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Attention: If you have any questions, you may email PublicComment@lacera.com. If you would like to make a public comment during the committee meeting, review the Public Comment instructions.

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

AGENDA

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

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 NORTH LAKE AVENUE, SUITE 810, PASADENA, CA 91101

8:00 A.M., THURSDAY, APRIL 27, 2023

This meeting will be conducted by Joint Organizational Governance Committee and the Board of Retirement and Board of Investments both in person and by teleconference under California Government Code Section 54953(f).

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

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

- I. CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449, California Government Code Section 54953 (f)
 - A. Just Cause
 - B. Action on Emergency Circumstance Requests
 - C. Statement of Persons Present at AB 2449 Teleconference Locations
- IV. ELECTION OF OFFICERS
(Election of Chair and Vice Chair)
- V. APPROVAL OF MINUTES
 - A. Approval of the Minutes of the Regular Meeting of November 16, 2022

VI. PUBLIC COMMENT

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

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

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

VII. NON-CONSENT ITEMS

A. **LACERA Budget Policy (Annual Review)**

Recommendation as submitted by Laura Guglielmo, Assistant Executive Officer: That the Committee review and recommend to the Board of Retirement and Board of Investments for approval the LACERA Budget Policy dated June 1, 2023, and direct staff to include recommended updates to this Policy annually, as a companion to its preliminary budget presentation. (Memo dated April 19, 2023)

B. **Fiscal Year 2023-24 Preliminary Administrative, Retiree Healthcare and Other Post-Employment Benefits (OPEB) Budgets**

Recommendation as submitted by Laura Guglielmo, Assistant Executive Officer: That the Committee review the Fiscal Year (FY) 2023-24 Preliminary Budgets for LACERA Administrative, Retiree Health Care Benefits Program, and Other-Post Employment Benefits (OPEB) Trust, provide guidance to staff for any desired changes or amendments, and recommend that the Board of Retirement and Board of Investments consider and adopt these budgets prior to June 30, 2023. (Memo dated April 13, 2023)

VII. NON-CONSENT ITEMS (Continued)

C. **Document Processing Assistant and Staff Assistant Study Classification and Compensation Changes**

Recommendation as submitted by Carly Ntoya, Director of Human Resources: That the Board approve the proposed classification and compensation changes for implementation:

- Title change, description revision, and salary change for the Document Processing Coordinator, LACERA classification;
- Title changes and description revision to update the Document Processing Assistant, LACERA classification;
- Title change, description revision and salary change for the Disability Retirement Support Specialist I, LACERA classification;
- Description revision to update the Staff Assistant I, LACERA and Staff Assistant II, LACERA class specifications; and
- Delete the Disability Retirement Support Specialist II, LACERA classification because it is obsolete.

(Memo dated April 14, 2023)

D. **2023 Joint Organizational Governance Committee Proposed Meeting Calendar and Agenda Items**

Recommendation as submitted by Santos H. Kreimann, Chief Executive Officer: That the Committee schedule the 2023 calendar year meetings and review and provide input on and additions to the proposed agenda items. (Memo dated April 19, 2023)

VIII. ITEMS FOR STAFF REVIEW

(This item summarizes requests and suggestions by individual trustees during the meeting for consideration by staff. These requests and suggestions do not constitute approval or formal action by the Committee, which can only be made separately by motion on an agenda item at a future meeting.)

IX. ITEMS FOR FUTURE AGENDAS

(This item provides an opportunity for trustees to identify items to be included on a future agenda as permitted under the Committee's Charter.)

X. GOOD OF THE ORDER

(For Information Purposes Only)

XI. ADJOURNMENT

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

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

Requests for reasonable modification or accommodation of the telephone public access and Public Comments procedures stated in this agenda from individuals with disabilities, consistent with the Americans with Disabilities Act of 1990, may call the Board Offices at (626) 564-6000, Ext. 4401/4402 from 8:30 a.m. to 5:00 p.m. Monday through Friday or email PublicComment@lacera.com, but no later than 48 hours prior to the time the meeting is to commence.

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

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
300 NORTH LAKE AVENUE, SUITE 810, PASADENA, CA 91101

8:00 A.M., WEDNESDAY, NOVEMBER 16, 2022

This meeting was conducted by Joint Organizational Governance Committee and the Board of Retirement and Board of Investments both in person and by teleconference under California Government Code Section 54953(e).

PRESENT: Herman Santos, Chair (By Teleconference)

Shawn Kehoe (By Teleconference)

JP Harris (By Teleconference)

William Pryor (Left the meeting at 8:20 a.m.) (By Teleconference)

Gina Sanchez (By Teleconference)

ABSENT: David Green, Vice Chair

Elizabeth Greenwood

Antonio Sanchez

MEMBERS AT LARGE:

Keith Knox, Board of Investments/ Board of Retirement (In-Person)

Alan Bernstein, Board of Retirement (By Teleconference)

Wayne Moore, Board of Retirement (By Teleconference)

Patrick Jones, Board of Investments (By Teleconference)

STAFF ADVISORS AND PARTICIPANTS

Santos H. Kreimann, Chief Executive Officer

Luis A. Lugo, Deputy Assistant Executive Officer

JJ Popowich, Assistant Executive Officer

Laura Guglielmo, Assistant Executive Officer

Jon Grabel, Chief Investment Officer

Steven P. Rice, Chief Counsel

Carly Ntoya, Ph.D., Director, Human Resources

Connie Chan, Senior Human Resources Analyst

Roberta Van Nortrick, Acting Division Manager, Administrative Services

I. CALL TO ORDER

The meeting was called to order virtually by Chair Santos at 8:00 a.m.

II. APPROVAL OF MINUTES

A. Approval of the Minutes of the Joint Organizational Governance Committee of April 22, 2022

Mr. Harris made a motion, seconded by Ms. Sanchez, to approve the special meeting minutes of April 22, 2022. The motion passed (roll call) with Messrs. Santos, Kehoe, Harris, Pryor, and Ms. Sanchez voting yes. Messrs. Green, A. Sanchez and Ms. Greenwood were absent from the vote.

III. PUBLIC COMMENT

There were no requests from the public to speak.

IV. CONSENT ITEMS

- A. Recommendation as submitted by Steven P. Rice, Chief Counsel: That, under AB 361 and Government Code Section 54953(e)(3) of the Brown Act, the Joint Organizational Governance Committee consider whether to find that the Governor's COVID-19 State of Emergency continues to directly impact the ability of the Committee to meet safely in person and that other public agencies still recommend social distancing such that the Committee shall hold teleconference meetings for the next 30 days as part of hybrid meetings also in person, so long as the State of Emergency remains in effect, and direct staff to comply with the agenda and public comment requirements of Section 54953(e)(3).
(Memo dated November 9, 2022)

Ms. Sanchez made a motion, seconded by Mr. Harris, to approve the consent item. The motion passed (roll call) with Messrs. Santos, Kehoe, Harris, Pryor, and Ms. Sanchez voting yes. Messrs. Green, A. Sanchez and Ms. Greenwood were absent from the vote.

V. NON-CONSENT ITEMS

- A. Recommendation as submitted by Carly Ntoya, Ph.D., Human Resources Director and Connie Chan, Senior Human Resources Analyst: That the Committee approves the following:
- 1) Approve for implementation the proposed classification and compensation changes for the existing Accounting Officer II, LACERA; Accounting Officer I, LACERA; Senior Accountant, LACERA; Accountant, LACERA; and Accounting Technician I, LACERA, including submission to the Board of Supervisors (BOS);

V. NON-CONSENT ITEMS (Continued)

2) Approve for implementation the proposed classification and compensation changes for the creation of new Senior Investment

Accountant, LACERA; Investment Accountant, LACERA; and Accountant II, LACERA classifications, including submission to the BOS; and,

3) Approve that the Accounting Technician II, LACERA classification be deleted from the Ordinance, including submission to the BOS.

