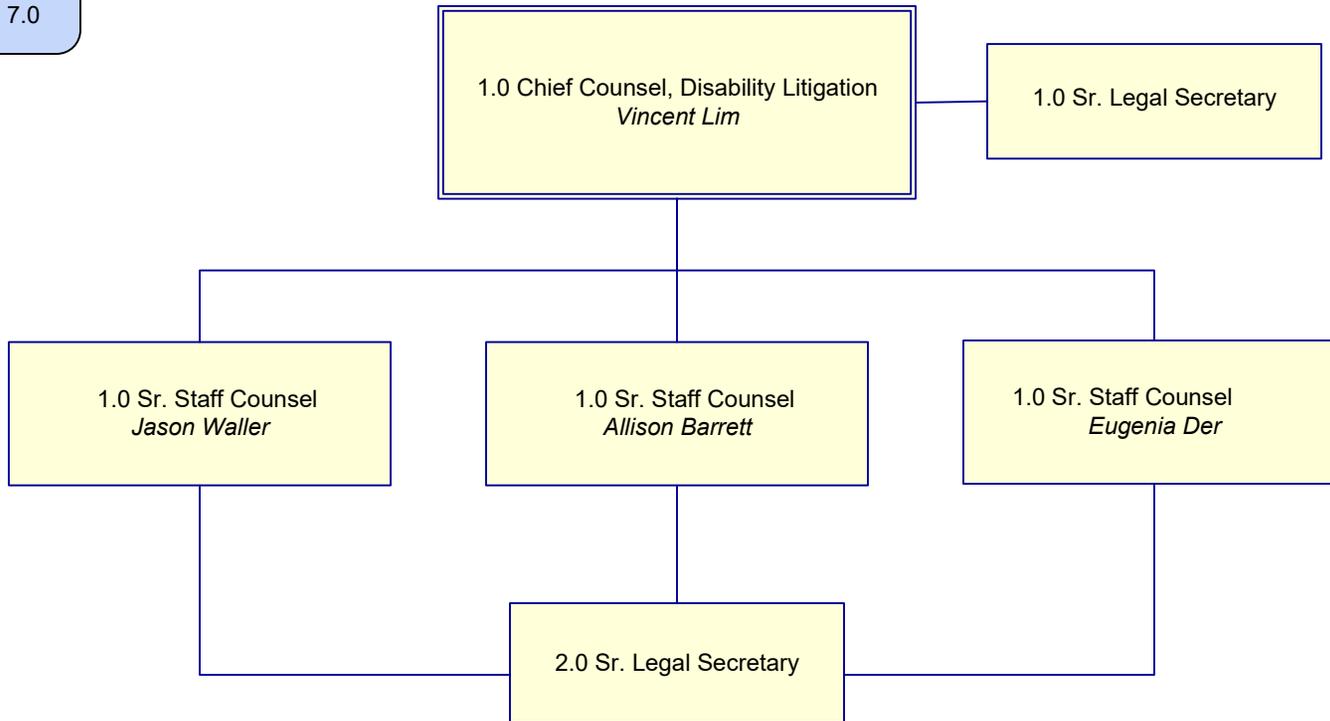
Educational Materials – Increases \$1,000 from \$30,000 to \$31,000

DISABILITY LITIGATION

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.: 7.0
2023-2024 Hiring Plan: 7.0

2024-2025 Bud. Pos.: 7.0
2024-2025 Hiring Plan: 7.0

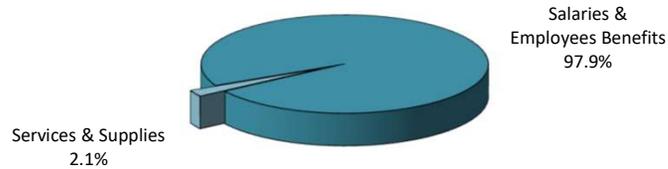


LACERA
FISCAL YEAR 2024-2025
BUDGET SUMMARY

DISABILITY LITIGATION

	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET		
	PROPOSED BUDGET 2024-2025	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(01-31-24)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$2,451,211	\$2,510,041	\$1,237,026	\$2,509,600	(\$441)	-0.02%	(\$58,830)	-2.3%
Services & Supplies	53,500	51,100	18,182	43,200	(7,900)	-15.5%	2,400	4.7%
OPERATING BUDGET	\$2,504,711	\$2,561,141	\$1,255,209	\$2,552,800	(\$8,341)	-0.3%	(\$56,430)	-2.2%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2024-2025
SALARIES AND EMPLOYEE BENEFITS SUMMARY

DISABILITY LITIGATION

	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$1,467,993	\$1,461,729	\$767,700	\$1,556,500	\$94,771	6.5%	\$6,264	0.4%
Total Agency Temp Salaries	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	831,822	898,999	404,905	822,200	(76,799)	-8.5%	(67,177)	-7.5%
Employee Benefits (Other)	89,455	93,690	37,205	75,600	(18,090)	-19.3%	(4,235)	-4.5%
OPEB Contribution	58,141	51,923	26,725	54,300	2,377	4.6%	6,218	12.0%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	2,900	2,800	491	1,000	(1,800)	-64.3%	100	3.6%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	0	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	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	\$2,451,211	\$2,510,041	\$1,237,026	\$2,509,600	(\$441)	-0.02%	(\$58,830)	-2.3%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$2,451,211	\$2,510,041	\$1,237,026	\$2,509,600	(\$441)	-0.02%	(\$58,830)	-2.3%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA

FISCAL YEAR 2024-2025

BUDGET POSITIONS

DISABILITY LITIGATION

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
9215	CHIEF COUNSEL, DISABILITY LITIGATION, LACERA	1	LS18
9213	SENIOR STAFF COUNSEL, LACERA	3	LS16
0441	SENIOR LEGAL SECRETARY, LACERA	3	102J
Total Filled Positions =		7	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
Total Vacant Positions =		0	
TOTAL POSITIONS =		7	

Non-Represented positions shown in black.

Represented positions shown in blue.

Salary schedule as of 01/01/2024.

LACERA
FISCAL YEAR 2024-2025
SERVICES & SUPPLIES ACCOUNT SUMMARY

DISABILITY LITIGATION

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE		
AUTO EXPENSE	\$2,400	\$2,400	\$934	\$1,700	(\$700)	-29.2%	\$0	0.0%
TRANSPORTATION & TRAVEL	7,300	7,100	0	7,000	(100)	-1.4%	200	2.8%
OFFICE SUPPLIES & EQUIPMENT	1,500	1,800	0	600	(1,200)	-66.7%	(300)	-16.7%
LEGAL FEES & SERVICES	3,000	3,000	0	3,000	0	0.0%	0	0.0%
EDUCATIONAL EXPENSES	39,000	36,500	17,248	30,600	(5,900)	-16.2%	2,500	6.8%
MISCELLANEOUS	300	300	0	300	0	0.0%	0	0.0%
TOTAL	\$53,500	\$51,100	\$18,182	\$43,200	(\$7,900)	-15.5%	\$2,400	4.7%

*All amounts rounded to the nearest dollar.

DISABILITY LITIGATION

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

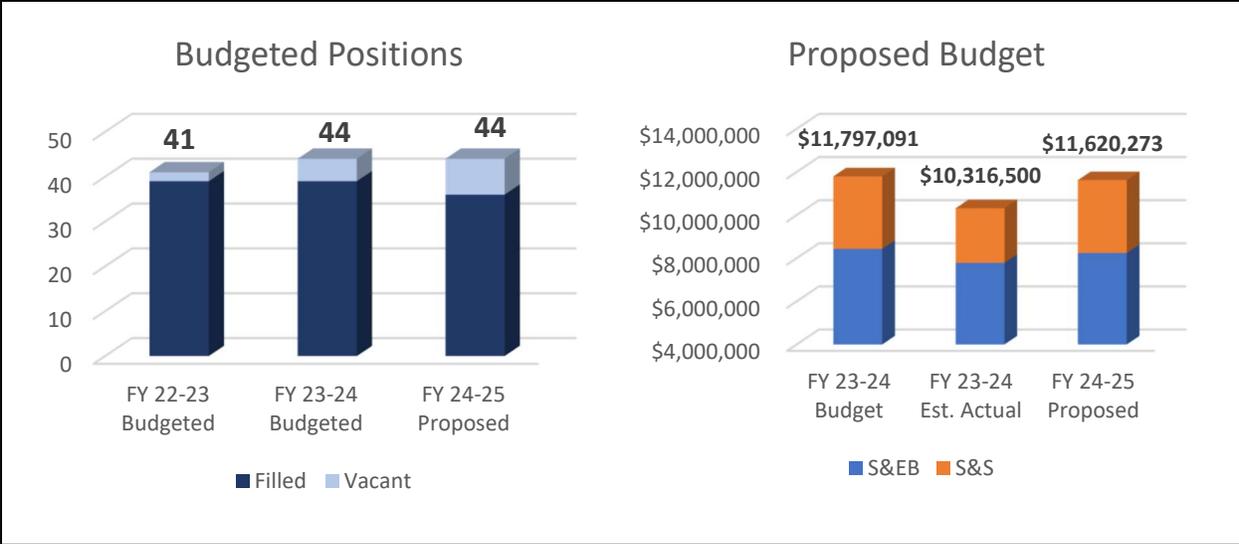
	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$1,371,867	\$1,433,087	\$1,461,729	\$1,556,500	\$1,467,993
Total Agency Temp Salaries	9,800	0	0	0	0
Employee Benefits (Variable)	832,028	742,907	898,999	822,200	831,822
Employee Benefits (Other)	86,707	78,217	93,690	75,600	89,455
OPEB Contribution	46,014	45,720	51,923	54,300	58,141
OPEB Contribution (Budget Surplus)	0	46,014	0	0	0
Stipends	0	0	0	0	0
Overtime	6,600	1,058	2,800	1,000	2,900
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	0	0	0	0	0
Rideshare Allowance	900	0	900	0	900
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Auto Expenses	2,900	575	2,400	1,700	2,400
Transportation & Travel	6,500	2,026	7,100	7,000	7,300
Office Supplies & Equipment	2,000	351	1,800	600	1,500
Legal Fees & Services	5,500	0	3,000	3,000	3,000
Educational Expenses	36,500	32,293	36,500	30,600	39,000
Miscellaneous	500	0	300	300	300
TOTAL OPERATING BUDGET	\$2,407,817	\$2,382,248	\$2,561,141	\$2,552,800	\$2,504,711

*All amounts rounded to the nearest dollar.



FY 2024-25 Proposed Budget

The Disability Retirement Services Division (DRS) evaluates and investigates disability retirement applications submitted by active, retired, and deferred LACERA members; survivors; and County departments. Staff presents recommendations to the Board of Retirement, the governing board responsible for adjudicating disability retirement applications. Staff also facilitates the administration of the disability appeals process and serves as the Clerk of the Board and Custodian of Record for all disability retirement files. Other operational responsibilities and functions of the DRS include contracting professional services for the investigation and appeals processes, including panel physicians, referees, copy services, court reporters, job analysts, investigative services, and outside legal counsel.



Summary of Significant Changes:

<u>Description</u>	<u>Position Changes</u>	<u>Amount</u>
• Increase in Agency Temp Staffing		\$269,200
• Increase in Overtime		\$37,200
• Increase in Registration Fees		\$10,000

STATUS OF FY 23-24 PROJECTS AND INITIATIVES

Sol Case Management System (Sol)

The Sol case management system was officially launched on September 25, 2023. Sol is a software tool designed to effectively manage the entire lifecycle of disability retirement cases using automation, streamlined workflows, and improved access to data. DRS has two supervisors and several staff members dedicated to developing and implementing Sol. Since its launch, we have experienced several advantages of Sol. These benefits include improved data accuracy, information consolidation, better supervisory oversight, and streamlined pre- and post-board agenda processing. Sol has also enhanced business process tracking, enabling staff to access detailed and high-level views of the work being performed, pending to-do items, and a library of templates used to generate and prefill information from Sol's database.

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

The future state of LACERA and our focus on superior member experience, related journeys, and omnichannel approach includes a robust self-service option on My LACERA. DRS continues to promote the use of the online disability retirement application and make enhancements that enrich the member's experience. DRS is excited to leverage the use of technology to engage our membership in the most meaningful and effective way and explore additional technologies such as artificial intelligence (AI), robotic process automation (RPA), and optical character recognition (OCR).

DRS acknowledges the significance of investing in the growth and development of its staff through training and planning for future leadership positions. Our focus will be on creating career paths for administrative support and supervisory staff, and we have already established a new classification titled "Disability Retirement Support Specialist I" to further this drive. Additionally, we will provide training opportunities for administrative staff to enhance their investigative and case management skills, thus building a pool of competent candidates who can compete and fill future vacancies at the disability retirement specialist and division manager level.

As part of our commitment to personal and professional growth, we encourage our staff to participate in various training programs throughout the year. We use platforms like Udemy to provide tailored training, and our staff also attend different training programs offered by the Los Angeles County Training Academy, CALAPRS, and SACRS to enhance their skills and knowledge. We understand the importance of having a solid succession and training plan, especially since one-third of our leadership and investigative staff will become eligible for retirement in the next decade.

DRS is planning to reorganize its division over the next two fiscal years. The goal is to create a Member Care and Administrative Operations Section and consolidate the core business functions of case processing and agenda management under a section called Investigations and Agenda Management. This will require additional leadership and oversight to ensure the integrity of processes and the quality of case management.

Creating these two sections will bring two fundamental benefits. Firstly, we can process more cases and reduce processing time, leading to an enhanced member experience. Secondly, we will invest in our people by creating additional leadership opportunities within the division. This will also introduce a clear career path to the division manager position, which is currently not available. DRS will work closely with Human Resources to further analyze and develop the proper organizational structure to achieve this.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.

Adjustments to Permanent Staffing

There are currently forty-four (44) budgeted full-time positions in the DRS. No additional staff positions are requested currently.

Temporary Staffing

The Disability Retirement Services Division requests four Staff Assistant II positions for a period of 12 months each to provide administrative support at a total estimated cost of \$407,300, an increase of \$269,200 from FY 2023-24.

Overtime Needs

Funds totaling \$140,800, an increase of \$37,200 from last FY is requested for overtime. There continues to be an upward trend in disability retirement applications received annually. Over the last fiscal year, we received 871 disability retirement applications, a 12 percent increase compared to the previous year's 778 applications. Our staff submitted 682 cases to the Board of Retirement last year. Overtime is required to maintain the continuity of work to meet the division's goals.

Interns

The Disability Retirement Services Division does not anticipate onboarding interns during FY 2024-25.

Rehired Retirees

The Disability Retirement Services Division does not anticipate employing any rehired retirees in FY 2024-25.

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

Removal of One-Time Expenditures

The Disability Retirement Services Division has no anticipated one-time expenditures for FY 2024-25.

Services and Supplies Adjustments

Registration Fees

As part of our commitment to personal and professional growth, aligned with LACERA's objective of Investing in People, DRS requests a \$10,000 budget increase for staff training in FY 2024-25 for a total of \$20,000. The training will focus on strategic thinking and root-cause analysis. Strategic thinking is thinking beyond the immediate, considering multiple perspectives, and making informed decisions that align with long-term goals. In leadership, strategic thinking is essential for navigating complex challenges, fostering innovation, and driving future success.

Miscellaneous

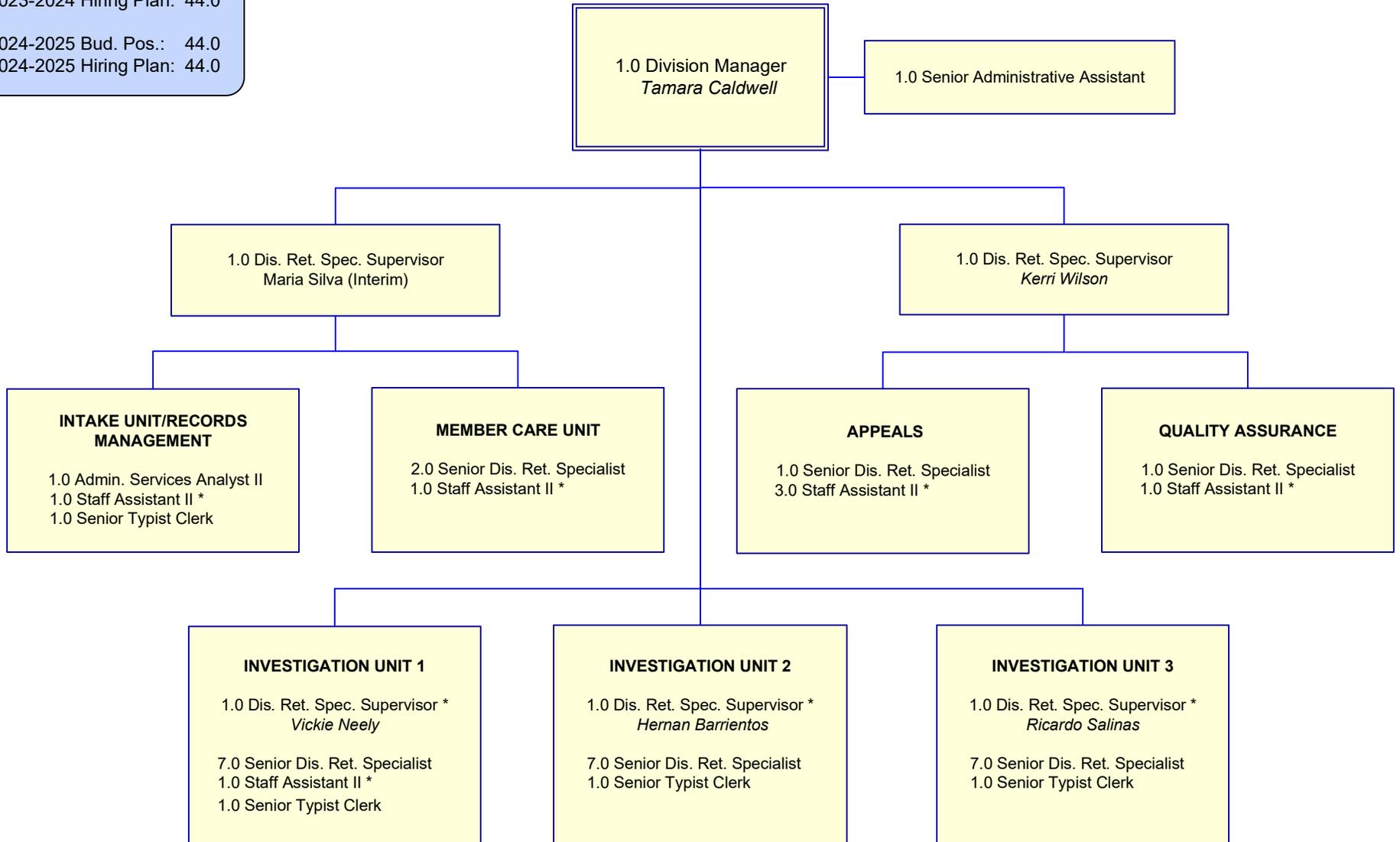
Funding totaling \$500 is requested for Miscellaneous expenses, an increase of \$200. These funds are typically used for staff teambuilding activities.

DISABILITY RETIREMENT

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.: 44.0
 2023-2024 Hiring Plan: 44.0

2024-2025 Bud. Pos.: 44.0
 2024-2025 Hiring Plan: 44.0



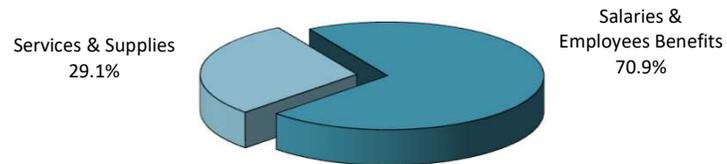
* Classification and/or compensation study requested.

LACERA
FISCAL YEAR 2024-2025
BUDGET SUMMARY

DISABILITY RETIREMENT

	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET		
	PROPOSED BUDGET 2024-2025	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(01-31-24)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$8,241,073	\$8,428,091	\$3,849,439	\$7,780,700	(\$647,391)	-7.68%	(\$187,018)	-2.2%
Services & Supplies	3,379,200	3,369,000	1,436,018	2,535,800	(833,200)	-24.7%	10,200	0.3%
OPERATING BUDGET	\$11,620,273	\$11,797,091	\$5,285,457	\$10,316,500	(\$1,480,591)	-12.6%	(\$176,818)	-1.5%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2024-2025
SALARIES AND EMPLOYEE BENEFITS SUMMARY

DISABILITY RETIREMENT

	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$4,545,563	\$4,579,337	\$2,169,933	\$4,405,000	(\$174,337)	-3.8%	(\$33,774)	-0.7%
Total Agency Temp Salaries	407,300	138,100	103,717	177,900	39,800	28.8%	269,200	194.9%
Employee Benefits (Variable)	2,679,885	3,140,376	1,263,880	2,566,100	(574,276)	-18.3%	(460,491)	-14.7%
Employee Benefits (Other)	276,995	293,514	116,958	237,500	(56,014)	-19.1%	(16,519)	-5.6%
OPEB Contribution	180,030	162,664	83,724	170,000	7,336	4.5%	17,366	10.7%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	140,800	103,600	108,522	220,400	116,800	112.7%	37,200	35.9%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	6,000	6,000	2,706	3,800	(2,200)	-36.7%	0	0.0%
Rideshare Allowance	4,500	4,500	0	0	(4,500)	-100.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$8,241,073	\$8,428,091	\$3,849,439	\$7,780,700	(\$647,391)	-7.7%	(\$187,018)	-2.2%
Salary Differential	-	-	-	-	-		-	
TOTAL S&EB	\$8,241,073	\$8,428,091	\$3,849,439	\$7,780,700	(\$647,391)	-7.7%	(\$187,018)	-2.2%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24 with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA
 FISCAL YEAR 2024-2025
 BUDGET POSITIONS

DISABILITY RETIREMENT

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0773	DIVISION MANAGER, LACERA	1	LS12
1643	DISABILITY RETIREMENT SPECIALIST SUPERVISOR, LACERA	5	110B
1632	SENIOR DISABILITY RETIREMENT SPECIALIST, LACERA	18	106B
0420	ADMINISTRATIVE SERVICES ANALYST II	1	097D
0427	STAFF ASSISTANT II, LACERA	6	096A
0439	SENIOR ADMINISTRATIVE ASSISTANT, LACERA	1	094B
0446	SENIOR TYPIST-CLERK, LACERA	4	082J
Total Filled Positions =		36	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
1632	SENIOR DISABILITY RETIREMENT SPECIALIST, LACERA	7	106B
0427	STAFF ASSISTANT II, LACERA	1	096A
Total Vacant Positions =		8	
TOTAL POSITIONS =		44	

Non-Represented positions shown in black.
 Represented positions shown in blue.
 Salary schedule as of 01/01/2024.

LACERA
FISCAL YEAR 2024-2025
SERVICES & SUPPLIES ACCOUNT SUMMARY

DISABILITY RETIREMENT

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE		
TRANSPORTATION & TRAVEL	\$7,700	\$7,700	\$1,668	\$5,500	(\$2,200)	-28.6%	\$0	0.0%
OFFICE SUPPLIES & EQUIPMENT	5,000	5,000	149	1,000	(4,000)	-80.0%	0	0.0%
PROFESSIONAL & SPEC. SRVCS.	235,000	235,000	142,127	243,800	8,800	3.7%	0	0.0%
LEGAL FEES & SERVICES	20,000	20,000	4,670	8,100	(11,900)	-59.5%	0	0.0%
DISABILITY FEES & SERVICES	3,090,300	3,090,300	1,285,158	2,273,300	(817,000)	-26.4%	0	0.0%
EDUCATIONAL EXPENSES	20,700	10,700	1,616	3,100	(7,600)	-71.0%	10,000	93.5%
MISCELLANEOUS	500	300	630	1,000	700	233.3%	200	66.7%
TOTAL	\$3,379,200	\$3,369,000	\$1,436,018	\$2,535,800	(\$833,200)	-24.7%	\$10,200	0.3%

*All amounts rounded to the nearest dollar.

DISABILITY RETIREMENT

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

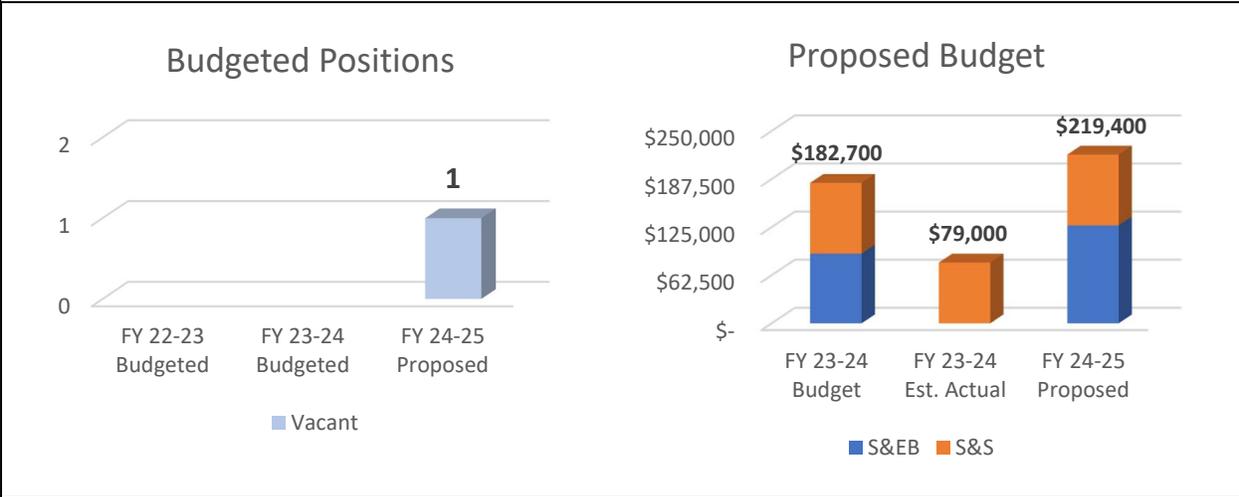
	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$4,134,839	\$4,223,905	\$4,579,337	\$4,405,000	\$4,545,563
Total Agency Temp Salaries	129,000	52,858	138,100	177,900	407,300
Employee Benefits (Variable)	2,675,028	2,376,485	3,140,376	2,566,100	2,679,885
Employee Benefits (Other)	261,338	236,719	293,514	237,500	276,995
OPEB Contribution	138,688	137,801	162,664	170,000	180,030
OPEB Contribution (Budget Surplus)	0	138,688	0	0	0
Stipends	0	0	0	0	0
Overtime	165,300	120,189	103,600	220,400	140,800
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	6,000	2,810	6,000	3,800	6,000
Rideshare Allowance	4,500	0	4,500	0	4,500
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Transportation & Travel	8,000	5,110	7,700	5,500	7,700
Office Supplies & Equipment	5,800	580	5,000	1,000	5,000
Professional & Specialized Services	230,000	250,684	235,000	243,800	235,000
Legal Fees & Services	25,000	5,260	20,000	8,100	20,000
Disability Fees & Services	3,145,300	3,052,189	3,090,300	2,273,300	3,090,300
Educational Expenses	10,700	2,005	10,700	3,100	20,700
Miscellaneous	300	525	300	1,000	500
TOTAL OPERATING BUDGET	\$10,939,793	\$10,605,809	\$11,797,091	\$10,316,500	\$11,620,273

*All amounts rounded to the nearest dollar.



FY 2024-25 Proposed Budget

To implement a strategic priority, a new Ethics and Compliance Program is proposed to begin operations in FY 2024-25. The role of the Ethics and Compliance Program is to enhance LACERA’s ethical culture and establish dedicated resources to foster compliance with laws, regulations, policies, and procedures, and provide assessment, monitoring, investigation, training, and other services to mitigate ethics and compliance risks in the organization.



Summary of Significant Changes:

<u>Description</u>	<u>Position Changes</u>	<u>Amount</u>
• Chief Ethics and Compliance Officer*	1	\$93,300
• Outside Legal Counsel	-	\$20,000
• Educational Materials	-	\$45,000
• Travel and Registration Expenses	-	\$15,500
• Memberships	-	\$8,000
• Mileage and Transportation	-	\$3,500

*Note: The Boards approved a Director of Compliance position in FY 2021-22, which has not yet been approved by the Board of Supervisors. Staff now recommends the position classification be amended to Chief Ethics and Compliance Officer to convey its reporting lines and importance within the organization.

PROPOSED REPORTING STRUCTURE

The Chief Ethics and Compliance Officer will report functionally to the Audit Committee and the CEO and will also provide reporting to the Board of Retirement and Board of Investments to further the fiduciary duty of the Audit Committee, Boards, and the CEO to provide oversight of ethics and compliance and respond to red flags in these areas.

The proposed Ethics and Compliance Office will be administratively housed within the Legal Services Office. However, all staffing and expenses will be tracked and reported separately to ensure, consistent with best practices, that the Ethics and Compliance Program is adequately resourced and is independent.

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

The Ethics and Compliance Program is a goal in the Board of Retirement's 2023-28 Strategic Plan, and substantial progress is being made in preparation for implementing the program. An ethics and compliance counsel and advisor will be engaged to provide professional expertise. The Staff Policy Committee was renamed as the Ethics and Compliance Committee to provide a broad-based staff resource to support the program. The proposed Ethics and Compliance Program Charter is working its way through the Boards' governance structure. Staff is pursuing Governance, Risk, and Compliance (GRC) software as a tool for the Ethics and Compliance Program and policy management, as well as other areas of LACERA's risk management system and review. Education and training resources on ethics and compliance have been purchased and are already available to staff.

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

The successful implementation of a fully formed and effective Ethics and Compliance Program is essential to achieve the Board of Retirement's Strategic Priority 4, and to mature the entire organization in management of ethics and compliance risks. Additional foundational steps will include: Chief Ethics and Compliance Officer job description and salary; baseline risk assessment; baseline ethical culture assessment; implementation of GRC software for compliance, ethics, policy management, and privacy; and transition of the Chief Ethics and Compliance Officer into the organization. In addition to the Chief position, it is expected that the Ethics and Compliance Office will require two deputies and one analyst to develop the Office's expertise across the organization's functions and to support the work of that Office. The timing, need for, and duties of these positions will be assessed by the Chief-Ethics and Compliance Officer after that position is filled.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects up to six months of cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during fiscal year 2024-25.

Adjustments to Permanent Staffing

The previously approved Director of Compliance position in the Legal Services Office is proposed to be changed to Chief-Ethics and Compliance Officer, to reflect the anticipated duties of the position as head of LACERA's Ethics and Compliance Program and its position, reporting lines, and responsibilities in the organization. The position classification description, job duties, and salary still need to be approved by the County Board of Supervisors.

Funding totaling \$93,300 is included to reflect six months of funding. However, this amount is subject to change based on the actual salary authorized and the date of onboarding.

Temporary Staffing

Temporary staffing is not anticipated for this program in FY 2024-25.

Overtime Needs

Overtime is not anticipated for this program in FY 2024-25

Interns

No interns are requested for this program in FY 2024-25.

Rehired Retirees

The Ethics and Compliance Office is not requesting any rehired retiree assistance in FY 2024-2025.

SUMMARY OF PROPOSED BUDGETARY CHANGES – SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

The Ethics and Compliance Office has no anticipated one-time expenditures for FY 2024-25.

Services and Supplies Adjustments

The following services and supplies are proposed in support of this program in FY 2024-25:

Mileage and Transportation

Funding totaling \$3,500 is requested to support anticipated auto mileage associated with the Chief Ethics and Compliance Officer position for business meetings and attendance at training and other events.

Travel

Funding totaling \$8,000 is requested to ensure the Chief Ethics and Compliance Officer can participate in training and development opportunities.

Outside Legal Counsel

Funding totaling \$20,000 is requested for outside ethics and compliance counsel to support the development and implementation of LACERA's Ethics and Compliance Program.

Memberships

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

Registration Fees

Funding totaling \$7,500 is requested to ensure the Chief Ethics and Compliance Officer can participate in training and development opportunities.

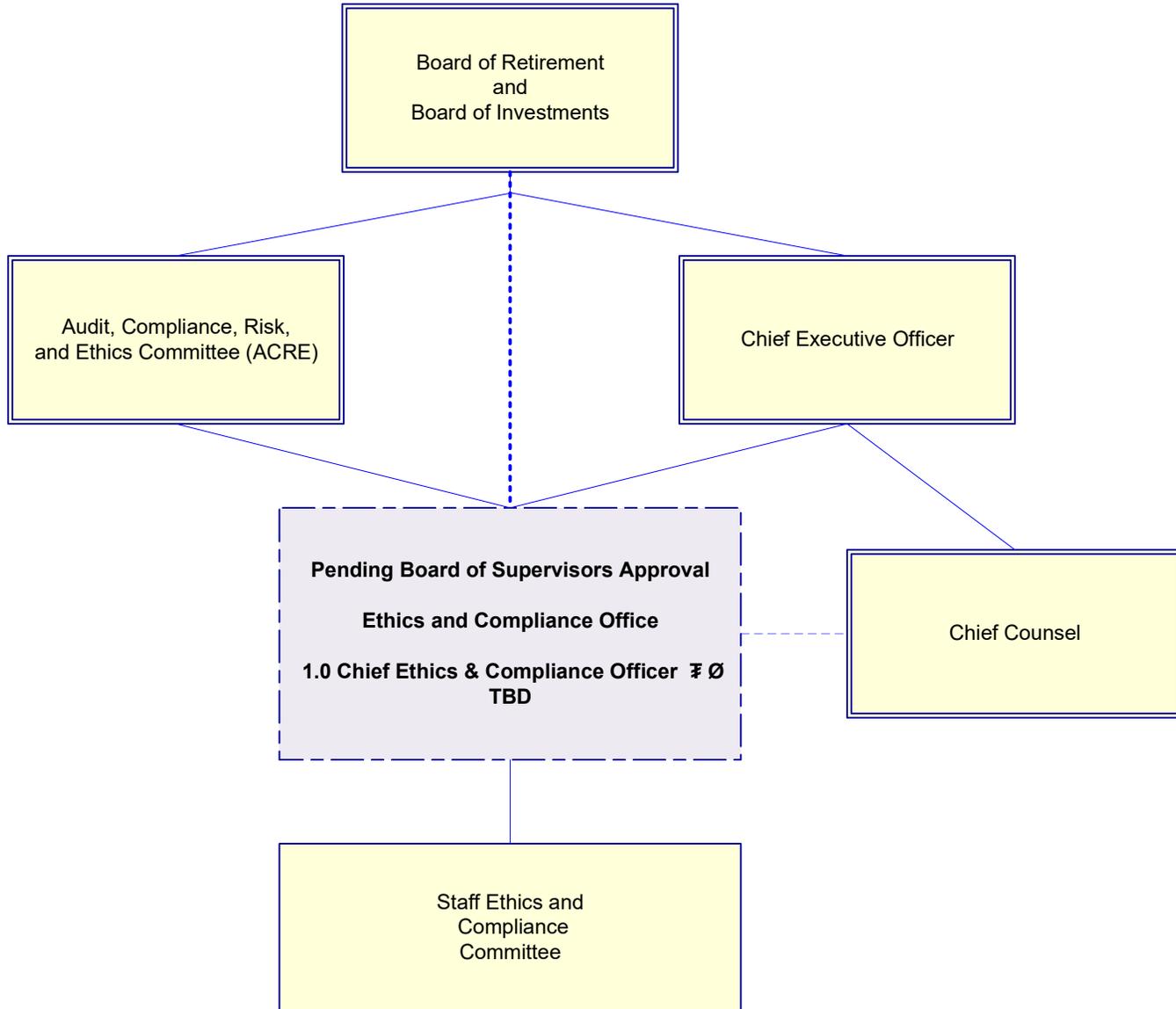
Educational Materials

Funding totaling \$45,000 is requested to ensure the Chief Ethics and Compliance Officer has the educational and professional materials and subscriptions needed to successfully implement LACERA's Ethics and Compliance Program.

ETHICS AND COMPLIANCE OFFICE

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.: 1.0
 2023-2024 Hiring Plan: 1.0
 2024-2025 Bud. Pos.: 1.0
 2024-2025 Hiring Plan: 1.0



--- Administrative
 — Functional
 Advisory

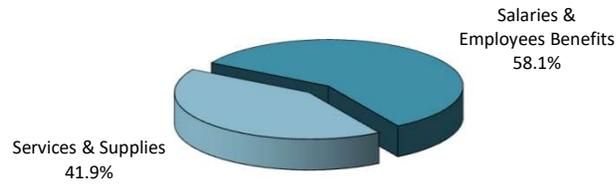
∅ Title changed from Ethics & Compliance Officer to Chief Ethics & Compliance Officer
 ∅ Not yet approved by Board of Supervisors

LACERA
FISCAL YEAR 2024-2025
BUDGET SUMMARY

ETHICS AND COMPLIANCE OFFICE

	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)			
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
Salaries & Employees Benefits	\$127,400	\$90,700	\$0	\$0	(\$90,700)	-100.0%	\$36,700	40.5%
Services & Supplies	92,000	92,000	11,500	79,000	(13,000)	-14.1%	0	0.0%
OPERATING BUDGET	\$219,400	\$182,700	\$11,500	\$79,000	(\$103,700)	-56.8%	\$36,700	20.1%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2024-2025

SALARIES AND EMPLOYEE BENEFITS SUMMARY

ETHICS AND COMPLIANCE OFFICE

	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		BUDGET	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE
			(01-31-24)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$93,330	\$90,700	\$0	\$0	(\$90,700)	-100.0%	\$2,630	2.9%
Total Agency Temp Salaries	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	24,686	0	0	0	0	0.0%	24,686	0.0%
Employee Benefits (Other)	5,687	0	0	0	0	0.0%	5,687	0.0%
OPEB Contribution	3,696	0	0	0	0	0.0%	3,696	0.0%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	0	0	0	0	0	0.0%	0	0.0%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	0	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	0	0	0	0	0	0.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$127,400	\$90,700	\$0	\$0	(\$90,700)	-100.0%	\$36,700	40.5%
Salary Differential	0	0	-	-	-	-	-	-
TOTAL S&EB	\$127,400	\$90,700	\$0	\$0	(\$90,700)	-100.0%	\$36,700	40.5%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA
 FISCAL YEAR 2024-2025
 BUDGET POSITIONS

ETHICS AND COMPLIANCE OFFICE

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
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Total Filled Positions = 0

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
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9999	CHIEF, ETHICS & COMPLIANCE OFFICER	<u>1</u>	LS16
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Total Vacant Positions = 1

TOTAL POSITIONS = 1

Non-Represented positions shown in black.
 Represented positions shown in blue.
 Salary schedule as of 01/01/2024.

LACERA
FISCAL YEAR 2024-2025
SERVICES & SUPPLIES ACCOUNT SUMMARY

ETHICS AND COMPLIANCE OFFICE

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE		
TRANSPORTATION & TRAVEL	\$11,500	\$11,500	\$0	\$4,500	(\$7,000)	-60.9%	\$0	0.0%
OFFICE SUPPLIES & EQUIPMENT	0	0	0	0	\$0	0.0%	\$0	0.0%
LEGAL FEES & SERVICES	20,000	20,000	0	20,000	\$0	0.0%	\$0	0.0%
EDUCATIONAL EXPENSES	60,500	60,500	11,500	54,500	(6,000)	-9.9%	0	0.0%
MISCELLANEOUS	0	0	0	0	0	0.0%	0	0.0%
TOTAL	\$92,000	\$92,000	\$11,500	\$79,000	(\$13,000)	-14.1%	\$0	0.0%

*All amounts rounded to the nearest dollar.