(Memo dated November 7, 2022)

Ms. Ntoya was present and answered questions from the Committee. Due to a lack of quorum, the Committee directed staff to advance this item without a recommendation to the Board of Retirement and Board of Investments meetings held in December.

B. Recommendation as submitted by Laura Guglielmo, Assistant Executive Officer and Roberta Van Nortrick, Acting Division Manager, Administrative Services: That the Committee review and recommend to the Board of Retirement and Board of Investments the FY 2022-2023 Mid-Year Budget Amendments for the LACERA Administrative Budget. (Memo dated November 4, 2022)

Mses. Guglielmo and Van Nortrick provided a presentation and answered questions from the Committee. The Committee directed staff to advance this item without a recommendation to the Board of Retirement and Board of Investments.

VI. ITEMS FOR STAFF REVIEW

There were no requests for items for staff review.

November 16, 2022

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VII. ITEMS FOR FUTURE AGENDAS

There was nothing to report.

VIII. GOOD OF THE ORDER
(For information purposes only)

There was nothing to report.


XI. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 9:02 a.m.



April 19, 2023

TO: Each Trustee
Joint Organizational Governance Committee

FROM: Laura Guglielmo 
Assistant Executive Officer

FOR: April 27, 2023, Joint Organizational Governance Committee

SUBJECT: **LACERA Budget Policy (Annual Review)**

RECOMMENDATION

It is recommended that the Joint Organizational Governance Committee (JOGC) review and recommend to the Board of Retirement and Board of Investments for approval the LACERA Budget Policy dated June 1, 2023, and direct staff to include recommended updates to this Policy annually, as a companion to its preliminary budget presentation.

BACKGROUND

Consistent with its Charter, the JOGC has responsibility for issues that impact both the Boards of Retirement and Investments (the Boards), including strategic planning and budgeting, and joint Board policy development. As the JOGC considers the Preliminary Fiscal Year 2023-2024 (FY 24) Budget, it is timely and appropriate to also consider an update to LACERA's Budget Policy as a companion document. Staff recommends this Policy be reviewed annually at the same time as the JOGC's consideration of the Preliminary Budget to ensure the policy is regularly updated.

CONCLUSION

Staff recommends approval of the budget policy that will help guide LACERA's fiscal and budgetary activities in a sound and reasonable manner.

Attachments



LACERA BUDGET POLICY

Responsible Manager: Laura Guglielmo, Assistant Executive Officer

Original Effective Date: 05/20/2009

Last Updated: 06/019/20223

Mandatory Review: Annually

Approval Level: Board of Retirement and Board of Investments

1. PURPOSE

This document sets forth the fiscal policy to ensure LACERA's budgeting practices are in accordance with prudent fiscal management for the allocation and utilization of resources to meet the organization's ~~M~~ission and ~~v~~ision and to support the goals of LACERA's Strategic Plan as approved by the Board of Retirement and Board of Investments. The policy also serves to increase the transparency of ~~our~~the budgeting process, which ensures stakeholders and members have insight into how ~~we~~LACERA manages their funds and meet fiduciary obligations.

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

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

2. LEGAL AUTHORITY

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

Government Code Section 31596.1 provides that the expenses of investing its moneys, securing custodial bank services, securing actuarial services for the annual valuation and triennial experience study, and securing attorney services to assist with investment matters shall not be considered a cost of administering the system. As

such, these costs are not included in the Administrative Budget and are identified as “non-administrative expenses.”

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

Government Code Section 31580.2(b) provides that expenditures for computer software, computer hardware, and computer technology consulting services in support of these computer products.

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

3. SCOPE

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

Any exceptions to this Policy must be approved by the Board of Retirement and Board of Investments.

4. DEFINITIONS

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

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

Budget: The annual financial plan that outlines the resources and revenue needed to achieve LACERA’s work plan to meet its Mission and Vision and the Boards’ jointly approved Strategic Plan.

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

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

Non-Administrative Expenses: Expenses excluded from the Administrative Budget as specified in Government Code Section 31596.1.

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

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

Statutory Appropriation Limit: The limit of the Boards' authority to appropriate funds to administer the retirement system established by Government Code Section 31580.2. ~~c~~Currently twenty-one hundredths (.21) of one percent, of the Actuarial Accrued Liability of the retirement fund.

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

5. POLICY STATEMENT

This document sets forth the fiscal policy for the administration of LACERA's budget to ensure that the budgeting practices of the organization maintain a fiscally sustainable balanced budget that recognizes the fiduciary duty owed to ~~our~~ [LACERA's](#) members. LACERA's budget encompasses three components: The Administrative Budget, the Retiree Healthcare (RHC) Program Budget and the Other Post-Employment Benefits (OPEB) Trust.

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

5.1 Administrative Budget

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

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

S&S costs reflect the daily operational needs of the organization. Some examples include building expenses (rent, maintenance, insurance), information technology needs, professional and specialized services, legal fees, office supplies and equipment, education, travel, and insurance.

5.2 Retiree Healthcare (RHC) Benefits Program Budget

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

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

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

Indirect Salaries and Employee Benefits and Indirect Services and Supplies reflect the program's pro-rata share of internal LACERA support functions such as Administrative Services, Information Technology and Human Resources.

5.3 Other Post-Employment Benefits (OPEB) Trust Budget

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

The Trust Agreements stipulate that “... *the Trustee (LACERA) shall be entitled to payment or reimbursement of all of its reasonable and appropriate expenses incurred in administering or investing the Trust...*” As such, LACERA seeks payment directly from the County and the Court to fund the OPEB Trust. To avoid the OPEB Trust assets being co-mingled with retirement fund assets, LACERA maintains separate accounting of the costs associated with administering the OPEB Trust. [The costs of the OPEB Trusts are not part of LACERA's Administrative Budget.](#)

There are four categories of expenses of the OPEB Trust: Direct Costs of Salaries and Employee Benefits; Direct Services and Supplies; Indirect Salaries and Employee Benefits; and Indirect Services and Supplies. These expenses are allocated between the County, LACERA and the Court based on an agreed upon methodology. At the close of each fiscal year, actual costs are reconciled, and variances are credited or debited to each entity.

6. PROCESS

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

6.1 Budget Preparation and Development

It is the responsibility of LACERA management to develop and prepare an annual budget in accordance with responsible fiscal management for the allocation and utilization of resources to meet the organization's [Mission, Vision, and Values and the Strategic Plan approved by both the Board of Retirement and Board of Investments.](#)

6.2 Criteria

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

- Alignment with the Strategic Plan
- Mitigating risk
- Compliance with legally mandated requirements
- Technological advancements to support staff and improve service and offerings to ~~our~~ [LACERA's](#) members
- Identifying opportunities for cost efficiencies
- Identifying opportunities to improve service to members
- Staff development and succession planning
- Direction of the LACERA Board of Retirement and/or Board of Investments

6.3 Alignment with Strategic Plan

The first step in developing a budget is to consider what the organization expects to achieve in the upcoming fiscal year. The organization's Strategic Plan [as approved by both Boards](#) lays out its strategic goals, objectives, and action plans toward achieving the organization's [Mission](#), [Vision](#), and [Values](#). Those goals and objectives identify responsibilities, timelines, and the metrics that will be used to determine if the goal or objective has been met. As part of the budget development process, it is the responsibility of LACERA Trustees and Management to ensure that the organization's budget, or financial plan, allocates the appropriate resources to achieve its strategic goals and objectives within the specified time frame.

6.4 Annual Budget Development and Approval Calendar

<i>Date</i>	<i>Activity</i>
By November 30	<ul style="list-style-type: none"> • Executive Office and Management will review Strategic Plan initiatives for alignment with the upcoming Fiscal Year budget development cycle. • Administrative Services Division will provide each Division Manager a budget package with instructions for completing their proposed

	budget for the upcoming fiscal year, a budget preparation timetable with specific deadlines, and a schedule of meeting dates with the Budget Unit and a schedule of meeting dates with the Executive Office.
December	The Budget Unit with a representative from Human Resources, meets with Division Managers to provide guidance in the development of their budget requests.
By January 15	Division Managers will submit their proposed budget to the Budget Unit.
By February 15	The Executive Office will meet with each Division Manager to discuss the Division’s needs and provide direction to the Division Managers and Budget Unit.
February	Audit Committee review of Internal Audit Proposed Budget
By Mid-April	The Budget Unit will prepare and distribute the preliminary Administrative, RHC, and OPEB Trust Budgets to all Trustees and Division Managers.
April and May	<ul style="list-style-type: none"> • Present preliminary budget to JOGC for review and input as well as any adjustments to the Strategic Plan • Conduct budget hearings with all Trustees for final direction to staff
By June 30	Board of Retirement and Board of Investment approve final budget and, if needed, the Strategic Plan as modified

6.5 Budget Adoption

The Board of Retirement and Board of Investment (“Boards”) have the joint responsibility to approve the enterprise-wide budget and resource allocations for all funds by June 30. The Boards have created the Joint Organizational Governance Committee (JOGC), to provide oversight over the budget preparation [and Strategic Plan](#). The Preliminary Budget is presented to the JOGC in April for its review. Staff incorporates direction from the JOGC and the JOGC’s recommendations are presented to both Boards during annual Budget Hearings in May. Staff incorporates additional Board direction into a Proposed Budget. The Boards independently take action to approve and adopt a Final Adopted Budget by June 30th. [Review and approval of the Strategic Plan is part of the budget process and will be considered by the JOGC and Boards as part of the budget process.](#)

6.6 Budget Appropriation

The Final Adopted Budget reflects the funds appropriated, or set aside, for specific purposes. For LACERA, funds are appropriated for two primary purposes, Salaries and Employee Benefits, and Services and Supplies. Government Code Section 31580.2 states the annual budget for administrative expenses of a retirement system established under CERL may not exceed twenty-one hundredths (.21) of one percent of the Actuarial Accrued Liability (AAL) of the retirement system. Each year, LACERA's statutory appropriation limit is identified in the Adopted Budget.

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

6.7 Budget Monitoring and Reporting

Budget Unit staff monitor and analyze Division and enterprise-wide expenditures throughout the year, consult with Division Managers to identify planned expenditures and project full year under/over expenditures by Division and compare those estimates against the Adopted Budget. Significant budgetary variances are discussed and explained.

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

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

6.8 Mid-Year Budget Review

By December 1, LACERA Executive Management will assess and evaluate the adequacy of the personnel and other resources included in the Final Adopted Budget and make recommendations to the JOGC for adjustments, if

necessary. JOGC recommendations shall be considered for approval by the Boards. [Executive Management may also, as part of the mid-year budget review, address the progress and status of achieving the Strategic Plan and issues of future adjustments to the Strategic Plan as may be needed.](#)

6.9 Mid-Year and Year-End Adjustments Within the Administrative Budget

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

6.10 Transferring Appropriations

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

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

6.11 Pre-funding OPEB with Budgetary Savings

LACERA participates in the OPEB Trust as a "contributing employer" and funds its employees' program benefits on a pay-as-you-go basis, funding actual monthly premium costs. It also makes a quarterly contribution to paydown the future OPEB liability at a rate equal to that of Los Angeles County. It is LACERA's objective to fund these program benefits within the working lifetime of the program beneficiaries so as to maintain intergenerational equity. To achieve intergenerational equity more quickly, some or all year-end budgetary savings may, at the discretion of the LACERA CEO, be used to make an additional OPEB contribution by June 30 of the year in which the funds were budgeted. Such additional OPEB contributions may be up to but may not exceed that year's budgeted OPEB contribution.

6.12 Increasing Total Appropriations

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

7. **Audit Committee Oversight of Internal Audit**

LACERA's Internal Audit Division provides independent and objective assurance services and consulting services to assist the organization to achieve its Mission, Vision, and Values and Strategic Plan by improving our LACERA's effectiveness of governance, risk management and control processes. To protect its independence, the Internal Audit Division reports to the Audit Committee of the Boards with functional reporting to the Chief Executive Officer. The Audit Committee reviews and approves Internal Audit's Proposed Budget in February, which is then incorporated into LACERA's Administrative Proposed Budget reviewed by the JOGC in April.

8. **HISTORY**

8.1 **Approvals**

- 8.1.1 Updated and approved by the Board of Retirement and Board of Investments on June 1, 2022 and June 9, 2022, respectively. Prior versions are superseded and of no effect as of the stated approval date.

8.2 **Current Status**

Annual review scheduled for June 202~~4~~3.

8.3 **Versions**

- 8.3.1 This policy was last updated on ~~May 20, 2009~~ June 14, 2022
- 8.3.2 This policy was last approved by the Board of Retirement on June 1, 2022 and Board of Investments on June 9, 2022



LACERA BUDGET POLICY

Responsible Manager: Laura Guglielmo, Assistant Executive Officer

Original Effective Date: 05/20/2009

Last Updated: 06/01/2023

Mandatory Review: Annually

Approval Level: Board of Retirement and Board of Investments

1. PURPOSE

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

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

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

2. LEGAL AUTHORITY

[Government Code Section 31580.2](#) of the County Employees Retirement Law (CERL) requires a budget covering the entire expense for the administration of the retirement system, shall be adopted by the Boards annually, and shall be charged against the earnings of the retirement fund. The expense incurred in any year may not exceed twenty-one hundredths of one percent (0.21%) of the accrued actuarial liability of the retirement system.

[Government Code Section 31596.1](#) provides that the expenses of investing its moneys, securing custodial bank services, securing actuarial services for the annual valuation and triennial experience study, and securing attorney services to assist with investment matters shall not be considered a cost of administering the system. As

such, these costs are not included in the Administrative Budget and are identified as “non-administrative expenses.”

Section 31596.1 also provides that the cost of internal legal representation secured by the Board of Retirement and Board of Investments under Government Code Section 31529.1 for services previously performed by County Counsel are not administrative costs and under Government Code Section 31607 for services to assist the Board of Investments in carrying out its investment powers and duties. [Section 31529.1](#) provides that legal representation within its scope is limited to one-hundredth of 1 percent of system assets in any budget year; investment legal expenses under [Section 31607](#) are not limited.

Government Code Section 31580.2(b) provides that expenditures for computer software, computer hardware, and computer technology consulting services in support of these computer products.

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

3. SCOPE

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

Any exceptions to this Policy must be approved by the Board of Retirement and Board of Investments.

4. DEFINITIONS

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

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

Budget: The annual financial plan that outlines the resources and revenue needed to achieve LACERA’s work plan to meet its Mission and Vision and the Boards’ jointly approved Strategic Plan.

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

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

Non-Administrative Expenses: Expenses excluded from the Administrative Budget as specified in Government Code Section 31596.1.