ETHICS AND COMPLIANCE OFFICE

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$0	\$0	\$90,700	\$0	\$93,330
Total Agency Temp Salaries	0	0	0	0	0
Employee Benefits (Variable)	0	0	0	0	24,686
Employee Benefits (Other)	0	0	0	0	5,687
OPEB Contribution	0	0	0	0	3,696
OPEB Contribution (Budget Surplus)	0	0	0	0	0
Stipends	0	0	0	0	0
Overtime	0	0	0	0	0
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	0	0	0	0	0
Rideshare Allowance	0	0	0	0	0
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES	0	0			
Auto Expenses	0	0	0	0	0
Transportation & Travel	0	0	11,500	4,500	11,500
Office Supplies & Equipment	0	0	0	0	0
Legal Fees & Services	0	0	20,000	20,000	20,000
Educational Expenses	0	0	60,500	54,500	60,500
Miscellaneous	0	0	0	0	0
TOTAL OPERATING BUDGET	\$0	\$0	\$182,700	\$79,000	\$219,400

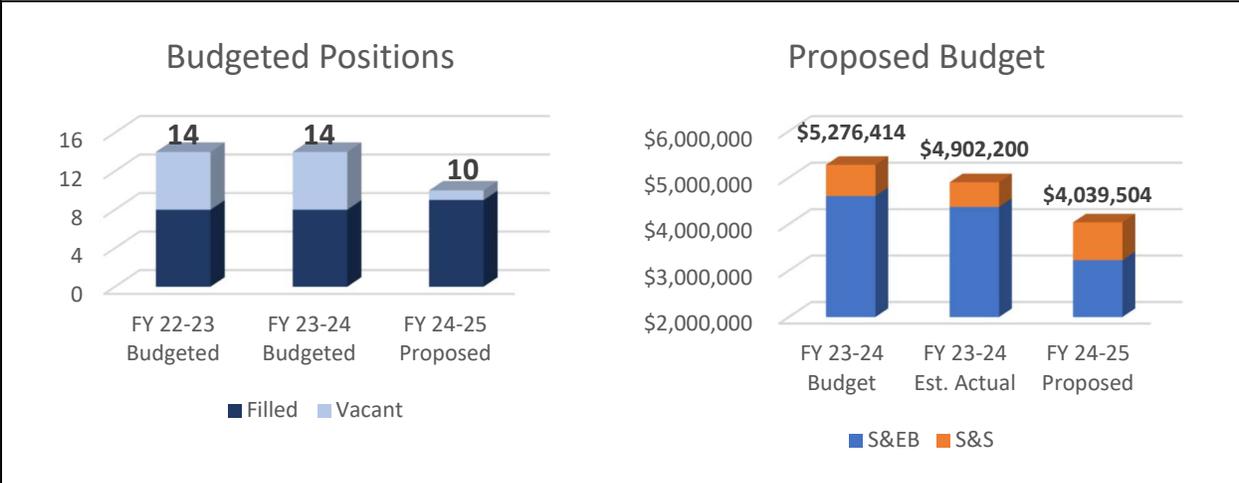
*All amounts rounded to the nearest dollar.



FY 2024-25 Proposed Budget

The Executive Office directs and coordinates the efforts of every LACERA organizational unit toward the effective realization of LACERA’s mission, as articulated through policies adopted through the Boards of Retirement and Investments and through administrative policies and procedures under the purview of the Chief Executive Officer.

LACERA's Information Security Office is part of the Executive Office to maintain its independence from the Systems Division. The Information Security Officer reports to the Deputy Chief Executive Officer. Costs are reported separately for improved transparency. See the attached narrative and summary.



Summary of Significant Changes:

<u>Description</u>	<u>Position Changes</u>	<u>Amount</u>
• Transfer of Legislative Affairs Officer	1	\$156,000
• Transfer Legislative Consulting from Legal		\$280,000
• Travel & Training – Executive Staff		\$6,600
• Food & Beverages		\$4,500
• Reduction in vehicle related costs - Gas & License Fees		(\$2,500)

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

Throughout FY 2023-24, the Executive Office continued its focus on foundational issues by developing and supporting hiring plans to fill critical vacant positions and embracing technology to improve and enhance our processes and procedures.

Despite record hiring and milestone technology improvements discussed in more detail in the Human Resources and Systems Division, respectively, the most significant accomplishment of the Executive Office in FY 2024 was the adoption of the BOR Strategic Plan. After adoption, the Executive Office facilitated a MAC and SAC retreat to develop the implementation roadmap, ensuring that LACERA will be moving forward with a shared purpose and vision in service to our members. The roadmap helped identify the organization's short- and long-term capacity, and which strategic initiatives would begin now. For each of the initial strategic initiatives, leads were identified and teams were assembled to build the FY 2024-25 workplans, which will be shared with the Board of Retirement in April 2024. The resources required for achieving those initiatives are being incorporated into the FY 2024-25 Budget request for BOR and BOI approval.

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

The Executive Office supports and is fundamentally responsible for implementing the Board of Retirement's Strategic Plan and supports the Investment Office in their implementation of the Board of Investments' Strategic Plan. The Executive Management Team sponsors the strategic priorities and monitors progress toward achieving our mission of producing, protecting, and providing the promised benefits to our members; our vision of empowering our members to enjoy a healthy and secure retirement, and modeling our values of accountability, collaboration, inclusivity, innovation, integrity, and transparency.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.

Funding is also provided for the CEO's split-dollar life insurance policy, which is part of his negotiated compensation.

Lastly, funding associated with the transfer of the Legislative Affairs Officer from the Legal Office to the Executive Office is provided.

Adjustments to Permanent Staffing

The Legislative Affairs Officer position is transferred from the Legal Services Office to the Executive Office as outlined in the organization chart.

Temporary Staffing

No temporary staffing is requested for the Executive Office.

Overtime Needs

Overtime funds are provided for the support staff within the Executive Office. Total hours are not changing from prior years, but the cost is adjusted to reflect salary rate increases.

Interns

Funding is included in the Human Resources budget for one intern position to work in the Executive Office this summer.

Rehired Retirees

The Executive Office does not anticipate any use of rehired retirees in FY 2024-25.

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

Removal of One-Time Expenditures

License Fees

A reduction of \$500 is included to reflect the removal of the vehicle assigned to the Deputy Chief Executive Officer.

Gas

A reduction of \$2,000 is included to reflect the removal of the vehicle assigned to the Deputy Chief Executive Officer.

Services and Supplies Adjustments

Travel

An increase of \$4,300 is requested for Executive Office staff members to attend educational and professional conferences. These expenditures are in alignment with LACERA's Strategic Priority 3, Investing in People, ensuring that management stays abreast of industry best practices and professional growth in order to better support Trustees, staff, and members.

Legislative Consulting

Funding totaling \$280,000 is required. The legislative analysis function has been administratively transferred from the Legal Office to the Executive Office. There is no change to the budgetary amount. The Legal Office budget reflects a corresponding decrease of the same amount.

Registration Fees

An increase of registration fees totaling \$2,300 is requested to reflect increased cost trends for educational and professional conferences. These expenditures support LACERA's Strategic Priority 3, Investing in People.

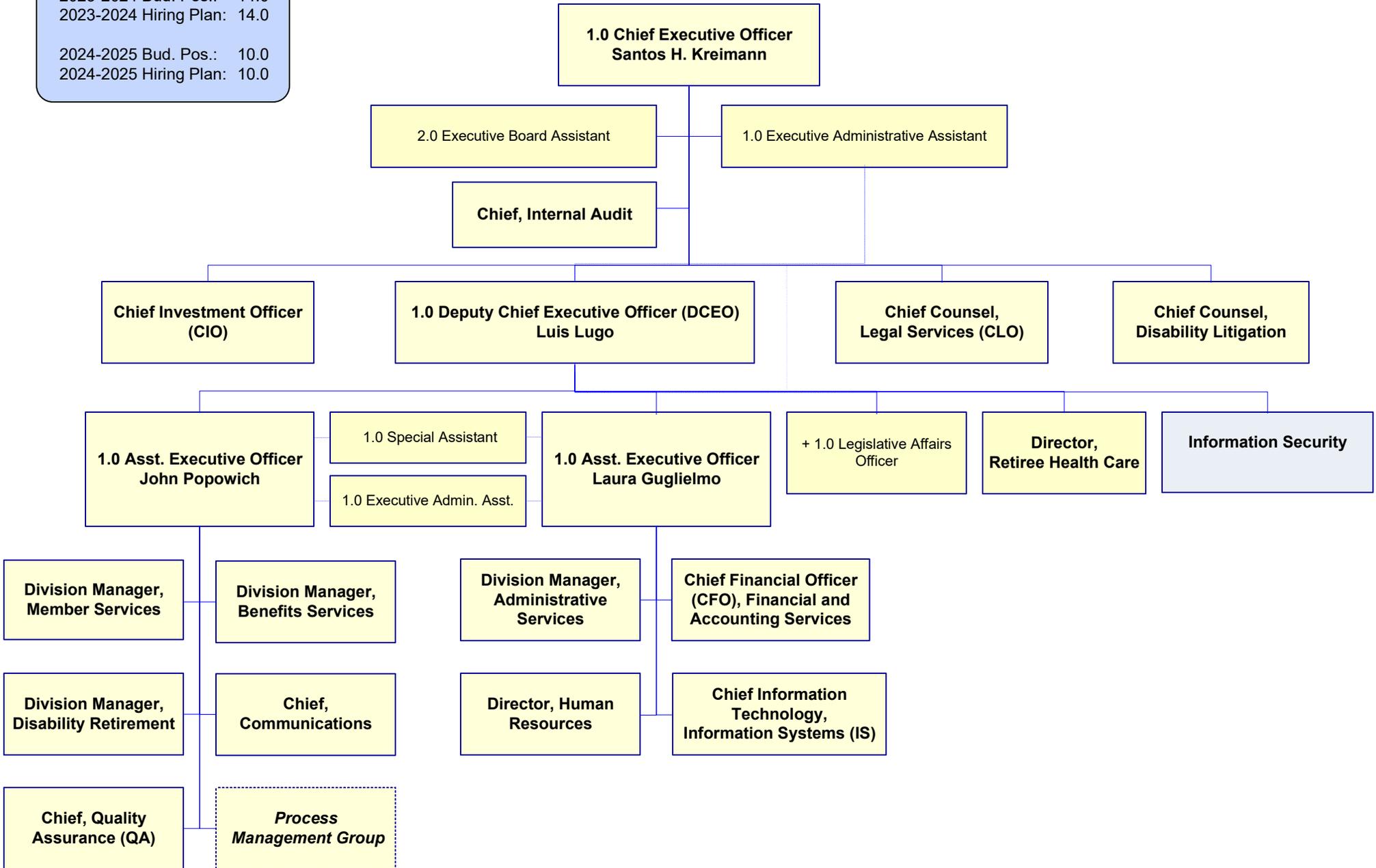
Food and Beverages

An increase of \$4,500 reflects the anticipated rate of expenditures.

EXECUTIVE OFFICE

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.: 14.0
 2023-2024 Hiring Plan: 14.0
 2024-2025 Bud. Pos.: 10.0
 2024-2025 Hiring Plan: 10.0



+ Added position

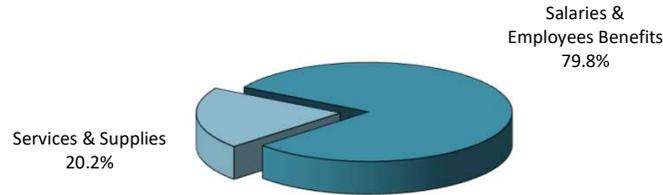
⋮ Added new division "Process Management Group" (pending)

LACERA
FISCAL YEAR 2024-2025
BUDGET SUMMARY

EXECUTIVE OFFICE

	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET		
	PROPOSED BUDGET 2024-2025	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(01-31-24)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$3,224,904	\$4,604,614	\$2,245,168	\$4,371,900	(\$232,714)	-5.1%	(\$1,379,710)	-30.0%
Services & Supplies	814,600	671,800	177,979	530,300	(141,500)	-21.1%	142,800	21.3%
OPERATING BUDGET	\$4,039,504	\$5,276,414	\$2,423,147	\$4,902,200	(\$374,214)	-7.1%	(\$1,236,910)	-23.4%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2024-2025
SALARIES AND EMPLOYEE BENEFITS SUMMARY

EXECUTIVE OFFICE

	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		BUDGET	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE
			(01-31-24)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$1,818,887	\$2,211,154	\$1,014,130	\$2,058,700	(\$152,454)	-6.9%	(\$392,267)	-17.7%
Total Agency Temp Salaries	0	645,200	497,450	825,000	179,800	27.9%	(645,200)	-100.0%
Employee Benefits (Variable)	1,083,942	1,418,875	561,226	1,139,600	(279,275)	-19.7%	(334,933)	-23.6%
Employee Benefits (Other)	140,837	142,186	84,282	171,100	28,914	20.3%	(1,349)	-0.9%
OPEB Contribution	72,038	78,799	40,558	82,400	3,601	4.6%	(6,761)	-8.6%
Stipends	65,000	65,000	19,581	39,800	(25,200)	-38.8%	0	0.0%
Overtime	28,400	27,600	20,140	40,900	13,300	48.2%	800	2.9%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	0	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	1,400	1,400	0	0	(1,400)	-100.0%	0	0.0%
Transportation Allowance	14,400	14,400	7,800	14,400	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$3,224,904	\$4,604,614	\$2,245,168	\$4,371,900	(\$232,714)	-5.1%	(\$1,379,710)	-30.0%
Salary Differential	-	-	-	-	-		-	
TOTAL S&EB	\$3,224,904	\$4,604,614	\$2,245,168	\$4,371,900	(\$232,714)	-5.1%	(\$1,379,710)	-30.0%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA
FISCAL YEAR 2024-2025
BUDGET POSITIONS

EXECUTIVE OFFICE

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0776	CHIEF EXECUTIVE OFFICER, LACERA	1	LR20
0770	DEPUTY CHIEF EXECUTIVE OFFICER, LACERA	1	LR18
0792	ASSISTANT EXECUTIVE OFFICER, LACERA (UC)	2	LS16
0795	LEGISLATIVE AFFAIRS OFFICER, LACERA	1	116J
0475	EXECUTIVE BOARD ASSISTANT, LACERA	2	108F
0442	EXECUTIVE ADMINISTRATIVE ASSISTANT, LACERA	2	105C
Total Filled Positions =		9	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0775	SPECIAL ASSISTANT, LACERA	1	LS12
Total Vacant Positions =		1	
TOTAL POSITIONS =		10	

Non-Represented positions shown in black.
 Represented positions shown in blue.
 Salary schedule as of 01/01/2024.

LACERA
FISCAL YEAR 2024-2025
SERVICES & SUPPLIES ACCOUNT SUMMARY

EXECUTIVE OFFICE

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE		
AUTO EXPENSE	\$10,500	\$13,000	\$3,287	\$5,900	(\$7,100)	-54.6%	(\$2,500)	-19.2%
TRANSPORTATION & TRAVEL	68,100	49,800	6,817	27,000	(22,800)	-45.8%	18,300	36.7%
OFFICE SUPPLIES & EQUIPMENT	3,000	3,000	5,468	9,400	6,400	213.3%	0	0.0%
PROFESSIONAL & SPEC. SRVCS.	635,000	517,000	133,314	421,900	(95,100)	-18.4%	118,000	22.8%
EDUCATIONAL EXPENSES	83,000	78,500	22,729	55,000	(23,500)	-29.9%	4,500	5.7%
MISCELLANEOUS	15,000	10,500	6,364	11,100	600	5.7%	4,500	42.9%
TOTAL	\$814,600	\$671,800	\$177,979	\$530,300	(\$141,500)	-21.1%	\$142,800	21.3%

*All amounts rounded to the nearest dollar.

EXECUTIVE OFFICE

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	1,939,134	1,757,755	\$2,211,154	\$2,058,700	\$1,818,887
Total Agency Temp Salaries	1,129,700	1,077,533	645,200	825,000	0
Employee Benefits (Variable)	1,106,359	953,964	1,418,875	1,139,600	1,083,942
Employee Benefits (Other)	130,567	117,782	142,186	171,100	140,837
OPEB Contribution	69,290	68,847	78,799	82,400	72,038
OPEB Contribution (Budget Surplus)	-	69,290	0	0	0
Stipends	65,000	47,574	65,000	39,800	65,000
Overtime	25,600	17,850	27,600	40,900	28,400
Bilingual Bonus	-	-	0	0	0
Sick Leave Buyback	-	-	0	0	0
Rideshare Allowance	1,400	-	1,400	0	1,400
Transportation Allowance	-	15,600	14,400	14,400	14,400
SERVICES & SUPPLIES					
Auto Expenses	12,300	7,813	13,000	5,900	10,500
Transportation & Travel	22,000	10,093	49,800	27,000	68,100
Office Supplies & Equipment	3,500	782	3,000	9,400	3,000
Professional & Specialized Services	834,800	593,599	517,000	421,900	635,000
Educational Expenses	44,000	44,949	78,500	55,000	83,000
Miscellaneous	10,500	5,301	10,500	11,100	15,000
TOTAL OPERATING BUDGET	\$5,394,151	\$4,788,732	\$5,276,414	\$4,902,200	\$4,039,504

*All amounts rounded to the nearest dollar.

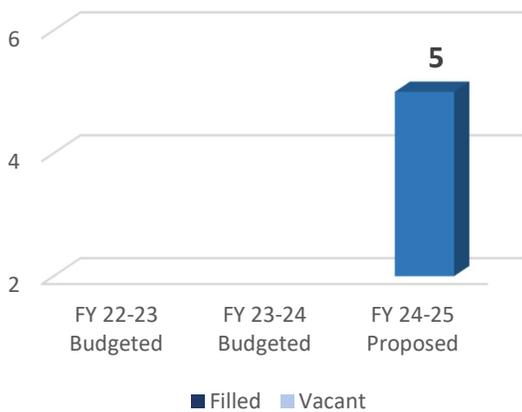
INFORMATION SECURITY OFFICE

BUDGET HIGHLIGHTS
FISCAL YEAR 2024-2025

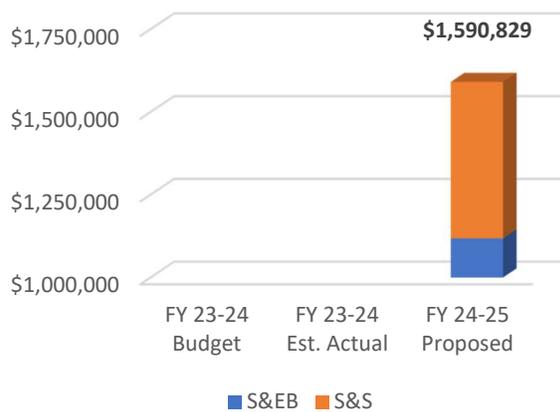
FY 2024-25 Proposed Budget

The Information Security Office (ISO) is responsible for enterprise-wide cyber security, ensuring reasonable controls are in place to allow for both efficient and secure business operations in fulfillment of LACERA's mission. The ISO coordinates with the Systems Division but operates independently and is structurally part of the Executive Office to ensure appropriate checks and balances.

Budgeted Positions



Proposed Budget



Summary of Significant Changes:

Description	Position Changes	Amount
• E-Discovery Solution (Software for Legal Services)	-	\$127,500
• Penetration Testing	-	\$100,000
• Internet Monitoring Services	-	\$40,000
• Travel & Training	-	\$28,200
• Memberships	-	\$15,000

The budgeted resources for the ISO were embedded in the Executive Office in FY 2023-24. As part of our commitment to transparency, and to highlight the critical importance of LACERA's cybersecurity program, resources dedicated to the ISO are now independently identified in FY 2024-25.

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

For this period, the ISO has worked on the following projects and initiatives:

- Establishing the framework of the Information Security Governance Program, with focus on the Written Information Security Program (WISP), formation of the Information Security Committee (ISC), and the GRC solution to support the program
- Evaluating existing technologies to cover the following:
 - Need for various technologies that were not fully implemented
 - Elimination of technologies that are deemed not current and redundant
 - Recommendations for replacement technologies
- Recommending and implementing an eDiscovery solution to facilitate an easier discovery process that is reliable and provides users access to their archive email. A vendor has been chosen for this project.
- Implementing an identity monitoring system.
- Upgrading our Security Operations Center (SOC) to ensure actions are taken to protect LACERA and our members. ITCC has approved this project.
- Hiring permanent staff to replace the temporary staff in ISO.

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

The ISO's projects have been aligned with LACERA's strategic goals and objectives. The following is a list of objectives and the projects and goals to be achieved:

Superior Member Experience

Objective 1.4: Enhance the Retiree Healthcare Experience. We are in the process of searching for and implementing a tool that provides a secure method for members to log in and, in addition, facilitates authentication for off-grid members.

Innovation Through Technology

Objective 2.1: Implement Enterprise Business-Intelligence. Complete the implementation of the SOC to ensure security is maintained 24/7 and begin implementing automated ways to respond to events and incidents. We will also be investigating replacements of any deprecated technologies.

Investing in People

Objective 3.1: Improve and Simplify Hiring (Fill Vacancies). We will be working on hiring permanent employees and providing everyone on the team the appropriate training and a career path within ISO.

Compliance and Enterprise Risk

Objective 4.1: Develop Enterprise Compliance and Ethics Program. We will be working to mature the Information Security Program and to implement the IT GRC solution as part of the GRC program.

Fiscal Durability

Objective 5.1: Develop Organizational Tools and Controls to Support Fiscal Responsibility. We will be helping to mature the Vendor Risk Management Program, in coordination with the Vendor Management Team, to ensure that we conduct periodic information security reviews on vendors and fourth party entities that house LACERA's data or are part of our business processes.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.

Adjustments to Permanent Staffing

Full year funding is provided for four positions within the Information Security Office that were partially funded in FY 2024, with a corresponding reduction in Agency Temporary salaries.

Temporary Staffing

Full-year Agency Temporary funding is provided for one Data Systems Coordinator position within the Information Security Office.

Overtime Needs

The Information Security Office does not anticipate any overtime for FY 2024-25.

Interns

Funding is included in the Human Resources budget for one intern position to work throughout the year in the Information Security Office. The intern will be working on the knowledge management and the implementation of the information security program (IT GRC) projects.

Rehired Retirees

The Information Security Office does anticipate any use of rehired retirees in FY 2024-25.

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

Removal of One-Time Expenditures

The Information Security Office has no anticipated one-time expenditures for FY 2024-25.

Services and Supplies Adjustments

Travel

Funding totaling \$14,000 is provided for the Information Security Office to attend educational and professional conferences. These expenditures are in alignment with LACERA's Strategic Priority 3, Investing in People, ensuring that staff members stay abreast of industry best practices and professional growth.

Security Assessment

Funding totaling \$240,000 is provided for the Information Security Office to ensure LACERA's cybersecurity, an increase of \$140,000 from the previous year. This funding includes an annual penetration test to be conducted by an external third party (\$120,000), regular internal penetration tests (\$80,000), and internet monitoring services for Trustees and Executives and to remove any false posts for LACERA (\$40,000). These tools are aligned with LACERA's Strategic Priority 4, Enterprise Compliance and Risk Management.

Software Subscriptions

Funding totaling \$189,500 is provided for the Information Security Office to better protect LACERA. This amount includes an increase of \$127,500 for a new e-discovery solution for Legal Services. These expenditures are in support of LACERA's Strategic Priority 4, Enterprise Compliance and Risk Management.

Memberships

\$15,000 is added for new staff in the Information Security Office to participate in the Financial Services Information Sharing and Analysis Center (FS-ISAC), the Center for Internet Security (CIS) and Cloud Security Alliance (CSA). These memberships support LACERA's Strategic Priorities 3 (Investing in People) and 4 (Enterprise Compliance and Risk Management).

Registration Fees

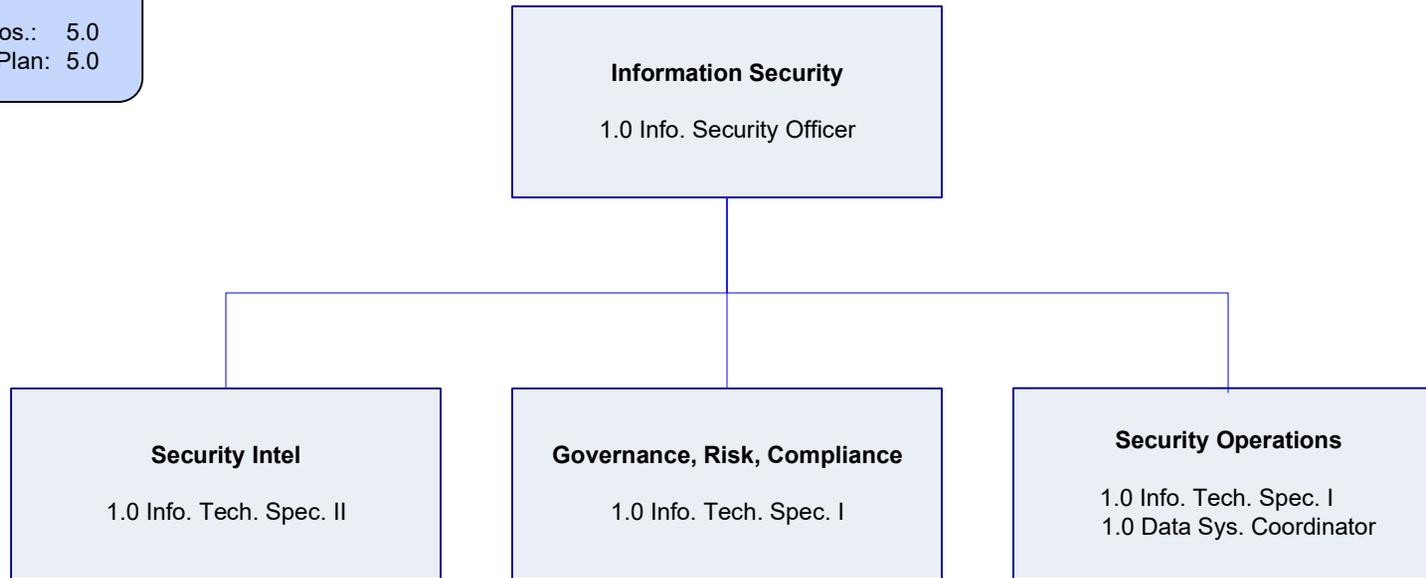
Registration fees totaling \$12,000 are provided for professional and educational conferences for the Information Security Office staff. These expenditures support LACERA's Strategic Priority 4, Investing in People.

INFORMATION SECURITY OFFICE

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.: 5.0
2023-2024 Hiring Plan: 5.0

2024-2025 Bud. Pos.: 5.0
2024-2025 Hiring Plan: 5.0

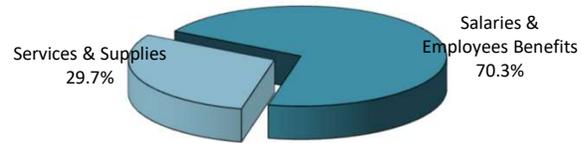


LACERA
FISCAL YEAR 2024-2025
BUDGET SUMMARY

INFORMATION SECURITY OFFICE

	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE		
Salaries & Employees Benefits	\$1,118,129	\$0	\$0	\$0	\$0	0.0%	\$1,118,129	0.0%
Services & Supplies	472,700	0	0	0	0	0.0%	472,700	0.0%
OPERATING BUDGET	\$1,590,829	\$0	\$0	\$0	\$0	0.0%	\$1,590,829	0.0%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2024-2025
SALARIES AND EMPLOYEE BENEFITS SUMMARY

INFORMATION SECURITY OFFICE

	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$660,598	\$0	\$0	\$0	\$0	0.0%	\$660,598	0.0%
Total Agency Temp Salaries	170,000	0	0	0	0	0.0%	170,000	0.0%
Employee Benefits (Variable)	221,113	0	0	0	0	0.0%	221,113	0.0%
Employee Benefits (Other)	40,255	0	0	0	0	0.0%	40,255	0.0%
OPEB Contribution	26,163	0	0	0	0	0.0%	26,163	0.0%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	0	0	0	0	0	0.0%	0	0.0%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	0	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	0	0	0	0	0	0.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$1,118,129	\$0	\$0	\$0	\$0	0.0%	\$1,118,129	0.0%
Less Salary Savings & Differential	0	0	-	-	-	-	-	-
TOTAL S&EB	\$1,118,129	\$0	\$0	\$0	\$0	0.0%	\$1,118,129	0.0%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA
FISCAL YEAR 2024-2025
BUDGET POSITIONS

INFORMATION SECURITY OFFICE

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0806	INFORMATION SECURITY OFFICER, LACERA	1	LS12
Total Filled Positions =		1	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0802	INFORMATION TECHNOLOGY SPECIALIST II, LACERA	1	127C
0801	INFORMATION TECHNOLOGY SPECIALIST I, LACERA	2	122A
0469	DATA SYSTEMS COORDINATOR, LACERA	1	114K
Total Vacant Positions =		4	
TOTAL POSITIONS =		5	

Non-Represented positions shown in black.
 Represented positions shown in blue.
 Salary schedule as of 01/01/2024.

LACERA
FISCAL YEAR 2024-2025
SERVICES & SUPPLIES ACCOUNT SUMMARY

INFORMATION SECURITY OFFICE

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE		
TRANSPORTATION & TRAVEL	\$16,200	\$0	\$0	\$0	\$0	0.0%	\$16,200	0.0%
OFFICE SUPPLIES & EQUIPMENT	0	0	0	0	0	0.0%	0	0.0%
PROFESSIONAL & SPEC. SRVCS.	429,500	0	0	0	0	0.0%	429,500	0.0%
EDUCATIONAL EXPENSES	27,000	0	0	0	0	0.0%	27,000	0.0%
MISCELLANEOUS	0	0	0	0	0	0.0%	0	0.0%
TOTAL	\$472,700	\$0	\$0	\$0	\$0	0.0%	\$472,700	0.0%

*All amounts rounded to the nearest dollar.

INFORMATION SECURITY OFFICE

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$0	\$0	\$0	\$0	\$660,598
Total Agency Temp Salaries	0	0	0	0	170,000
Employee Benefits (Variable)	0	0	0	0	221,113
Employee Benefits (Other)	0	0	0	0	40,255
OPEB Contribution	0	0	0	0	26,163
OPEB Contribution (Budget Surplus)	0	0	0	0	0
Stipends	0	0	0	0	0
Overtime	0	0	0	0	0
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	0	0	0	0	0
Rideshare Allowance	0	0	0	0	0
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES	0	0	0	0	
Transportation & Travel	0	0	0	0	16,200
Office Supplies & Equipment	0	0	0	0	0
Professional & Specialized Services	0	0	0	0	429,500
Educational Expenses	0	0	0	0	27,000
Miscellaneous	0	0	0	0	0
TOTAL OPERATING BUDGET	\$0	\$0	\$0	\$0	\$1,590,829

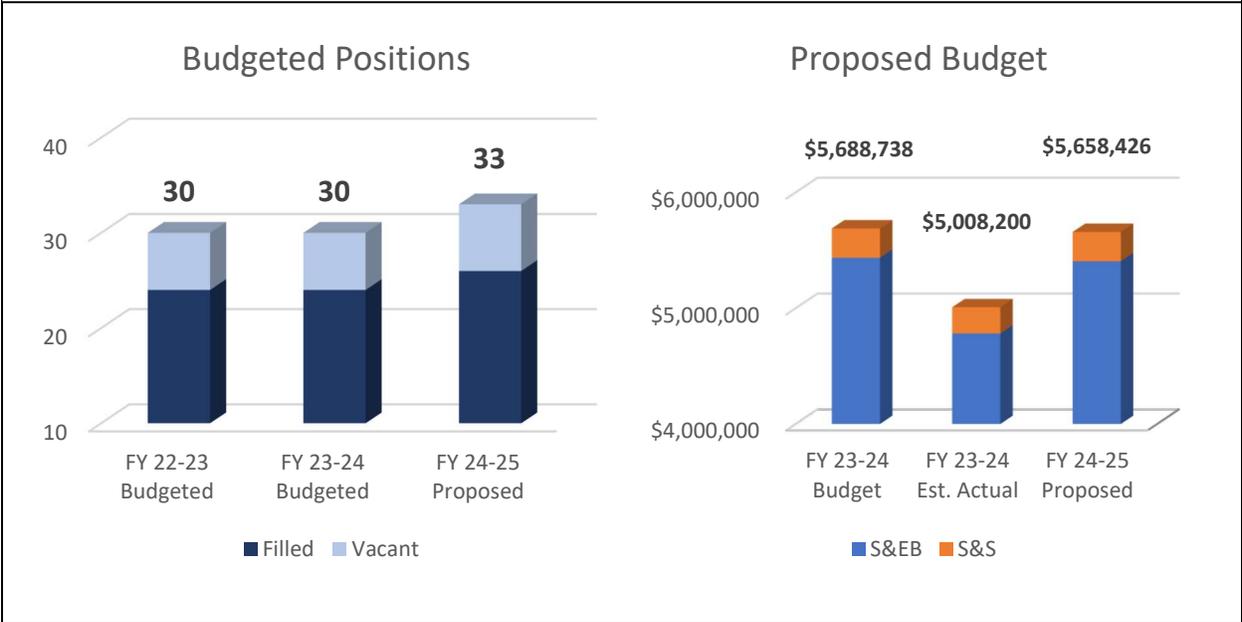
*All amounts rounded to the nearest dollar.

FINANCIAL & ACCOUNTING SERVICES (FASD)



FY 2024-25 Proposed Budget

The Financial and Accounting Services Division (FASD) is responsible for conducting LACERA's general and investment financial transactions, financial reporting, and coordinating actuarial consulting and reporting in compliance with regulatory and statutory mandates. FASD's guardianship of LACERA's assets and timely, accurate financial reporting supports LACERA's mission and values.



Summary of Significant Changes:

Description	Position Changes	Amount
• Add Accountant, LACERA positions	3	\$207,226

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

FASD provides accounting and financial services to the organization through our General (“business”) Accounting and Investment Accounting sections. Our significant objectives are to complete financial transactions, prepare annual financial statements, and deliver financial and actuarial reports in accordance with statutory deadlines. We also conduct and participate with other divisions in completing strategic initiatives and special projects. The following is a status of non-routine projects that have been completed or are in progress and expected to be completed during FY 2023-24.

- **Accounts Payable (AP) Policy:** The AP Policy was completed in the summer of 2023, in conjunction with Administrative Services to address a low-risk audit finding identified by Internal Audit.
- **Automated Accounts Payable Software Implementation:** FASD partnered with the Systems and Administrative Services divisions to implement the Certify AP automated accounts payable software tool, updating our process to provide a paperless workflow, online approvals, and electronic payments to vendors.
- **Vendor Management System Software Implementation:** FASD participated with the Systems and Administrative Services Divisions to implement the Cobblestone contract management system software tool. It will also be used as LACERA’s vendor management system and will transmit vendor data to the general ledger.
- **Actuarial Consulting and Auditing Services RFP:** FASD partnered with Internal Audit and the Investments Office on the Request for Proposal (RFP) for LACERA’s actuarial consultant and actuarial auditor relationships. Staff is conducting the review and selection process, which is scheduled to be completed by end of the fiscal year.
- **Retiree Healthcare Lifetime Maximum Benefit:** FASD partnered with the Executive Office, Retiree Healthcare Division, and Los Angeles County Chief Executive Office to determine approaches to eliminate the Lifetime Maximum Benefit (LMB) from the LACERA retiree healthcare medical insurance plans. The regularly held discussions involve external legal counsel and actuarial consultants, and consider several possible outcomes that will require implementation in the upcoming fiscal years.
- **OPEB Trust Investment Structure Changes:** The Board of Investments approved a recommendation to invest OPEB Trust portfolio assets into private markets, which are mainly composed of private equity, hedge funds, and private real estate asset classes. FASD partnered with the Investments Office and State Street Bank to modify the OPEB Trust investment structure. LACERA invested and reported private equity and real assets investments on the OPEB Trust’s September 2023 financial statements as part of the implementation process.

The following is a status of routine annual projects that have been completed or are in-progress during the FY 2023-24.

Routine Annual Projects (required by law or accounting standards)	Completed / Anticipated
<ul style="list-style-type: none"> ▪ 2023 Annual Audit and Financial Statements ▪ 2023 Financial Reports <ul style="list-style-type: none"> ○ Annual Comprehensive Financial Report (ACFR) ○ Popular Annual Financial Report (PAFR) ▪ 2023 Pension Valuation Report ▪ 2023 GASB 68 Pension, Employer Financial Statement Reporting ▪ 2023 OPEB Trust, Employer Statement of Fiduciary Net Position ▪ 2024 Employer and Employee Contribution Rate Implementation ▪ 2023 GASB 75 OPEB, Employer Financial Statement Reporting ▪ 2024 Pension Risk Assessment Report ▪ 2023 OPEB Valuation Report ▪ 2023 Regulatory Reports, federal and state 	October 2023 December 2023 December 2023 March 2024 March 2024 May 2024 June 2024 June 2024 August 2024 Quarterly and Calendar Year-End

FY 24-2025 STRATEGIC GOALS AND OBJECTIVES

Project Goals and Objectives

In addition to FASD’s required annual projects referenced above, the non-routine projects listed below align with LACERA’s Strategic Priority 5: Fiscal Durability, to exercise care and prudence in managing our resources and fund assets.

Strategic Plan Objective 5.2 says that LACERA will implement and support the LACERA Investments Office in achieving the BOI’s Strategic Plan goals. Consistent with this objective, FASD will partner with the Investments Office in revising two Board policies by summer 2024:

- LACERA’s Retirement Benefit Funding Policy (Funding Policy)
- Interest Crediting Policy

FASD will also continue to support LACERA’s custodian bank, State Street Bank, in the transition of their wire transfer systems from Cash Manager to the eCash Flow Module.

Objective 5.1 also states that LACERA will develop organizational tools to support enterprise-wide fiscal responsibility. FASD, as part of a cross-functional team, will begin working on establishing the requirements for identifying and implementing a new Enterprise Resource Plan (ERP) system that aligns with this objective, as a new software

tool can be used to better manage several different processes, including accounting and human resources.

A summary of all non-routine projects is outlined below:

Non-Routine Projects	Anticipated
<ul style="list-style-type: none"> ▪ Retirement Benefit Funding Policy 	Summer 2024
<ul style="list-style-type: none"> ▪ Member Debit Card Program 	December 2024
<ul style="list-style-type: none"> ▪ Retiree Healthcare Lifetime Maximum Benefit 	Ongoing
<ul style="list-style-type: none"> ▪ State Street Bank, Cash Manager to eCash Flow Module 	Ongoing
<ul style="list-style-type: none"> ▪ Enterprise Resource Planning (ERP) Tool, Preliminary Assessment 	TBD

Training Goals and Objectives

Budgeted funds allocated to staff training and development align with LACERA’s Strategic Priority 3: Investing in People, to recruit, motivate, hire, and retain a highly engaged and skilled workforce. LACERA is committed to providing staff with training to meet the requirements for those with certifications and to enhance the skills and knowledge of staff.

FASD managers and supervisors continuously evaluate and define staff training needs. Currently, 27 percent of FASD staff members hold a Certified Public Accountant (CPA) license. CPAs must attend qualifying training courses to meet the California State Board of Accountancy continuing professional education (CPE) reporting requirements of 20 to 40 hours every year.

All other staff are encouraged to obtain at least 10 hours of accounting-related training annually to keep current with changes in the accounting profession. Staff may attend relevant courses that cover topics such as: pension funding financial reporting, Governmental Accounting Standards Board (GASB) pronouncements, government accounting, other financial accounting courses, or ethics and fraud topics. In addition, FASD requires new and recently promoted staff members to attend the required training.

LACERA offers staff a variety of training resources, including webinars and online workshops; one or multiday in-person local conferences; and some educational and networking conferences that require travel outside of the Los Angeles area.

FASD leverages training and registration funding provided for represented staff via the negotiated Memorandum of Understanding (MOU). We are maintaining a budget of \$7,000 for training and registration, which includes funding for a CPA review course (including materials) for one staff member who is studying for the CPA exam.

In addition, FASD is requesting \$26,000 for travel-related expenses (air fare, hotel, ground transportation, and per diem) so staff can attend offsite conferences and networking events throughout the country, a decrease of \$300 from FY 2023-24.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.

Adjustments to Permanent Staffing

We are requesting three new Accountant positions be added to FASD's organizational structure in the General Accounting Section, increasing our total budgeted positions from 30 to 33, at an estimated salary cost of \$207,226 annually.

Reporting and Compliance Unit (RCU)

We are requesting to add one additional Accountant position to the Reporting and Compliance Unit. This new position will provide the Unit with an additional staff member to:

- Support building the internal compliance functions of the Unit,
- Be responsible for FASD's role in supporting the Legal Office Ethics and Compliance Officer and the enterprise-wide Ethics and Compliance Program,
- Coordinate and implement any changes to the Retiree Healthcare Program that the County of Los Angeles is currently considering, and
- Assist in implementing new GASB Statement No. 101, *Compensated Absences*, effective for LACERA's June 30, 2025 financial statements.

The RCU is responsible for completing recurring financial statement and actuarial reporting projects that demand year-round management. The RCU also assists FASD management and the Executive Office on various ad-hoc requests and special projects. These tasks have demanded the RCU's current resources, and new compliance and policy development functions have not yet been fully developed. This additional position will help expand the role of the unit.

Reconciliation Unit

We are requesting to add one additional Accountant position to the Reconciliation Unit. This new position will provide a staff member dedicated to the payment recovery duties and overpayment monitoring functions, which were included in the previous structure but changed due to FASD's focus on actuarial consulting assignments.

Overpayment cases have increased 312 percent from about 450 to 1,400 over the last decade and, correspondingly, the Reconciliation Unit's daily accounting activities have increased 225 percent over the last two decades.

The additional Accountant position requested for the Reconciliation Unit will focus on the core and potential additional duties of the Unit, which include:

- Dedicated personnel for payment recovery duties, which will use a new payment recovery monitoring system that will be implemented in the upcoming fiscal year
- Additional responsibilities to seek and recover overpayments, and account for appropriate interest as part of the revised Recovery Policy
- Process future workloads, including support for the Member Prepaid Card Program
- Provide support for the Retiree Healthcare Division for any upcoming plan structure changes to the OPEB Program and OPEB Trust

During FY 2023-24, FASD utilized a temporary staff member, in addition to the staff permanently assigned, to complete the Reconciliation Unit's workload. The unit was able to absorb multiple special projects that involved member check mailing delays and the FiServ data breach with State Street Bank.