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

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

Statutory Appropriation Limit: The limit of the Boards' authority to appropriate funds to administer the retirement system established by Government Code Section 31580.2. currently twenty-one hundredths (.21) of one percent, of the Actuarial Accrued Liability of the retirement fund.

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

5. POLICY STATEMENT

This document sets forth the fiscal policy for the administration of LACERA's budget to ensure that the budgeting practices of the organization maintain a fiscally sustainable balanced budget that recognizes the fiduciary duty owed to LACERA's members. LACERA's budget encompasses three components: The Administrative Budget, the Retiree Healthcare (RHC) Program Budget and the Other Post-Employment Benefits (OPEB) Trust.

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

5.1 Administrative Budget

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

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

S&S costs reflect the daily operational needs of the organization. Some examples include building expenses (rent, maintenance, insurance), information technology needs, professional and specialized services, legal fees, office supplies and equipment, education, travel, and insurance.

5.2 Retiree Healthcare (RHC) Benefits Program Budget

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

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

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

Indirect Salaries and Employee Benefits and Indirect Services and Supplies reflect the program's pro-rata share of internal LACERA support functions such as Administrative Services, Information Technology and Human Resources.

5.3 Other Post-Employment Benefits (OPEB) Trust Budget

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

The Trust Agreements stipulate that "*... the Trustee (LACERA) shall be entitled to payment or reimbursement of all of its reasonable and appropriate expenses incurred in administering or investing the Trust...*" As such, LACERA seeks payment directly from the County and the Court to fund the OPEB Trust. To avoid the OPEB Trust assets being co-mingled with retirement fund assets, LACERA maintains separate accounting of the costs associated with administering the OPEB Trust. The costs of the OPEB Trusts are not part of LACERA's Administrative Budget.

There are four categories of expenses of the OPEB Trust: Direct Costs of Salaries and Employee Benefits; Direct Services and Supplies; Indirect Salaries and Employee Benefits; and Indirect Services and Supplies. These expenses are allocated between the County, LACERA and the Court based on an agreed upon methodology. At the close of each fiscal year, actual costs are reconciled, and variances are credited or debited to each entity.

6. PROCESS

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

6.1 Budget Preparation and Development

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

6.2 Criteria

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

- Alignment with the Strategic Plan
- Mitigating risk
- Compliance with legally mandated requirements
- Technological advancements to support staff and improve service and offerings to LACERA’s members
- Identifying opportunities for cost efficiencies
- Identifying opportunities to improve service to members
- Staff development and succession planning
- Direction of the LACERA Board of Retirement and/or Board of Investments

6.3 Alignment with Strategic Plan

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

6.4 Annual Budget Development and Approval Calendar

<i>Date</i>	<i>Activity</i>
By November 30	<ul style="list-style-type: none"> • Executive Office and Management will review Strategic Plan initiatives for alignment with the upcoming Fiscal Year budget development cycle. • Administrative Services Division will provide each Division Manager a budget package with instructions for completing their proposed

	budget for the upcoming fiscal year, a budget preparation timetable with specific deadlines, and a schedule of meeting dates with the Budget Unit and a schedule of meeting dates with the Executive Office.
December	The Budget Unit with a representative from Human Resources, meets with Division Managers to provide guidance in the development of their budget requests.
By January 15	Division Managers will submit their proposed budget to the Budget Unit.
By February 15	The Executive Office will meet with each Division Manager to discuss the Division's needs and provide direction to the Division Managers and Budget Unit.
February	Audit Committee review of Internal Audit Proposed Budget
By Mid-April	The Budget Unit will prepare and distribute the preliminary Administrative, RHC, and OPEB Trust Budgets to all Trustees and Division Managers.
April and May	<ul style="list-style-type: none"> • Present preliminary budget to JOGC for review and input as well as any adjustments to the Strategic Plan • Conduct budget hearings with all Trustees for final direction to staff
By June 30	Board of Retirement and Board of Investment approve final budget and, if needed, the Strategic Plan as modified

6.5 Budget Adoption

The Board of Retirement and Board of Investment ("Boards") have the joint responsibility to approve the enterprise-wide budget and resource allocations for all funds by June 30. The Boards have created the Joint Organizational Governance Committee (JOGC), to provide oversight over the budget preparation and Strategic Plan. The Preliminary Budget is presented to the JOGC in April for its review. Staff incorporates direction from the JOGC and the JOGC's recommendations are presented to both Boards during annual Budget Hearings in May. Staff incorporates additional Board direction into a Proposed Budget. The Boards independently take action to approve and adopt a Final Adopted Budget by June 30th. Review and approval of the Strategic Plan is part of the budget process and will be considered by the JOGC and Boards as part of the budget process.

6.6 Budget Appropriation

The Final Adopted Budget reflects the funds appropriated, or set aside, for specific purposes. For LACERA, funds are appropriated for two primary purposes, Salaries and Employee Benefits, and Services and Supplies. Government Code Section 31580.2 states the annual budget for administrative expenses of a retirement system established under CERL may not exceed twenty-one hundredths (.21) of one percent of the Actuarial Accrued Liability (AAL) of the retirement system. Each year, LACERA's statutory appropriation limit is identified in the Adopted Budget.

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

6.7 Budget Monitoring and Reporting

Budget Unit staff monitor and analyze Division and enterprise-wide expenditures throughout the year, consult with Division Managers to identify planned expenditures and project full year under/over expenditures by Division and compare those estimates against the Adopted Budget. Significant budgetary variances are discussed and explained.

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

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

6.8 Mid-Year Budget Review

By December 1, LACERA Executive Management will assess and evaluate the adequacy of the personnel and other resources included in the Final Adopted Budget and make recommendations to the JOGC for adjustments, if

necessary. JOGC recommendations shall be considered for approval by the Boards. Executive Management may also, as part of the mid-year budget review, address the progress and status of achieving the Strategic Plan and issues of future adjustments to the Strategic Plan as may be needed.

6.9 Mid-Year and Year-End Adjustments Within the Administrative Budget

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

6.10 Transferring Appropriations

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

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

6.11 Pre-funding OPEB with Budgetary Savings

LACERA participates in the OPEB Trust as a "contributing employer" and funds its employees' program benefits on a pay-as-you-go basis, funding actual monthly premium costs. It also makes a quarterly contribution to paydown the future OPEB liability at a rate equal to that of Los Angeles County. It is LACERA's objective to fund these program benefits within the working lifetime of the program beneficiaries so as to maintain intergenerational equity. To achieve intergenerational equity more quickly, some or all year-end budgetary savings may, at the discretion of the LACERA CEO, be used to make an additional OPEB contribution by June 30 of the year in which the funds were budgeted. Such additional OPEB contributions may be up to but may not exceed that year's budgeted OPEB contribution.

6.12 Increasing Total Appropriations

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

7. Audit Committee Oversight of Internal Audit

LACERA's Internal Audit Division provides independent and objective assurance services and consulting services to assist the organization to achieve its Mission, Vision, and Values and Strategic Plan by improving LACERA's effectiveness of governance, risk management and control processes. To protect its independence, the Internal Audit Division reports to the Audit Committee of the Boards with functional reporting to the Chief Executive Officer. The Audit Committee reviews and approves Internal Audit's Proposed Budget in February, which is then incorporated into LACERA's Administrative Proposed Budget reviewed by the JOGC in April.

8. HISTORY (WILL BE UPDATED UPON APPROVAL)

8.1 Approvals

- 8.1.1** Updated and approved by the Board of Retirement and Board of Investments on June 1, 2022 and June 9, 2022, respectively. Prior versions are superseded and of no effect as of the stated approval date.

8.2 Current Status

Annual review scheduled for June 2024.


8.3 Versions

- 8.3.1** This policy was last updated on June 14, 2022
- 8.3.2** This policy was last approved by the Board of Retirement on June 1, 2022 and Board of Investments on June 9, 2022



April 13, 2023

TO: Each Trustee
Joint Organizational Governance Committee

FROM: Laura Guglielmo 
Assistant Executive Officer

FOR: April 27, 2023 Joint Organizational Governance Committee

SUBJECT: **Fiscal Year 2023-24 Preliminary Administrative, Retiree Healthcare and Other Post-Employment Benefits (OPEB) Trust Budgets**

RECOMMENDATION

That the Joint Organizational Governance Committee (JOGC) review the Fiscal Year (FY) 2023-24 Preliminary Budgets for LACERA Administrative, Retiree Health Care Benefits Program, and Other-Post Employment Benefits (OPEB) Trust, provide guidance to staff on any desired changes or amendments, and recommend that the Board of Retirement and Board of Investments approve and adopt these budgets prior to June 30, 2023.

SUMMARY

The FY 2023-24 Preliminary Administrative Budget totaling approximately \$135.7 million, and the Preliminary Retiree Healthcare Benefits Program totaling approximately \$12.7 million, represent 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. In FY 2022-23, LACERA embarked upon an enterprise-wide strategic planning process, engaging staff at all levels, as well as members and Trustees. Although the Board has yet to formally adopt our Strategic Plan, this Proposed Administrative Budget aligns with the following five proposed strategic priorities:

- Superior Member Experience
- Innovation Through Technology
- Investing in People
- Enterprise Risk Management and Compliance
- Fiscal Durability

Also included for your consideration is the FY 2023-24 Preliminary Other Post-Employment Benefits (OPEB) Trust Budget totaling approximately \$733,000, reflecting

the estimated cost of administering the Trust on behalf of the employer members of the Trust.

LACERA ADMINISTRATIVE BUDGET

The LACERA Administrative Budget is composed of two components, Salaries and Employee Benefits (S&EB) and Services and Supplies (S&S). The total Preliminary LACERA Administrative Budget for FY 2023-24 is approximately \$135.7 million an increase of approximately \$8.0 million or 6.2 percent above the FY 2022-23 approved budget of \$127.8 million.

The S&EB portion of the FY 2023-24 Preliminary Administrative Budget is approximately \$103.2 million, \$7.8 million or 8.1 percent above FY 2022-23 approved levels. This increase is primarily attributed to cost of living adjustments (COLA) approved by the Boards of Retirement and Investments (the Boards); increased costs for variable benefits as determined by Los Angeles County; merit and salary step increases; full year funding for partially funded vacant positions filled or anticipated to be filled before June 30th; and six-months funding for three proposed new positions in Disability Retirement Services.

Not included in these totals, or in your binders, is a late request to add one new Senior Investment Officer position to support operational due diligence and compliance in the Investments Office. Operational due diligence (ODD) is a critical function as it mitigates risks stemming from operational issues that impact returns. Additionally, ODD is a key aspect of investment and manager evaluation, selection and monitoring. The position will oversee the development of robust policies and practices, guide fund-wide ODD practices and collaborate with asset class heads to further develop the Investment Office's compliance function. Although the position is presumed to be filled at the Senior Investment Officer level, a classification review will be promptly conducted to ensure the duties are appropriately aligned. The recruitment of this position will be prioritized, and six months funding totaling \$187,565 for salaries (\$121,010) and benefits (\$66,555) is requested to be added to the preliminary budget, bringing the total budget to \$135,935,539. The full year cost of this position at the lowest level is \$375,130, including salaries and benefits. With this committee's approval, staff will include the position and funding in the proposed budget for the Board of Retirement and Board of Investments consideration and approval in June.

The S&S portion of the FY 2023-24 Preliminary Administrative Budget is approximately \$32.6 million, \$225,000 or 0.7 percent above the FY 2022-23 approved levels. Some expenses have increased, while others have decreased. Significant increases include:

- **Insurance** – Increases for premiums totaling \$361,100, or 32.2 percent, primarily for cyber liability, reflecting industry trends and LACERA-specific risks.
- **Equipment Maintenance** – Increase of \$325,000 or 79.6 percent due to a one-time upgrade of conference rooms to allow teleconferencing and upgrading the security badge readers on LACERA occupied floors.

- **Office Supplies & Equipment** – Increase of \$208,200 or 24.6 percent primarily due to information technology supplies and equipment and a new due diligence software to assist the Investments Division.
- **Transportation & Travel** – Increase of \$151,000 or 23 percent reflecting an end to pandemic-era travel restrictions and necessary staff training and development, and travel for investment related due diligence.

Significant decreases include:

- **Legal Fees & Services** – Decrease of \$998,000 or 32.5 percent due to the conclusion of prior year litigation.
- **Auto Expenses** – Decrease of \$102,700 or 76.9 percent due to a shift from purchasing vehicles for Executives to authorizing a monthly transportation allowance. Funding remains for maintenance and fuel for existing vehicles.

RETIREE HEALTH CARE BENEFITS PROGRAM (RHCBP) BUDGET

The RHCBP administers healthcare benefits to our membership on behalf of our plan sponsors. The healthcare premiums are borne solely by the plan participants or plan sponsor if eligible for such coverage. The direct costs and variable overhead costs associated with administering the program are included with the monthly premium payments and the administrative fee charged covers these support costs.

The total RHCBP Preliminary Budget for FY 2023-24 is approximately \$12.7 million, an increase of \$1.4 million or 12.1 percent.

The S&EB portion of this budget is approximately \$5.8 million, an increase of approximately \$580,000 or 11.2 percent from FY 2022-23. The increased cost is primarily attributed to negotiated COLA and benefits increases, as well as full year funding for several long-term vacancies. Six new Retirement Benefits Specialists dedicated to the RHCBP are scheduled to onboard on May 1, 2023.

The S&S portion of the RHCBP Preliminary Budget is approximately \$6.9 million, an increase of \$793,000 or 12.9 percent from FY 2022-23. The increased cost is attributable to an increase of approximately \$327,000 in Professional and Specialized Services, necessary to conduct the required triennial OPEB audit; and an increase of approximately \$466,000 in Operational Costs, or the RHCBP's pro-rata share of LACERA's administrative and operational costs.

OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST BUDGET

The OPEB Trust was established by Los Angeles County and LACERA to pre-fund retiree healthcare benefits costs to reduce future liabilities. The Superior Court later joined the trust and began making payments to the OPEB Trust. LACERA's Board of Investments

is the trustee and investment manager for the fund. Each agency's trust assets are separately reported on financial statements.

The trust agreements stipulate that LACERA shall be entitled to reimbursement for all its reasonable and appropriate expenses incurred in administering or investing the trust. This Preliminary OPEB Trust Budget reflects these needs for FY 2023-24

The total Preliminary OPEB Trust Budget for FY 2023-24 is \$732,699, an increase of approximately \$61,000 or 9.1 percent. The S&EB portion reflects an increase of approximately \$40,000 or 8.4 percent while the S&S portion reflects an increase of approximately \$20,000 or 10.8 percent. Staff costs are based on estimates of direct staff time spent supporting OPEB as well as a proportionate amount of support received from Systems, Human Resources and Administrative Services divisions.

More detailed information for all three Preliminary Budgets can be found in the attached Preliminary Budgets document.