Disbursements Unit

We are requesting to add one additional Accountant position to the Disbursements Unit. This new position will allow the unit to balance the workload, provide opportunity to establish succession planning, and provide for process improvement and cross-training over multiple workstreams. By adding this Accountant, staff will be able to analyze different work processes to reallocate amongst a larger team and distribute workloads. The Disbursements Unit has traditionally had a high workload volume, wide scope of work, and conducts processes that are significant to the organization (e.g., payment processing and tax filings). Some processes continue to be done based on legacy methods and procedures.

The new Accountant will provide the capacity for each staff member to work with the Senior Accountant and the Accounting Officer I on special projects to modernize the unit through analyzing workstreams, identifying improvements, and carrying out the implementation. Areas identified for additional focus include:

- Continue supporting member-facing operations by keeping the daily member check printing schedule to expedite benefit payments
- Transitioning the Corporate Credit Card Program from its independent platform to utilize the same workflow and platform as the newly implemented automated AP system
- Improving the travel booking and expense approval and workflow processes, including the implementation of a new system
- Partnering with Systems to link Workspace and the ERP system to transform transactions into accounting feeds
- Supporting the Retiree Healthcare Division and any upcoming changes to the OPEB Program

In FY 2023-24, FASD utilized a temporary staff, in addition to the staff permanently assigned, to assist with the workload of the Disbursements Unit.

LACERA has grown in volume and complexity over the last two decades as shown in the table below. However, our staffing levels have not necessarily increased proportionally:

LACERA	20-Years Ago	Today	Approximate Growth
Fiduciary Net Position (Net Assets)	\$26 billion	\$77 billion	196%
Membership	141,000	190,000	35%
Operating Budget	\$43 million	\$135 million	214%
LACERA Staff	250	500	100%
ACFR Pages	96	176	83%
Governmental Accounting Standards Board (GASB) Pronouncements	34	102	200%
OPEB Program Employer Reporting	1	7	700%
General Accounting Section Staff	11	15	36%*

*There have been changes to the organizational structure within the General Accounting Section, such as moving existing staff from one unit to another, as well as reassigning one Accountant from the Investment Accounting Section to address a consultant's recommendation. One new budgeted position, Accounting Officer II, has been added to the General Accounting Section in the last 20 years. The new position was then reclassified to an Accountant as recommended in the Classification Study. For this FY 2023-24, we have been using two temporary staff to meet the current workload demands. These temporary staff are assigned to our Reconciliation and Disbursements Unit in addition to our budgeted positions, all of which are currently filled.

Additional staffing will allow us to fill resource gaps and better absorb any additional projects and strategic initiatives. We believe the core accounting and reporting responsibilities of the Division have been taken care of but the administrative and tactical efforts to improve processes can be better addressed.

Temporary Staffing

Over the past three fiscal years, FASD's budget has included eight to 10 temporary staff positions to help with chronic vacancies. For FY 2024-25, six temporary positions are requested as follows:

- Three at the Accountant level, in the General Accounting Section
- Two at the Accountant level in the Investment Accounting Section
- One Senior Administrative Assistant

Although vacancies levels have been reduced dramatically, we currently have four vacant staff positions filled with temporary staff. Upon Board of Supervisors approval of the Classification Study, estimated in April 2024, Human Resources will need to open a series of exams to for the newly created classifications. The temporary staff requested are needed to complete the current workload assigned to vacant positions until these exams can be completed and permanent staffing placed. The new classification of Investment Accountant is expected to help attract staff with the required experience for these more specialized and technical positions. Once filled, we expect to reduce the use of temporary staff further, while maintaining some flexibility to account for unanticipated staff attrition.

Overtime Needs

The overtime budget of \$62,800 reflects a decrease of \$1,900 due to improved staffing levels and operational efficiency.

Overtime is used every year to manage the additional workload related to the annual financial statement preparation and external audit process, which is the basis for preparing LACERA's Annual Comprehensive Financial Report (ACFR) and Popular Annual Financial Report (PAFR). In addition, staff incur overtime when preparing memos and materials to meet Board deadlines for presenting actuarial and financial reports. The overtime budget also allows for additional workload due to unforeseen special projects.

Interns

FASD does not anticipate any use of interns in FY 2024-25.

Rehired Retirees

FASD does not anticipate any use of rehired retirees in FY 2024-25.

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

Removal of One-Time Expenditures

FASD has no anticipated one-time expenditures for FY 2024-25.

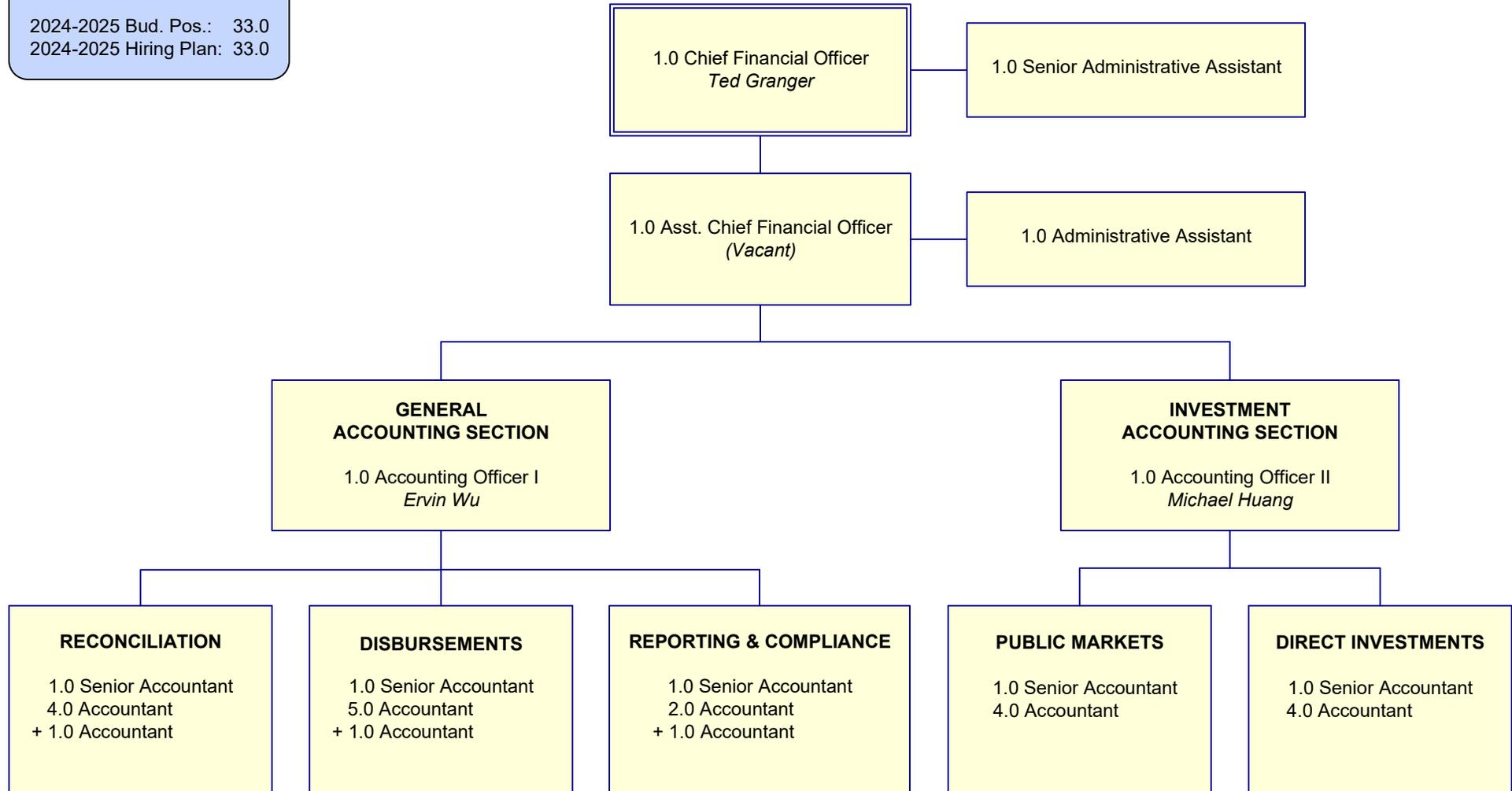
Services and Supplies Adjustments

For FY 2024-25, there are no significant changes to the FASD services and supplies budget. The budget remains status quo with only a slight decrease in travel to reflect the anticipated cost for staff travel for training.

FINANCIAL AND ACCOUNTING SERVICES DIVISION

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.: 30.0
 2023-2024 Hiring Plan: 30.0
 2024-2025 Bud. Pos.: 33.0
 2024-2025 Hiring Plan: 33.0



+ Added position

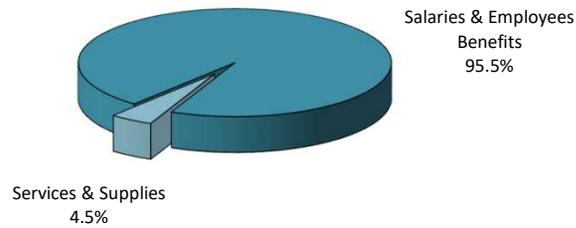
* Classification study for all Accounting positions finalized and approved by LACERA Board of Retirement on 12/7/22 and Board of Investments on 12/14/22 (Pending Board of Supervisors' approval).

LACERA
FISCAL YEAR 2024-2025
BUDGET SUMMARY

FINANCIAL AND ACCOUNTING SERVICES

	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET		
	PROPOSED BUDGET 2024-2025	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(01-31-24)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$5,405,426	\$5,435,438	\$2,405,152	\$4,781,400	(\$654,038)	-12.0%	(\$30,012)	-0.6%
Services & Supplies	253,000	253,300	128,924	226,800	(26,500)	-10.5%	(300)	-0.1%
OPERATING BUDGET	\$5,658,426	\$5,688,738	\$2,534,075	\$5,008,200	(\$680,538)	-12.0%	(\$30,312)	-0.5%

2024 -2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2024-2025
SALARIES AND EMPLOYEE BENEFITS SUMMARY

FINANCIAL AND ACCOUNTING SERVICES

	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$3,017,068	\$2,752,536	\$1,300,481	\$2,640,000	(\$112,536)	-4.1%	\$264,532	9.6%
Total Agency Temp Salaries	482,500	776,700	297,706	510,400	(266,300)	-34.3%	(294,200)	-37.9%
Employee Benefits (Variable)	1,527,291	1,547,804	641,947	1,303,500	(244,304)	-15.8%	(20,513)	-1.3%
Employee Benefits (Other)	179,562	176,424	70,460	143,100	(33,324)	-18.9%	3,138	1.8%
OPEB Contribution	116,704	97,774	50,325	102,200	4,426	4.5%	18,930	19.4%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	62,800	64,700	36,777	74,700	10,000	15.5%	(1,900)	-2.9%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	12,000	12,000	7,455	7,500	(4,500)	-37.5%	0	0.0%
Rideshare Allowance	7,500	7,500	0	0	(7,500)	-100.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$5,405,426	\$5,435,438	\$2,405,152	\$4,781,400	(\$654,038)	-12.0%	(\$30,012)	-0.6%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$5,405,426	\$5,435,438	\$2,405,152	\$4,781,400	(\$654,038)	-12.0%	(\$30,012)	-0.6%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA
FISCAL YEAR 2024-2025
BUDGET POSITIONS

FINANCIAL AND ACCOUNTING SERVICES

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0800	CHIEF FINANCIAL OFFICER, LACERA	1	LS12
0418	ACCOUNTING OFFICER II, LACERA	1	108L
0417	ACCOUNTING OFFICER I, LACERA	1	105D
0416	SENIOR ACCOUNTANT, LACERA	5	100K
0415	ACCOUNTANT, LACERA	17	096H
0438	ADMINISTRATIVE ASSISTANT, LACERA	1	087K
Total Filled Positions =		26	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0799	ASSISTANT CHIEF FINANCIAL OFFICER, LACERA	1	LS10
0439	SENIOR ADMINISTRATIVE ASSISTANT, LACERA	1	094B
0415	ACCOUNTANT, LACERA	5	096H
Total Vacant Positions =		7	
TOTAL POSITIONS =		33	

Non-Represented positions shown in black.
 Represented positions shown in blue.
 Salary schedule as of 01/01/2024.

LACERA

FISCAL YEAR 2024-2025

SERVICES & SUPPLIES ACCOUNT SUMMARY

FINANCIAL AND ACCOUNTING SERVICES

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		BUDGET	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE
			(01-31-24)	PROJECTION	BUDGET	% CHANGE		
TRANSPORTATION & TRAVEL	\$29,000	\$29,300	\$5,912	\$14,500	(\$14,800)	-50.5%	(\$300)	-1.0%
OFFICE SUPPLIES & EQUIPMENT	6,000	6,000	451	800	(5,200)	-86.7%	0	0.0%
BANK SERVICES	200,000	200,000	114,271	195,900	(4,100)	-2.1%	0	0.0%
EDUCATIONAL EXPENSES	16,000	16,000	8,040	13,600	(2,400)	-15.0%	0	0.0%
MISCELLANEOUS	2,000	2,000	250	2,000	0	0.0%	0	0.0%
TOTAL	\$253,000	\$253,300	\$128,924	\$226,800	(\$26,500)	-10.5%	(\$300)	-0.1%

*All amounts rounded to the nearest dollar.

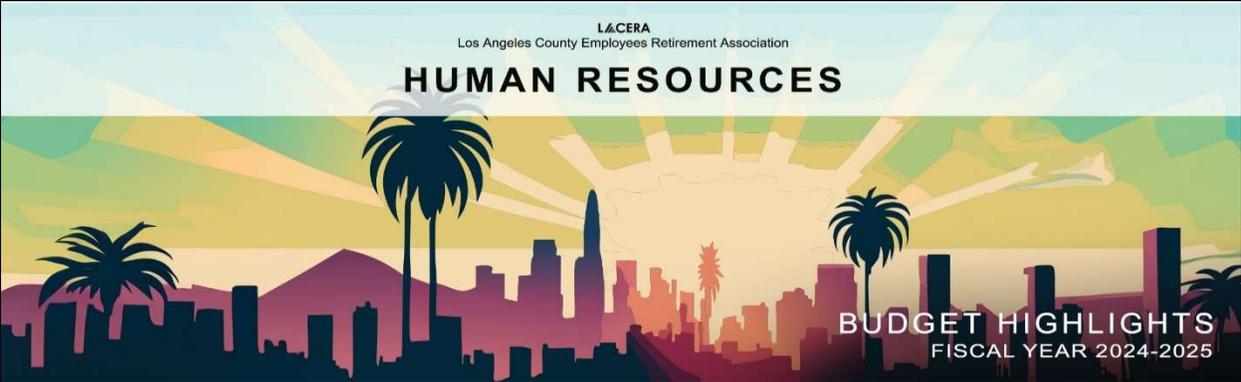
FINANCIAL AND ACCOUNTING SERVICES

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

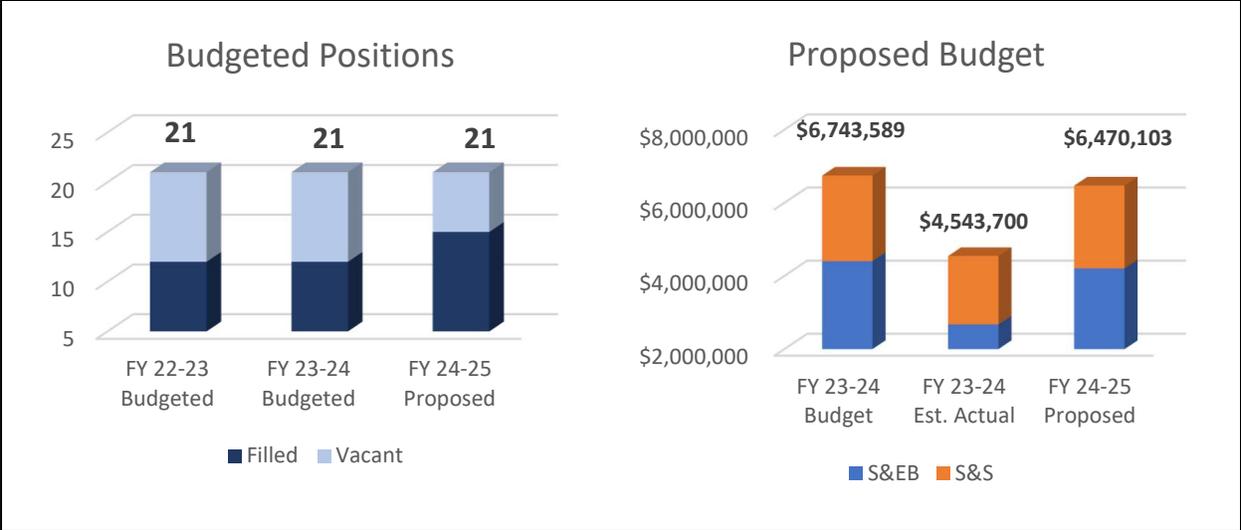
	FYE 2023		FYE 2024		Proposed Budget
	Budget	Actual	Budget	Projection	
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$2,220,717	\$2,113,087	\$2,752,536	\$2,640,000	\$3,017,068
Total Agency Temp Salaries	778,100	485,257	776,700	510,400	482,500
Employee Benefits (Variable)	1,366,535	1,077,192	1,547,804	1,303,500	1,527,291
Employee Benefits (Other)	148,317	135,473	176,424	143,100	179,562
OPEB Contribution	78,710	78,207	97,774	102,200	116,704
OPEB Contribution (Budget Surplus)	0	78,710	0	0	0
Stipends	0	0	0	0	0
Overtime	65,300	45,783	64,700	74,700	62,800
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	12,000	6,200	12,000	7,500	12,000
Rideshare Allowance	7,500	80	7,500	0	7,500
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Transportation & Travel	21,800	7,473	29,300	14,500	29,000
Office Supplies & Equipment	5,000	2,338	6,000	800	6,000
Bank Services	200,500	177,789	200,000	195,900	200,000
Educational Expenses	19,000	10,205	16,000	13,600	16,000
Miscellaneous	3,000	0	2,000	2,000	2,000
TOTAL OPERATING BUDGET	\$4,926,478	\$4,217,794	\$5,688,738	\$5,008,200	\$5,658,426

*All amounts rounded to the nearest dollar.



FY 2024-25 Proposed Budget

The Human Resources (HR) Division is responsible for providing high quality human resource programs and services to all LACERA employees, supervisors, and managers consistent with LACERA’s values of accountability, collaboration, inclusivity, innovation, integrity, and transparency. Our work includes recruitment, selection, performance and workforce management, classification, compensation, employee and organizational development, employee payroll and benefits, employee relations, labor negotiations, workplace investigations, workers’ compensation, career planning and development, leave management, and disability compliance management.



Summary of Significant Changes:

<u>Description</u>	<u>Position Changes</u>	<u>Amount</u>
• Agency Temporary		(\$88,500)
• Organizational Programs		(\$150,000)
• Departmental Training		\$170,000
• Computer Services and Support		\$100,000
• Recruitment		(\$215,000)
• Security Services – Sheriff transferred to Administrative Services		(\$16,000)

The Impact Team was carved out in the Human Resources organizational chart using existing positions. The two-Analyst group is tasked with special projects, administering organization-wide policy-based programs, expediting special requests, and assisting with the execution of the strategic plan. Since these duties don't clearly fall within the other established units, the Impact Team stands alone.

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

HR continues to work toward decreasing the 20 percent vacancy rate by facilitating the hiring of new staff members. From July 2023 to March 2024, the division promulgated 16 eligible lists/registers. In that same period, there were 27 hiring actions—11 promotions and 16 new hires. By executing the hiring plan, HR directly supports all divisions in decreasing their individual vacancy rates. Additionally, the hiring and promotion of staff members supports the “Investing in People” strategic priority goal. These accomplishments directly support LACERA’s goal to “attract, motivate, hire, and retain a highly engaged and skilled workforce.”

In response to LACERA’s approved strategic plan, HR staff members completed virtual and in-person professional development focused on job analysis methodology, labor relations, compensation strategies, workforce development, and culture-improving programs.

This year HR facilitated the implementation of two outstanding classification studies for the Document Processing, Staff Assistant, and Disability Retirement classification families. With the implementation of these the classification study recommendations, LACERA has no pending classification studies outstanding.

HR completed two projects led by the Systems Division Project Management Office. HR completed scanning personnel records for LACERA’s out-of-service and active staff members in December 2023 and implemented the HR Service Delivery Model in Service Now in October 2023. Through the end of FY 2023-24, HR will expand the use of its current systems to improve and simplify the hiring and onboarding processes, attract competitive candidates, and provide an improved applicant experience. These items are part of the strategic plan Objective 3.3 workplan.

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

The budget reflects a proposed increase for HR staff members to travel to and attend in-person professional development. New and existing staff members will need to complete platform-specific training as the division expands the use of platforms that support an enhanced applicant experience, more streamlined performance management, and new-hire onboarding. New staff members may also need to refresh skills to maximize

performance and impact at LACERA. There is a foundational list of training for staff members in each of HR's three units that new staff members must complete within the first year of hire, and existing staff members may need to take as a refresher. The increase related to professional development is reflected in the Registration Fees budget.

During the next fiscal year HR will implement various strategies, systems/platform, and programs in support of strategic plan's Objective 3.3. We are calling this an *improved candidate experience* consistent with the language used in the "Superior Member Experience" strategic priority goal related to an improved member experience and retiree healthcare experience. Specific revisions and improvements will be made to the processes that occur from the time a division wants to fill a vacancy through the end of a new staff member's probationary period.

In addition to the workplan related to Objective 3.3, during FY 23-2024 HR will begin to execute the workplan associated with Objective 3.2, related to training and development programs. Although the workplan will not begin until 2025, we anticipate new programs and initiatives to encourage employee growth and development. As LACERA grows into a \$100 billion fund, staff members must also grow. Mentoring, the Leadership Pipeline, professional coaching, supervisory and management educational tracks, and an improved performance evaluation mechanism will support employee growth.

HR efforts that will start in FY 2024 and will continue through FY 2025 include completion and implementation of the Investments job family classification study, Retiree Healthcare classification study, and labor negotiations. Of course, there will also be a sustained effort to continue decreasing the organization's vacancy rate.

Through FY 2025, LACERA will roll out the IDEA initiative—a comprehensive diversity, equity, inclusion, accessibility and belonging (DEIAB) program. For the first time, the education and training related to DEIAB have been added to the HR budget. The training component is part of the implementation of the DEIAB program, as specified in strategic Objective 3.1. The increase related to DEIAB is reflected in the Departmental Training budget.

From July through December 2024, LACERA will be engaged in the collective bargaining process with SEIU to negotiate successor agreements for bargaining units 850 and 851. This is a major undertaking that directly impacts approximately half of LACERA's staff members. As always, the goal is to agree on a clear and fair contract.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of

Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.

Adjustments to Permanent Staffing

HR is not requesting any adjustments to permanent staff for FY 2024-25.

Temporary Staffing

HR completed the personnel file scanning project in December 2023 with the use of two Senior Human Resources Assistant temporary staff members. With the completion of the project, the temporary staff is no longer needed. Additionally, HR used an agency temporary staff member to replace a permanent staff member who was on long-term leave. Since the permanent staff member returned to work in December 2023, a replacement is no longer needed. Therefore, there is a decrease in the HR's temporary staffing budget from \$139,000 to \$50,500. (The FY 2024-25 budget should only include funding for one Sr. HR Assistant for six months.)

Overtime Needs

HR requests overtime funds for overtime-earning staff members. These funds are in anticipation of completing time-sensitive functions related to payroll, assignment processing, onboarding, and tight deadlines for high-priority recruitments.

Interns

Human Resources Division is requesting one Intern to work in the Employee and Organizational Development Unit. The Intern will work on completing remaining work on organization-wide career paths and support Objective 3.2 programs.

The HR budget includes the overall Intern budget. The Intern program is part of LACERA's DEIAB, TIDE, and succession planning programs—all parts of the "Investing In People" strategic priority. LACERA is requesting 15 Interns for use throughout the organization to work on the following special projects:

- Administrative Services: one intern to assist with a comprehensive records management project
- Communications: one intern to outline a specified social media platform rollout
- Information Security Office: one intern to work on knowledge management and the implementation of the security program projects
- Executive Office: one intern to assist with communications projects
- Investment Office: two budgeted interns and two additional interns to assist with performance attribution, market research, and investment analysis
- Legal Office: two law student interns

- Quality Assurance: one intern to assist with data consolidation in association with the annual CEM benchmarking report
- Systems: three interns to assist in Business Solutions, Infrastructure, and Project Management; and projects in workflow automation, the on-site data center, and the data lake
- Retiree Healthcare: one intern to assist in automating quality metrics.

Overall, these projects will provide students with paid, hands-on experience that increases their professional preparedness.

Rehired Retirees

HR is not requesting the use of any retired rehires in FY 2024-25.

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

Removal of One-Time Expenditures

One-time expenses related to the use of executive recruiters have been removed. A discussion is needed regarding the removal of NeoGov-related expenses from the HR budget to the Systems budget.

Services and Supplies Adjustments

Organization Programs

Organizational Programs is decreasing from \$200,000 to \$50,000. The \$150,000 decrease is due to the expired Fulgent contract.

Department Training

Departmental Training is increasing from \$250,000 to \$420,000. An anticipated \$100,000 increase is due to Executive/Management coaching being paid centrally from HR instead of from the division's budget. Payment for three coaching engagements starting in FY 2024 will be due in FY 2025. Additionally, there is an increase of \$70,000 for DEIAB training and consulting services.

Computer Services and Support

Computer Services and Support will now include a consolidated cost of NeoGov (GovernmentJobs.com) services that was previously distributed across the Misc Software Packages and Recruitment budget. This, in addition to other miscellaneous software (e.g., County LMS maintenance and support, Udemy), results in an amount of \$150,000.

Recruitment

A Recruitment decrease from \$465,000 to \$250,000 is in anticipation of moving the costs of NeoGov to Misc Software Packages, as described above. At this time, there are no

anticipated executive recruitment engagements for FY 2024-25, as LACERA HR decreases its reliance on outside recruiters. The budget will be used for advertising and payment for online exams.

Security Services: Sheriff

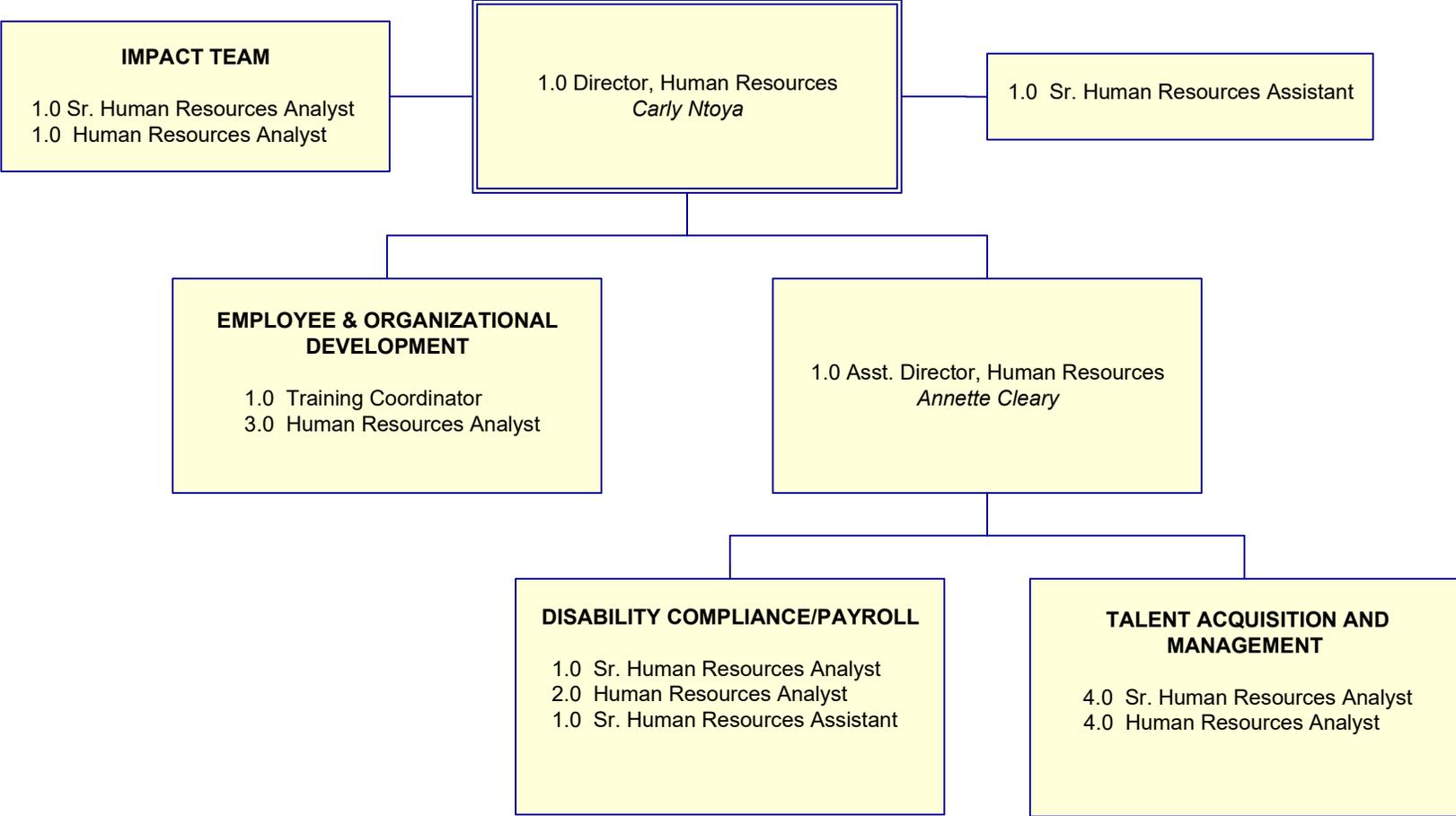
The Security Services: Sheriff budget has been removed from the HR budget and transferred to the Administrative Services budget.

HUMAN RESOURCES

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.: 21.0
2023-2024 Hiring Plan: 21.0

2024-2025 Bud. Pos.: 21.0
2024-2025 Hiring Plan: 21.0

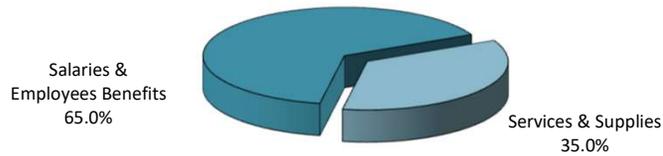


LACERA
FISCAL YEAR 2024-2025
BUDGET SUMMARY

HUMAN RESOURCES

	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET		
	PROPOSED BUDGET 2024-2025	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(01-31-24)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$4,206,103	\$4,403,989	\$1,374,759	\$2,674,000	(\$1,729,989)	-39.3%	(\$197,886)	-4.5%
Services & Supplies	2,264,000	2,339,600	921,732	1,869,700	(469,900)	-20.1%	(75,600)	-3.2%
OPERATING BUDGET	\$6,470,103	\$6,743,589	\$2,296,491	\$4,543,700	(\$2,199,889)	-32.6%	(\$273,486)	-4.1%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2024-2025
SALARIES AND EMPLOYEE BENEFITS SUMMARY

HUMAN RESOURCES

	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$2,267,708	\$2,200,574	\$692,452	\$1,405,700	(\$794,874)	-36.1%	\$67,134	3.1%
Total Agency Temp Salaries	50,500	139,000	122,900	140,000	1,000	0.7%	(88,500)	-63.7%
LACERA Intern Program	336,000	288,000	6,016	12,300	(275,700)	-95.7%	48,000	16.7%
Employee Benefits (Variable)	1,315,694	1,550,802	445,329	904,500	(646,302)	-41.7%	(235,108)	-15.2%
Employee Benefits (Other)	138,187	141,046	56,011	113,800	(27,246)	-19.3%	(2,859)	-2.0%
OPEB Contribution	89,813	78,167	40,233	81,700	3,533	4.5%	11,646	14.9%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	6,500	4,700	11,817	16,000	11,300	240.4%	1,800	38.3%
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	\$4,206,103	\$4,403,989	\$1,374,759	\$2,674,000	(\$1,729,989)	-39.3%	(\$197,886)	-4.5%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$4,206,103	\$4,403,989	\$1,374,759	\$2,674,000	(\$1,729,989)	-39.3%	(\$197,886)	-4.5%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA
FISCAL YEAR 2024-2025
BUDGET POSITIONS

HUMAN RESOURCES

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0425	DIRECTOR, HUMAN RESOURCES, LACERA	1	LS12
0437	ASSISTANT DIRECTOR, HUMAN RESOURCES, LACERA	1	LS10
0436	SENIOR HUMAN RESOURCES ANALYST, LACERA	5	106F
1886	TRAINING COORDINATOR, LACERA	1	106E
0434	HUMAN RESOURCES ANALYST, LACERA	5	102F
0435	SENIOR HUMAN RESOURCES ASSISTANT, LACERA	2	095H
Total Filled Positions =		15	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0435	SENIOR HUMAN RESOURCES ANALYST, LACERA	1	106F
0436	HUMAN RESOURCES ANALYST, LACERA	5	102F
Total Vacant Positions =		6	
TOTAL POSITIONS =		21	

Non-Represented positions shown in black.
 Represented positions shown in blue.
 Salary schedule as of 01/01/2024.

LACERA
FISCAL YEAR 2024-2025
SERVICES & SUPPLIES ACCOUNT SUMMARY

HUMAN RESOURCES

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE		
TRANSPORTATION & TRAVEL	\$16,200	\$10,800	\$943	\$5,500	(\$5,300)	-49.1%	\$5,400	50.0%
OFFICE SUPPLIES & EQUIPMENT	3,000	3,000	659	3,000	0	0.0%	0	0.0%
PARKING FEES	517,000	482,000	308,897	529,600	47,600	9.9%	35,000	7.3%
PROFESSIONAL & SPEC. SRVCS.	577,300	788,300	174,278	426,100	(362,200)	-45.9%	(211,000)	-26.8%
COMPUTER SERVICES & SUPPORT	150,000	50,000	9,718	25,000	(25,000)	-50.0%	100,000	200.0%
EDUCATIONAL EXPENSES	719,000	509,000	89,429	307,000	(202,000)	-39.7%	210,000	41.3%
MISCELLANEOUS	281,500	496,500	337,807	573,500	77,000	15.5%	(215,000)	-43.3%
TOTAL	\$2,264,000	\$2,339,600	\$921,732	\$1,869,700	(\$469,900)	-20.1%	(\$75,600)	-3.2%

*All amounts rounded to the nearest dollar.

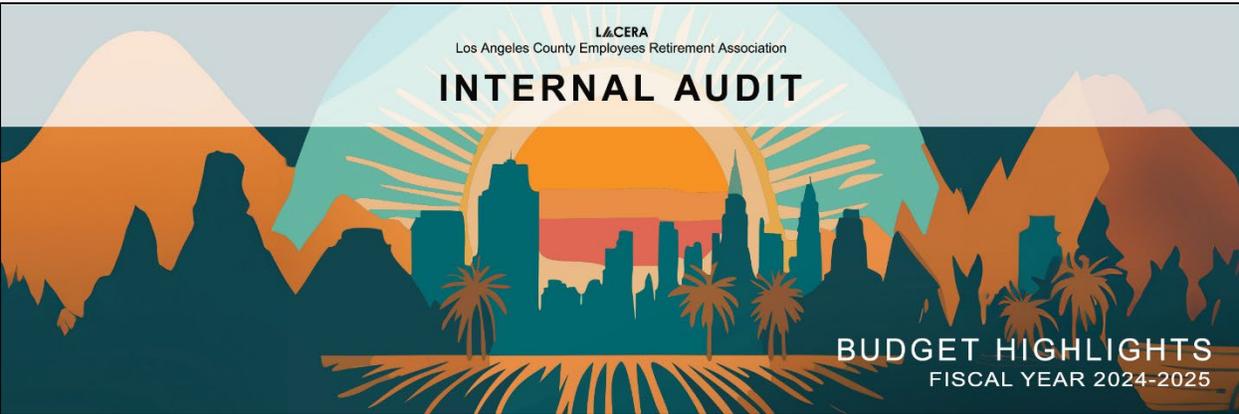
HUMAN RESOURCES

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$1,797,569	\$1,268,276	\$2,200,574	\$1,405,700	\$2,267,708
Total Agency Temp Salaries	144,300	137,617	139,000	140,000	50,500
LACERA Intern Program	288,000	7,646	288,000	12,300	336,000
Employee Benefits (Variable)	1,199,476	784,243	1,550,802	904,500	1,315,694
Employee Benefits (Other)	123,142	111,084	141,046	113,800	138,187
OPEB Contribution	65,350	64,932	78,167	81,700	89,813
OPEB Contribution (Budget Surplus)	0	65,350	0	0	0
Stipends	0	0	0	0	0
Overtime	3,800	18,840	4,700	16,000	6,500
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	0	0	0	0	0
Rideshare Allowance	1,700	0	1,700	0	1,700
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Transportation & Travel	9,400	6,021	10,800	5,500	16,200
Office Supplies & Equipment	7,000	3,533	3,000	3,000	3,000
Parking Fees	437,000	456,055	482,000	529,600	517,000
Professional & Specialized Services	675,800	329,238	788,300	426,100	577,300
Computer Services & Support	55,000	75,175	50,000	25,000	150,000
Educational Expenses	509,000	96,019	509,000	307,000	719,000
Miscellaneous	523,000	474,245	496,500	573,500	281,500
TOTAL OPERATING BUDGET	\$5,839,537	\$3,898,275	\$6,743,589	\$4,543,700	\$6,470,103

*All amounts rounded to the nearest dollar.



The Internal Audit (IA) Division enhances and protects LACERA's values by providing independent risk-based and objective assurance, consulting, and advisory services designed to add value and improve LACERA's operations. Internal Audit helps the organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes. Work is performed in conformance with the Institute of Internal Auditors (IIA) standards. Internal Audit communicates engagement results, findings, and recommendations regularly to the Audit Committee of the Boards.



Summary of Significant Changes

Description	Position Changes	Amount
<ul style="list-style-type: none"> Audit Committee Consultant 		\$25,000

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

Completion of the 2023-24 fiscal year Audit Plan, including the following significant engagements:

- Consulting on Records and Information (RIM)
- Consulting on Internal Controls over Financial Reporting – Cash and Treasury
- Audit of Replacement Benefit Plan (415(b))
- Audit of Procurement of Goods
- Review of One Meeting
- Consulting on Organizational Culture
- Collaborated with the Investments Office on the RFP for the actuarial consultant and auditor
- Collaborated with various stakeholders across the organization on the RFP for organizational governance software
- Obtained IIA COSO Enterprise Risk Management (ERM) Certificate for CAE and Principals

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

1. **Develop Internal Audit's Strategic Plan**, which will align with LACERA's overall strategic plan
2. **Complete the FY 2024-25 Audit Plan**, which will align with LACERA's overall strategic plan
3. **Fill vacancies**, aligned with the Investing in People strategic priority. It is essential that Internal Audit's vacancies are filled so that we can address our strategic goals and objectives.
4. **Complete Training and Development requirements**, aligned with the Investing in People strategic priority, which is budgeted against our Education Expenses. Internal Audit requires each staff member to obtain 40 continuing education hours per fiscal year. Internal Audit will use the IIA's Competency Framework to assess each staff member's competencies and divisional competencies, which will determine specific training during the year.
5. **Develop the foundation for Compliance and Enterprise Risk Management (ERM)**

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of

Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.

Adjustments to Permanent Staffing

There are currently eleven budgeted full-time positions in Internal Audit. No additional staff positions are requested currently.

Temporary Staffing

Internal Audit plans to fill all open budget positions. If unsuccessful by the second quarter of the fiscal year, we will consider adding a budget for temporary staffing through the mid-year budget process.

Overtime Needs

Internal Audit requested 40 hours each of overtime for the Senior Administrative Assistant and Internal Auditor positions. The overtime is necessary for the timely completion of Audit Committee meeting materials.

Interns

Internal Audit does not anticipate any use of interns in FY 2024-25.

Rehired Retirees

Internal Audit does not anticipate any use of rehired retirees in FY 2024-25.

If there are remaining vacancies, Internal Audit will consider this option.

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

Removal of One-Time Expenditures

Internal Audit does not have one-time expenditures that need to be removed in the FY 2024-25.