Attachments: FY 2023-24 Budget Presentation
 LACERA Budget Policy – Approved June 2022
 FY 2023-24 Preliminary Administrative, Retiree Healthcare and OPEB
 Budgets



Fiscal Year 2023-24 Preliminary Budget Presentation

Administrative, Retiree Healthcare Benefits & OPEB Trust Budgets



Fiscal Year 2023-24 Preliminary Budget



AGENDA

- Legal Authority & Budget Policies that Guide and Direct Us
- Budget Development Process
- Strategic Priorities
- 2022-23 Accomplishments
- Administrative Budget
- Retiree Healthcare Benefits Program Budget
- OPEB Trust Budget
- Questions & Discussion
- Appendix: 2023-24 Planned Initiatives



Legal Authority and Duty

CERL Section 31580.2

- Grants Joint Boards to approve a budget no greater than 21 basis points of AAL by June 30

CA Constitution Article XVI, Section 17(a)

- “The assets of a public pension or retirement system are trust funds and shall be held for the exclusive purposes of providing benefits to participants in the pension or retirement system and their beneficiaries and ***defraying reasonable expenses of administering the system***”

CA Constitution Article XVI, Section 17(b)

- Joint Boards’ fiduciary duty is to “discharge their duties with respect to the system solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and ***defraying reasonable expenses of administering the system***. A retirement board’s duty is to its participants and their beneficiaries shall take precedence over any other duties. “
- The Boards have a fiduciary duty to defray the expenses of administering LACERA, which includes reviewing and questioning the budget as appropriate to serve the members.



Budget Policies

Statutory
Appropriation

County Employees Retirement Law

- Govt Code 31580.2 limits our annual administrative appropriation to 0.21% of Actuarial Accrued Liabilities
- Govt Code 31596.1 excludes specific non-administrative expenses from the appropriation limit

Surplus
Unappropriated
Balance

Unappropriated Funds

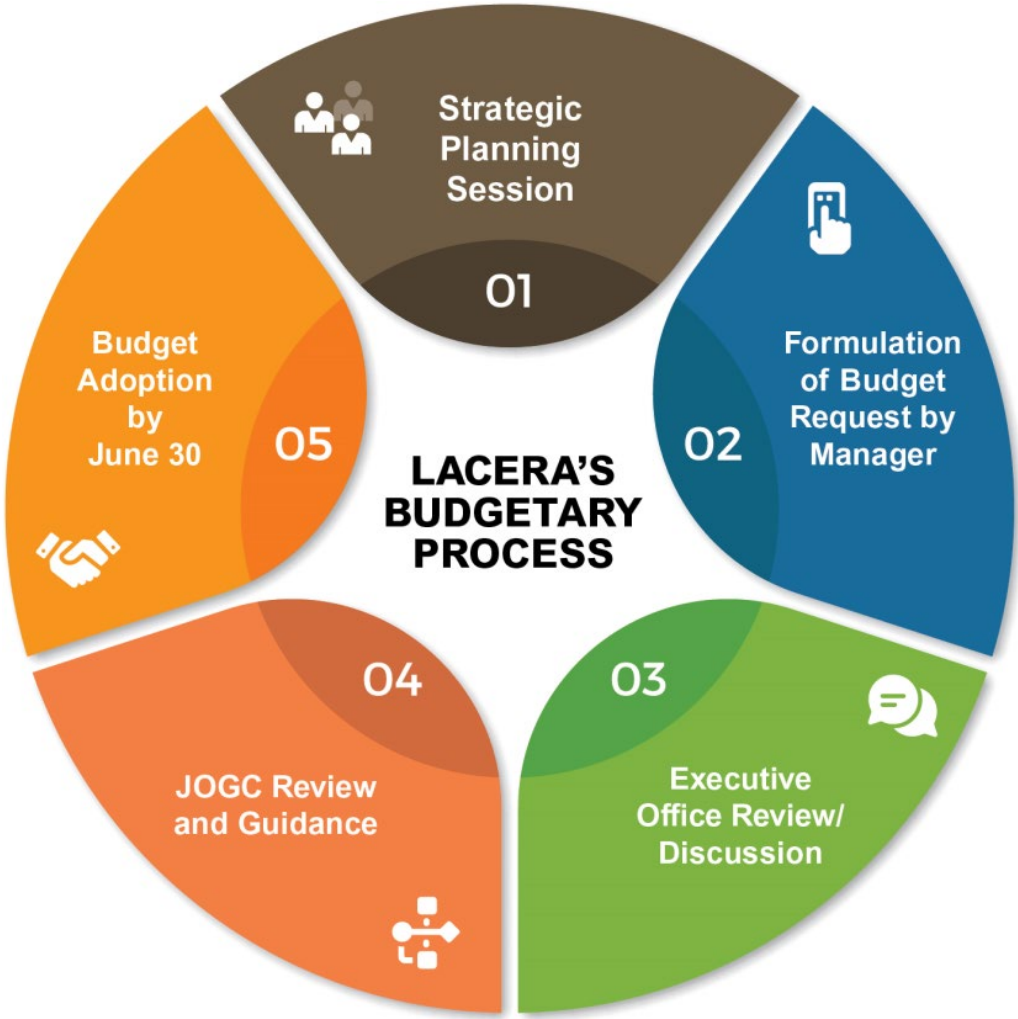
- Represents the balance of available appropriation after Administrative Costs
- FY 2023-24 = Approximately \$45.5 Million

Retiree
Healthcare
Costs

RHC Administrative Overhead Costs

- Are *NOT* borne by the Pension System
- Are charged against the RHC Budget on an annual basis