Services and Supplies Adjustments

Audit Committee Consultant

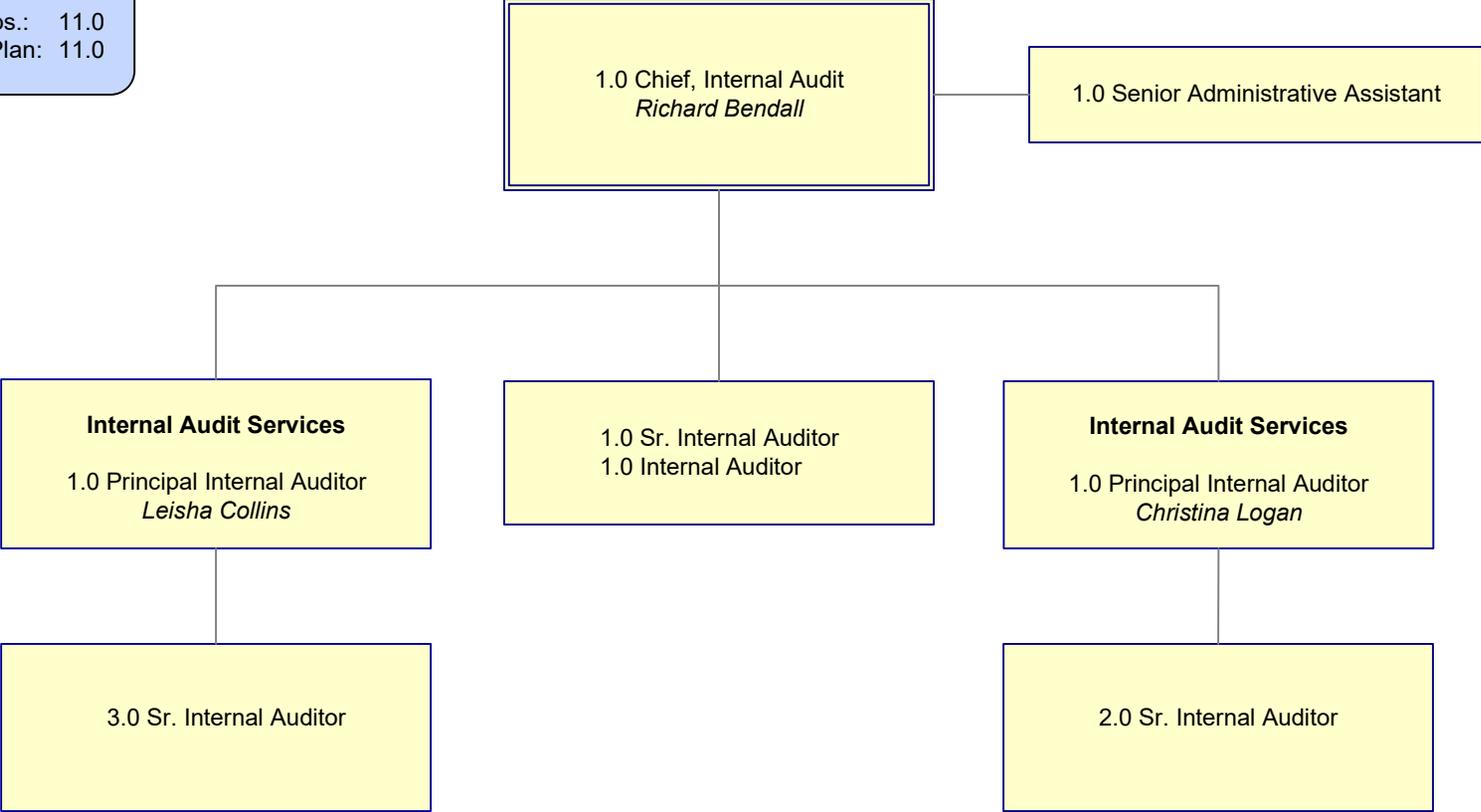
Internal Audit is requesting an additional \$25,000 for the Audit Committee consultant, for a total of \$50,000. Staff anticipates expanding the use of the consultant based on additional expertise in compliance and enterprise risk management.

INTERNAL AUDIT

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.: 11.0
2023-2024 Hiring Plan: 11.0

2024-2025 Bud. Pos.: 11.0
2024-2025 Hiring Plan: 11.0

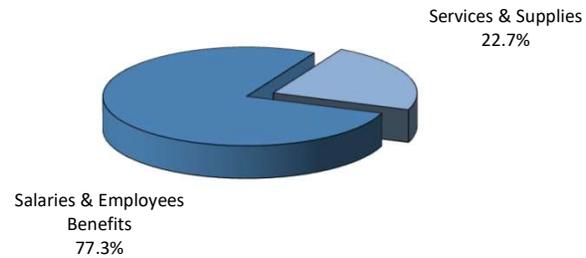


LACERA
FISCAL YEAR 2024-2025
BUDGET SUMMARY

INTERNAL AUDIT

	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET		
	BUDGET	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		(01-31-24)	PROJECTION	BUDGET	% CHANGE			
PROPOSED BUDGET 2024-2025								
Salaries & Employees Benefits	\$2,545,098	\$2,888,948	\$1,260,877	\$2,560,100	(\$328,848)	-11.4%	(\$343,850)	-11.9%
Services & Supplies	749,200	724,200	257,238	453,800	(\$270,400)	-37.3%	25,000	3.5%
OPERATING BUDGET	\$3,294,298	\$3,613,148	\$1,518,115	\$3,013,900	(\$599,248)	-16.6%	(\$318,850)	-8.8%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2024-2025
SALARIES AND EMPLOYEE BENEFITS SUMMARY

INTERNAL AUDIT

	PROPOSED BUDGET 2024- 2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$1,557,081	\$1,652,147	\$772,246	\$1,567,700	(\$84,447)	-5.1%	(\$95,067)	-5.8%
Total Agency Temp Salaries	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	824,465	1,065,420	416,373	845,600	(219,820)	-20.6%	(240,955)	-22.6%
Employee Benefits (Other)	94,884	105,895	42,052	85,400	(20,495)	-19.4%	(11,011)	-10.4%
OPEB Contribution	61,669	58,686	30,206	61,400	2,714	4.6%	2,982	5.1%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	5,500	5,300	0	0	(5,300)	-100.0%	200	3.8%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	0	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	1,500	1,500	0	0	(1,500)	-100.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$2,545,098	\$2,888,948	\$1,260,877	\$2,560,100	(\$328,848)	-11.4%	(\$343,850)	-11.9%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$2,545,098	\$2,888,948	\$1,260,877	\$2,560,100	(\$328,848)	-11.4%	(\$343,850)	-11.9%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA
 FISCAL YEAR 2024-2025
 BUDGET POSITIONS

INTERNAL AUDIT

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0774	CHIEF, INTERNAL AUDIT, LACERA	1	LS12
0762	PRINCIPAL INTERNAL AUDITOR, LACERA	2	118J
0763	SENIOR INTERNAL AUDITOR, LACERA	4	112F
0439	SENIOR SECRETARY, LACERA	1	094B
Total Filled Positions =		8	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0763	SENIOR INTERNAL AUDITOR, LACERA	2	112F
0764	INTERNAL AUDITOR, LACERA	1	106C
Total Vacant Positions =		3	
TOTAL POSITIONS =		11	

Non-Represented positions shown in black.
 Represented positions shown in blue.
 Salary schedule as of 01/01/2024.

LACERA
FISCAL YEAR 2024-2025
SERVICES & SUPPLIES ACCOUNT SUMMARY

INTERNAL AUDIT

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2024- 2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)			
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	\$17,000	\$17,000	\$6,297	\$13,000	(\$4,000)	-23.5%	\$0	0.0%
OFFICE SUPPLIES & EQUIPMENT	1,200	1,200	129	500	(700)	-58.3%	0	0.0%
PROFESSIONAL & SPEC. SRVCS.	700,000	675,000	239,528	421,300	(253,700)	-37.6%	25,000	3.7%
EDUCATIONAL EXPENSES	30,500	30,500	11,284	18,500	(12,000)	-39.3%	0	0.0%
MISCELLANEOUS	500	500	0	500	0	0.0%	0	0.0%
TOTAL	\$749,200	\$724,200	\$257,238	\$453,800	(\$270,400)	-37.3%	\$25,000	3.5%

*All amounts rounded to the nearest dollar.

INTERNAL AUDIT

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

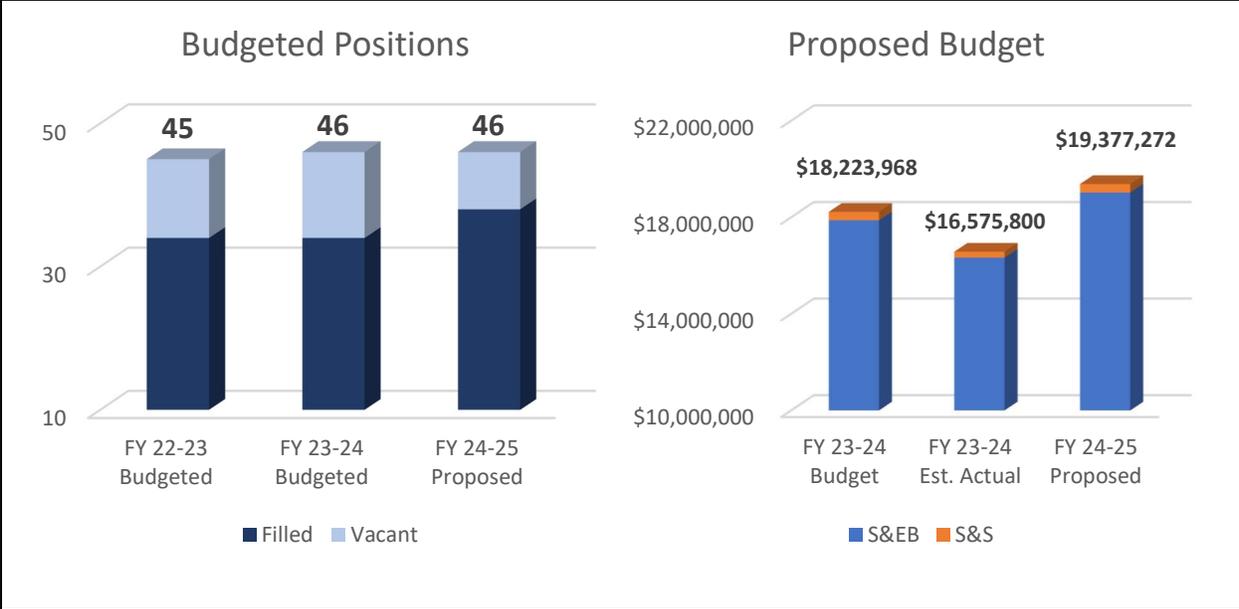
	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$1,590,417	\$1,529,699	\$1,652,147	\$1,567,700	\$1,557,081
Total Agency Temp Salaries	0	0	0	0	0
Employee Benefits (Variable)	1,003,252	832,350	1,065,420	845,600	824,465
Employee Benefits (Other)	93,962	84,761	105,895	85,400	94,884
OPEB Contribution	49,864	49,546	58,686	61,400	61,669
OPEB Contribution (Budget Surplus)	0	49,864	0	0	0
Stipends	0	0	0	0	0
Overtime	5,000	928	5,300	0	5,500
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	0	0	0	0	0
Rideshare Allowance	1,500	0	1,500	0	1,500
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Transportation & Travel	17,000	5,759	17,000	13,000	17,000
Office Supplies & Equipment	1,500	388	1,200	500	1,200
Professional & Spec. Svcs.	675,000	438,980	675,000	421,300	700,000
Educational Expenses	30,500	26,185	30,500	18,500	30,500
Miscellaneous	500	0	500	500	500
TOTAL OPERATING BUDGET	\$3,468,495	\$3,018,459	\$3,613,148	\$3,013,900	\$3,294,298

*All amounts rounded to the nearest dollar.



FY 2024-2025 Proposed Budget

The Investments Office is responsible for prudently investing the trust assets to achieve the highest risk-adjusted return in accordance with the policies and decisions of the Board of Investments. This work includes developing and recommending prudent investment policies and risk management strategies to assist LACERA in achieving the return objectives established by the Board of Investments and implementing and monitoring Board-approved programs and policies, while balancing liquidity needs to ensure timely payment of promised benefits to our members.



Summary of Significant Changes

<u>Description</u>	<u>Position Changes</u>	<u>Amount</u>
• Add 1.0 Finance Analyst II	1	\$139,772
• Delete 1.0 Finance Analyst I	(1)	(\$96,588)

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

In the 2023-24 fiscal year, the division's major accomplishments included the successful ongoing implementation of LACERA's strategic asset allocation and the advancement of the Board's strategic initiatives. This involved optimizing asset returns through structure reviews, monitoring of investments, and enhanced due diligence on new and existing mandates, including operational due diligence. The division continued to integrate ESG and DEI considerations into its total portfolio approach while managing risks to achieve optimal returns. Key initiatives executed included the implementation of the 2021 strategic asset allocation, enhancement of emerging manager programs, and optimization of the OPEB Master Trust. The division also focused on improving risk and performance reporting, deepening the LACERA T.I.D.E. initiative, and fostering cross-asset category collaboration to strengthen investment knowledge and adapt to the challenging macroeconomic environment. The ongoing and future focus includes enhancing operational capabilities, optimizing the investment model, influencing fees, and improving outcomes through ESG and DEI efforts.

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

Through the Board of Investment's approved strategic plan, "Towards Best-In-Class Investor 2024 Strategic Initiatives and Work Plan," the Investments Office focuses on five key strategic initiatives to execute on strategic asset allocation:

- 1) Enhance Operational Effectiveness
- 2) Optimize Investment Model
- 3) Maximize Stewardship and Ownership Rights
- 4) Strengthen Influence on Fees and Cost of Capital
- 5) Promote T.I.D.E. (Towards Inclusion, Diversity, and Equity)

These initiatives aim to improve investment outcomes through careful asset allocation, risk mitigation, and liquidity optimization. The approach emphasizes a principle-based investment strategy, strong governance, effective operations, and the promotion of diversity, equity, and inclusion through LACERA T.I.D.E. This comprehensive strategy aims to safeguard and grow the assets of LACERA members, adapting to an evolving investment landscape by maintaining a dynamic investment program.

The Investments Office places a strong emphasis on training and employee development. This commitment is underscored by allocating an adequate budget for these initiatives. The goal is to ensure that employees have access to the necessary resources and opportunities to enhance their skills and competencies. This includes training on applications, attendance at industry conferences, industry designations, and executive coaching. This investment in staff development is pivotal for adapting to the evolving investment landscape and maintaining a high level of expertise within the team.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

As we approach the FY 2025, it's important to highlight the consistent and stable approach adopted by the Investments Office. This period is characterized by a steadfast adherence to established financial strategies and operational methodologies, ensuring the continued success and sustainability of our investment objectives. Despite the dynamic nature of financial markets, our office remains committed to maintaining this steady course, ensuring that no significant changes are anticipated in our overall fiscal management and investment strategies for the upcoming year.

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.

Adjustments to Permanent Staffing

There was one change to staffing that will impact the budget. The Investments Office upgraded a Finance Analyst I position to a Finance Analyst II position within the Portfolio Analytics group. This is justified by the evolving complexity and increased responsibilities in LACERA's portfolio analysis operations. As LACERA's investment strategies and market analysis become more sophisticated, the role demands a higher level of expertise, analytical skill, and experience. The Finance Analyst II will bring deeper analytical capabilities, lead more complex projects, and provide enhanced insights for decision-making. This elevation aligns with the Board of Investments' strategic goal of enhancing analytical capabilities to support more informed investment decisions, reflecting LACERA's commitment to continual improvement and sophistication in the Fund's portfolio management.

Also, for the FY 2024-25, the Investments Office will focus on filling current vacancies. The Investments Office has 46 budgeted positions and is currently running at a 22 percent vacancy rate. After the vacancy rate is reduced, an effort will be made to align the organizational structure to better meet the objectives of the portfolio.

Temporary Staffing

Investment Office does not anticipate any use of Temporary Staffing in FY 2024-25.

Overtime Needs

For the upcoming FY 2024-25, the Investments Office has decided to retain the existing overtime budget allocation. This decision, despite the lack of necessity for overtime in the previous year, is a strategic measure to ensure preparedness for any unforeseen demands or urgent requirements that may arise. The dynamic nature of investment operations often presents unexpected scenarios requiring immediate attention. By maintaining our overtime budget, we equip ourselves with the flexibility to respond swiftly and effectively to any such exigencies, thereby safeguarding our operational efficiency and investment goals.

Interns

Funding for interns is provided in the Human Resources Division's Budget.

In alignment with the objectives of LACERA T.I.D.E., the Investments Division is committed to continuing its internship program to further our goals in diversity, equity, and inclusion, as well as recruitment. For the FY 2024-25, there will be internship opportunities, offering four positions. This will allow us to provide more students with valuable experience in areas such as performance attribution, market research, and investment analysis. Importantly, this year, the budgetary impact is mitigated as two of these internships are generously sponsored by external organizations committed to diversity and inclusion, reflecting a collaborative effort towards our shared objectives.

Rehired Retirees

The Investments Office does not anticipate any use of rehired retirees in FY 2024-25.

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

Removal of One-Time Expenditures

The Investment Office does not have one-time expenditures that need to be removed in the FY 2024-25.

Services and Supplies Adjustments

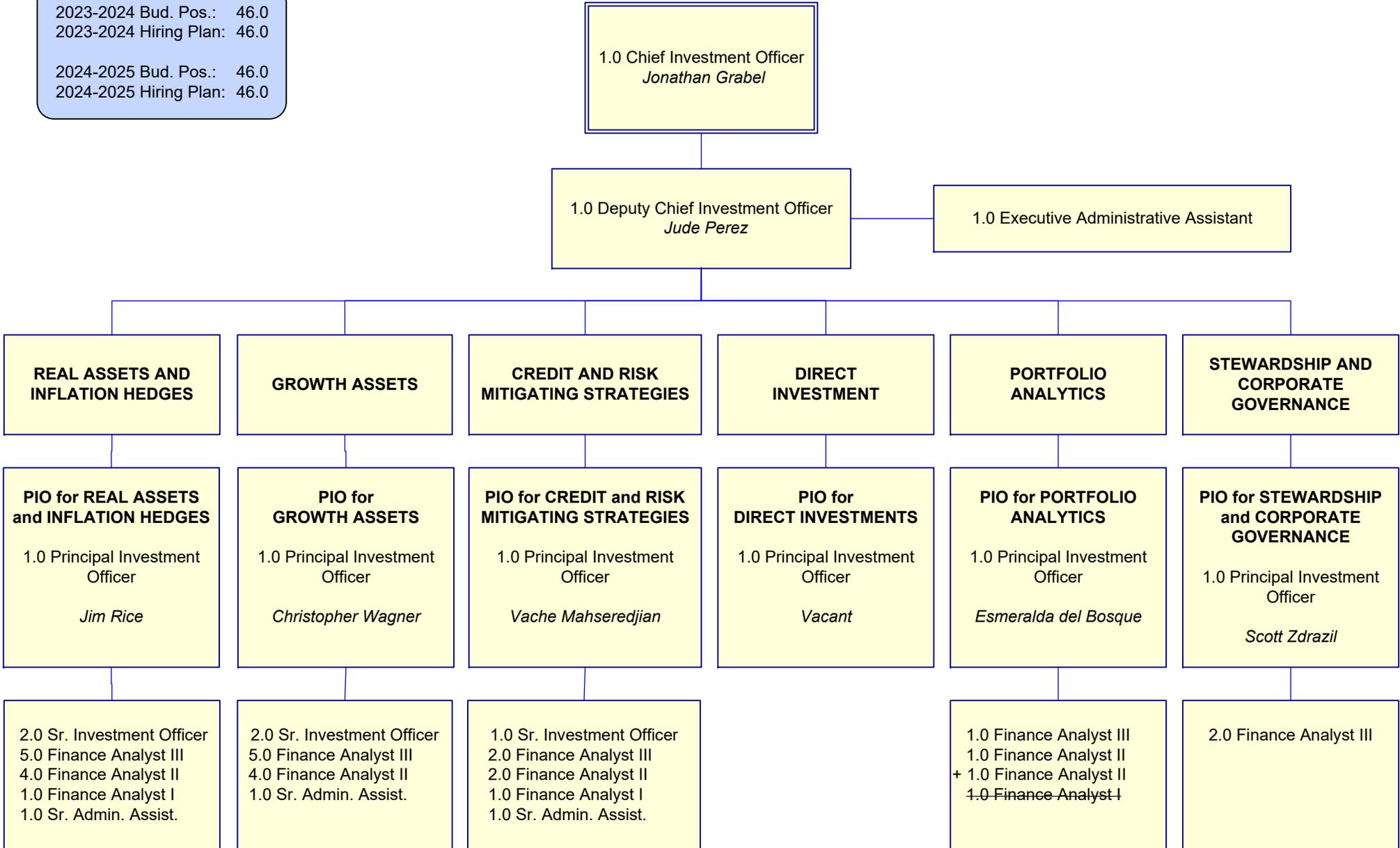
Miscellaneous

For the FY 2024-25, we propose an increase of \$1,000 in the budget for miscellaneous supplies in the Investments Office. This adjustment is primarily due to the transition back to regular office operations, post-pandemic. During the remote working period, expenditure on miscellaneous supplies was significantly reduced. However, with the return to in-office work, there is a renewed need for these supplies, aligning more closely with pre-pandemic levels.

INVESTMENT OFFICE

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.: 46.0
 2023-2024 Hiring Plan: 46.0
 2024-2025 Bud. Pos.: 46.0
 2024-2025 Hiring Plan: 46.0



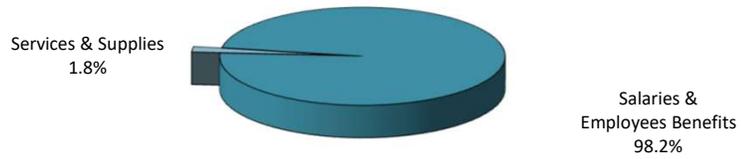
+ Added position
 - Deleted position

LACERA
FISCAL YEAR 2024-2025
BUDGET SUMMARY

INVESTMENT OFFICE

	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET		
	PROPOSED BUDGET 2024-2025	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(01-31-24)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$19,027,772	\$17,875,468	\$8,044,147	\$16,328,500	(\$1,546,968)	-8.65%	\$1,152,304	6.4%
Services & Supplies	349,500	348,500	140,510	247,300	(101,200)	-29.0%	1,000	0.3%
OPERATING BUDGET	\$19,377,272	\$18,223,968	\$8,184,657	\$16,575,800	(\$1,648,168)	-9.0%	\$1,153,304	6.3%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2024-2025
SALARIES AND EMPLOYEE BENEFITS SUMMARY

INVESTMENT OFFICE

	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		BUDGET	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE
			(01-31-24)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$11,643,125	\$10,865,804	\$5,268,351	\$10,694,800	(\$171,004)	-1.6%	\$777,321	7.2%
Total Agency Temp Salaries	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	6,193,834	5,907,050	2,292,718	4,654,400	(1,252,650)	-21.2%	286,784	4.9%
Employee Benefits (Other)	709,489	696,446	276,567	561,500	(134,946)	-19.4%	13,043	1.9%
OPEB Contribution	461,125	385,968	198,711	403,400	17,432	4.5%	75,157	19.5%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	800	800	0	0	(800)	-100.0%	0	0.0%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	0	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	5,000	5,000	0	0	(5,000)	-100.0%	0	0.0%
Transportation Allowance	14,400	14,400	7,800	14,400	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$19,027,772	\$17,875,468	\$8,044,147	\$16,328,500	(\$1,546,968)	-8.7%	\$1,152,304	6.4%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$19,027,772	\$17,875,468	\$8,044,147	\$16,328,500	(\$1,546,968)	-8.7%	\$1,152,304	6.4%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA
FISCAL YEAR 2024-2025
BUDGET POSITIONS

INVESTMENT OFFICE

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0493	CHIEF INVESTMENT OFFICER, LACERA (UC)	1	LR28
0494	DEPUTY, CHIEF INVESTMENT OFFICER, LACERA (UC)	1	LR24
0495	PRINCIPAL INVESTMENT OFFICER, LACERA	2	LR23
0496	PRINCIPAL INVESTMENT OFFICER, LACERA (UC)	3	LR23
0492	SENIOR INVESTMENT OFFICER, LACERA	1	LR20
0769	FINANCE ANALYST III, LACERA	13	LR16
0768	FINANCE ANALYST II, LACERA	12	LR12
0767	FINANCE ANALYST I, LACERA	2	109A
0439	SENIOR ADMINISTRATIVE ASSISTANT, LACERA	3	094B
Total Filled Positions =		38	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0496	PRINCIPAL INVESTMENT OFFICER, LACERA (UC)	1	LR23
0492	SENIOR INVESTMENT OFFICER, LACERA	4	LR20
0769	FINANCE ANALYST III, LACERA	2	LR16
0442	EXECUTIVE ADMINISTRATIVE ASSISTANT, LACERA	1	102C
Total Vacant Positions =		8	
TOTAL POSITIONS =		46	

Non-Represented positions shown in black.
 Represented positions shown in blue.
 Salary schedule as of 01/01/2024.

LACERA
FISCAL YEAR 2024-2025
SERVICES & SUPPLIES ACCOUNT SUMMARY

INVESTMENT OFFICE

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE		
TRANSPORTATION & TRAVEL	219,000	219,000	59,727	130,000	(89,000)	-40.6%	0	0.0%
OFFICE SUPPLIES & EQUIPMENT	3,500	3,500	86	500	(3,000)	-85.7%	0	0.0%
EDUCATIONAL EXPENSES	125,000	125,000	78,944	113,800	(11,200)	-9.0%	0	0.0%
MISCELLANEOUS	2,000	1,000	1,753	3,000	2,000	200.0%	1,000	100.0%
TOTAL	\$349,500	\$348,500	\$140,510	\$247,300	(\$101,200)	-29.0%	\$1,000	0.3%

*All amounts rounded to the nearest dollar.

INVESTMENT OFFICE

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$9,730,713	\$9,126,350	\$10,865,804	\$10,694,800	\$11,643,125
Total Agency Temp Salaries	0	0	0	0	0
Employee Benefits (Variable)	6,277,477	4,130,984	5,907,050	4,654,400	6,193,834
Employee Benefits (Other)	652,582	588,681	696,446	561,500	709,489
OPEB Contribution	346,317	344,025	385,968	403,400	461,125
OPEB Contribution (Budget Surplus)	0	346,317	0	0	0
Stipends	0	0	0	0	0
Overtime	1,000	0	800	0	800
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	0	0	0	0	0
Rideshare Allowance	5,000	0	5,000	0	5,000
Transportation Allowance	7,200	7,200	14,400	14,400	14,400
SERVICES & SUPPLIES					
Auto Expense	2,400	0	0	0	0
Transportation & Travel	175,000	105,780	219,000	130,000	219,000
Office Supplies & Equipment	3,500	159	3,500	500	3,500
Educational Expenses	140,000	93,613	125,000	113,800	125,000
Miscellaneous	1,000	3,625	1,000	3,000	2,000
TOTAL OPERATING BUDGET	\$17,342,188	\$14,746,733	\$18,223,968	\$16,575,800	\$19,377,272

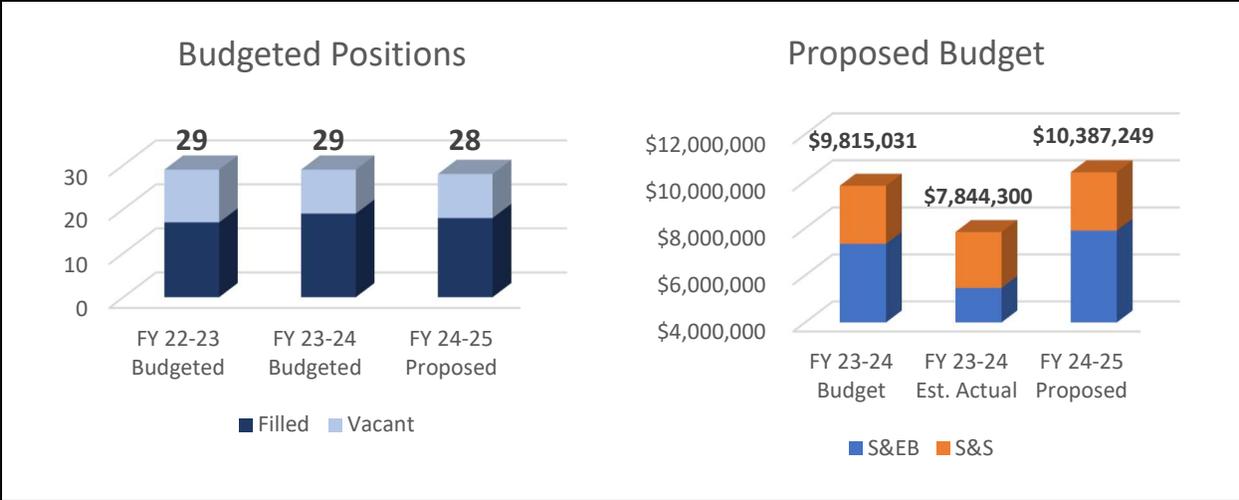
*All amounts rounded to the nearest dollar.



FY 2024-25 Proposed Budget

Legal Services provides comprehensive legal services to LACERA and its Boards and staff. These services are provided through the Chief Counsel and four sections within the office (Benefits, Disability, Investments and Commercial Contracts, and Litigation and Employment). The Office also provides legal support in organizational governance and conflicts.

Legal Services will also provide administrative support to the new Ethics and Compliance Program expected to begin operations in FY 2024-25. (See Ethics and Compliance Office narrative.)



Summary of Significant Changes:

Description	Position Changes	Amount
• Legal Analyst for Investments	1	\$83,311
• Legislative Affairs Officer	(1)	(\$156,000)
• Legislative Consulting Fees	-	(\$280,000)
• Outside Legal Counsel Fees	-	\$200,000
• Litigation Support Costs	-	\$40,000
• Travel & Registration Fees	-	\$28,800
• Educational Materials	-	\$11,000

NOTE: The Boards authorized a Director of Compliance in FY 2021-2022 but in standing up a new Ethics and Compliance Program, the position is more appropriately titled Chief Ethics & Compliance Officer. See also Ethics & Compliance Office narrative.

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

Legal Services plays a crucial role in supporting the administrative, pension and healthcare benefits, and investment activities of LACERA. The following outlines significant projects and initiatives that the Office has engaged in during FY 2023-24:

- The Ethics and Compliance Program is a goal in the Board of Retirement's 2023-2028 Strategic Plan and substantial progress is being made in preparing to implement the Program. An ethics and compliance advisor/counsel was engaged to provide professional expertise. The staff Policy Committee was renamed as the Ethics and Compliance Committee to provide a broad-based staff resource to support the Program. The proposed Ethics and Compliance Program Charter is working its way through the Boards' governance structure for approval. Staff is pursuing Governance, Risk, and Compliance (GRC) software as a tool for the Ethics and Compliance Program and policy management, as well as other areas of LACERA's risk management system. Education and training resources on ethics and compliance were purchased and are available to staff.
- The appeal in the County litigation has been briefed and is pending oral argument. Four amicus briefs were filed in support of LACERA from RELAC, the Coalition of County Unions, the Alameda County Employees Retirement Association, and the Santa Barbara County Employees Retirement Association. The management of LACERA's outside counsel, including strategic discussions, review of legal briefs, and coordination of amicus, required a great deal of time and effort. A decision in the Court of Appeal is expected by summer 2024.
- The elimination of the Lifetime Maximum Benefits in certain RHC Program policies is being diligently pursued through a LACERA–County Working Group. The Legal Services actively participates in this group, along with the Executive Office and other LACERA staff. Progress has been made.
- The Legal Services participated in managing the successful IRS compliance letter regarding Required Minimum Distributions for members reaching the mandatory beginning age of distributions.
- Attorney vacancies were reduced in both the Benefits and Investment Sections of the Legal Services with the hiring of Senior Staff Counsels in both areas. Recruitment of Staff Counsels for Benefits and Investments is actively underway. The addition of the new attorneys has and will continue to enhance the Legal Services ability to support Board initiatives as well as the Executive Office and other LACERA divisions.

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

Legal Services will undergo positive transitions in FY 2024-25 that will improve service as vacancies are filled and new personnel, with their skills and talents, are integrated into the Office's service to the Boards, management, and staff. The following outline provides planned activities in support of the Board of Retirement's and the Board of Investments' Strategic Plans:

- Successful implementation of a fully formed and effective Ethics and Compliance Program. Additional foundational steps will include: education and training regarding ethics and compliance; the Chief Ethics and Compliance Officer job description and salary; baseline risk and ethical culture assessment; implementation of GRC software; and assisting in the transition of the Chief Ethics and Compliance Officer into the organization. In addition to the Chief position, It is expected that the Ethics and Compliance Office will require two deputies and one analyst to support the work of that Office. The timing and need for and duties of these positions will be assessed by the Chief Ethics and Compliance Officer after that position is filled. (See also Ethics and Compliance Office narrative.)
- Continued effort in pursuing recognition and implementation of the Boards' independent legal authority to determine needed classifications and salaries without interference by the County of Los Angeles, including legal work following issuance of the Court of Appeal decision in the County litigation.
- Elimination of the Lifetime Maximum Benefit for affected retired members and assistance in implementation of the solution to the issue.
- Pursue implementation of LACERA's IDEA initiative with respect to organizational diversity, equity, inclusion, accessibility, and belonging in all aspects of LACERA's business.
- Filling any remaining Legal Services vacancies. Given the volume and complexity of the legal issues facing LACERA across the entire organization, there is increasing need for sophisticated lawyers, legal analysts, and secretaries in Legal Services. To meet these needs, Legal Services will continue to take the time and effort required to recruit the most experienced and skilled professionals in the market. A review of salaries is also needed to ensure that LACERA can attract and retain excellent talent; this is supported by input from LACERA's recruiters and from candidates themselves.
- Identifying and obtaining approval for a new organizational structure for Legal Services that takes into consideration appropriate spans of control, succession planning, opportunities for staff professional growth, and appropriate classification and compensation reflecting Legal Services' unique role in supporting LACERA as an investing organization as well as a provider of pension and healthcare benefits. This will include, but may not be limited to, assessing the management reporting structure to consider a new Deputy Chief Counsel in addition to the two Principal Staff Counsel positions currently pending approval from the Board of Supervisors. Currently, the Chief Counsel provides supervision and direction to seven Senior Staff Counsel positions and directly assists in handling high-level, complex legal and governance matters. The demand for the Chief Counsel's services has increased with the growing size of the organization and the complexity of the legal landscape and legal issues facing LACERA. Staff will complete its assessment and bring any recommendations to the Joint Organizational Governance Committee (JOGC), Board of Retirement, and Board of Investments. Upon Board approval, the recommendations will then be brought to the County Chief Executive Officer

(CEO) and Board of Supervisors (BOS) for approval. Any changes to positions or salaries approved by the BOS will then be incorporated into the FY 2025-26 Budget request, unless the process can be completed more quickly. In that circumstance, staff may return requesting a mid-year adjustment to the FY 2024-25 Budget.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.

Adjustments to Permanent Staffing

One new Legal Analyst position is requested to support the investment work within Legal Services. The volume and complexity of investments transactions has grown, creating unrealistic and unreasonable workload demands on support staff. One Legal Secretary is also being internally reassigned to the Investments unit.

One Legislative Affairs Officer has been transferred from Legal Services to the Executive Office.

Although no additional positions are requested as part of the FY 2024-25 Budget, Legal Services will be assessing its organizational structure and bringing forth recommendations to more appropriately align the management and address succession planning and opportunities for staff career development to the JOGC, BOR, and BOI. Upon BOR and BOI approval, LACERA's plan for our Legal Services Office will be brought to the County's Chief Executive Officer and to the Board of Supervisors for approval. It is anticipated any new positions associated with this review will be ready for Board consideration for the 2025-26 Budget, but staff may report back mid-year should progress move more quickly.

Temporary Staffing

Temporary staffing is needed in FY 2024-25 to provide ongoing resources to account for vacancies in permanent legal analyst and attorney staff positions and to address pressing deadlines for investment transactions, member service, and other important needs of the organization.

Overtime Needs

Overtime is needed to complete important investments as required and to assist in urgent needs in other sections of Legal Services.

Interns

Funding for interns are provided in the Human Resources Division's budget. As in FY 2023-24, the Legal Services Office intends to have two law student interns in FY 2024-25. This program is important for recruiting purposes and also to introduce students to the importance of public pensions.

Rehired Retirees

The Legal Services Office is not requesting any rehired retiree assistance in FY 2024-25.

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

Removal of One-Time Expenditures

Legal Services Office has no anticipated one-time expenditures for FY 2024-25.

Services and Supplies Adjustments

Services and supplies are increased to account for the support needs of new attorneys and other staff joining the Legal Services Office, as detailed below.

Automotive Maintenance and Repair

Funding totaling \$3,000 is requested for automotive maintenance and repair, an increase of \$1,000 from FY 2023-24. This increase reflects the age and condition of the LACERA vehicle assigned to the Chief Counsel.

Gasoline

Funding totaling \$2,000 is requested for gasoline, an increase of \$500 from FY 2023-24. This increase is based on estimated use and inflation.

Mileage and Transportation

Funding totaling \$6,000 is requested for staff mileage and transportation, an increase of \$2,400 from FY 2023-24. This increase reflects anticipated costs associated with more staff participating in local training and development opportunities.

Travel

Funding totaling \$35,000 is requested for staff travel, an increase of \$16,800 from FY 2023-24. Travel is primarily associated with staff training and development but may also include due diligence. This increase reflects the travel needs of the fully staffed Legal Services Office.

Special Order Equipment

Funding totaling \$7,500 is requested for special order equipment, an increase of \$2,500 from FY 2023-24. This increase reflects the anticipated needs of the new Attorneys who have recently joined the Legal Services Office.

Legislative Consulting Analyst Fees

The legislative analysis and consulting function has been moved from the Legal Services Office to the Executive Office. No changes from the prior year budget are requested; Funding totaling \$280,000 for these services is transferred to the Executive Office.

Outside Legal Counsel Fees

Funding totaling \$2.2 million is requested for outside legal counsel fees. This represents a net increase of \$200,000 from the FY 2023-24 Budget. Outside Legal Counsel are used for special circumstances where staff counsel either do not have the special expertise and/or where a conflict of interest may exist. This increase reflects the anticipated legal support required to address costs of miscellaneous non-employment litigation, general fiduciary counsel advice, tax counsel advice, and employment investigation and litigation expenses. This estimate does not include costs of settling employment cases.

Litigation Support

Funding totaling \$50,000 is requested for litigation support costs, an increase of \$40,000 from FY 2023-24. Litigation support costs are expected fees and services associated with major litigation and are billed separately from outside legal counsel fees. Mediation costs are also included in this category. The proposed increase reflects anticipated costs associated with the County case, as well as expected mediations.

Memberships

Funding totaling \$20,000 is requested for professional memberships for staff. This request represents an increase of \$2,000 from FY 2023-24 and reflects the anticipated needs for new Attorneys who have recently joined Legal Services.

Registration Fees

Funding totaling \$30,000 is requested for registration fees to support the training and professional development of staff. This request represents an increase of \$12,000 from FY 2023-24, and is based on the needs for the new Attorneys who have recently joined Legal Services.

Educational Materials

Funding totaling \$85,000 is requested for educational materials for staff. This request represents an increase of \$11,000 from FY 2023-2024 to address the needs of the new Attorneys who have recently joined Legal Services.