Budget Development Process

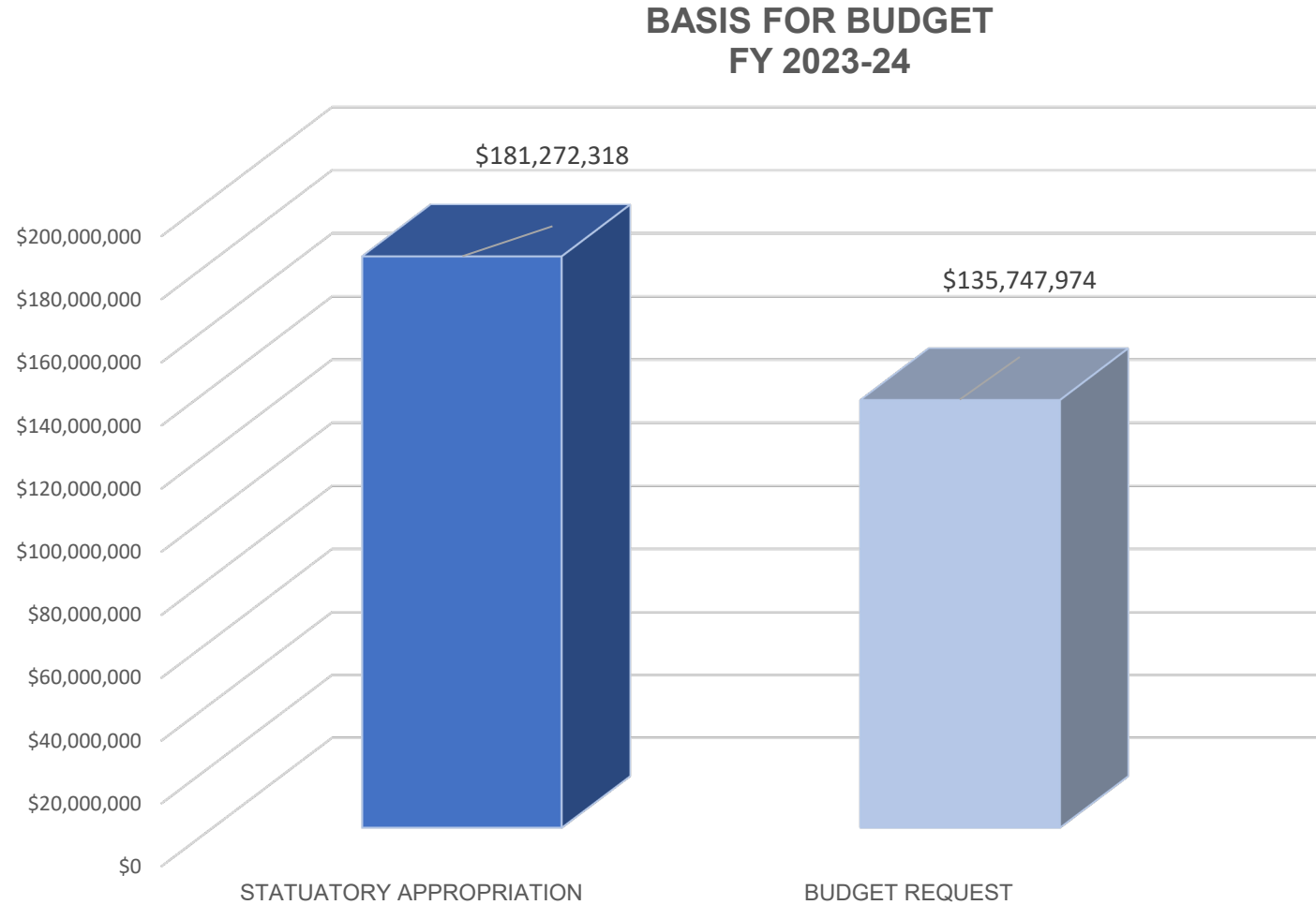


Strategic Priorities





Preliminary FY 2023-24 Budget





Fiscal Year 2023-24

Administrative Budget Request Summary

ADMINISTRATIVE BUDGET	FY 2022-23 ADOPTED BUDGET	FY 2023-24 PRELIMINARY BUDGET	VARIANCE	% CHANGE
SALARIES & EMPLOYEE BENEFITS	\$95,407,560	\$103,163,874	\$7,756,314	8.1%
SERVICES & SUPPLIES	\$32,359,300	\$32,584,100	\$224,800	0.7%
ADMINISTRATIVE BUDGET TOTAL	\$127,766,860	\$135,747,974	\$7,981,114	6.2%



Prior Year Accomplishments

Members • Technology • People • Risk & Compliance • Fiscal Durability





- **Strategic Plan Development**
- **Call Center Technology Improvements**
 - Wait time/call back
 - Holiday scheduling automation
 - Emergency access console
 - After call service survey
- **Online Disability Application**
- **MyLACERA Support Queue**
- **MyLACERA Multifactor Authentication**



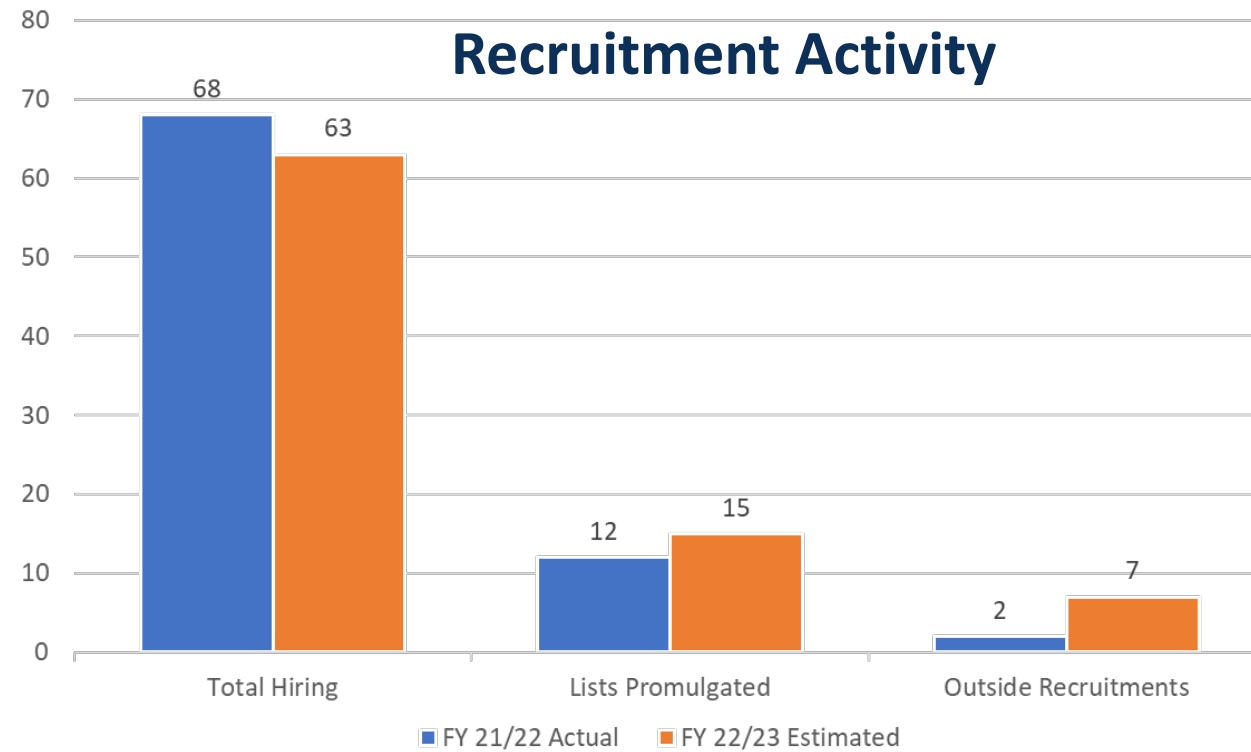
- **One Meeting Implementation**
- **Enterprise WiFi**
- **Form 700 Automation**
- **Custodian Bank Selection**
- **Financial Auditor Selection**
- **Investment Returns Above Policy Benchmarks**



FY 2022-23 Accomplishments



- Hiring Manager Playbook
- Transparent Hiring Plan



FY 21/22 47% of New Hires were internal promotions

FY 22/23 22% of New Hires through Q3 were internal promotions

* Q4 anticipated activity: 40 new hires to onboard, 3 new lists promulgated & 6 outside recruitments launched.

ADMINISTRATIVE BUDGET

Fiscal Year 2023-24

Administrative Budget Request Summary

ADMINISTRATIVE BUDGET	FY 2022-23 ADOPTED BUDGET	FY 2023-24 PRELIMINARY BUDGET	VARIANCE	% CHANGE
SALARIES & EMPLOYEE BENEFITS	\$95,407,560	\$103,163,874	\$7,756,314	8.1%
SERVICES & SUPPLIES	\$32,359,300	\$32,584,100	\$224,800	0.7%
ADMINISTRATIVE BUDGET TOTAL	\$127,766,860	\$135,747,974	\$7,981,114	6.2%



2022-23 Budget to Projected Actuals by Category

ADMINISTRATIVE BUDGET	FY 2022-23 ADOPTED BUDGET	2022-23 PROJECTED ACTUAL	PROJECTED SURPLUS/ (DEFICIT)	FY 2023 - 24 BUDGET REQUEST	VARIANCE	% CHANGE
SALARIES & EMPLOYEE BENEFITS	\$95,407,560	\$86,609,000	\$8,798,560	\$103,163,874	\$7,756,314	8.1%
SERVICES & SUPPLIES	\$32,359,300	\$31,966,500	\$392,800	\$32,584,100	\$224,800	0.7%
OPERATING BUDGET TOTAL	\$127,766,860	\$118,575,500	\$9,191,360	\$135,747,974	\$7,981,114	6.2%