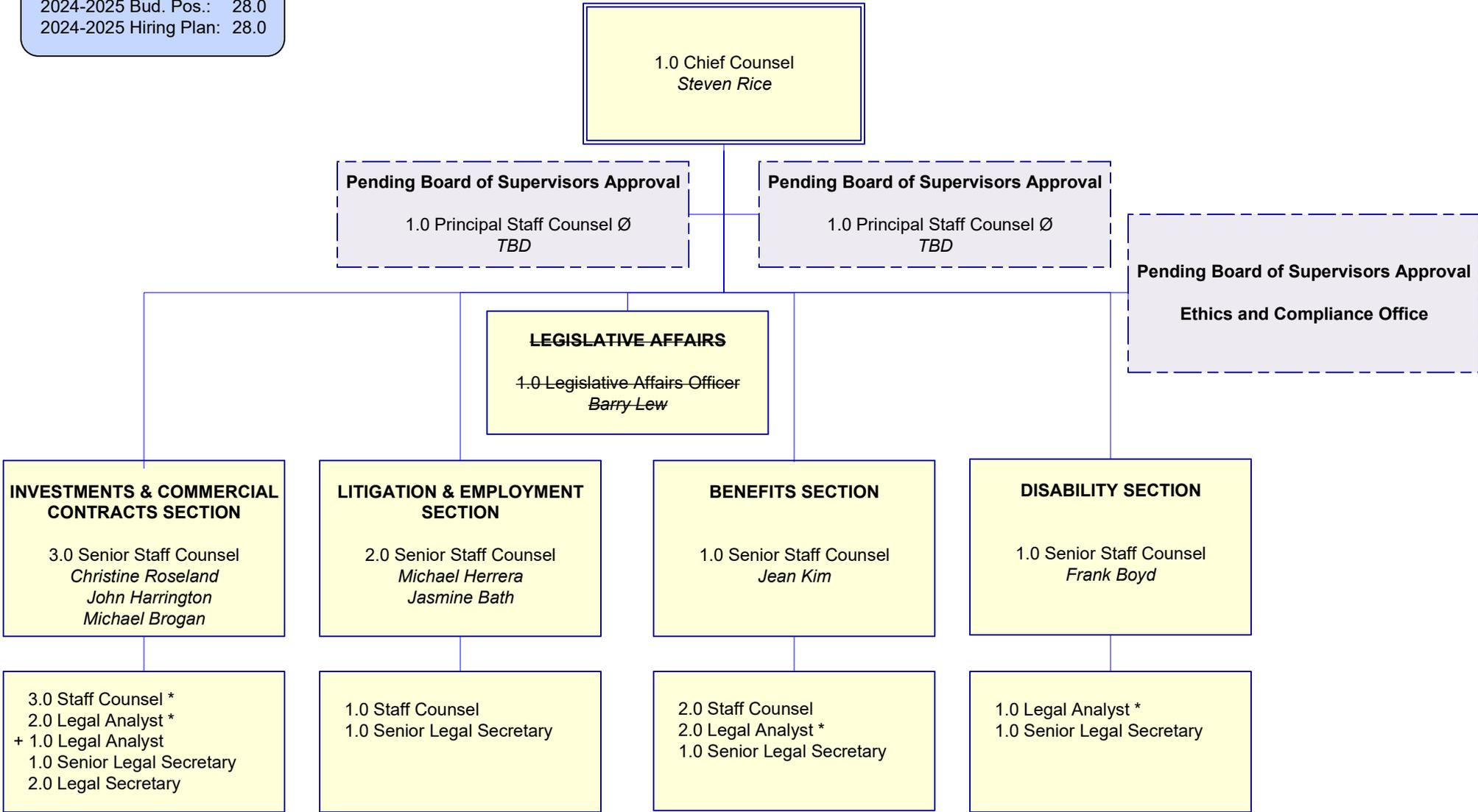
Miscellaneous

Funding totaling \$4,000 is requested for miscellaneous costs, an increase of \$1,700 from FY 2023-2024. This funding is provided to support team building and connectivity among the Legal Services staff.

LEGAL SERVICES

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.: 29.0
 2023-2024 Hiring Plan: 27.0
 2024-2025 Bud. Pos.: 28.0
 2024-2025 Hiring Plan: 28.0



+ Added position

- Deleted position

* Classification study for the position requested

‡ Title changed from Ethics & Compliance Officer to Chief Ethics & Compliance Officer

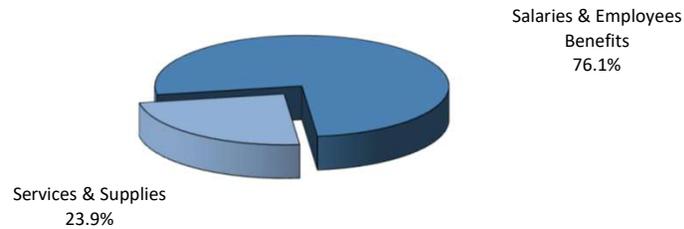
Ø Not yet approved by Board of Supervisors (1.0 Principal Staff Counsel in Investments & Litigation Team, 1.0 Principal Staff Counsel in Benefits & Disability Team, and 1.0 Chief Ethics & Compliance Officer in Legal Services)

LACERA
FISCAL YEAR 2024-2025
BUDGET SUMMARY

LEGAL SERVICES

	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET		
	PROPOSED BUDGET 2024- 2025	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(01-31-24)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$7,904,049	\$7,341,731	\$2,714,546	\$5,470,200	(\$1,871,531)	-25.5%	\$562,318	7.7%
Services & Supplies	2,483,200	2,473,300	1,372,050	2,374,100	(99,200)	-4.0%	9,900	0.4%
OPERATING BUDGET	\$10,387,249	\$9,815,031	\$4,086,596	\$7,844,300	(\$1,970,731)	-20.1%	\$572,218	5.8%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2024-2025

SALARIES AND EMPLOYEE BENEFITS SUMMARY

LEGAL SERVICES

	PROPOSED BUDGET 2024- 2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		BUDGET	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE
			(01-31-24)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$4,767,153	\$4,138,231	\$1,542,768	\$3,131,900	(1,006,331)	-24.3%	\$628,922	15.2%
Total Agency Temp Salaries	116,700	179,400	129,859	222,700	43,300	24.1%	(62,700)	-34.9%
Employee Benefits (Variable)	2,518,096	2,568,864	836,766	1,699,000	(869,864)	-33.9%	(50,768)	-2.0%
Employee Benefits (Other)	290,496	276,951	109,980	223,300	(53,651)	-19.4%	13,545	4.9%
OPEB Contribution	188,805	153,485	79,000	160,400	6,915	4.5%	35,320	23.0%
Stipends	0	0		0	0	0.0%	0	0.0%
Overtime	20,300	19,900	16,174	32,900	13,000	65.3%	400	2.0%
Bilingual Bonus	0	2,400	0	0	(2,400)	-100.0%	(2,400)	-100.0%
Sick Leave Buyback	0	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	2,500	2,500	0	0	(2,500)	-100.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$7,904,049	\$7,341,731	\$2,714,546	\$5,470,200	(\$1,871,531)	-25.5%	\$562,318	7.7%
Salary Differential	-	-	-	-			-	
TOTAL S&EB	\$7,904,049	\$7,341,731	\$2,714,546	\$5,470,200	(\$1,871,531)	-25.5%	\$562,318	7.7%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA
 FISCAL YEAR 2024-2025
 BUDGET POSITIONS

LEGAL SERVICES

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
9216	CHIEF COUNSEL, LACERA	1	LS19
9213	SENIOR STAFF COUNSEL, LACERA	7	LS16
9212	STAFF COUNSEL, LACERA	2	LS12
9235	LEGAL ANALYST, LACERA	4	103G
0441	SENIOR LEGAL SECRETARY, LACERA	1	102J
0440	LEGAL SECRETARY, LACERA	2	098D
Total Filled Positions =		17	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
9999	PRINCIPAL STAFF COUNSEL	2	LS17
9212	STAFF COUNSEL, LACERA	4	LS12
9235	LEGAL ANALYST, LACERA	2	103G
0441	SENIOR LEGAL SECRETARY, LACERA	3	102J
Total Vacant Positions =		11	
TOTAL POSITIONS =		28	

Non-Represented positions shown in black.
 Represented positions shown in blue.
 Salary schedule as of 01/01/2024.

LACERA

FISCAL YEAR 2024-2025

SERVICES & SUPPLIES ACCOUNT SUMMARY

LEGAL SERVICES

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2024- 2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE		
AUTO EXPENSE	\$5,400	\$3,900	\$1,478	\$3,900	\$0	0.0%	\$1,500	38.5%
TRANSPORTATION & TRAVEL	\$41,000	21,800	9,605	19,400	(2,400)	-11.0%	19,200	88.1%
OFFICE SUPPLIES & EQUIPMENT	\$7,500	5,000	925	2,000	(3,000)	-60.0%	2,500	50.0%
PROFESSIONAL & SPEC. SRVCS.	\$300	280,300	181,455	280,800	500	0.2%	(280,000)	-99.9%
LEGAL FEES & SERVICES	\$2,290,000	2,050,000	1,115,963	1,954,100	(95,900)	-4.7%	240,000	11.7%
EDUCATIONAL EXPENSES	\$135,000	110,000	61,350	111,600	1,600	1.5%	25,000	22.7%
MISCELLANEOUS	4,000	2,300	1,274	2,300	0	0.0%	1,700	73.9%
TOTAL	\$2,483,200	\$2,473,300	\$1,372,050	\$2,374,100	(\$99,200)	-4.0%	\$9,900	0.4%

*All amounts rounded to the nearest dollar.

LEGAL SERVICES

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

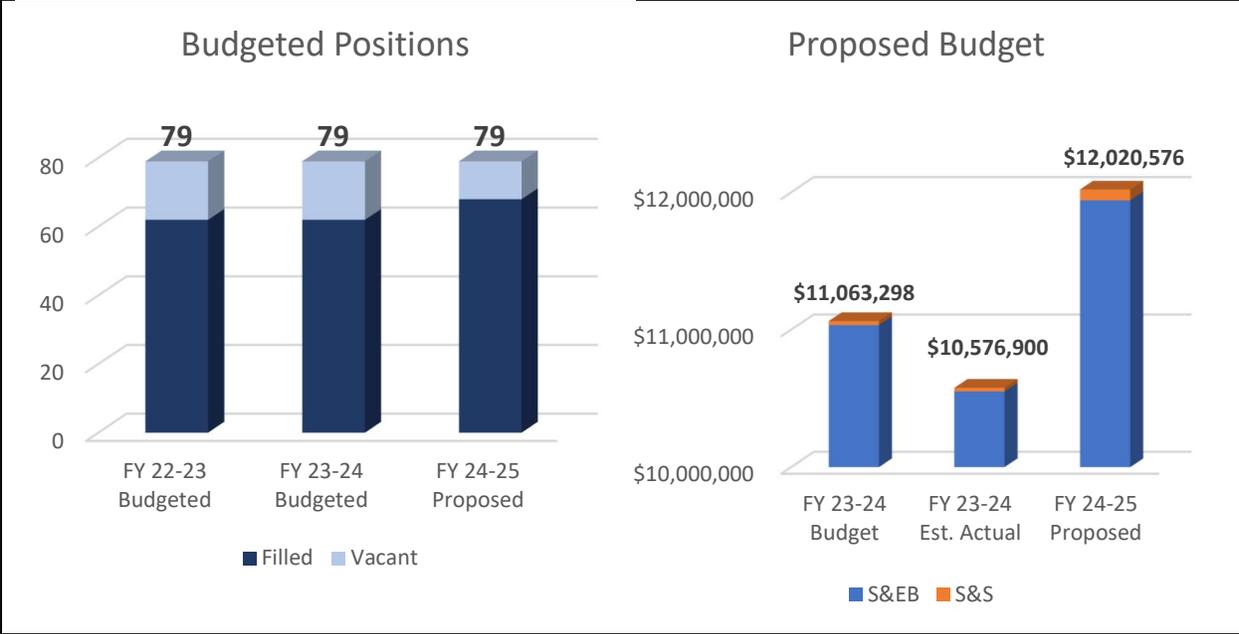
	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$3,853,589	\$3,233,961	\$4,138,231	\$3,131,900	\$4,767,153
Total Agency Temp Salaries	196,600	132,911	179,400	222,700	116,700
Employee Benefits (Variable)	2,555,301	1,705,027	2,568,864	1,699,000	2,518,096
Employee Benefits (Other)	261,912	236,266	276,951	223,300	290,496
OPEB Contribution	138,993	138,104	153,485	160,400	188,805
OPEB Contribution (Budget Surplus)	0	138,993	0	0	0
Stipends	0	0	0	0	0
Overtime	18,400	20,668	19,900	32,900	20,300
Bilingual Bonus	2,400	0	2,400	0	0
Sick Leave Buyback	0	0	0	0	0
Rideshare Allowance	2,500	0	2,500	0	2,500
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Auto Expenses	4,400	1,067	3,900	3,900	5,400
Transportation & Travel	17,800	11,103	21,800	19,400	41,000
Office Supplies & Equipment	6,000	1,772	5,000	2,000	7,500
Professional & Specialized Services	252,300	156,729	280,300	280,800	300
Legal Fees & Services	3,040,500	3,550,049	2,050,000	1,954,100	2,290,000
Educational Expenses	104,500	104,577	110,000	111,600	135,000
Miscellaneous	2,000	756	2,300	2,300	4,000
TOTAL OPERATING BUDGET	\$10,457,195	\$9,431,984	\$9,815,031	\$7,844,300	\$10,387,249

*All amounts rounded to the nearest dollar.



FY 2024-25 Proposed Budget

Member Services is dedicated providing a Superior Member Experience across all channels. We provide full-service support—from assisting members with My LACERA technical issues and general account maintenance to providing in-depth retirement counseling through phone, in-person, virtual, and online channels to assisting survivors when a member passes away. We are committed to providing service while also educating members so they can understand and access the benefits available to them.



Summary of Significant Changes:

<u>Description</u>	<u>Position Changes</u>	<u>Amount</u>
• Travel		\$9,000
• Special Orders (Outreach promotional items)		\$10,000
• Registration Fees		\$51,000

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

The Member Services Division's focus continues to be improving and streamlining our capabilities for delivering high-quality services to our members and beneficiaries, reducing call wait times, and expanding our virtual and in-person appointments. As part of our engagement with Strategic Planning Priority 1: Superior Member Experience, Member Services is building a Member Experience Council, initiating the development of member journeys, and identifying all the tasks needed to accomplish our goals in alignment with the Strategic Plan.

We began developing our standardized omnichannel retirement counseling model alongside our Benefits Division, working with Systems to roll out the online retirement application. This is the pilot program that will guide us in building dependable, consistent, and accurate interactions with members through any channel the member chooses.

Our Call Center multifactor authentication (MFA) was rolled out in November 2023. The benefits of having MFA are to protect member accounts by adding a multiple layer of security to access My LACERA, while reducing the need for members to type in answers to security questions and allowing them to reset their own passwords at any time.

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

Our focus will continue to be building a strong and effective Superior Member Experience by collaborating with subject matter experts to map the member's journey, seek and incorporate member feedback, and develop all tasks and needs for each specific journey that a LACERA member will have—from the start of their County career to pre-retirement decisions, life-changing events, post-retirement, and death journeys. We remain focused on creating an omnichannel experience that is highly responsive and efficient. We continue looking for opportunities to develop online tools for members' self-service needs and provide different options for our members to reach out to us.

Both Strategic Plan goals of 1) ensuring a consistent omnichannel member experience at every stage of the member's journey and 2) improving and enhancing the retiree healthcare experience will continue to be worked simultaneously, as Member Services has already begun integrating healthcare in the standardized retirement planning counseling session. The knowledge gained by our Member Services staff will ensure that our members are receiving proper information and instructions, and it will also continue to help staff identify when a more advanced discussion is needed and should be managed by our partners in the Retiree Healthcare Division. It is our goal to train our Call Center staff on the basic Retiree Healthcare benefits to align their knowledge with our Member Services Center staff (Outreach).

We are also working closely with our Disability Retirement Services Division to ensure that the pre-retirement counseling for members applying for disability retirement and salary supplement benefits provides them all the knowledge they need to make an informed decision.

We are also invested in developing our AI-assisted Secure Validation with the goal of allowing callers to validate their identity prior to reaching a specialist. This process will streamline and reduce the total average handling time by specialists. To be in line with providing an omnichannel member experience, those who wish to be validated in person by the specialist will continue to have that option.

We plan to improve our Member Experience Communication Platform, which will enhance member interaction capabilities in our Call Center and allow us to evaluate AI-assisted chat support on our website. The RFP process is already underway. ,.

Another Member Services goal is to develop a training curriculum targeting the unique and diverse needs of our units and staff. Planning for succession at all staff levels is guiding us to review and analyze our staff skills and personal goals so we can invest and develop our team. This is in alignment with our other Strategic Plan priority of Investing in People.

As we continue our Strategic Plan priorities, we'll continue to focus on our Superior Member Experience; develop and enhance the omnichannel member experience, journeys, and educational content; standardize counseling, procedures, and communications; and work on the development, implementation, and deployment of a digital strategy to better serve our members.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024 and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.

Adjustments to Permanent Staffing

No new permanent positions are requested at this time. Our current Core Benefits class (FY 2023-24) is expected to graduate in May 2024, and we will be using those graduates to fill Retirement Benefits Specialist II vacancies in our Call Center and Member Services Center. A new training class will also begin near the end of FY 2023-24, which will help ensure a continuous pipeline of trained staff as staff promote and retire in the future.

As progress continues on filling our critical vacancies, staff will assess the current staffing levels to ensure they are adequate for the current and future needs of the organization.

Temporary Staffing

Member Services currently has one agency temporary staff member filling the Senior Administrative Assistant position and seeks to add one additional temporary staff member to support workforce management for our Call Center and Member Services Center.

Overtime Needs

Member Services is requesting a 20 percent increase in staffing hours in the overtime budget for FY 2023-24 to:

- Cover calls and in-person and virtual appointments that go beyond staff's working hours, in keeping with our focus on quality service to our members
- Continue to assist with the Benefits Division's backlog projects
- Assist with the development of the strategic planning goals, standardized journeys, staff training, and omnichannel commitment to members
- Prepare for the March Rush

In addition, due to the Core Benefits class, there is a constant need for live monitoring and review of mock calls, and the hiring process can be time consuming and prevent staff members from performing their regular duties during working hours.

Interns

Member Services is not requesting any intern positions.

Rehired Retirees

Member Services is not requesting any rehired retirees in FY 2024-25.

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

Removal of One-Time Expenditures

Member Services does not have one-time expenditures for FY 2024-25 that need to be removed.

Services and Supplies Adjustments

Travel and Registration Fees

The Services and Supplies budget requests are in line with previous years and based on actual and historical expenditure trends. We will need to increase our budget for travel, conferences, and training, as our goal is to continue to invest in staff development. We plan to continue attending SACRS, CALAPRS, CEBS, and ICMI conferences, as well as IFEPB, NCPERS, and other relevant conferences for our business needs. We will also be seeking conferences and training related to workforce management. A training curriculum is being developed with HR to allow our staff to gain knowledge and improve

morale. We are also looking into the supervisors' and managers' current training needs to ensure they have attended the Los Angeles County training academy courses and are able to attend refresher courses and other relevant training.

Special Orders/Minor Equipment

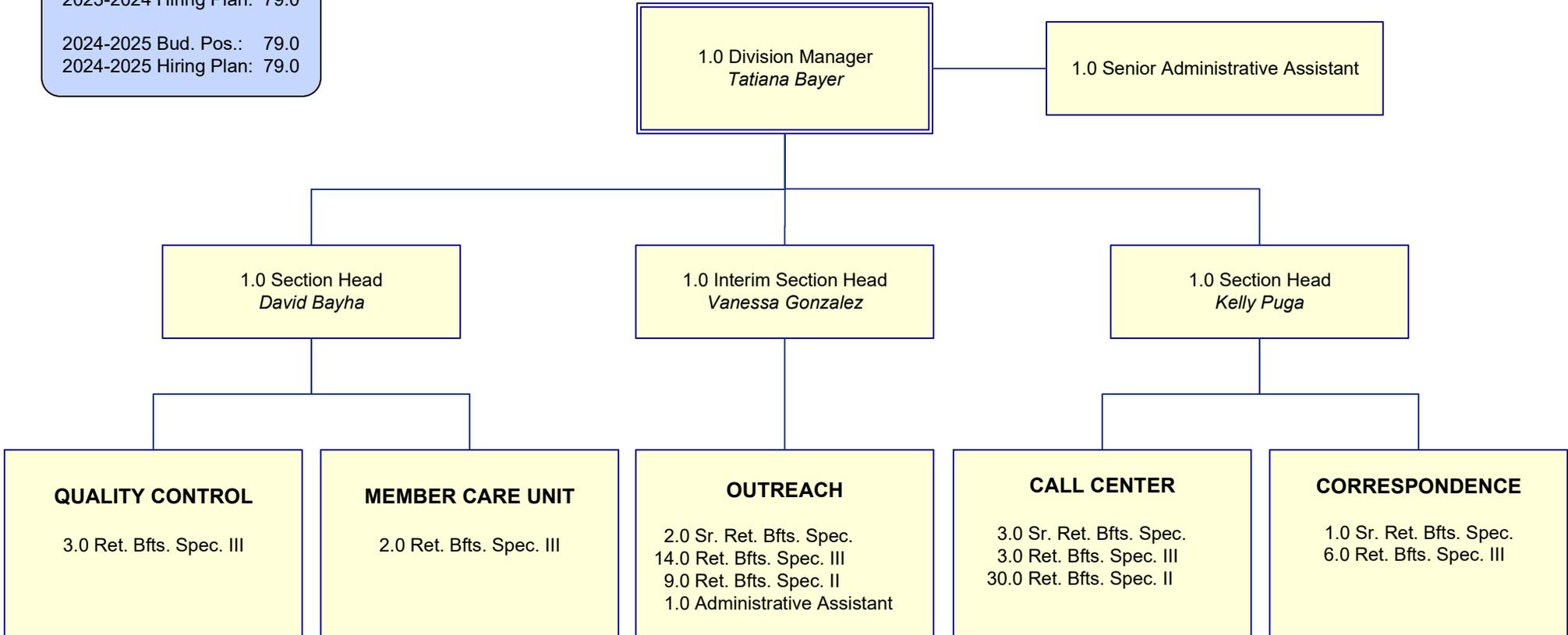
We are requesting \$10,000 in Special Orders/Minor Equipment, including Outreach promotional items. As we look to increase our in-person field events, we believe it is beneficial to offer LACERA-branded promotional items as a way to encourage members to seek education about their benefits. Most of our peers provide these types of promotional items at their events.

MEMBER SERVICES DIVISION

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.: 79.0
2023-2024 Hiring Plan: 79.0

2024-2025 Bud. Pos.: 79.0
2024-2025 Hiring Plan: 79.0

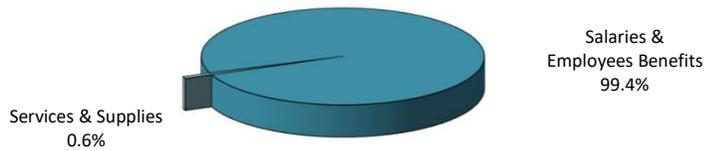


LACERA
FISCAL YEAR 2024-2025
BUDGET SUMMARY

MEMBER SERVICES

	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET		
	PROPOSED BUDGET 2024-2025	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(01-31-24)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$11,942,576	\$11,034,098	\$5,208,590	\$10,550,100	(\$483,998)	-4.4%	\$908,478	8.2%
Services & Supplies	78,000	29,200	13,937	26,800	(2,400)	-8.2%	48,800	167.1%
OPERATING BUDGET	\$12,020,576	\$11,063,298	\$5,222,526	\$10,576,900	(\$486,398)	-4.4%	\$957,278	8.7%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2024-2025
SALARIES AND EMPLOYEE BENEFITS SUMMARY

MEMBER SERVICES

	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$6,674,163	\$6,158,776	\$3,131,656	\$6,357,300	\$198,524	3.2%	\$515,387	8.4%
Total Agency Temp Salaries	295,800	72,600	16,149	27,700	(44,900)	-61.8%	223,200	307.4%
Employee Benefits (Variable)	3,994,893	3,925,974	1,565,238	3,177,700	(748,274)	-19.1%	68,919	1.8%
Employee Benefits (Other)	406,694	399,401	159,707	324,300	(75,101)	-18.8%	7,293	1.8%
OPEB Contribution	264,326	221,347	113,928	231,300	9,953	4.5%	42,979	19.4%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	264,900	214,200	197,234	400,400	186,200	86.9%	50,700	23.7%
Bilingual Bonus	16,800	16,800	5,200	10,600	(6,200)	-36.9%	0	0.0%
Sick Leave Buyback	15,000	15,000	19,477	20,800	5,800	38.7%	0	0.0%
Rideshare Allowance	10,000	10,000	0	0	(10,000)	-100.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$11,942,576	\$11,034,098	\$5,208,590	\$10,550,100	(\$483,998)	-4.4%	\$908,478	8.2%
Salary Differential **	-	-	-	-	-		-	
TOTAL S&EB	\$11,942,576	\$11,034,098	\$5,208,590	\$10,550,100	(\$483,998)	-4.4%	\$908,478	8.2%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA
FISCAL YEAR 2024-2025
BUDGET POSITIONS

MEMBER SERVICES

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0773	DIVISION MANAGER, LACERA	1	LS12
0772	SECTION HEAD, LACERA	3	LS09
1312	SENIOR RETIREMENT BENEFITS SPECIALIST	4	105B
1311	RETIREMENT BENEFITS SPECIALIST III	26	099H
1310	RETIREMENT BENEFITS SPECIALIST II	34	093B
Total Filled Positions =		68	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
1312	SENIOR RETIREMENT BENEFITS SPECIALIST	2	105B
1311	RETIREMENT BENEFITS SPECIALIST III	2	099H
0439	SENIOR ADMINISTRATIVE ASSISTANT, LACERA	1	094B
1310	RETIREMENT BENEFITS SPECIALIST II	5	093B
0438	ADMINISTRATIVE ASSISTANT, LACERA	1	087K
Total Vacant Positions =		11	
TOTAL POSITIONS =		79	

Non-Represented positions shown in black.
 Represented positions shown in blue.
 Salary schedule as of 01/01/2024.

LACERA
FISCAL YEAR 2024-2025
SERVICES & SUPPLIES ACCOUNT SUMMARY

MEMBER SERVICES

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE		
TRANSPORTATION & TRAVEL	\$13,300	\$11,500	\$6,476	\$11,200	(\$300)	-2.6%	\$1,800	15.7%
OFFICE SUPPLIES & EQUIPMENT	10,000	4,000	3,422	6,900	2,900	72.5%	6,000	150.0%
EDUCATIONAL EXPENSES	52,200	11,200	2,789	6,000	(5,200)	-46.4%	41,000	366.1%
MISCELLANEOUS	2,500	2,500	1,250	2,700	200	8.0%	0	0.0%
TOTAL	\$78,000	\$29,200	\$13,937	\$26,800	(\$2,400)	-8.2%	\$48,800	167.1%

*All amounts rounded to the nearest dollar.

MEMBER SERVICES

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$5,973,287	\$5,442,189	\$6,158,776	\$6,357,300	\$6,674,163
Total Agency Temp Salaries	37,000	0	72,600	27,700	295,800
Employee Benefits (Variable)	3,639,900	2,703,061	3,925,974	3,177,700	3,994,893
Employee Benefits (Other)	383,245	350,820	399,401	324,300	406,694
OPEB Contribution	203,383	202,082	221,347	231,300	264,326
OPEB Contribution (Budget Surplus)	0	203,383	0	0	0
Stipends	0	0	0	0	0
Overtime	174,000	268,449	214,200	400,400	264,900
Bilingual Bonus	16,800	9,500	16,800	10,600	16,800
Sick Leave Buyback	15,000	17,636	15,000	20,800	15,000
Rideshare Allowance	10,000	0	10,000	0	10,000
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Transportation & Travel	8,000	7,533	11,500	11,200	13,300
Office Supplies & Equipment	5,000	1,650	4,000	6,900	10,000
Educational Expenses	11,300	1,365	11,200	6,000	52,200
Miscellaneous	2,500	893	2,500	2,700	2,500
TOTAL OPERATING BUDGET	\$10,479,414	\$9,208,561	\$11,063,298	\$10,576,900	\$12,020,576

*All amounts rounded to the nearest dollar.

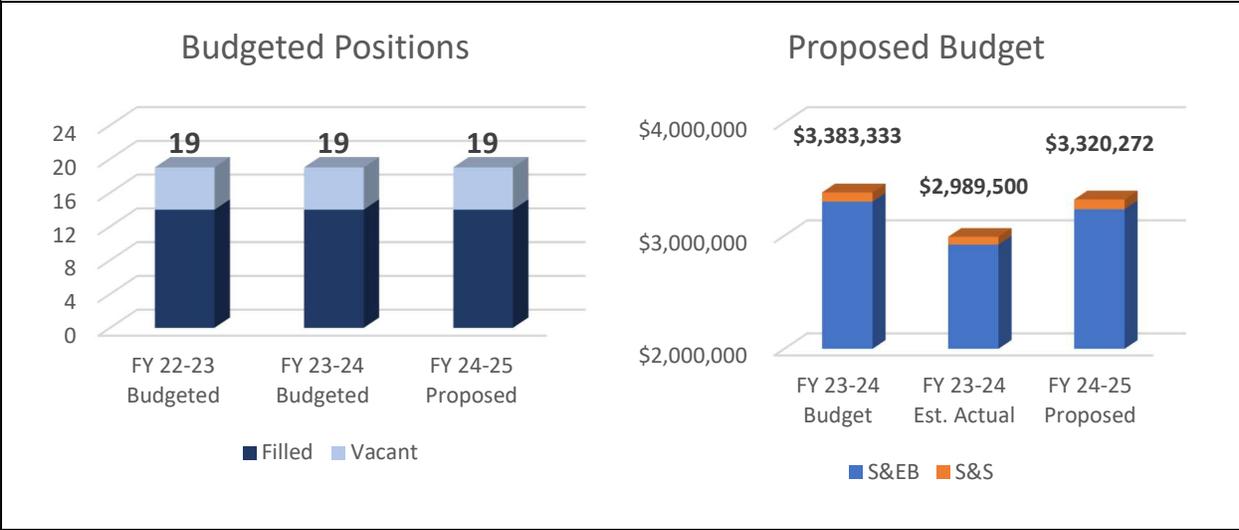


FY 2024-2025 Proposed Budget

The Quality Assurance Division (QA) performs three main functions on behalf of 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
- Special projects as assigned by the Executive Office and consistent with QA’s independent quality assurance function

The Quality Assurance Division reports to the Assistant Executive Officer (AEO) who oversees the MOG.



Summary of Significant Changes

<u>Description</u>	<u>Position Changes</u>	<u>Amount</u>
Cost Effective Management (CEM)	---	\$4,000

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

The Quality Assurance Division worked on the following initiatives during the 2023-24 fiscal year:

- Redesigned the Core Benefits Training Program for new Retirement Benefit Specialists to prepare the new hires to perform both Core Benefits Division processes and Call Center processes. The new program has been renamed the Specialist Basic Training Program and will graduate its first batch of trainees in April 2024.
- The Quality Assurance Division continues to participate in MOG special projects, of which the following are most noteworthy from the 2023-24 fiscal year:
 - Alameda Court Decision
 - PEPRA FAC reporting
 - Temporary Time reporting
 - Account Settlements Process Redesign

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

QA will continue to expand its audits coverage of Member Services processes through Call Monitoring and Member Surveys. QA also hopes to expand its audit scope to include more processes, especially advanced processes normally handled by Retirement Benefit Specialist IIIs and Senior Retirement Benefit Specialists.

QA will continue to enhance the training provided to MOG staff through the greater use of advanced technology like online learning, multimedia tools, and artificial intelligence. QA hopes to expand the training content to include more processes, especially advanced processes normally handled by Retirement Benefit Specialist IIIs and Senior Retirement Benefit Specialists.

The QA Division looks forward to implementing a formal standardized training program for QA Staff based on the dual pillars of:

- Benefits-specific legal and institutional knowledge and
- IIA training for Audit professionals

QA will collaborate with the MOG Divisions on ongoing and new special projects, such as the implementation of LACERA's updated Collections Policy, implementation of the Case Management System throughout the MOG, and collaborative process improvement projects between LACERA and L.A. County.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.

Adjustments to Permanent Staffing

Historically, the most qualified candidates for Quality Auditor positions are highly experienced Retirement Benefit Specialists from the Benefits and Member Services divisions. To avoid exacerbating an existing staffing shortage in the Benefits and Member Services divisions, LACERA has elected to fill the three vacant Senior Quality Auditor Positions and two vacant Quality Auditor II positions after sufficient numbers of vacancies in the Benefits and Member Services Divisions are filled with adequately trained staff, which normally takes a year from the date of hire. Accordingly, we anticipate that the QA Division staff vacancies will not be filled before the second half of the FY 2024-25, if not later. All salary and employee benefit costs, as well as services and supply costs related to these vacancies, will also be postponed until these positions are filled. If these positions are filled sooner than expected, we may request a mid-year adjustment to impacted budget items.

Temporary Staffing

The Quality Assurance Division does not intend to request agency temporary staff for the fiscal year 2024-2025.

Overtime Needs

A total of \$11,900 in Overtime is requested for a Staff Assistant II (100 hours, or \$6,100) and a Senior Administrative Assistant (100 hours, or \$5,800) to support the following:

- 1) Assist with peak season work (e.g., audits and surge in training needs)
- 2) Anticipated special projects (e.g., database cleanup, implementation of major business rules changes, etc.)
- 3) CEM survey

Interns

Funding for interns is provided in the Human Resources Division's Budget. The Quality Assurance Division provides coordination and data consolidation services in association with the compilation of the annual CEM (Cost Effective Management) Benchmarking report. This process currently uses Microsoft Excel worksheets and a manual workflow that requires participants from across LACERA's divisions to spend at least 120 hours across several months, under strict deadlines, to extract, compute and transmit to QA, and ultimately CEM, a wide range of statistical data. QA wishes to assign a qualified intern to develop an application, probably using Sharepoint and Microsoft Power Platform applications, which will help manage this process more efficiently while increasing the value of the resulting data through improved analytics and data visualization tools. Depending on the qualifications of the selected intern, this project may require six to nine months. The cost for the LACERA intern program resides in the HR Division budget and the intern's work will most likely be overseen by the Systems Division.

Rehired Retirees

The Quality Assurance Division does not anticipate any use of rehired retirees in FY 2024-25.

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

Removal of One-Time Expenditures

The Quality Assurance Division does not have one-time expenditures that need to be removed in the FY 2024-25.

Services and Supplies Adjustments

There are no significant changes requested in the Services and Supplies budget. If vacant positions are filled sooner than anticipated, QA may request a mid-year adjustment to increase related costs, such as training, memberships, and services and supplies.

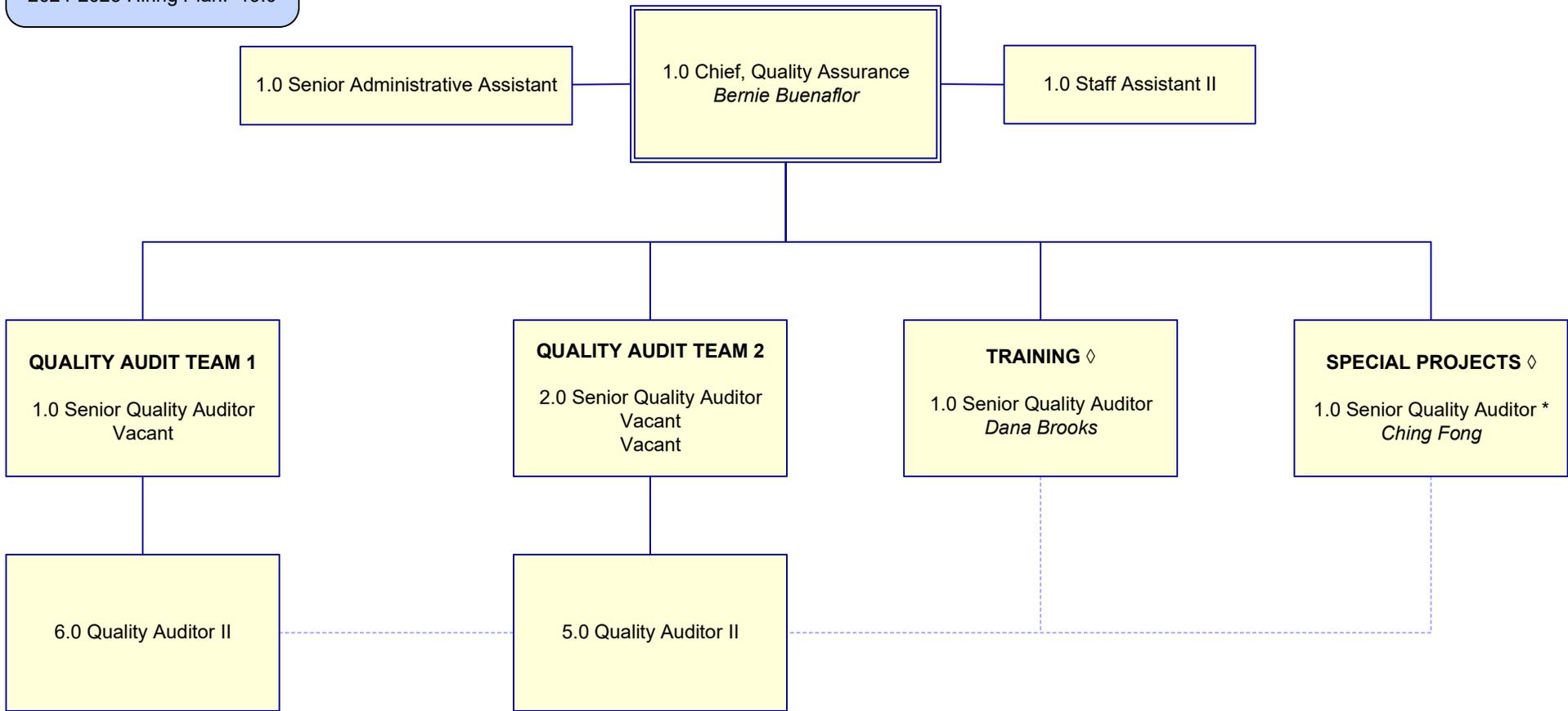
Cost Effective Management (CEM)

The Cost Effective Management (CEM) Benchmarking report cost increased from \$55,000 to \$59,000 for FY 2024-25 as reflected in the current contract.

QUALITY ASSURANCE DIVISION

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.: 19.0
 2023-2024 Hiring Plan: 19.0
 2024-2025 Bud. Pos.: 19.0
 2024-2025 Hiring Plan: 19.0



* Classification study for the position requested.

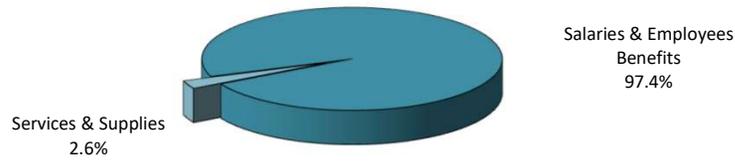
◇ In addition to the quality audit, QA Auditors conduct training and work on special projects, which are coordinated by the QA Sr. Auditor for Training and the QA Sr. Auditor for Special Projects, respectively.

LACERA
FISCAL YEAR 2024-2025
BUDGET SUMMARY

QUALITY ASSURANCE

	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET		
	PROPOSED BUDGET 2024-2025	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(01-31-24)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$3,234,172	\$3,301,233	\$1,438,762	\$2,921,300	(\$379,933)	-11.5%	(\$67,061)	-2.0%
Services & Supplies	86,100	82,100	5,245	68,200	(13,900)	-16.9%	4,000	4.9%
OPERATING BUDGET	\$3,320,272	\$3,383,333	\$1,444,007	\$2,989,500	(\$393,833)	-11.6%	(\$63,061)	-1.9%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2024-2025
SALARIES AND EMPLOYEE BENEFITS SUMMARY

QUALITY ASSURANCE

	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$1,965,306	\$1,885,279	\$865,903	\$1,757,800	(\$127,479)	-6.8%	\$80,027	4.2%
Total Agency Temp Salaries	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	1,056,170	1,213,449	489,144	993,400	(220,049)	-18.1%	(157,279)	-13.0%
Employee Benefits (Other)	119,760	120,837	47,986	97,500	(23,337)	-19.3%	(1,077)	-0.9%
OPEB Contribution	77,837	66,968	34,469	70,000	3,032	4.5%	10,869	16.2%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	11,900	11,500	1,260	2,600	(8,900)	-77.4%	400	3.5%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	1,000	1,000	0	0	(1,000)	-100.0%	0	0.0%
Rideshare Allowance	2,200	2,200	0	0	(2,200)	-100.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$3,234,172	\$3,301,233	\$1,438,762	\$2,921,300	(\$379,933)	-11.5%	(\$67,061)	-2.0%
Salary Differential	-	-	-	-	-		-	
TOTAL S&EB	\$3,234,172	\$3,301,233	\$1,438,762	\$2,921,300	(\$379,933)	-11.5%	(\$67,061)	-2.0%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA
 FISCAL YEAR 2024-2025
 BUDGET POSITIONS

QUALITY ASSURANCE

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0780	CHIEF, QUALITY ASSURANCE	1	LS12
0798	SENIOR QUALITY AUDITOR	2	109H
0797	QUALITY AUDITOR II	9	104F
0439	SENIOR ADMINISTRATIVE ASSISTANT	1	094B
0427	STAFF ASSISTANT II	1	096A
Total Filled Positions =		14	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0798	SENIOR QUALITY AUDITOR	3	109H
0797	QUALITY AUDITOR II	2	104F
Total Vacant Positions =		5	
TOTAL POSITIONS =		19	

Non-Represented positions shown in black.
 Represented positions shown in blue.
 Salary schedule as of 01/01/2024.

LACERA
FISCAL YEAR 2024-2025
SERVICES & SUPPLIES ACCOUNT SUMMARY

QUALITY ASSURANCE

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)		OVER/(UNDER)	
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	\$9,600	\$9,600	\$0	\$3,600	(\$6,000)	-62.5%	\$0	0.0%
OFFICE SUPPLIES & EQUIPMENT	1,000	1,000	290	500	(500)	-50.0%	0	0.0%
PROFESSIONAL & SPECIALIZED SERVICES	59,000	55,000	0	55,000	0	0.0%	4,000	7.3%
EDUCATIONAL EXPENSES	16,300	16,300	4,955	8,900	(7,400)	-45.4%	0	0.0%
MISCELLANEOUS	200	200	0	200	0	0.0%	0	0.0%
TOTAL	\$86,100	\$82,100	\$5,245	\$68,200	(\$13,900)	-16.9%	\$4,000	4.9%

*All amounts rounded to the nearest dollar.

QUALITY ASSURANCE

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

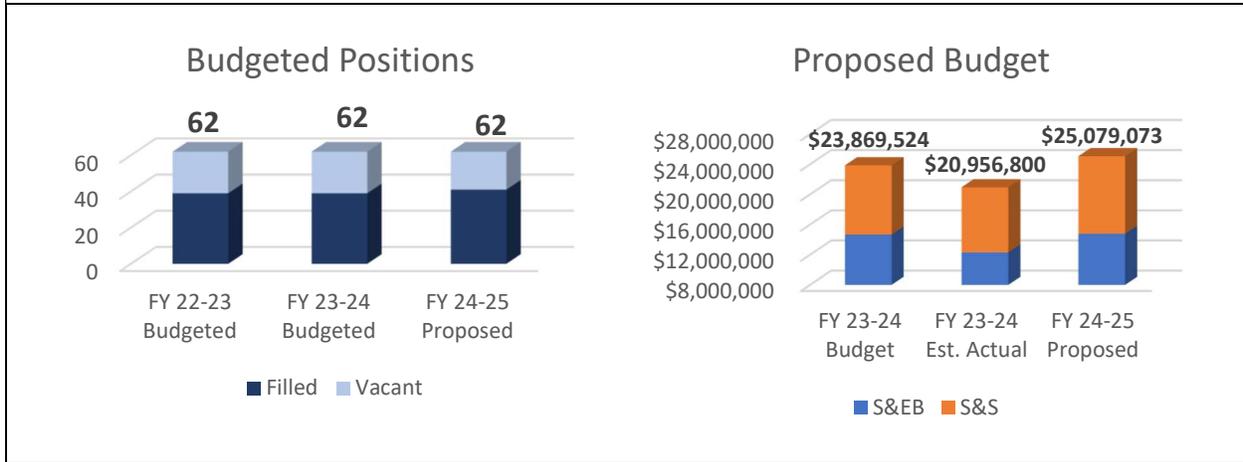
	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$1,607,869	\$1,548,769	\$1,885,279	\$1,757,800	\$1,965,306
Total Agency Temp Salaries	0	0	0	0	0
Employee Benefits (Variable)	1,009,017	886,007	1,213,449	993,400	1,056,170
Employee Benefits (Other)	123,397	111,314	120,837	97,500	119,760
OPEB Contribution	65,485	65,066	66,968	70,000	77,837
OPEB Contribution (Budget Surplus)	0	65,485	0	0	0
Stipends	0	0	0	0	0
Overtime	21,500	803	11,500	2,600	11,900
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	1,000	0	1,000	0	1,000
Rideshare Allowance	2,200	0	2,200	0	2,200
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Transportation & Travel	12,000	2,017	9,600	3,600	9,600
Office Supplies & Equipment	1,000	268	1,000	500	1,000
Professional & Specialized Services	50,000	55,000	55,000	55,000	59,000
Educational Expenses	24,500	4,787	16,300	8,900	16,300
Miscellaneous	400	0	200	200	200
TOTAL OPERATING BUDGET	\$2,918,368	\$2,739,515	\$3,383,333	\$2,989,500	\$3,320,272

*All amounts rounded to the nearest dollar.



FY 2024-25 Proposed Budget

The Systems Division (Systems) oversees all aspects of information technology for LACERA. Systems provides technology support services and creates innovative application solutions to assist the organization in meeting its mission. The Division is made up of three primary sections: the Business Solutions Unit, which develops and implements software solutions to support the organization’s business needs; the Infrastructure Unit, which implements and supports the organization’s and staff’s hardware and telecommunications needs; and the Project Management Office, which innovates new technology with subject matter experts to address new business needs and, after initial implementation, passes projects off to the other units for ongoing maintenance and support.



Summary of Significant Changes:

Description	Position Changes	Amount
• Completion of uninterruptible power supply (UPS) upgrade		(\$150,000)
• Completion of keycard reader upgrades		(\$100,000)
• Completion of Great Plains integration		(\$100,000)
• Member Experience Communication Platform (MECP)		\$600,000
• Enterprise resource planning consultant		\$250,000
• Secure Access Service Edge (SASE) (NetSkope replacement)		\$235,000
• Member identity verification solution		\$220,000
• Digital Mailroom		\$100,000
• Human Resources Recruitment Module (Neogov)		\$71,000
• Policy, GRC, and Audit solution		\$70,000

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

The Systems Division has continued to modernize LACERA's technology infrastructure and implement automated business solutions for greater efficiency. Our three information technology sections—Business Solutions, Project Management Office, and Infrastructure—are engaged, working effectively, and making an impact on the organization. The following are the projects we have completed so far this year.

Automated Accounts Payable Solution: LACERA implemented Emburse Certify, a new accounts payable system. This system will take the place of the Adobe Sign payment request and special supply request workflow processing. This new system automates the accounts payable, procurement, and purchasing processes and introduces the following improvements:

- Approval workflows
- Digital invoices
- Electronic payments
- Electronic purchase orders
- Expense tracking and management
- Optical character recognition (OCR)
- Policy compliance checks
- Integration with LACERA's general ledger software
- Invoice to purchase orders matching
- Realtime reporting

The Administrative Services, Financial and Accounting Services (FASD), and Systems divisions collaborated to successfully implement this solution in January 2024.

Automated Budget Solution: LACERA implemented Questica Budget, a modern budget management solution, in November 2023. Questica automates and streamlines budget creation and tracking, replacing the outdated email-based communication and spreadsheet-driven approach. This dynamic system offers real-time access to centralized and shared budget and financial data, ensuring efficiency, accuracy, and transparency, which allows for better decision-making. In addition, Questica integrates with other enterprise systems including our general ledger system, Great Plains, and our Enterprise Contract Lifecycle Management System, Cobblestone. The system is operational and was used successfully to develop the FY 2024-25 budget.

Avaya Retirement: LACERA used an on-premises enterprise phone system from Avaya for over a decade. It provided voice and messaging services to LACERA's staff and members. To support a hybrid workforce, LACERA pivoted to using Microsoft Teams for corporate communications and an Amazon WebServices (AWS) call center solution for member communications. In October 2023, LACERA removed the traditional handset phones from LACERA offices and officially decommissioned all Avaya software and hardware. Note: Each division retained one landline phone for emergency use.

Cloud Migration: One of the most significant accomplishments for FY 2023-24 was the completion of our cloud migration project. In September 2021, the Infrastructure and Business Solutions teams began an effort to migrate all mission-critical systems from on-premises software and hardware to hosted solutions. This phased migration was successfully completed in January 2024. We migrated 40 applications to hosted solutions and retired 20 physical servers and 106 virtual servers, reducing our onsite technology footprint from three onsite data centers to one onsite data center.

Data Lake: LACERA has created a data lake to provide a single source of accurate and accessible enterprise data and a process for using this data. LACERA currently leverages multiple systems to create reports for data analysis. These reporting systems follow a traditional reporting process: A user requests information from Systems, and a report is prepared and scheduled for them. While traditional reporting will continue to be supported, the new data lake will facilitate the creation of dashboards to replace most traditional reports and provide data to power users so that they can create their own dashboards. The data lake will continue to expand and will become the cornerstone of LACERA's Business Intelligence Strategic Initiative.

Documentum Retirement: LACERA previously used Documentum, an Enterprise Content Management System that no longer fits our strategic IT architecture. We migrated the data and documents in Documentum in phases to two other document repositories that match our architecture and decommissioned the Documentum hardware and software in October 2023.

Human Resources (HR) Digitization: LACERA has converted all paper Human Resources' personnel, payroll, medical, and classification files to electronic files to allow quick retrieval of documents by a hybrid workforce, shared access to information, and an audit trail of document access. All paper-based human resource records have been scanned, indexed, and securely stored in a hosted solution. This project was completed in November 2023.

Human Resources (HR) Case Management: In October 2023, LACERA implemented Human Resources Service Now (HRSN), a powerful tool to streamline Human Resources operations. The features of this solution include *Case Management*, where incoming HR requests become cases in HRSN, providing more transparency and improved tracking of requests; *Automation*, where routine HR tasks are automated, saving time and reducing the likelihood of errors; *Knowledgebase*, a centralized repository of HR information that promotes employee self-service; and *Data Insights*, analytics and reporting tools that provide insights into HR operations, enabling data-driven decision-making. HRSN went live on October 5, 2023, with three processes: New Hire Checklist, Bonus Requests, and Onboarding/Offboarding. We plan to add more modules to the solution in future phases.

Knowledgebase (KBase) Modernization: In September 2023, LACERA launched a modernized Knowledgebase solution using SharePoint. This new solution used the content of our legacy KBase solution but provides a modern interface, greater search

capabilities, and a hosted solution. This upgraded solution is an interim measure, providing functionality until the Knowledge Management Strategic Initiative team chooses and deploys a permanent enterprise solution.

Microsoft (MS) Teams Rooms Conversions: The Telco team completed the conversion of eight traditional conference rooms to MS Teams rooms. These rooms seamlessly support hybrid meetings on MS Teams for greater collaboration and staff participation.

Multifactor Authentication for Incoming Member Calls: In November 2023, LACERA provided a multifactor authentication solution for the Member Services Call Center, allowing members and payees to authenticate more securely and quickly.

My LACERA Home Page Redesign: In January 2024, LACERA launched a redesigned home page for My LACERA. The new design is customized for each member or payee based on their status and recent interactions with LACERA.

Online Retirement Election: In January 2024, LACERA implemented an online retirement election process to allow members to retire quickly and securely at any time they choose and from almost anywhere in the world.

PPOA Data Exchange: LACERA implemented an automated data exchange process with the Public Peace Officers Association (PPOA) to replace a paper-based, manual process. LACERA is currently reaching out to other associations to implement solutions similar to the one we have in place with PPOA.

Rehired Retiree Process (previously 120-Day Retirees): In January 2024, LACERA implemented a process to track the hours worked by rehired retirees to enforce the policy that they cannot exceed 120 days (or 960 hours) in a fiscal year. The project involved getting a new data feed from the Los Angeles Auditor/Controller, implementing automated correspondence with rehired retirees, adding rehired retiree data to Workspace, and displaying rehired retiree work hours on the My LACERA dashboard.

Retiree Healthcare Data on My LACERA: In January 2024, LACERA enhanced the Retiree Healthcare data displayed on My LACERA to include more detailed plan descriptions, Medicare Part B Reimbursement amounts, and dependent information.

Seventh Floor Remodel: The Infrastructure team supported the seventh floor remodel project from inception to completion. As staff members from FASD, the Information Security Office, and Systems Division moved back to the seventh floor in December and January, the team set up the monitors, docking stations, and printers for them.

Sol Case Management Phase 1: In May 2022, the BOR approved LACERA's recommended vendor, Eccentex, to partner with LACERA to develop our case management system. Eccentex was selected after an extensive review of 13 vendor proposals received from our RFP. The solution that they developed for LACERA is named Sol. The first phase of Sol includes Disability Retirement Services, the Disability Litigation Office, and Benefits' First Payment process. Both the Disability Retirement Services and

the Disability Litigation Office's case management solutions were implemented in October 2023, improving both process efficiency and transparency. We expect the First Payment process to be completed by May 2024.

Windows 11 Upgrade: In September 2023, Windows 11 was pushed to all LACERA devices that are managed by Intune.

Uninterruptible Power Supply (UPS) Replacement: In November 2023, LACERA replaced the UPS that supports LACERA's boardroom and onsite data center.

We also have the following projects in progress and expect to complete them during FY 2023-24:

CEO Dashboard: In April 2024, the CEO Report that is included in the Board of Retirement agenda package and displayed on LACERA Connect will be replaced by a Power Business Intelligence (Power BI) dashboard generated using data in LACERA's data lake. This new dashboard will automate the creation of the CEO report and eliminate the current tedious, manual process.

Disaster Recovery (DR): In April 2024, LACERA will transfer the responsibility of disaster recovery from the Systems Division Project Management Office to the Information Security Office within the Executive Office. The success of the disaster recovery plan developed and executed by the Project Management Office and supported by both the Infrastructure and Business Solutions teams over the past three years cannot be overstated. When the PMO took on the responsibility of DR, LACERA had not completed a DR drill in six years. Within six months, LACERA executed a successful DR drill of *all systems supporting member operations*. Within the following year, LACERA executed a successful DR drill of *all systems* with the participation of all divisions. The transfer of responsibility will happen during our annual DR drill. Information Security will conduct annual DR drills as well as quarterly tabletop exercises from that point forward. The Systems management team, as well as the Infrastructure and Business Solutions teams, will continue to participate and support the drills and exercises, but Information Security will plan and drive them.

eDiscovery: In October 2023, the Information Technology Coordination Council approved a project to securely capture and archive organizational communications such as email, instant messages, voice messages, and mobile text messages using a new eDiscovery solution. A midyear budget adjustment was made to accommodate the cost of this new solution, which will give the Legal Services autonomy for eDiscovery and public records requests, ensure proper chain of command for eDiscovery, and increase the integrity of LACERA archives. The eDiscovery team is currently reviewing potential vendors. We expect a vendor to be selected and implemented by June 2024.

Enterprise Contract Lifecycle Management (ECLM): LACERA has procured an ECLM solution from Cobblestone. This solution will automate the development, approval, and management of contracts and RFPs at LACERA. This solution will replace a legacy

system that was developed in-house and will give LACERA the opportunity to centralize vendor management. We expect the implementation to be completed in June 2024.

LACERA Incident Response Team (LIRT) Incident Management Solution: In December 2022, the Information Technology Coordination Council approved a LIRT incident management solution project to automate the tracking of LACERA incidents. The LIRT project team decided to leverage a product that is already implemented at LACERA: ServiceNow Information Technology Service Management (ITSM). LACERA is currently meeting with a business partner to customize the incident workflow of ServiceNow ITSM to support LACERA's process. We expect this project to be completed in June 2024.

Policy Management Solution: In September 2022, the Information Technology Coordination Council (ITCC) approved a policy management project to automate the creation, review, approval, and maintenance of LACERA policies as well as track the versions and acknowledgment of policies. Funding for this project was included in the FY 2023-24 budget. While the policy management project team was reviewing possible vendors, they realized that many companies offering policy management solutions also provide an entire suite of governance products that integrate with their solution. The team believes that the policy solution should not be selected in a vacuum, but instead, should be evaluated for its features as well as the additional modules provided by the vendor. The team is currently revising the requirements for the project and will be presenting the change in scope to the ITCC for approval. If approved, the team will issue an invitation to bid (ITB) with the new requirements to vendors. We hope to select a vendor and implement the policy management solution by June 2024.

Sol Case Management Display on My LACERA: In February 2024, members that have cases managed by Sol will be able to see the detailed status of their case on My LACERA. Currently, Disability Retirement and Disability Litigation cases are live in production. We expect First Payment cases to be live in production in May 2024.

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

The Systems Division will support LACERA's Strategic Initiatives in FY 2024-25 as outlined below:

1. Superior Member Experience

Enhance the Retiree Healthcare Experience: The Business Solutions team will support the Superior Member Experience initiative by developing a self-serve, online retiree healthcare enrollment process. This process will be simple, user-friendly, and efficient. Clear instructions, an intuitive interface design, real-time feedback, and the ability to easily navigate through the steps will streamline the process and enhance the overall user experience.

Member Experience Communication Platform: The Project Management Office will implement a new Call Center solution that will streamline the authentication process and improve the experience of calling LACERA for members and payees.

Sol Case Management: The Project Management Office will continue with Phase 2 of the case management project by implementing the following processes in Sol: Account Settlement, Disability handoff to First Payment, Death Processing and Seamless Survivor, and Post Process Auditing.

2. Innovation through Technology

Knowledge Management: The Project Management Office will support the Knowledge Management initiative during FY 2024-25 as LACERA seeks to digitally capture, document, organize, and access critical business knowledge and information.

Business Intelligence: The Systems Division will be leading the advancement of LACERA's business intelligence. Our data lake will serve as the foundation for this effort as we implement Power Business Intelligence (BI) dashboards, optical character recognition, and artificial intelligence solutions.

Cloud Optimization: Now that LACERA's cloud migration has been completed, the Systems Division will focus on cloud optimization. We will evaluate resource usage and right size instances, optimize storage, and implement best practices to ensure optimal performance while minimizing expenses. In preparation for this effort, three staff members are upscaling their skills by obtaining Financial Operations (FinOps) certifications to gain expertise in managing cloud costs effectively.

Mainframe Strategy: LACERA currently maintains a batch COBOL system, IRIS, that runs on a mainframe computer. While the Systems Division migrated all online transactions running on the mainframe to a more modern platform and retired 1.5 million lines of COBOL code in 2017, there are still mission-critical batch programs running on our mainframe. During FY 2024-25, the Business Solutions team will develop a three-year strategy for these programs to ensure they are seamlessly migrated to another technology.

3. Investing in People

Staff Training and Development: The Systems Division has prioritized developing technical mastery and building professional relationships for FY 2024-25. Staff will be offered training to further develop their skills, knowledge, and abilities as well as conferences to exchange information with their peers at other associations. With the implementation of new technology, we will also train staff to administer and support the new solutions as needed. While we have leaned heavily on online, virtual training during the pandemic and understand the efficiencies of this training model, we plan to take advantage of in-person opportunities going forward to make sure LACERA is in touch with our peers and is not advancing our technology in isolation.

4. Compliance and Enterprise Risk Management

Governance Automation: The Project Management Office will work with the Legal Services and Internal Audit divisions to select and implement Governance, Risk, and Compliance (GRC) and Audit Management solutions.

5. Fiscal Durability

Enterprise Automation: The Systems Division will support the new implementations of Questica (budget automation), Cobblestone (ECLM), and Certify AP (automated accounts payable) as well as work with FASD to plan for replacing our legacy general ledger system with a modern solution that leverages cloud technology, automation, and advanced analytics.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25

Adjustments to Permanent Staffing

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

Systems is not requesting any adjustments to permanent staffing at this time.

Temporary Staffing

The Systems Division uses temporary staffing for two reasons: to fill a temporary gap in skillsets for a limited amount of time, and to acquire essential technical resources on a temporary basis while waiting for competitive exams to be opened. Most of our current temporary staff fall into the second category. They are performing work that will be performed by permanent staff members once the positions are filled. These temporary staff members have the technical skills needed to support our IT operations, and we hope they will apply for the positions when they open.

The Human Resources Division is currently recruiting for five IT Specialist II positions. The hiring of these five permanent staff members will allow us to decrease the number of temporary staff members that we employ. To that end, we are decreasing our budget for temporary staffing next year from \$2,811,700 to \$2,140,100.

LACERA's hiring plan has four additional exams scheduled which will result in filling 13 additional vacancies over the course of FY 2024-25

Overtime Needs

We are requesting the same budget for overtime in FY 2024-25 that we requested in FY 2023-24. This overtime budget is primarily allocated for:

- After-hour system maintenance and upgrades
- Emergency system support
- Support for Saturday Member Services and Benefits operations
- Support for extended office hours during peak months
- Development and implementation support for Phase 2 of Sol

Interns

The Systems Division is requesting three interns, one for each of our major information systems sections. The Business Solutions intern will join the Workflow Automation Team to work on optical character recognition (OCR) initiatives and automated testing solutions; the Infrastructure intern will join the engineering team to support and learn about LACERA's onsite data center; and the Project Management Office intern will join the data lake team to help categorize LACERA's enterprise data and implement a data cataloging tool. Our goals for hiring interns are to provide meaningful work to students who are studying Information Technology, obtain energetic resources with a new perspective for short-term projects, and find qualified candidates to permanently join our division.

Funding for interns is provided in the Human Resources Division's Budget.

Rehired Retirees

The Systems Division is requesting two rehired retirees to continue to fill critical, specialized skill gaps until the IT Specialist I positions are filled with permanent staff members.

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

Removal of One-Time Expenditures

The Systems Division has removed the following one-time expenditures totaling \$350,000 for FY 2024-25 due to completion of these projects:

Project	Cost
• Completion of uninterruptible power supply (UPS) upgrade	\$150,000
• Completion of keycard reader upgrades	\$100,000
• Completion of Great Plains integration	\$100,000

Services and Supplies Adjustments

The Systems Division has requested four new budget accounts this year to separate the procurement and support of infrastructure software, as well as software solutions developed and supported in-house, from the procurement and subscription costs of Software as a Service (SaaS). The four new budget accounts are:

- Divisional Software (New): This account is for new SaaS solutions that support a specific division.
- Divisional Software (Existing): This account is for existing SaaS solutions that support a specific division.
- Enterprise Software (New): This account is for new SaaS solutions that support more than one division.
- Enterprise Software (Existing): This account is for existing SaaS solutions that support more than one division.

Divisional Software: New

Project	Total Cost	Description
Secure Access Service Edge (SASE) Solution	\$235,000	To support LACERA's strategic objective of Innovation Through Technology, the Systems Division and Information Security Office seeks to implement an SASE solution that will enable the organization to better support our remote and hybrid workforce automatically by connecting them to nearby cloud gateways for better performance. This project will replace the organization's current Netskope solution with a more simplified system that is easier to manage and troubleshoot and provides consistent, secure access to all applications, while allowing the engineering and information security teams to have full visibility and inspection across all network ports and protocols.

Member Identity Verification Solution	\$220,000	To support LACERA's strategic objective of Superior Member Service and as part of our commitment to protecting the promised benefits, the organization seeks to improve our member identity verification processes. This project will ensure the organization can leverage identity verification and/or authentication services that adhere to the highest standards of data privacy and protection while enhancing the user experience and member satisfaction, reducing operational costs, and improving compliance and security requirements.
Facilities Management Solution	\$150,000	The Administrative Services Division seeks to implement an enterprise facilities management software solution to replace the current tediously manual and labor-intensive processes. The new system will seek to implement automation to ensure that the organization can properly manage the health and safety of our work environment while enhancing our ability to improve facilities-type requests. The same amount for this project was requested during the FY 2023-24 budget; however, this project was deferred due to resource constraints and to focus on higher priority initiatives.
Benefits PBI Upgrade	\$100,000	To support LACERA's strategic objective of Superior Member Service, the Benefits Division seeks to replace their current end-of-life member/beneficiary research system. The new system will ensure that the organization can quickly and accurately identify deceased members and locate or identify the beneficiary to fulfill our fiduciary responsibilities and pay out the owed benefits. The same amount for this project was requested during the FY 2023-24 budget; however, this project was deferred due to resource constraints and in lieu of the vendor extending support in the current system.

Digital Mailroom	\$100,000	LACERA seeks a virtual mailroom to ensure business continuity by providing efficient and secure management of incoming mail. The virtual mailroom would use an outsourced solution to provide uninterrupted document processing and remote accessibility. During FY 2024-25, LACERA would like to complete a pilot project for the digital mailroom to ensure that the solution would be effective and provide business continuity and seamless disaster recovery.
Human Resources Recruitment Module (Neogov)	\$71,000	LACERA seeks to expand our use of Neogov to include the “Attract” talent acquisition modules, expand the use of the “Perform” modules to include performance evaluations for represented staff members, and add the “Learn” module as an organization learning management system.

Enterprise Software: New

Project	Total Cost	Description
Member Experience Communication Project (MECP)	\$600,000	LACERA seeks to modernize our existing telecommunications infrastructure for servicing our members. This funding is requested to support LACERA’s telecommunications strategy to acquire a world-class Member Service Contact Center solution that integrates with our existing Microsoft suite of products, case management application, and pension administration system. Initial funding for this project was requested during the FY 2023-24 budget to support both the Pasadena office and Member Service Contact Center; however, the member servicing portion was deferred to focus on updates to the corporate telecommunications infrastructure.

<p>Member Case Management</p> <p>(Phase 1: Enhancements)</p> <p>(Phase 2: Implementation)</p>	<p>\$500,000</p>	<p>Case management continues to be a top priority for LACERA in the upcoming fiscal year. During FY 2023-24, LACERA will complete the implementation of Phase 1 of the project, which includes the Disability Retirement, Disability Appeals, and First Payment processes. The estimate in this current fiscal year is for continuous enhancements to the implemented Phase 1 processes as those workflows mature and to begin implementation of Phase 2. Phase 2 will focus on the insurance enrollment and member appeals resolution processes, which include legal review, insurance appeals and escalation, insurance enrollment, and administrative appeals and escalation. The future phases may involve additional RFPs for professional services, or LACERA may choose to implement the additional phases using internal resources.</p>
<p>Enterprise Knowledge Management Solution</p>	<p>\$250,000</p>	<p>To support LACERA’s strategic objective of Innovation Through Technology, the organization seeks to implement an enterprise knowledge management solution that stores and organizes the knowledge and information of the organization into a single robust solution. We currently maintain this critical enterprise content in multiple formats and on disparate systems. This project will improve the efficiency of processes and operations by reducing the time and effort required to access and use relevant knowledge and information, preserve intellectual assets by capturing and storing knowledge of subject matter experts or retirees and support learning and development of staff by providing a resource to acquire and update their knowledge and skills.</p>
<p>Policy, Governance Risk and Compliance (GRC), and Audit Solution</p>	<p>\$70,000</p>	<p>LACERA seeks to implement a comprehensive GRC solution that includes the following modules: Policy Management, IT Governance Risk and Compliance, Enterprise Risk Management, Ethics and Compliance, and Audit.</p>

Audio/Visual Equipment Replacements

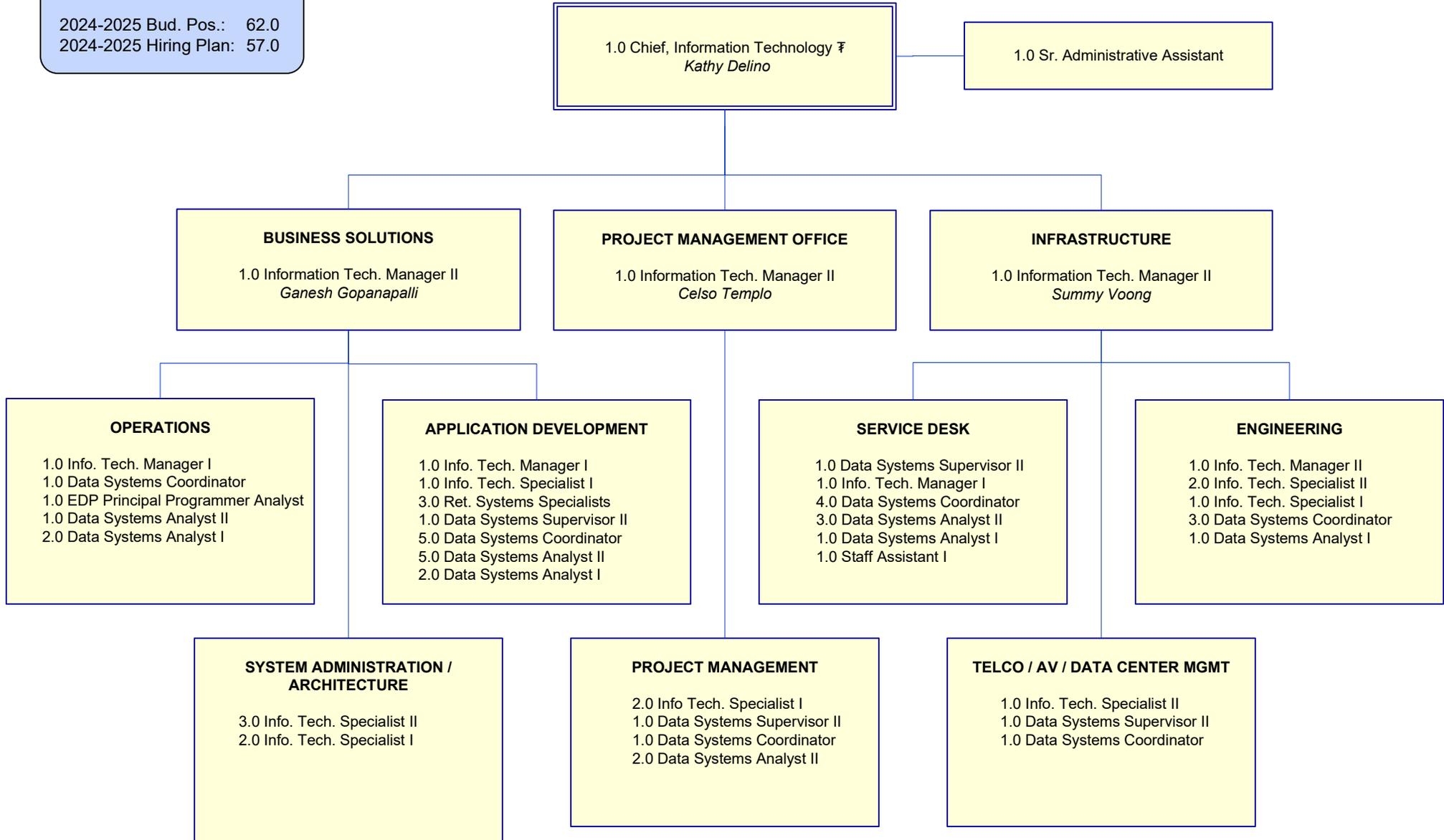
Project	Total Cost	Description
Teams Room Conversion	\$125,000	The Systems Division is converting all LACERA conference rooms to Microsoft Teams-enabled meeting rooms. This project is being implemented in three phases, with Phases 1 and 2 completed during the FY 2023-24 budget. Funding for Phase 3 is being carried forward from the FY 2023-24 budget, and once completed, each conference room will provide a rich and collaborative Teams meeting experience that is simple to use and supports LACERA's flexible hybrid work environment.

SYSTEMS DIVISION

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.: 62.0
2023-2024 Hiring Plan: 54.0

2024-2025 Bud. Pos.: 62.0
2024-2025 Hiring Plan: 57.0



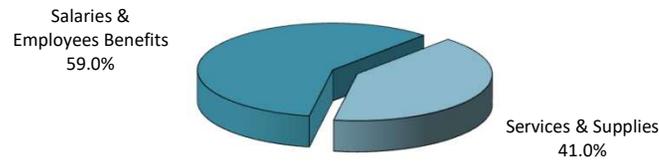
₪ Title changed from Chief, Information Technology Officer to Chief, Information Technology (Board of Supervisor approved and effective 1/1/2022).

LACERA
FISCAL YEAR 2024-2025
BUDGET SUMMARY

SYSTEMS DIVISION

	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET		
	PROPOSED BUDGET 2024-2025	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(01-31-24)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$14,784,573	\$14,681,724	\$6,297,041	\$12,311,000	(\$2,370,724)	-16.1%	\$102,849	0.7%
Services & Supplies	10,294,500	9,187,800	3,947,434	8,645,800	(542,000)	-5.9%	1,106,700	12.0%
OPERATING BUDGET	\$25,079,073	\$23,869,524	\$10,244,475	\$20,956,800	(\$2,912,724)	-12.2%	\$1,209,549	5.1%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2024-2025
SALARIES AND EMPLOYEE BENEFITS SUMMARY

SYSTEMS DIVISION

	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		BUDGET	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE
			(01-31-24)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$7,720,737	\$6,950,188	\$2,867,593	\$5,821,300	(\$1,128,888)	-16.2%	\$770,549	11.1%
Total Agency Temp Salaries	2,140,100	2,881,700	1,452,019	2,489,200	(392,500)	-13.6%	(741,600)	-25.7%
Employee Benefits (Variable)	3,890,171	3,907,382	1,516,520	3,079,100	(828,282)	-21.2%	(17,211)	-0.4%
Employee Benefits (Other)	470,481	445,474	177,103	359,600	(85,874)	-19.3%	25,007	5.6%
OPEB Contribution	305,784	246,880	127,070	258,000	11,120	4.5%	58,904	23.9%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	229,200	229,200	136,054	276,200	47,000	20.5%	0	0.0%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	12,000	12,000	16,782	20,400	8,400	70.0%	0	0.0%
Rideshare Allowance	8,900	8,900	0	0	(8,900)	-100.0%	0	0.0%
Transportation Allowance	7,200	0	3,900	7,200	7,200	0.0%	7,200	0.0%
ADJUSTED GROSS S&EB	\$14,784,573	\$14,681,724	\$6,297,041	\$12,311,000	(\$2,370,724)	-16.1%	\$102,849	0.7%
Salary Differential	-	-	-	-	-		-	
TOTAL S&EB	\$14,784,573	\$14,681,724	\$6,297,041	\$12,311,000	(\$2,370,724)	-16.1%	\$102,849	0.7%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA
FISCAL YEAR 2024-2025
BUDGET POSITIONS

SYSTEMS DIVISION

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0805	CHIEF, INFORMATION TECHNOLOGY, LACERA (UC)	1	LR14
0804	INFORMATION TECHNOLOGY MANAGER II, LACERA	3	LS12
0802	INFORMATION TECHNOLOGY SPECIALIST II, LACERA	2	127C
0460	DATA SYSTEMS SUPERVISOR II, LACERA	2	120F
2644	RETIREMENT SYSTEMS SPECIALIST, LACERA	2	119L
0453	EDP PRINCIPAL PROGRAMMER ANALYST, LACERA	1	119J
0469	DATA SYSTEMS COORDINATOR, LACERA	13	114K
0458	DATA SYSTEMS ANALYST II, LACERA	10	109G
0457	DATA SYSTEMS ANALYST I, LACERA	6	106G
0426	STAFF ASSISTANT I, LACERA	1	089A
Total Filled Positions =		41	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0804	INFORMATION TECHNOLOGY MANAGER II, LACERA	1	LS12
0803	INFORMATION TECHNOLOGY MANAGER I, LACERA	3	LS11
0802	INFORMATION TECHNOLOGY SPECIALIST II, LACERA	4	127C
0801	INFORMATION TECHNOLOGY SPECIALIST I, LACERA	6	122A
0460	DATA SYSTEMS SUPERVISOR II, LACERA	2	120F
2644	RETIREMENT SYSTEMS SPECIALIST, LACERA	1	119L
0469	DATA SYSTEMS COORDINATOR, LACERA	2	114K
0458	DATA SYSTEM ANALYST II, LACERA	1	109G
0439	SENIOR ADMINISTRATIVE ASSISTANT, LACERA	1	094B
Total Vacant Positions =		21	

TOTAL POSITIONS = **62**

Non-Represented positions shown in black.
Represented positions shown in blue.
Salary schedule as of 01/01/2024.

LACERA
FISCAL YEAR 2024-2025
SERVICES & SUPPLIES ACCOUNT SUMMARY

SYSTEMS DIVISION

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE		
COMMUNICATIONS	\$440,000	\$570,000	\$203,974	\$495,200	(\$74,800)	-13.1%	(\$130,000)	-22.8%
TRANSPORTATION & TRAVEL	53,000	41,600	6,519	26,500	(15,100)	-36.3%	11,400	27.4%
POSTAGE	450,000	450,000	0	400,000	(50,000)	-11.1%	0	0.0%
OFFICE SUPPLIES & EQUIPMENT	355,000	763,000	120,695	714,000	(49,000)	-6.4%	(408,000)	-53.5%
EQUIPMENT MAINTENANCE	425,000	730,000	338,113	662,800	(67,200)	-9.2%	(305,000)	-41.8%
PROFESSIONAL & SPECIALIZED SERVICES	1,145,000	1,340,000	280,699	1,222,100	(117,900)	-8.8%	(195,000)	-14.6%
COMPUTER SERVICES & SUPPORT	7,358,000	5,229,600	2,985,730	5,070,000	(159,600)	-3.1%	2,128,400	40.7%
EDUCATIONAL EXPENSES	66,500	63,100	11,049	54,500	(8,600)	-13.6%	3,400	5.4%
MISCELLANEOUS	2,000	500	654	700	200	40.0%	1,500	300.0%
TOTAL	\$10,294,500	\$9,187,800	\$3,947,434	\$8,645,800	(\$542,000)	-5.9%	\$1,106,700	12.0%

*All amounts rounded to the nearest dollar.

** Corrections are anticipated that will result in the projected expenses being consistent with the approved budget.

SYSTEMS DIVISION

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$5,534,330	\$5,374,005	\$6,950,188	\$5,821,300	\$7,720,737
Total Agency Temp Salaries	4,576,300	2,941,429	2,881,700	2,489,200	2,140,100
Employee Benefits (Variable)	3,212,254	2,627,666	3,907,382	3,079,100	3,890,171
Employee Benefits (Other)	410,601	370,881	445,474	359,600	470,481
OPEB Contribution	217,901	216,507	246,880	258,000	305,784
OPEB Contribution (Budget Surplus)	0	217,901	0	0	0
Stipends	0	0	0	0	0
Overtime	150,000	215,349	229,200	276,200	229,200
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	12,000	17,170	12,000	20,400	12,000
Rideshare Allowance	8,900	0	8,900	0	8,900
Transportation Allowance	0	0	0	7,200	7,200
SERVICES & SUPPLIES					
Communications	535,000	507,934	570,000	495,200	440,000
Transportation & Travel	4,200	7,459	41,600	26,500	53,000
Postage	390,000	0	450,000	400,000	450,000
Office Supplies & Equipment	469,000	792,949	763,000	714,000	355,000
Equipment Maintenance	405,000	415,215	730,000	662,800	425,000
Professional & Specialized Services	1,359,600	1,255,275	1,340,000	1,222,100	1,145,000
Computer Services & Support	5,049,600	4,989,506	5,229,600	5,070,000	7,358,000
Educational Expenses	36,500	16,342	63,100	54,500	66,500
Miscellaneous	500	221	500	700	2,000
TOTAL OPERATING BUDGET	\$22,371,686	\$19,965,810	\$23,869,524	\$20,956,800	\$25,079,073

*All amounts rounded to the nearest dollar.

PROJECTED NON-ADMINISTRATIVE EXPENSES
For the Fiscal Year Ended June 30, 2025

	Current Year		Prior Year ACTUAL FOR FY 2022-2023
	EXPENSES AS OF 12/31/2023	PROJECTED FOR FY 2024-2025	
Pension Trust Fund:			
Investment Management Fees			
U.S. Equity	\$ 3,347,409	\$ 6,694,818	\$ 5,768,839
Non-U.S. Equity	11,045,073	22,090,146	20,573,332
Fixed Income	7,694,694	15,389,387	(10,278,771)
Cash and Short-Term	144,822	289,645	269,176
Mortgage Loan Services	11,299	22,598	24,559
Private Equity	4,629,591	9,380,091	8,711,127
Real Assets	2,261,130	4,522,260	3,606,854
Real Estate	9,710,122	25,448,081	23,259,141
Hedge Funds	680,214	1,360,429	778,342
Commodities	1,048,713	2,097,427	2,408,892
Total Investment Management Fees	40,573,068	87,294,882	55,121,491
Other Investment Expenses			
Consultants			
General Investment Portfolio-Meketa Investment Group	126,175	504,700	497,350
Private Equity	512,500	975,000	803,931
Real Estate	97,313	388,788	390,141
Other Consulting Fees	364,042	728,083	935,125
	1,100,029	2,596,571	2,626,547
Custodians			
Investment Custodian and Banking Fees	1,702,208	2,769,706	3,489,685
Mortgages	1,250	5,000	5,000
	1,703,458	2,774,706	3,494,685
Performance and Other Fees	69,458,428	132,646,122	124,849,824
Investment Management Data Services	1,067,545	2,206,035	1,543,032
Investment Legal Counsel	925,270	1,427,000	1,848,254
Total Other Investment Expenses	74,254,729	141,650,434	134,362,342
Total Management Fees and Other Investment Expenses	\$ 114,827,797	\$ 228,945,316	\$ 189,483,833
Actuarial Consulting Services	207,473	296,000	457,778
Total Pension Fund Non-Administrative Expenses	\$ 115,035,270	\$ 229,241,316	\$ 189,941,611
Retiree Health Care (RHC) Program Funds:			
Fixed Income Management Fees	\$ 55,752	\$ 111,505	\$ 104,498
Short-Term Management Fees	3,392	6,783	13,157
Custodian Fees	15,000	30,000	30,000
Total RHC Program Non-Administrative Expenses	\$ 74,144	\$ 148,288	\$ 147,655
Other Post Employment Benefits (OPEB) Trust Fund:			
Enhanced Cash Management Fees	\$ 13,322	\$ 26,645	\$ 22,416
Commodities Management Fees	101,937	203,875	153,718
Global Equity Management Fees	252,895	350,646	244,370
Fixed Income Management Fees	281,941	399,894	258,716
Real Estate Management Fees	120,768	177,880	130,224
Private Assets Management Fees	-	1,470,500	-
General Investment Portfolio Consultant	43,775	87,550	86,273
Custodian Fees	51,098	200,294	216,618
Total OPEB Trust Non-Administrative Expenses	\$ 865,737	\$ 2,917,284	\$ 1,112,334

L//CERA



**BUILDING
A BETTER
TOMORROW**

**Board of Retirement
2023-2028 Strategic Plan**

Los Angeles County Employees Retirement Association

Board of Retirement

Thank you to the Board of Retirement Trustees for their service and guidance in shaping LACERA's strategic priorities and objectives.



Shawn R. Kehoe
Chair
Elected by Safety Members

Alan J. Bernstein
Vice Chair
Appointed by Board of Supervisors

Vivian H. Gray
Secretary
Elected by General Members



Elizabeth B. Ginsberg
Chief Deputy County Treasurer And Tax Collector
*Acting Ex-Officio Trustee**

Jason E. Green
Elected by Safety Members

Elizabeth Greenwood
Appointed by Board of Supervisors



James P. Harris
Elected by Retired Members

Keith Knox
County Treasurer and Tax Collector
Ex-Officio Trustee

Ronald Okum
Appointed by Board of Supervisors



Les Robbins
Elected by Retired Members

Antonio Sanchez
Appointed by Board of Supervisors

Herman B. Santos
Elected by General Members

We also want to recognize the following former Board of Retirement Trustees: Wayne Moore, William Pryor, and Gina Zapanta.

* When ex-officio trustee is absent

A Message From the CEO



I'm pleased to present the LACERA 2023-2028 Strategic Plan on behalf of the Board of Retirement. This plan covers the strategic priorities, goals, and objectives that we will implement during the next five years. It is the result of an extensive and broadly inclusive process of review, recommendations, discussion, and collaboration among LACERA's Trustees, executive and managerial teams, active and retired members, and employees from all divisions.

First, a little background about how we got here: When I started as CEO at LACERA in November 2019, LACERA divisions were working on several strategic goals that had been set by the Board of Retirement, but a formal strategic planning process had not been conducted for several years.

In March 2020, COVID-19 forced LACERA to close most of its onsite operations, and we pivoted to a largely remote workforce nearly overnight. We were able to quickly transform the organization thanks to the decisive leadership and full support of our Board Trustees; the groundwork already completed on our existing goals; and the dedicated, all-hands-on-deck efforts of the entire LACERA staff. Together we quickly developed, implemented, and adopted new technological tools to conduct our daily operations; interact with members, colleagues, and stakeholders; and continue uninterrupted service.

In early 2022, LACERA reopened for onsite work and in-person service, and we initiated a comprehensive strategic planning process as directed by the Board of Retirement. The multiple phases of the process took place throughout the year, informed by our recent experiences and advancements and incorporating input from our various stakeholders.

In addition to catalyzing our evolution, the pandemic strengthened LACERA's commitment to our mission and our members, whose heroic efforts saved lives and maintained the social fabric during this prolonged public health emergency. Throughout this plan, you will see how our strategic priorities reflect our "member first" commitment—from developing a comprehensive member experience and benefits education program, to ensuring the stability, security, and sustainability of our infrastructure and trusts, to developing and retaining our workforce and fostering internal leadership.

Consistent with our commitment to transparency and accountability, we are publicly sharing this Strategic Plan, which will serve as our road map for enhancing the member experience while strengthening our organization from within. This plan is a living document that will continually evolve to meet shifting challenges and opportunities. Along the way, we will maintain open, responsive relationships with all of our stakeholders and encourage their input.

On behalf of everyone at LACERA, we respect the trust placed in us to serve the employees of L.A. County and other districts. We will honor that trust as we set an ambitious path of constant improvement, building a stronger LACERA for today and the years to come.

Santos H. Kreimann
Chief Executive Officer

Our Strategic Planning Process

Initiation and Assessment Stage

The strategic planning process kicked off in January 2022. LACERA conducted an assessment of our strengths, weaknesses, opportunities, and threats (SWOT assessment) as part of the May 2020 100-Day Management Report. Working with the Board of Retirement, we identified short-term priorities to focus on. This strategic plan is designed to build on that work to date and define the strategic priorities, goals, and objectives for the next five years.

We also incorporated input from recent audits, including the September 2021 Eide Bailly Recruitment Audit and August 2022 Weaver Organizational Maturity Audit.

Stakeholder Engagement

Members: To get an accurate picture of our members' expectations and communications preferences as part of the member experience strategic priority, in summer 2022 we surveyed all members to learn about how they want to interface with LACERA in a variety of scenarios. This survey was the first of its kind in LACERA's history. We conducted an extensive print and digital campaign utilizing an omnichannel outreach approach to engage members across all plan types and age groups and provided print and electronic survey options to encourage maximum participation, an approach that proved to be successful based on our high response rate. (See more about the survey results under Gaining Insight on page 9.)

Employees: We held four kick-off meetings so that all LACERA employees could learn about the process. We also surveyed all LACERA employees to solicit their input.

We formed cross-divisional teams of LACERA employees to work on each strategic priority, including what we should do and how we should monitor progress to signal success of desired outcomes.

Trustees: We conducted a strategic-planning kick-off with Trustees. As we honed our options, we surveyed Trustees for their input. We also created an ad hoc committee of Trustees and key staff members to provide guidance during the process. Finally, we devoted a day of our February 2023 Board Offsite Meeting for Trustees to provide feedback and continued progressively refining the plan up to the approval stage.



Who We Are

In 1937, the County of Los Angeles established a pension trust fund to provide defined retirement and death benefits to eligible County employees. In 1938, the Los Angeles County Employees Retirement Association (LACERA) was introduced to administer it.

Today, LACERA is an independent governmental entity, separate and distinct from the County. It is the largest county retirement system in the United States.

LACERA is governed by two Boards:

- The Board of Retirement (BOR) is responsible for the overall management of the retirement system and the LACERA-administered retiree healthcare program.
- The Board of Investments (BOI) is responsible for establishing LACERA's investment policy and objectives; overseeing the management of the fund; overseeing pension actuaries and assumption-setting; and setting employer and employee contribution rates.

Together, the BOR and BOI are primarily responsible for LACERA's budget and personnel (classification and compensation). The Boards have a fiduciary duty to LACERA's stakeholders.

Our Membership

- 187,000 members, including 71,000 benefit recipients¹
- 54,600 member participants in our retiree healthcare benefit program²

Our Funds

- Pension Fund value: \$70 billion¹
- Other Post-Employment Benefits Trust value: \$2 billion¹

¹2022 Annual Comprehensive Financial Report

²March 2023 CEO Report

Our Plan Sponsors

In addition to the County of Los Angeles, LACERA administers and manages the retirement fund for four outside districts: Little Lake Cemetery District, Local Agency Formation Commission (LAFCO), Los Angeles County Office of Education (LACOE), and South Coast Air Quality Management District (SCAQMD).

LACERA's staff of 426 employees deliver retirement pension and healthcare benefits to our members, and oversee the prudent investment of funds.

LACERA's Strategic Plan takes into consideration our diverse stakeholders and audiences.

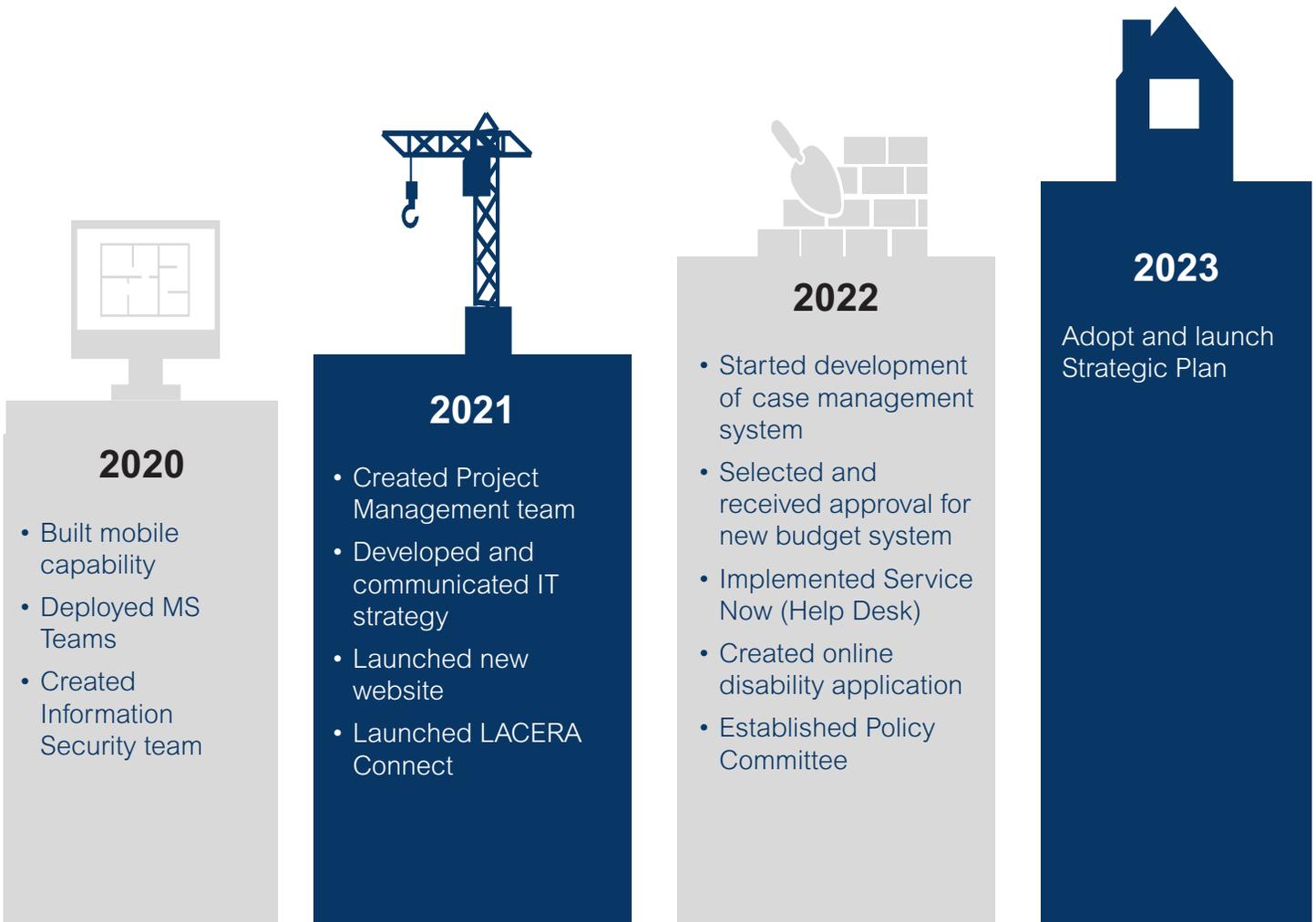


¹ County of Los Angeles, Local Agency Formation Commission (LAFCO), Los Angeles County Office of Education (LACOE), South Coast Air Quality Management District (SCAQMD), Little Lake Cemetery District

² Service Employees International Union (SEIU) Local 721, Association for Los Angeles Deputy Sheriffs (ALADS), Professional Peace Officers Association (PPOA), Coalition of County Unions, International Association of Fire Fighters (IAFF) Local 1014

Accomplishments to Date

In our current quest to build a better tomorrow, we have embarked on a number of initiatives to continuously improve our workflows and business processes.



Continuously improving workflows and business processes

Strategic Priorities

Strategic Priority Goals



1 Superior Member Experience

Innovate and continuously improve the member experience



2 Innovation Through Technology

Leverage technological solutions to advance capabilities, increase productivity, and elevate operational maturity



3 Investing in People

Attract, motivate, hire, and retain a highly engaged and skilled workforce



4 Compliance and Enterprise Risk Management

Adopt and implement compliance and enterprise risk frameworks aimed at facilitating strengthened governance around risk management and compliance



5 Fiscal Durability

Exercise care and prudence in managing our resources and fund assets

Objectives

- 1.1 Ensure a consistent omnichannel member experience at every stage of the member's journey
- 1.2 Enhance member educational content at every stage in their journey and launch LACERA Communication Plan
- 1.3 Develop, implement, and deploy a digital strategy to better serve our members
- 1.4 Improve and enhance the retiree healthcare experience

- 2.1 Promote an enterprise approach to information gathering, integration, analysis, and sharing that fosters decision-making through the adoption of a business intelligence platform
- 2.2 Implement an enterprise-wide knowledge management system to digitally capture, document, organize, and access critical business knowledge and information

- 3.1 Develop and implement a framework aimed at promoting and embracing diversity, equity, and inclusion (DEI)
- 3.2 Develop enterprise-wide training and development programs designed to support and encourage employee growth and development
- 3.3 Improve and simplify the hiring process, aimed at building a solid foundation for succession planning

- 4.1 Develop an enterprise compliance plan and program to ensure adherence to established processes, procedures, policies, and governing rules and regulations
- 4.2 Implement a comprehensive enterprise risk management framework and structure to facilitate stronger organizational risk management

- 5.1 Develop organizational tools to support enterprise-wide fiscal responsibility
- 5.2 Support the LACERA Investment Office in implementing and achieving the BOI's Strategic Plan goals



Strategic Priority 1: Superior Member Experience

Innovate and continuously improve the member experience

Background

The LACERA member experience is not a one-time occurrence but a lifetime relationship—from the beginning of that member’s career through the legacy they leave their survivors. It is defined by every interactive touch-point they have with LACERA, everything they hear about LACERA, and how they feel about LACERA throughout their lives.

From planning for retirement to helping members use their healthcare benefits, LACERA is proud of our long history of providing highly personalized service. Our members’ demographics and expectations for service delivery, however, are changing, and are combined with increasing demand for LACERA customer service. In response, we must create innovative solutions for conducting member outreach and guiding our members to consistent, actionable information and modern, interactive tools for self-service.

LACERA has adopted a “member journey” approach that is tailored to the various stages of our members’ lives to shape and deliver a superior experience that meets our members’ needs.

Understanding Members Is Key

The following graph provides a high-level snapshot of our membership.



Source: March 2023 CEO Report
Data as of 2/15/23; average ages pending verification

Considering our members’ ages, generations, and preferences is foundational when conducting outreach and developing a member experience program. For example, we know Gen X and Millennials are highly competent in using computers and mobile apps, are extremely active social media users, and like to choose between self-service and in-person interactions. Other generations (Greatest Generation and Baby Boomers) are increasingly adopting mobile applications and are also active in social media, but they still tend to prefer traditional interaction points, such as mail, email, phone, and in-person service when conducting business transactions.



Strategic Priority 1: Superior Member Experience

Innovate and continuously improve the member experience

Gaining Insight

To develop a sustainable member experience program, we need a deeper understanding of our members' communications preferences, both in general and during specific member journeys.

To gain greater insight, in 2022 we conducted a member survey and directly asked our members about their comfort levels with technology and online self-services, how they want to interact with LACERA in a variety of scenarios, and how they prefer to receive information. We conducted an extensive outreach campaign (including enlisting our L.A. County plan sponsor) and distributed the survey electronically and by mail to get the highest possible response rate and input from active and retired members. The data we collected will be vital as we develop member journeys.

Here are a few key insights from the survey:

- Responses were heavily skewed toward retired members and active members in their mid- to late-career stages.
- Response rates were lower from new hires in Plan G and Safety Plan C, which gives us vital information regarding levels of engagement with LACERA and differences in communication methods for future outreach efforts.
- The majority of respondents still prefer a mailed newsletter for general news and information (62 percent on average and 77 percent for those age 65 and over). In addition, an average of 50 percent of respondents indicated they liked receiving general news and information via email.
- The majority of our survey respondents indicate they use computers, tablets, and smartphones to complete financial transactions.

Among other takeaways, we know we need to conduct extensive outreach to engage with our younger demographic while focusing on an omnichannel approach for interacting with all age groups. An omnichannel approach integrates the various ways that our members can interact with LACERA (virtually, in person, by phone, email, and My LACERA) and the ways LACERA provides information (lacera.com, YouTube, email, print, SMS, My LACERA, and mailed materials). Given our members' high comfort level with receiving digital information and conducting business online for all age groups, we know we are on the right track with expanding our digital footprint and building more online applications as we develop our member journey program.



Strategic Priority 1: Superior Member Experience

Innovate and continuously improve the member experience

Developing Member Journeys

There are multiple journeys a member takes during their life with LACERA. Journeys include a member's life events (e.g., marriage, birth of a child), career and service milestones (e.g., reaching the retirement minimum age for their plan). Each member's journey is unique, but each stage of their journey is defined and mapped so we can ensure that the member has everything they need when they need it and that services are delivered based on their preferences.

The member journey is a highly personalized, high-touch, comprehensive care approach to serving our members.



Developing an in-depth understanding of a member's preferences and needs along their journey is a key component of a sustainable member experience program.

This approach requires:

- A sustainable system to evaluate each journey to ensure a continual superior member experience
- A Member Experience Council to provide coordinated focus to all involved divisions
- Defined member journeys
- Holistic focus on journey development
- Consistent omnichannel service
- A digital strategy for instant, on-demand service
- Measurable results, with consistent dashboard metrics and reports to the Operations Oversight Committee (OOC)



Strategic Priority 1: Superior Member Experience

Innovate and continuously improve the member experience

Objectives

- 1.1 Ensure a consistent omnichannel member experience at every stage of the member's journey
- 1.2 Enhance member educational content at every stage in their journey and launch LACERA's Communication Plan
- 1.3 Develop, implement, and deploy a digital strategy to better serve our members
- 1.4 Improve and enhance the retiree healthcare experience



STEPS TO ACHIEVING OUR OBJECTIVES



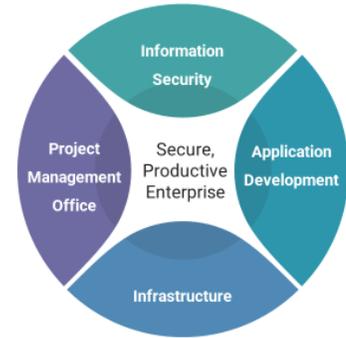


Strategic Priority 2: Innovation Through Technology

Leverage technological solutions to advance capabilities, increase productivity, and elevate operational maturity

Background

LACERA's Systems Division and Information Security teams' joint mission is to continually innovate safe, secure, and productive enterprise information technology (IT) solutions that support the LACERA mission and facilitate exceptional service to staff and LACERA members. In its Information Technology and Information Security Strategic Plan (July 2021), LACERA outlined the key components of a secure, productive enterprise.



Identity & Access Management

Ensuring the proper people have the appropriate access to technology resources



End-Point Management

Securing all enterprise access points—mobile phones, laptops, servers, desktops, and tablets



Infrastructure Management

Supporting all hosted and on-premises systems to minimize downtime and maintain business productivity



Data Management

Following best practices to ensure the availability and reliability of enterprise data



Application Development

Implementing modern solutions that support the enterprise



Operations Management

Optimizing change management and incident resolution through a standardized service management methodology

A secure production enterprise provides multiple interwoven benefits by building trust, promoting collaboration, supporting mobility, and providing intelligence data for better decision-making.



Trust

Protecting LACERA's enterprise data and resources



Collaboration

Creating a productive workplace



Mobility

Enabling staff to get things done from anywhere



Intelligence

Providing insights to drive faster, better business decisions



Strategic Priority 2: Innovation Through Technology

Leverage technological solutions to advance capabilities, increase productivity, and elevate operational maturity

Information technology (IT) is an invaluable tool. When well designed and implemented, it supports effective and efficient accomplishment of an organization's goals, objectives and strategies. LACERA's Information Technology and Information Security Strategic Plan supports the strategic priorities in this Strategic Plan by helping to:

- Improve the member experience, communication, and education to align with the members' journey
- Establish the structure and approach for optimal efficiency, compliance, risk management, and service delivery
- Optimize talent management and staffing planning
- Establish tools and capacity to support evidence-based decision-making
- Provide purpose, guidance, and inspiration for "One LACERA" to succeed in achieving the objectives in this Strategic Plan

Projects In Development

LACERA is currently advancing many new technology-driven projects, such as Phase 1 of the case management system and e-signature implementation. It is rethinking the roles of end-users, business operations, and system maintenance by developing Enterprise Contract Lifecycle Management (ECLM). The system is designed to enable "power users" (who are not IT staff) to develop reports and system functionality to meet their division's specific needs and expectations.

LACERA continues to strive to improve data accuracy through consistent interpretation of laws and rules, refinements of historic data added to our pension administration system since 1990, and formatting of information provided from our members, third parties, plan sponsors, and LACERA divisions.

Future Direction

To achieve our technology vision, LACERA plans to both modify or enhance existing applications and acquire, integrate, and support new ones. Systems' staff will need a different mix of required skill sets, including:

- Project management related to acquisition and implementation of information technologies
- Information security assessments
- System integration
- Database management
- Network planning
- System administration
- Programming in various languages, thereby reducing our dependency on specific vendors' technical coding to make the systems work
- User training and support



Strategic Priority 2: Innovation Through Technology

Leverage technological solutions to advance capabilities, increase productivity, and elevate operational maturity

LACERA is keenly aware that our ideas and needs outstrip our current capacity to undertake all of them. Therefore, through strategic planning, LACERA will:

- Set priorities through our IT Coordination Council (ITCC)
- Evaluate decisions to internally develop versus buy off-the-shelf technology solutions
- Integrate end-users into the successful selection, implementation, and support of new systems so that the technology works for them
- Develop an IT succession plan to ensure we leverage the efficiencies offered by technology and customer and member service enhancements

Objectives

- 2.1 Promote an enterprise approach to information gathering, integration, analysis, and sharing that fosters decision-making through the adoption of a business intelligence platform
- 2.2 Implement an enterprise-wide knowledge management system to digitally capture, document, organize, and access critical business knowledge and information



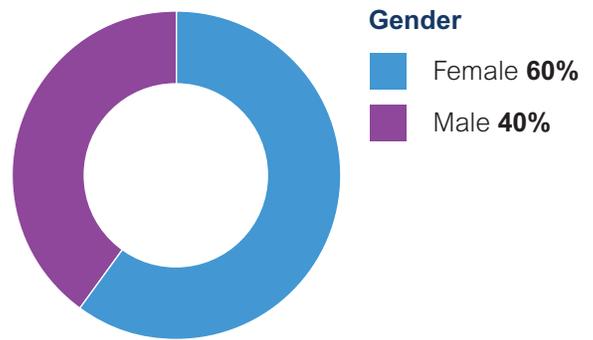
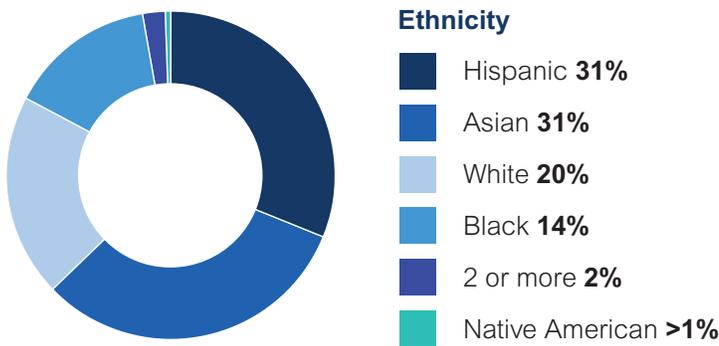


Strategic Priority 3: Investing in People

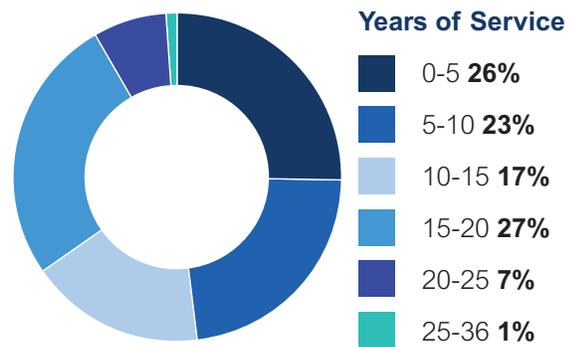
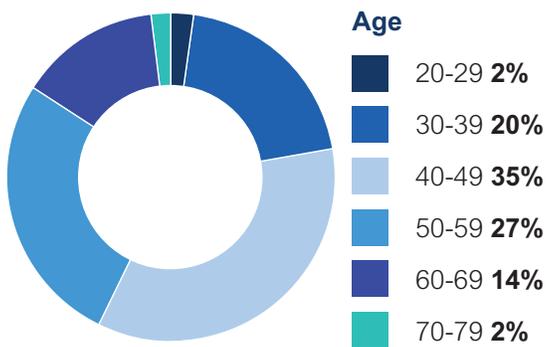
Recruit, motivate, hire, and retain a highly engaged and skilled workforce

Background

LACERA has a long-standing commitment to diversity, equity, and inclusion (DEI), as reflected in our investment strategies and diverse staff. As of our January 2023 employment records, approximately one-third of our LACERA staff identify as Hispanic, one-third as Asian, and the balance as White, Black, Native American, or two or more races. Approximately 60 percent of our workforce, as reported by the County, identifies as female.



We have a professionally experienced, stable workforce. More than one-half of our employees are between the ages of 30 and 49, while nearly three-quarters of our staff members have worked at LACERA for five years or longer.





Strategic Priority 3: Investing in People

Recruit, motivate, hire, and retain a highly engaged and skilled workforce

Internal and External DEI Efforts

In March 2021, the Board of Investments approved the Toward Inclusion, Diversity, and Equity (TIDE) initiative, which focused on DEI principles for investments, including internal practices, due diligence, active ownership, capital formation, and industry advocacy.

LACERA has now developed the LEAD initiative (see graphic below) to complement TIDE. The purpose of LEAD is to establish a positive and welcoming work culture, provide our members with exceptional service in an inclusive manner, and engage our business and community partners. We believe LEAD will:

- Build a sense of inclusiveness for employees and aid in recruitment and retention
- Provide superior member service by better understanding our members’ unique and diverse needs
- Involve our business partners in delivering better results that meet LACERA’s mission
- Engage and support our community in a shared vision for diversity, equity and inclusion

Objective

3.1 Develop and implement a framework aimed at promoting and embracing diversity, equity, and inclusion (DEI)

Lead Effectively	Ensure Equity	Achieve Inclusivity	Drive Diversity
Integrate the LEAD initiative into our work culture and how we engage with our members and convey the LEAD initiative to our business and community partners.	Commit to fair treatment and access to promotional opportunities and member resources.	Practice diversity by welcoming, supporting, respecting, and valuing individuals and groups.	Seek representation of different and unique identities, characteristics, experiences, and perspectives.



Strategic Priority 3: Investing in People

Recruit, motivate, hire, and retain a highly engaged and skilled workforce

Talent Management: Recruitment, Training, and Retention

Similar to challenges of other organizations today, LACERA faces staffing vacancies with a long lead time to hire, train, and fill. LACERA is working to make the recruitment and hiring processes and procedures more transparent, efficient, and collaborative while complying with the County’s civil service requirements. Human Resources (HR) is partnering with LACERA divisions to develop solutions that meet LACERA’s and its divisions’ hiring goals.

LACERA is also working to strengthen its talent management program for new hires and current staff members, including better onboarding, internal promotional opportunities, mentoring, and training, as well as supervisory, management, and leadership development. At the same time, we need to stay current on and/or develop changes in HR policy, processes, and procedures.

Objectives

3.2 Develop enterprise-wide training and development programs designed to support and encourage employee growth and development

3.3 Improve and simplify the hiring process, aimed at building a solid foundation for succession planning





Strategic Priority 4: Compliance and Enterprise Risk Management

Adopt and implement compliance and enterprise risk frameworks aimed at mitigating risk and vulnerabilities

Background

According to the Institute of Internal Auditors (IIA) Standards Glossary, risk is “the possibility of an event occurring that will have an impact on the achievement of objectives.” Risk is measured in terms of impact and likelihood. LACERA has various kinds of risks, including:

- Operational risks pertaining to internal policies, processes and systems, which can be affected by our employees or triggered by external events, such as the recent COVID-19 pandemic, floods, or earthquakes
- Fiduciary risks emphasizing the importance of acting in the best interest of our members
- Compliance risks relating to adequacy of internal controls to prevent violation of laws, regulations, and policies

Enterprise Risk Management (ERM) encompasses the methods and processes that organizations use to manage risks and seize opportunities related to the achievement of their objectives. LACERA's current risk governance structure includes a variety of organization-wide and divisional efforts and controls, including:

- LACERA Incident Response Team
- Policy Committee
- IT Coordinating Council
- Process Management Group
- Operations Oversight Committee and Board Reporting
- Internal Audit and Audit Committee Reporting
- Business Continuity and Disaster Recovery
- Cyber Liability Insurance

We are currently working on further formalizing the information security program, including the hiring of an Information Security Officer (ISO) and implementing this Strategic Plan.



Strategic Priority 4: Compliance and Enterprise Risk Management

Adopt and implement compliance and enterprise risk frameworks aimed at mitigating risk and vulnerabilities

LACERA will enhance and elevate our risk governance structure through the establishment of formal compliance and ERM programs that will facilitate management's efforts in regard to compliance and risk management. These efforts are continuous because risks constantly change.



Source: COSO 2017 ERM Framework

Objectives

- 4.1 Develop an enterprise compliance plan and program to ensure adherence to established processes, procedures, policies, and governing rules and regulations
- 4.2 Implement a comprehensive enterprise risk management framework and structure to facilitate stronger organizational risk management

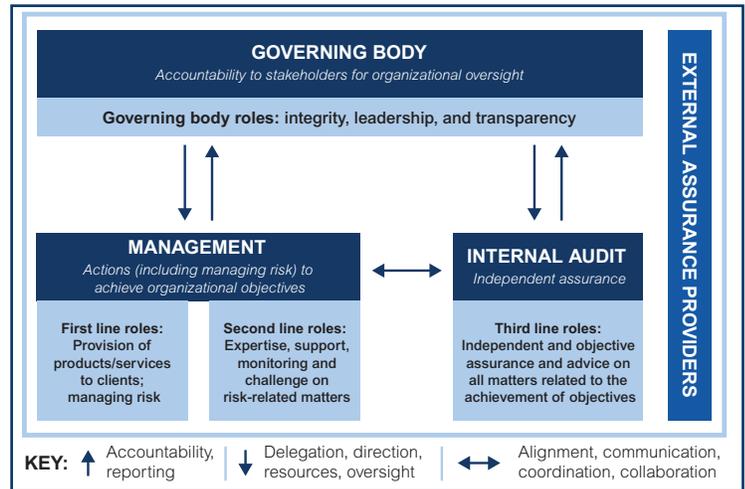


Strategic Priority 4: Compliance and Enterprise Risk Management

Adopt and implement compliance and enterprise risk frameworks aimed at mitigating risk and vulnerabilities

To achieve these objectives, we will generally follow these seven steps:

1. Form working groups across divisional lines to develop compliance and ERM charters
2. Establish dedicated compliance and risk leadership with accountability, starting with a Compliance and Ethics Officer in the Legal Office and ERM leadership in the Executive Office and Internal Audit Division
3. Identify compliance and risk champions in each division to assist with compliance and risk assessments, registers, and areas for focus
4. Conduct staff training for the organization on compliance and risk management, including new employee orientation supplemented by targeted training in specific compliance/risk areas
5. Develop divisional compliance and risk action plans
6. Integrate the results of compliance and ERM efforts into an organizational structure and plan
7. Monitor, report, and update the compliance and risk assessments, registers, and plans as part of a commitment to continuous improvement



Source: ISO 31000 Framework





Strategic Priority 5: Fiscal Durability

Exercise care and prudence in managing our resources and fund assets

Background

LACERA has two equally critical responsibilities when it comes to managing resources and fund assets. We must:

- Ensure prudent and durable fiscal management of LACERA's budget and resources expended to administer the benefits, and
- Ensure the Board of Investments' strategic initiatives to manage LACERA's investment portfolio are implemented and supported to maximize the performance of our funds.

In pursuit of meeting of these responsibilities the following two objectives have been defined to focus our efforts.

Objectives

5.1 Develop organizational tools to support enterprise-wide fiscal responsibility

5.2 Support the LACERA Investment Office in implementing and achieving the BOI's Strategic Plan goals





Strategic Priority 5: Fiscal Durability

Exercise care and prudence in managing our resources and fund assets

Objective 5.1

Develop organizational tools to support enterprise-wide fiscal responsibility

LACERA must be fiscally responsible while fulfilling our commitment to continuously meet member expectations by delivering a superior member experience. Key to this goal is maintaining our dedication to sustainable benefit delivery while employing a cost-conscious approach to efficient utilization of resources.

Some of these fiscal elements involve improvements in:

1. Financial and budgeting systems that support LACERA's ability to make, monitor, and ensure prudent and strategic expenditure decisions
2. Technology, both member facing and internal, that may reduce unnecessary or repetitive work efforts
3. Systems and processes that can be simplified and made end-user friendly to increase staff efficiency and effectiveness
4. Staffing levels that are sufficient to complete our work, meet standards, and reflect anticipated changes from technology

These improvements will enable managers and staff to plan for, manage, and track the impact of the changes that are being implemented in the other parts of the Strategic Plan.

Objective 5.2

Implement and support the LACERA Investment Office in achieving the BOI's Strategic Plan goals

Strategic Priority 5 incorporates the BOI's key strategic investment initiatives and objectives to:

1. Share information with the BOI to promote understanding of the BOI's needs and objectives.
2. Assure availability of the operational resources necessary for the BOI to implement its strategic initiatives.
3. Assist the BOI as needed in achieving its defined priorities as well as being prepared to facilitate the BOI's ability to execute a flexible response to any unforeseen circumstances.

Strategic Plan Participants

This Strategic Plan would not have been possible without the dedication and focus of our leadership and employees in developing the action plans.

Spark Advisory Team

James P. Harris, BOR Trustee
Keith Knox, BOR/BOI Trustee
Antonio Sanchez, BOR Trustee
Herman Santos, BOR/BOI Trustee
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Luis Lugo, Deputy Chief Executive Officer
Laura Guglielmo, Assistant Executive Officer
JJ Popowich, Assistant Executive Officer
Jon Grabel, Chief Investment Officer
Steven Rice, Chief Counsel
Carly Ntoya, Human Resources Director
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Kathy Delino, Information Systems Manager

Action Planning Teams

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Iveta Brecko (SYS-PMO)
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Inga Tadevosyan (INV)
Elizabeth Tirado (LEG)
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Gerald Bucacao (MS-CC-CC)
Tamara Caldwell (DRS)
Tom Deluca (SYS)
Eugenia Der (DLO)
Louis Gittens (PMG)
John Kim (INV)
Amy Lim (ADM-DPC)
Maggie Luong (PMG)
Sevan Simonian (BEN-CORE)
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Strategic Planning Idea Review and Implementation Team (SPIRIT)

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Goal No. 5: Human Resources

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Jon Grabel (INV)
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JJ Popowich (EXEC)
Carly Ntoya (HR)
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Scott Zdrzil (INV)

Goal No. 7: Accountability and Metrics

Luis Lugo (EXEC), Facilitator
Eugenia Der (DLO)
Louis Gittens (BEN)
Maggie Luong (BEN)



The main purpose of this Strategic Plan is to build a better tomorrow for our members by outlining what we must do internally in terms of technology, staffing, and processes—particularly enterprise risk management, compliance, and fiscal durability—to support both the member services and investment sides of LACERA.

This document does not authorize expenditure of funds or commitment of resources.

LACERA
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Towards Best-In-Class Investor

2024 Strategic Initiatives and Work Plan

Investments Division

Board of Investments Meeting
January 10, 2024

2024 Work Plan Recommendation and Overview



Recommendation

Approve the 2024 BOI Strategic Initiatives and Work Plan

Overview

The 2024 Strategic Initiatives and Work Plan aims to:

1. Provide **visibility** into current and upcoming initiatives
2. Reflect and **synthesize** Board-approved projects and input, recent Board meetings, and Offsite discussions into a cohesive action plan
3. **Align** resources and priorities to remain resilient and adaptable to unforeseen circumstances

Objectives

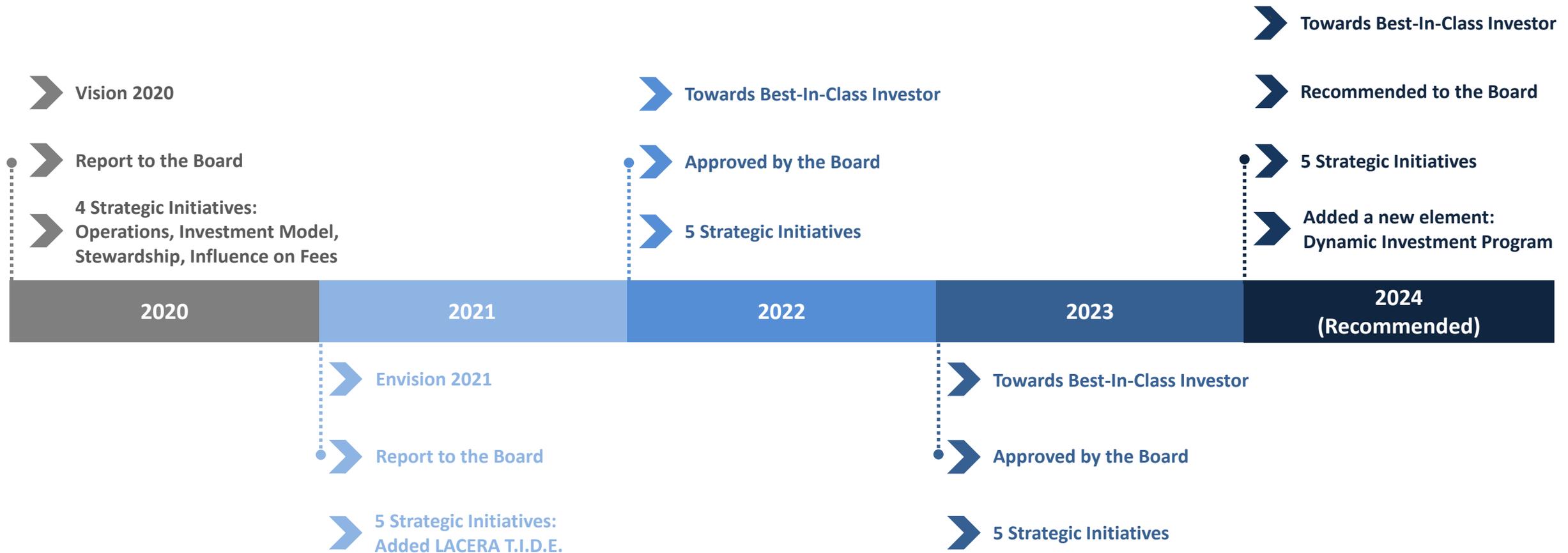
Progress

Aspirations



Strategic Initiatives and Work Plan Timeline

Components of the Strategic Initiatives and Work Plan have been refined over several years with the steady goal of improving portfolio outcomes

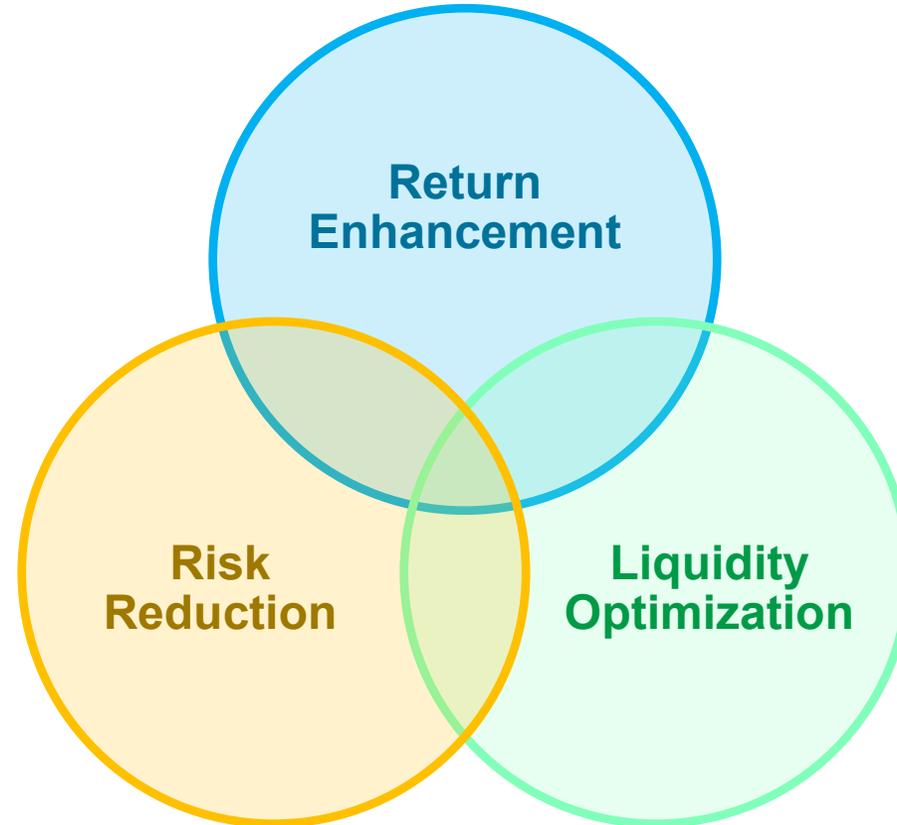
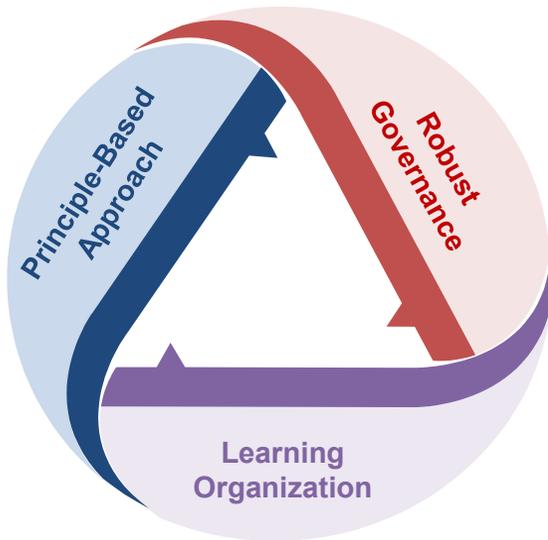


2024 Work Plan: Execute Strategic Asset Allocation Towards Best-In-Class Investor



Execute Strategic Asset Allocation

Dynamic Investment Program



Strategic Initiatives



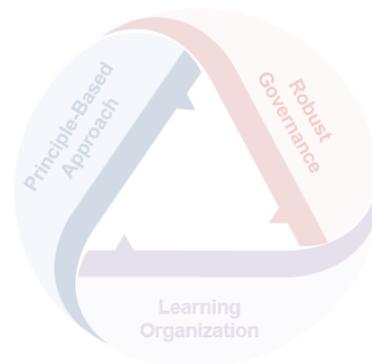
Mission: To produce, protect and provide the promised benefits to our members

Execute Strategic Asset Allocation



Execute Strategic Asset Allocation

Dynamic Investment Program



Strategic Initiatives



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

2024 Work Plan: Objectives of the Investment Program



LACERA's Investment Policy Statement emphasizes Produce, Protect, and Provide objectives, mirrored in its Strategic Asset Allocation strategy focusing on Return Enhancement, Risk Mitigation, and Liquidity Optimization



Objectives of the Investment Program

LACERA follows a carefully planned and executed strategic investment program in order to:

- I. **Produce** the promised benefits for LACERA members and beneficiaries by achieving the Fund's assumed rate of return on a total return basis over the long-term, consistent with LACERA's mission;
- II. **Protect** the promised benefits on behalf of LACERA members and beneficiaries by mitigating investment risks through Fund diversification and other means, consistent with LACERA's mission; and
- III. **Provide** the promised benefits for LACERA members and beneficiaries, in part by ensuring adequate liquidity, consistent with LACERA's mission



Execute Strategic Asset Allocation



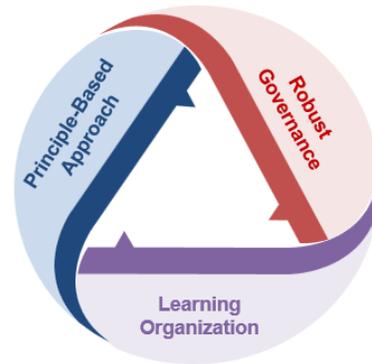
Mission: To produce, protect and provide the promised benefits to our members

Dynamic Investment Program



Execute Strategic Asset Allocation

Dynamic Investment Program



Strategic Initiatives



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

Dynamic Investment Program: Robust Governance



Board-requested governance review in Spring of 2023 led to a comprehensive, multi-stage assessment of LACERA's policies, procedures, and investment decision-making processes and documents

Given LACERA's total Fund size, its leadership, and market position, the Board voted unanimously to elevate governance via delegated authority while simultaneously enhancing its oversight and monitoring capabilities

Delegated Authority Framework¹

1. Investment Policy Statement
2. Strategic Asset Allocation
3. Asset Class Structure Reviews
4. Staff-Led Sourcing and Due Diligence
5. Internal Committee Approval and Consultant Concurrence
6. CIO Approval
7. Continuous Board Oversight and Monitoring



Strategic Initiative Alignment



Nimble and efficient execution of BOI-approved work plan and SAA



Elevates Board resources to focus on long-term strategic goals



Continued exercise of ownership rights over investments



Timelier negotiations of costs, fees, and terms



Elevates the role of LACERA T.I.D.E through programmatic BOI updates

¹ As further articulated in the "Proposed Delegated Authority Framework" Board of Investments presentation meeting report November 8th 2023

Dynamic Investment Program: Learning Organization



LACERA's dedication to being a learning organization inspires an ongoing pursuit of self-improvement, adaptation, and evolution

Continuous Board
Education Elevates
Investment Division

Updated Investment
Beliefs

Improved Board Reports

Formalized BOI
Oversight and
Processes of Delegated
Authority

Standardized Structure
Review Guidelines

Commenced Harmonizing
Governing Policies

Bolstered Internal
Investment Committees

Enhanced Operational Due
Diligence Capabilities

Derived Insights from
Investment Experiences

Expanded Templated
Investment Analyses

Dynamic Investment Program: Principle-Based Approach



LACERA evolved from a rules-based investment approach to a principle-based structure, providing a robust and flexible framework to adapt and evolve to changing macro environment, technological advancements, and workforce composition

Comprehensive Due Diligence

Encompasses ESG, DEI, investment and operational considerations

Portfolio Insights

Increased total Fund risk monitoring, performance reporting, and exposure awareness

Ownership Rights

Ownership rooted in corporate governance and stewardship principles

Functional Asset Categories

Define the role of investments by return, risk, and liquidity considerations

Portfolio and Structure

Principle-based structure reviews guide portfolio objectives, framework, and guidelines

Investment Beliefs

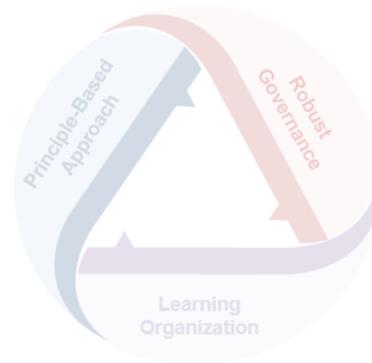
Guiding beliefs set the direction and goals of the investment department

Strategic Initiatives



Execute Strategic Asset Allocation

Dynamic Investment Program

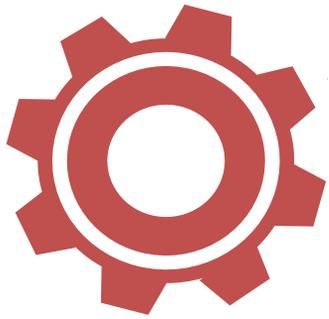


Strategic Initiatives



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

2024 Work Plan Strategic Initiatives



Enhance
Operational
Effectiveness

Objective:

To maximize the efficiency of our resources (internal and external, human and technological) and mitigate varied investment and enterprise risks, which can improve future outcomes

Progress:

- Evolved LACERA's policies, governance, and investment making decision structure
- Completed hire of deputy chief investment officer
- Implemented a digital platform to evaluate questionnaires and other diligence materials
- Completed operational due diligence review covering investment processes and controls
- Increased influence and reduced operational risk via single-investor vehicles
- Established annual private markets valuation reconciliation process

Aspirations:

- Optimize presentation and quality of information available to the Board
- Consider OPEB structure evolutions
- Search for a consolidated public and private markets investment analytics platform
- Explore technological opportunities and maximize value from adoption
- Elevate operational due diligence function, including hiring a dedicated professional

2024 Work Plan Strategic Initiatives



Optimize Investment Model

Objective:

To leverage our competitive advantages through deliberate investment models and structures that harness technology, cost effectiveness, and human capital to maximize risk-adjusted returns

Progress:

- BOI increased delegated authority improving LACERA's investment competitiveness
- Advanced OPEB Trust strategic asset allocation: approved investment beliefs and public markets passive investment manager search, completed first private markets investment
- Documented investment processes, increasing department-wide consistency and accountability
- Deployed co-investment and secondary capital across several asset categories
- Hedging and overlays implemented to dynamically balanced asset category targets
- Active monitoring and quarterly portfolio-wide discussion of risk management
- Launched new manager intake portal

Aspirations:

- Continue cultivating a dynamic investment program
- Further optimize internal staff investment committees and due diligence practices
- Continue to refine rebalancing practices
- Adopt complexity where well-rewarded and limit unrewarded complexity
- Organize effective educational sessions and orientations

2024 Work Plan Strategic Initiatives



Maximize Stewardship and Ownership Rights

Objective:

To steward our investments – including legal rights associated with them – in a manner that promotes and safeguards our economic interests and durable financial value, including through proxy voting, engagement, and policy advocacy

Progress:

- Updated Corporate Governance and Stewardship Principles
- Increased proxy voting authority to about 96% of equity portfolio by value in past five years
- Expanded ESG in real assets with restated Responsible Contractor Policy (RCP) and Global Real Estate Sustainability Benchmark (GRESB) affiliations
- Incorporated analytics to model financial impacts from climate change and energy transition for climate-aware strategic asset allocation modeling
- Expanded engagements on board diversity, climate, investor voting rights, public policy

Aspirations:

- Update climate modeling to inform Board's 2024 strategic asset allocation decision
- Expand ESG and climate reporting and data coverage in private asset classes
- Integrate GRESB and RCP in entire Real Assets
- Assume voting rights in OPEB separate account structure
- Amplify progress and leadership in governance and ESG initiatives

2024 Work Plan Strategic Initiatives



Strengthen
Influence on
Fees
and Cost of
Capital

Objective:

To strengthen our influence on fees and cost of capital with the goal of maximizing returns by minimizing cost across all investment strategies and structures in a manner that promotes durable investment returns

Progress:

- Re-negotiated terms for several legacy mandates improving future outcomes
- Made co-investments across asset categories to drive fee savings
- Established dedicated managed accounts to enable broad term negotiations
- Instituted annual total Fund fee analysis and review, including BOI reporting
- Invested with early-stage emerging managers while achieving future capacity rights and revenue sharing agreements where possible

Aspirations:

- Continue being “term-makers” as opposed to “term-takers” on fee, legal, and other terms
- Foster creativity when designing terms and account structures to both limit risks and enhance expected return outcomes
- Communicate progress towards optimizing implementation costs through improved expense and fee analytics and reporting

2024 Work Plan Strategic Initiatives



LACERA T.I.D.E
Towards Inclusion,
Diversity, and
Equity.

Objective:

To improve outcomes through comprehensive, total Fund efforts that encourage constructive, inclusive, and equitable talent management at investment partners, industry, and internally

Progress:

- Focused on career development for existing team and onboarding new hires
- Engaged strategic private equity partners on portfolio board recruitment and DEI practices
- Continued increase in manager reporting responsiveness, granularity, and candor
- Reviewed Real Assets managers' responsible contracting provisions, including DEI practices
- Expanded allocation opportunities for emerging managers
- Formally affiliated to CFA Institute DEI Code
- Supported expanding due diligence and standardized templates at industry associations to facilitate DEI reporting availability and reliability in financial services industry

Aspirations:

- Be an employer of choice at all levels from internships through management
- Inspire LACERA's managers to adopt DEI programs to increase risk-adjusted returns
- Utilize wider data sets to inform manager DEI benchmarking and progress
- Integrate takeaways from private equity portfolio company board DEI review into fund underwriting and monitoring
- Continue to enhance insights on firm ownership demographics, where available

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Remaining Items

Remaining Presentation Components

1. Tentative 2024 Calendar
2. Board of Investments Reporting
3. 2024 Work Plan Recommendation



Tentative 2024 Calendar

	January 1/10/24	February 2/14/24	March 3/13/24	April 4/10/24	May 5/8/24	June 6/12/24	July 7/10/24	August 8/14/24	September 9/10/24 - 9/11/24	October 10/9/24	November 11/13/24	December 12/11/24
Board of Investments									BOI Offsite			
Corporate Governance Committee												
Credit and Risk Mitigation Committee												
Equity: Public/Private Committee												
Real Assets Committee												

Work Plan Calendar Expectations

- Two Committee Meetings per Calendar Year
- Consultant Request for Proposals
- Funding Policy
- BOI Reporting (See Following Slide)
- Investment Guest Speaker(s)
- Board of Investments Offsite
- Asset Category Structure Reviews

Additional meetings or topics would be added on an as-needed basis



Board of Investments Reporting¹

The Board will receive reporting on total Fund performance, implementation, compliance, and investments decisions executed via delegated authority

Report	Frequency	Report	Frequency
Chief Investment Officer Report	Monthly	Corporate Governance and Stewardship Update	Annually
Chief Investment Officer-Authorized Investments ²	Monthly	Investment Consultant Performance Reviews	Annually
Performance Reporting ³	Monthly and Quarterly	LACERA Towards Inclusion Diversity and Equity (TIDE)	Annually
Risk Reporting ³	Monthly and Quarterly	Overlay and Hedges Report	Annually
Delegated Authority Compliance Monitor	Quarterly	Private Markets Performance Reporting	Annually
General Consultant Performance Report	Quarterly	Proxy Voting Reports and Trendlines	Annually
Manager Scorecards	Quarterly and Annually	Responsible Contractor Compliance Update	Annually
Actuarial Valuation of Retirement Benefits	Annually	Asset Category Structure Reviews	Biennial
Asset Manager (7514.7) Fee Analysis	Annually	Strategic Asset Allocation Review	Three to Five Years
Chief Investment Officer Performance Review	Annually		

¹ Reporting excludes other BOI functions including budgeting, actuarial analyses, and audit reviews

² Investments made under delegated authority reported to Board monthly, except if timing conflicts, reports available following month. Months without such investments may occur

³ The OPEB Master Trust will provide monthly and quarterly reporting

2024 Work Plan Recommendation



Recommendation

Approve the 2024 Strategic Initiatives and Work Plan

Context (If Approved)

Execute Strategic Asset Allocation Towards Best-In-Class Investor

1. The Board of Investments 2024 Work Plan and Strategic Initiatives is a component of LACERA's strategic plan
2. This Work Plan will evolve as circumstances warrant

Objectives

Progress

Aspirations

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Retiree Healthcare Benefits Program

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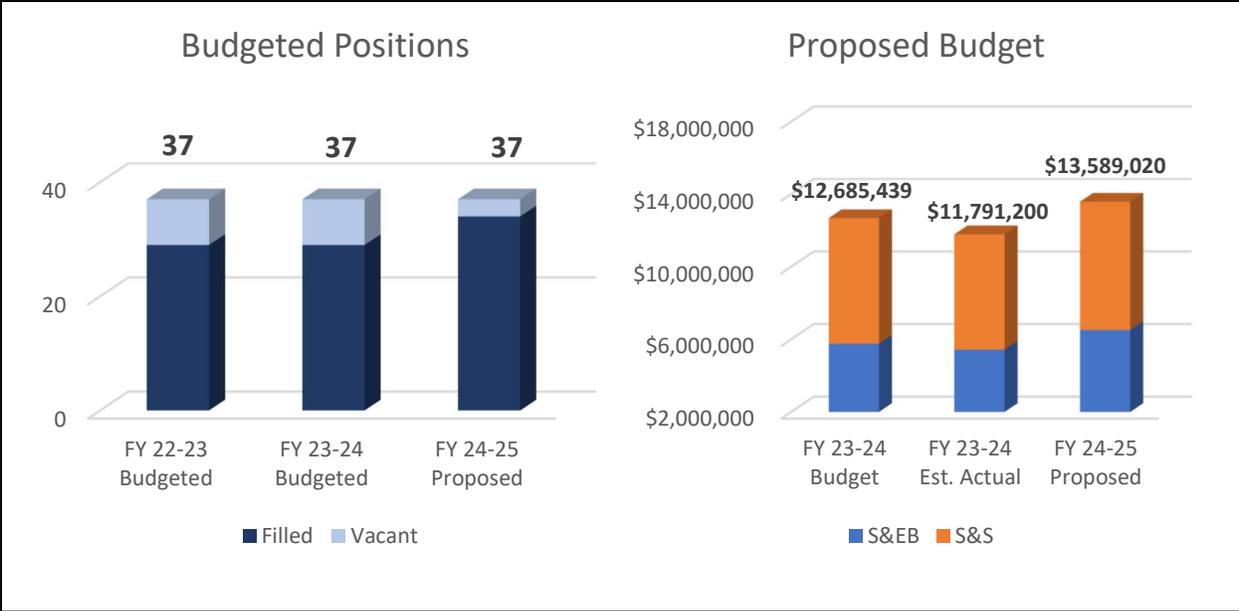
Budget History

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FY 2024-25 Proposed Budget

The Retiree Healthcare Division (RHC) is responsible for administering the Retiree Healthcare Benefits Program for eligible LACERA members, survivors, and their eligible dependents. This activity includes providing a healthcare program of the highest quality at an affordable cost and educating members about their promised healthcare benefits, including how they intersect with federal and state programs such as the Affordable Care Act (ACA), Medicare, and Social Security.



Summary of Significant Changes:

<u>Description</u>	<u>Position Changes</u>	<u>Amount</u>
Outside Legal Counsel		\$50,000
Member Verification (SSA)		\$90,000
Special Retiree Mailings		\$25,000
Removal of Triannual Audit Cost		(\$279,500)
OPEB Valuation Cost		(\$54,500)

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

- **Healthcare enrollment and Medicare 101 video** (supports Superior Member Experience strategic priority): We continue to partner with Communications in creating the healthcare enrollment and Medicare 101 video to be published on the lacera.com website. We anticipate this project will be completed by June 30, 2024.
- **Electronic file submission to carriers** (supports Innovation Through Technology priority): We continue to collaborate with Systems to implement a process for submitting member eligibility files electronically to our health plan carriers, beginning with the Kaiser plan. We anticipate the Kaiser plan submission to be completed by June 2024.
- **RHC dependents' information on member portal** (supports Superior Member Experience priority): We collaborated with Systems to enhance the RHC member information on the member portal by including data points such as dependent information, coverage dates, and health plan enrollments. We anticipate this project will be completed by June 30, 2024.

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

- **Social Security data exchange** (supports Fiscal Durability priority): This goal will allow LACERA access to Social Security information to help streamline members' and their eligible dependents' enrollment in Medicare Part A and B upon turning age 65 and help decrease staff workload. We anticipate this project will be completed by June 2026.
- **Self-service healthcare enrollment in member portal** (supports Fiscal Durability and Superior Member Experience priorities): The self-service member healthcare enrollment using the member portal will help streamline and automate the enrollment process, helping decrease our workload while enhancing the member experience. We anticipate implementing this goal in FY 2025-26.
- **Automation of Medicare Part B Verification Review** (supports Innovation Through Technology and Superior Member Experience priorities): We are partnering with Systems to automate and streamline the review of incoming Part B verifications received from members by using optical character recognition (OCR) and auto-updating the Part B amounts. This will help decrease our workload tremendously and improve member experience. We anticipate this project will be completed by June 2026.
- **RHC CORE Benefits Training Enhancement** (supports the Investing in People priority): This goal is to enhance the current RHC RBS I/County Temp training by including a refresher course for current staff regarding the RHC Benefits Program as well as enrollments processing to help improve their skills and knowledge. We anticipate a completion date of June 2026.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.

Adjustments to Permanent Staffing

We are not proposing any adjustments to our permanent staffing in FY 2024-25.

Temporary Staffing

We are requesting one temporary agency staff at the level of Senior Clerk to assist with the annual Medicare Part B verifications project.

Overtime Needs

We are requesting overtime to manage the workload due to the anticipated high volume of enrollment forms for the March Rush, processing of Medicare Part B premium verifications, and for any unanticipated special projects and special mailings. There are no changes to the number of overtime hours.

Interns

We are requesting one intern who will assist in our collaboration with the Member Operations Group Audit Platform (MOGAP) in standardizing and automating the quality metrics and enrollment forms' verification in the Quality Control Section. The LACERA Intern Program resides in the Human Resources budget; therefore, funding for the intern is included Human Resources budget.

Rehired Retirees

Retiree Healthcare does not anticipate any use of rehired retirees in FY 2024-25.

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

Removal of One-Time Expenditures

Audits/OPEB Valuation

Funding totaling \$225,000 has been removed for the triennial audit and \$54,400 from the

OPEB Valuation. This work was performed in FY 2023-24 and will not be required in FY 2024-25.

Services and Supplies Adjustments

Travel

Funding totaling \$24,700, an increase of \$1,500 is requested for staff travel. Travel is required for training and development as well as to stay abreast of changes and trends occurring in the healthcare industry.

Special Retiree Mailings

We are requesting \$325,000, an increase of \$25,000 in our Special Retiree Mailing Account to cover the potential increase in postage and printing costs as well as other unanticipated member special mailings.

Rent

Funding totaling \$217,600, an increase of \$6,400 is requested for rent.

Audits & OPEB Valuation

We have budgeted \$527,000, a decrease of \$279,500, to cover the cost of conducting the following program audits for this fiscal year:

OPEB Audit	\$123,000
OPEB Valuation Report	\$404,000

Internal Audit is adding an SOC 1 Type 2 audit for OPEB data, the OPEB Trust Financial Statement Audit, and the cost of GASB 75 work as relates to the RHCBP for this fiscal year. An external auditor will conduct the OPEB valuation report for this fiscal year. The costs associated with the triennial audit are not require in FY 2024-25 as the triennial audit was performed in FY 2023-24.

Healthcare Consulting

Funding totaling \$762,000, an increase of \$12,000 is requested for healthcare consulting services. This increase is in line with inflationary adjustments.

Member Verification

New funding totaling \$90,000 is requested to cover the cost of Social Security Administration (SSA) member verification services.

Outside Legal Counsel Fees

New funding totaling \$50,000 are requested for outside legal counsel to assist in the potential creation of a Tier 3 under consideration by the County and subject to collective bargaining.

FUNDING AND OPERATING EXPENSES

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

In FY 2022-23, LACERA's Boards increased the annual administrative fee to \$10 per member per plan per month because actual costs were projected to rise above \$8. However, that fee increase did not account for the significant surplus in the administrative account for the years where actual costs were below the amount collected. For this reason, a \$2 per member, per plan, per month credit was applied in FY 2023-24, and the Boards reduced the rate back to \$8 for FY 2023-24. For FY 2024-25, the annual administrative fee is recommended to remain at \$8.00 per member, per plan, per month. Staff believes sufficient surplus remains to fully cover the actual administrative expenses throughout FY 2024-25 and will recommend an increase to the fee in a future year, possibly as soon as FY 2025-26.

Please note that administrative fees are held in a separate account, where they are collected and used to fund the Retiree Healthcare Division's operating expenses (i.e., the RHC budget). Over time, administrative fees collected have exceeded actual administrative expenses, resulting in an accumulated surplus balance within the account of \$13,855,846 as of June 30, 2023. This accumulated surplus funds shortfalls between the actual fees collected and administrative expenditures.

Please see the chart below showing RHC Administrative Fees and Administrative Revenue and Expenses for the last ten years.

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

Fiscal Year Ending	Fee	Admin Revenue	Admin Expenses	Over / (Under)
FYE 2023	\$8.00	\$10,766,371	\$10,893,224	\$126,853
FYE 2022	\$8.00	\$10,710,527	\$9,236,963	(\$1,473,564)
FYE 2021	\$8.00	\$10,245,895	\$8,099,102	(\$2,146,793)
FYE 2020	\$8.00	\$10,076,876	\$6,828,067	(\$3,248,809)
FYE 2019	\$8.00	\$9,823,062	\$6,118,267	(\$3,704,794)
FYE 2018	\$8.00	\$9,559,745	\$5,681,953	(\$3,877,792)
FYE 2017	\$8.00	\$9,631,327	\$5,326,190	(\$4,305,137)
FYE 2016	\$5.00	\$5,984,986	\$5,279,617	(\$705,369)
FYE 2015	\$5.00	\$5,578,149	\$5,424,333	(\$153,816)
FYE 2014	\$5.00	\$5,466,487	\$5,006,498	(\$459,989)

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

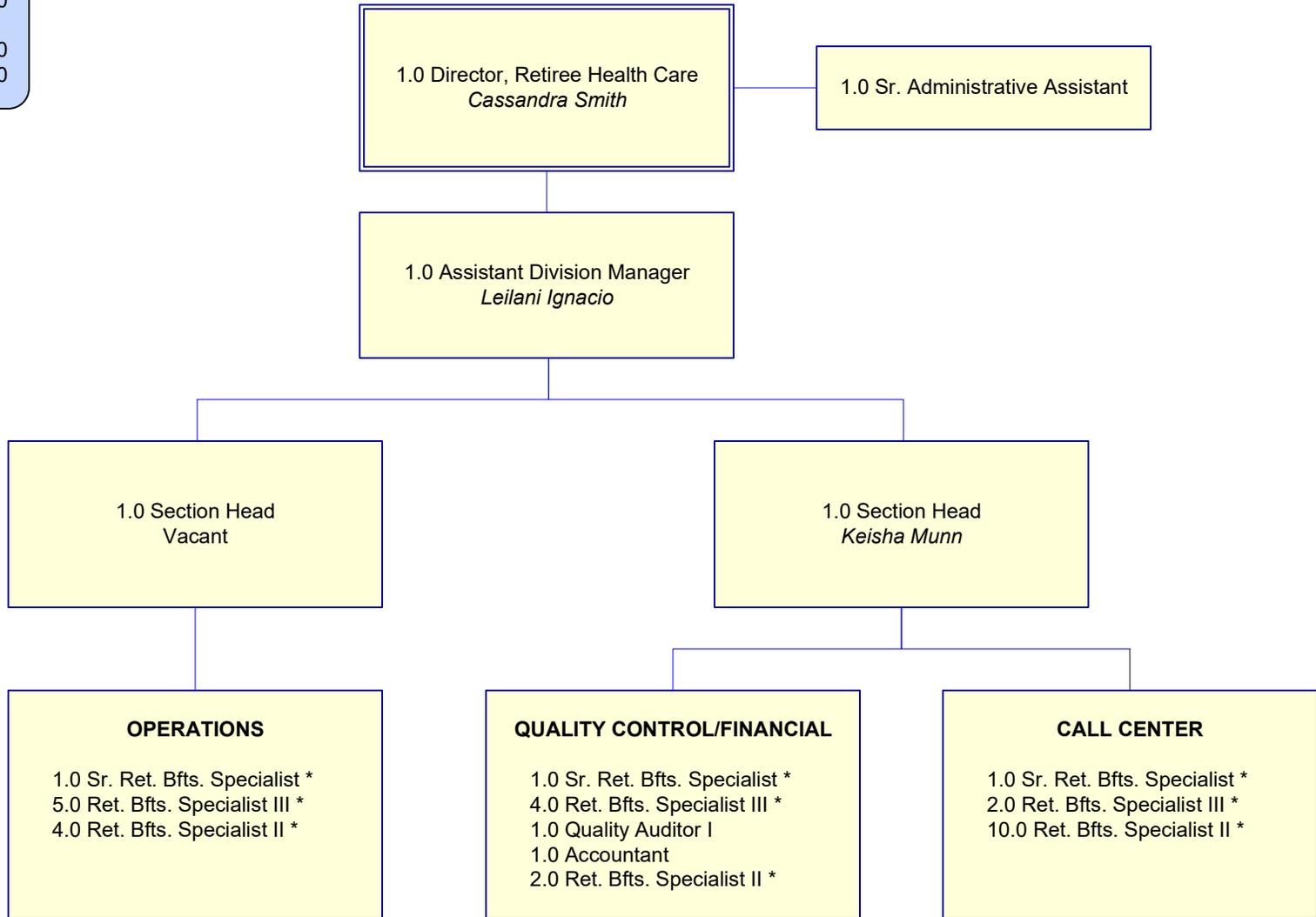
²Administrative fee account accumulated surplus of \$13.9 million was used to absorb the FYE 2023 over expenditure of \$126,853.

RETIREE HEALTH CARE BENEFITS PROGRAM

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.: 37.0
 2023-2024 Hiring Plan: 37.0

2024-2025 Bud. Pos.: 37.0
 2024-2025 Hiring Plan: 37.0



* Classification study for the position requested.

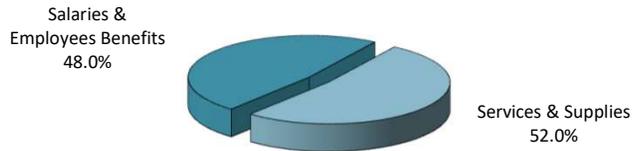
RETIREE HEALTHCARE BENEFITS PROGRAM

FISCAL YEAR 2024-2025

BUDGET SUMMARY

	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET		
	BUDGET	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		(01-31-24)	PROJECTION	BUDGET	% CHANGE			
Salaries & Employees Benefits	\$6,519,686	\$5,752,105	\$2,692,672	\$5,435,500	(\$316,605)	-5.5%	\$767,581	13.3%
Services & Supplies	7,069,334	6,933,333	3,692,845	6,355,700	(577,633)	-8.3%	136,001	2.0%
OPERATING BUDGET	\$13,589,020	\$12,685,439	\$6,385,516	\$11,791,200	(\$894,239)	-7.0%	\$903,581	7.1%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

RETIREE HEALTHCARE BENEFITS PROGRAM
FISCAL YEAR 2024-2025
SALARIES AND EMPLOYEE BENEFITS SUMMARY

	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$3,322,077	\$3,216,641	\$1,717,549	\$3,486,700	\$270,059	8.4%	\$105,436	3.3%
Total Agency Temp Salaries	71,100	165,200	66,509	114,100	(51,100)	-30.9%	(94,100)	-57.0%
Employee Benefits (Variable)	2,838,839	2,097,973	830,091	1,685,600	(412,373)	-19.7%	740,866	35.3%
OPEB Contribution	131,570	118,991	61,194	124,300	5,309	4.5%	12,579	10.6%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	138,900	134,900	5,160	10,500	(124,400)	-92.2%	4,000	3.0%
Bilingual Bonus	3,600	4,800	1,950	4,000	(800)	-16.7%	(1,200)	-25.0%
Sick Leave Buyback	10,000	10,000	10,219	10,300	300	3.0%	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	\$6,519,686	\$5,752,105	\$2,692,672	\$5,435,500	(\$316,605)	-5.5%	\$767,581	13.3%
Salary Differential	-	-	-	-	-		-	
TOTAL S&EB	\$6,519,686	\$5,752,105	\$2,692,672	\$5,435,500	(\$316,605)	-5.5%	\$767,581	13.3%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA

FISCAL YEAR 2024-2025

BUDGET POSITIONS

RETIREE HEALTHCARE BENEFITS PROGRAM

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0793	DIRECTOR, RETIREE HEALTH CARE, LACERA	1	LS14
0771	ASSISTANT DIVISION MANAGER, LACERA	1	LS10
0772	SECTION HEAD, LACERA	1	LS09
1312	SENIOR RETIREMENT BENEFITS SPECIALIST	3	105B
1311	RETIREMENT BENEFITS SPECIALIST III	11	099H
0415	ACCOUNTANT, LACERA	1	096H
0439	SENIOR ADMINISTRATIVE ASSISTANT, LACERA	1	094B
1310	RETIREMENT BENEFITS SPECIALIST II	15	093B
Total Filled Positions =		34	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0772	SECTION HEAD, LACERA	1	LS09
0796	QUALITY AUDITOR I, LACERA	1	099D
1310	RETIREMENT BENEFITS SPECIALIST II	1	093B
Total Vacant Positions =		3	
TOTAL POSITIONS =		37	

Non-Represented positions shown in black.

Represented positions shown in blue.

Salary schedule as of 01/01/2024.

RETIREE HEALTHCARE BENEFITS PROGRAM

BUDGET REQUEST INFORMATION

**AGENCY TEMPORARY STAFFING
HISTORY OF EXPENDITURES**

DIVISION	FYE 2022		FYE 2023		FYE 2024		FYE 2025
	Budget	Actual	Budget	Actual	Budget	Projection	Budget
Retiree Healthcare	\$511,700	\$251,294	\$149,800	\$155,507	\$165,200	\$114,100	\$71,100
GRAND TOTAL	\$511,700	\$251,294	\$149,800	\$155,507	\$165,200	\$114,100	\$71,100

*All amounts rounded to the nearest dollar.

RETIREE HEALTHCARE BENEFITS PROGRAM

BUDGET REQUEST INFORMATION

**OVERTIME
HISTORY OF EXPENDITURES**

DIVISION	FYE 2022		FYE 2023		FYE 2024		FYE 2025
	Budget	Actual	Budget	Actual	Budget	Projection	Budget
Retiree Healthcare	\$118,500	\$121,935	\$121,800	\$140,072	\$134,900	\$10,500	\$138,900
GRAND TOTAL	\$12,834	\$121,935	\$121,800	\$140,072	\$134,900	\$10,500	\$138,900

*All amounts rounded to the nearest dollar.

RETIREE HEALTHCARE BENEFITS PROGRAM

BUDGET REQUEST INFORMATION

**VACANT POSITIONS
SUMMARY**

Division	Budgeted Positions FY 2023-2024	Vacancy (as of 03/31/24)	%	Budgeted Positions FY 2024-2025	Vacancy	%
Retiree Healthcare	37	3	8%	37	3	8%
TOTAL	37	3	8%	37	3	8%

RETIREE HEALTHCARE BENEFITS PROGRAM

FISCAL YEAR 2024-2025

SERVICES & SUPPLIES ACCOUNT SUMMARY

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE		
TRANSPORTATION & TRAVEL	\$26,200	\$24,700	\$16,566	\$24,600	(\$100)	-0.4%	\$1,500	6.1%
POSTAGE	325,000	300,000	29,747	51,000	(249,000)	-83.0%	25,000	8.3%
OFFICE SUPPLIES & EQUIPMENT	5,000	5,000	1,107	1,900	(3,100)	-62.0%	0	0.0%
OPERATIONAL COSTS	5,243,534	5,006,533	2,919,204	5,006,500	(33)	0.0%	237,001	4.7%
PROFESSIONAL AND SPECIALIZED SERVICES	1,379,000	1,556,500	698,098	1,223,100	(333,400)	-21.4%	(177,500)	-11.4%
BANK SERVICES	21,500	21,500	10,707	18,400	(3,100)	-14.4%	0	0.0%
LEGAL FEES AND SERVICES	50,000	0	11,215	19,300	19,300	0.0%	50,000	0.0%
EDUCATIONAL EXPENSES	18,800	18,800	5,976	10,600	(8,200)	-43.6%	0	0.0%
MISCELLANEOUS	300	300	224	300	0	0.0%	0	0.0%
TOTAL	\$7,069,334	\$6,933,333	\$3,692,845	\$6,355,700	(\$577,633)	-8.3%	\$136,001	2.0%

*All amounts rounded to the nearest dollar.

RETIREE HEALTH CARE BENEFITS PROGRAM

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

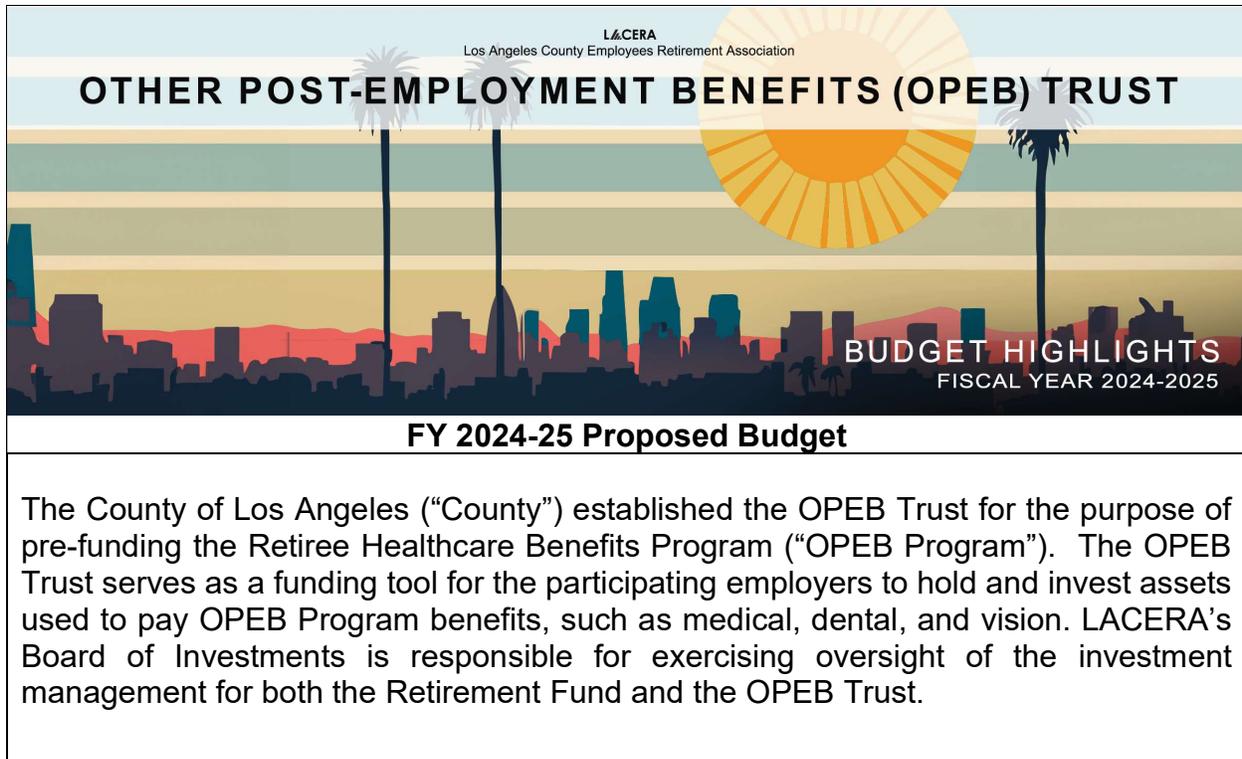
	FYE 2023		FYE 2024		Proposed Budget
	Budget	Actual	Budget	Projection	
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$3,006,805	\$3,040,866	\$3,216,641	\$3,486,700	\$3,322,077
Total Agency Temp Salaries	149,800	155,507	165,200	114,100	71,100
Employee Benefits (Variable)	1,775,266	1,463,955	2,097,973	1,685,600	2,838,839
Employee Benefits (Other)	0	0	0	0	0
OPEB Contribution	100,853	100,283	118,991	124,300	131,570
OPEB Contribution (Budget Surplus)	0	100,853	0	0	0
Stipends	0	0	0	0	0
Overtime	121,800	140,072	134,900	10,500	138,900
Bilingual Bonus	4,800	3,600	4,800	4,000	3,600
Sick Leave Buyback	10,000	10,163	10,000	10,300	10,000
Rideshare Allowance	3,600	0	3,600	0	3,600
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Transportation & Travel	24,700	39,409	24,700	24,600	26,200
Postage	300,000	269,969	300,000	51,000	325,000
Office Supplies & Equipment	4,500	836	5,000	1,900	5,000
Operational Cost	4,540,999	4,358,739	5,006,533	5,006,500	5,243,534
Professional & Specialized Services	1,229,400	1,148,352	1,556,500	1,223,100	1,379,000
Bank Services	21,500	18,021	21,500	18,400	21,500
Legal Fees and Services	0	15,684	0	19,300	50,000
Educational Expenses	19,300	26,816	18,800	10,600	18,800
Miscellaneous	300	0	300	300	300
TOTAL OPERATING BUDGET	\$11,313,622	\$10,893,125	\$12,685,439	\$11,791,200	\$13,589,020

*All amounts rounded to the nearest dollar.

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Other Post-Employment Benefits (OPEB) Trust

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

LACERA administers a Retiree Healthcare Program for members that is funded through the employer plan sponsors. Historically, these plan sponsors have paid the monthly premium costs for current eligible retirees on a pay-as-you-go basis. In FY 2012-13, the County of Los Angeles (County) and LACERA established a trust to begin to prefund the program and address its long-term liability. LACERA’s Board of Investments is the trustee and investment manager for the trust.

In FY 2016-17, the Superior Court joined the program. Beginning in FY 2017-18, the costs of administering the program were required to be reported separately on financial statements, based on the size of the participating agencies.

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

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

A Method for Tracking OPEB Trust Expenses

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

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

Cost Methodology

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

Direct Costs of Salaries and Employee Benefits

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

Indirect Services and Supplies

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

Indirect Salaries and Employee Benefits

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

Direct Services and Supplies

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

Allocation of Costs

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

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

Reconciliation of Actual Costs

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

OPEB TRUST COST ALLOCATION

FISCAL YEAR 2024-2025

PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023 - 2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET		
	YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE	
	BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE			
Salaries & Employees Benefits	\$825,111	\$521,881	\$304,430	\$490,568	(\$31,313)	-6.0%	\$303,230	58.1%
Services & Supplies	\$314,357	210,788	122,960	198,141	(12,647)	-6.0%	103,569	49.1%
OPERATING BUDGET	\$1,139,468	\$732,669	427,390	688,709	(43,960)	-6.0%	\$406,800	55.5%

2024 - 2025 PROPOSED BUDGET