2022-23 Budget to Projected Actuals by Division

DIVISION	FY 2022-2023 ADOPTED BUDGET	FY 2022-2023 PROJECTED ACTUAL	PROJECTED SURPLUS/ (DEFICIT)	FY 2023-2024 BUDGET REQUEST	VARIANCE	% CHANGE
Administrative Services	\$14,989,876	\$14,008,500	\$981,376	\$16,108,407	\$1,118,531	7.5%
Benefits	12,019,386	11,924,300	95,086	12,449,402	430,016	3.6%
Board of Retirement	291,500	220,600	70,900	303,500	12,000	4.1%
Board of Investments	498,000	439,400	58,600	551,000	53,000	10.6%
Communications	3,422,975	3,001,100	421,875	4,117,688	694,713	20.3%
Disability Litigation	2,407,817	2,401,900	5,917	2,561,141	153,324	6.4%
Disability Retirement	10,939,793	10,503,100	436,693	11,797,093	857,300	7.8%
Executive Office	5,394,151	5,094,000	300,151	5,276,415	(117,736)	-2.2%
Financial & Accounting Services	4,926,478	4,417,300	509,178	5,688,740	762,262	15.5%
Human Resources	5,839,537	4,638,800	1,200,737	6,743,591	904,054	15.5%
Internal Audit	3,468,495	3,401,300	67,195	3,613,148	144,653	4.2%
Investment Office	17,342,188	14,935,400	2,406,788	18,223,967	881,779	5.1%
Legal Services	10,457,195	10,141,200	315,995	9,997,732	(459,463)	-4.4%
Member Services	10,479,414	9,554,900	924,514	11,063,296	583,882	5.6%
Quality Assurance	2,918,368	2,822,300	96,068	3,383,332	464,964	15.9%
Systems	22,371,686	21,071,400	1,300,286	23,869,522	1,497,836	6.7%
TOTAL	\$127,766,860	\$118,575,500	\$9,191,360	\$135,747,974	\$7,981,114	6.2%



FY 2023-24 Budget Assumptions



Salaries & Employee Benefits

- Filled positions are based on current actual salaries
- Vacant positions are based on Step 1 salary & funded based on the Hiring Plan for the classification (0, 6, 9 or 12 months)
- 3% COLA for all staff – Effective January 1, 2023
- 3% COLA for all staff – Effective January 1, 2024
- Benefit costs determined by LA County – Estimated 55% of Salaries



Services & Supplies

- Historical expenditures adjusted for inflation
- One-time expenditures removed or adjusted



Salaries & Employee Benefits

4 New Positions *

Full Year Costs for Partially Funded Positions

Negotiated COLA Increases

Salary Step & Merit Increases

Reduced Reliance on Temporary Staff

Increased Costs for County Benefits

* Only 3 positions were included in the preliminary budget request



Summary of Increased Staffing & Costs

FY 2023-24 BUDGETED* COST OF NEW POSITIONS						
DIVISION	#	POSTION TITLE	# MONTHS	FY 2023-2024 SALARY	VARIABLE BENEFITS	BUDGET IMPACT
Disability Retirement	3.0	Senior Disability Retirement Specialist I	9	\$194,967	\$107,232	\$302,199
Investments	1.0	Senior Investment Officer	6	\$121,010	\$66,555	\$187,565
Total	4.0			\$315,977	\$173,787	\$489,764

FULL YEAR COST OF NEW POSITIONS					
DIVISION	#	POSTION TITLE	FULL YEAR SALARY	VARIABLE BENEFITS	TOTAL FULL YEAR COST
Disability Retirement	3.0	Senior Disability Retirement Specialist I	\$259,956	\$142,976	\$402,932
Investments	1.0	Senior Investment Officer	\$242,019	\$133,111	\$375,130
Total	4.0		\$501,975	\$276,086	\$778,062





Services & Supplies

Summary of Significant Changes

Insurance premium increases - \$361,100

Equipment Maintenance (TEAMS conference rooms & badge readers) - \$325,000

Office Supplies & Equipment (IT supplies & due diligence software) - \$208,200

Transportation & Travel (staff post-COVID training & development) - \$151,000

Outside Legal Fees & Services - Decrease by \$998,000

Auto Expenses – Decrease by \$102,7000



RHCBP & OPEB TRUST BUDGETS

Fiscal Year 2023-24 Retiree Healthcare Benefits Program Budget Overview

	FY 2023-24 PRELIMINARY BUDGET	FY 2022-23 ADOPTED BUDGET	VARIANCE	% CHANGE
SALARIES & EMPLOYEE BENEFITS	\$ 5,752,106	\$ 5,172,923	\$ 579,183	11.2%
SERVICES & SUPPLIES	\$ 6,933,333	\$ 6,150,699	\$ 792,634	12.9%
OPERATING BUDGET	\$ 12,685,439	\$ 11,313,623	\$ 1,371,816	12.1%



2022-23 RHCBP Budget to Projected Actual

	FY 2023-24 Preliminary Budget	FY 2022-23 Adopted Budget	FY 2022-23 Projected Actual	FY 2022-23 Projected to Actual (UNDER)/OVER
Salaries & Employee Benefits	\$ 5,752,106	\$ 5,172,923	\$ 5,039,100	\$ (133,823)
Services & Supplies	\$ 6,933,333	\$ 6,140,699	\$ 5,682,600	\$ (458,099)
Total RHC Operating Budget	\$ 12,685,439	\$ 11,313,623	\$ 10,721,700	\$ (591,923)



RHCBP 2023-24 BUDGET

Summary of Significant Changes

Full Staffing Due to May 2023 Retirement Benefits Specialist Training Class

Negotiated Cost of Living Adjustments (COLAs) of 3%

Salary Step and Merit Increases

County Benefits Cost Increases

LACERA Administrative Overhead Increases Due to S&EB Inflation

Triennial Audit and Valuation Expense (S&S)



Fiscal Year 2023-24 Other Post Employment Benefits Summary

OPEB	FY 2023-24 PRELIMINARY BUDGET	FY 2022-23 ADOPTED BUDGET	VARIANCE	% CHANGE
SALARIES & EMPLOYEE BENEFITS	\$ 521,881	\$ 481,543	\$ 40,338	8.4%
SERVICES & SUPPLIES	\$ 210,788	\$ 190,304	\$ 20,484	10.8%
OPEB OPERATING BUDGET	\$ 732,669	\$ 671,847	\$ 60,822	9.1%



2022-23 OPEB Trust Budget to Projected Actual

	FY 2023-24 Preliminary	FY 2022-23 Adopted Budget	FY 2022-23 Projected Actual	FY 2022-23 Projected to Actual (UNDER)/OVER
Salaries & Employee Benefits	\$ 521,881	\$ 481,543	\$ 452,651	\$ (28,893)
Services & Supplies	\$ 210,788	\$ 190,304	\$ 178,886	\$ (11,418)
Total OPEB Budget	\$ 732,669	\$ 671,847	\$ 631,536	\$ (40,311)

THANK YOU!



QUESTIONS?

Appendix

FY 2023-24 Planned Initiatives

Members • Technology • People • Risk & Compliance • Fiscal Durability





Strategic Plan Implementation

2023-24 Focus

- Develop specific workplans and reporting metrics
- Recruit top talent across the enterprise
- Operationalize the LEAD Initiative
- Cultivate a culture consistent with our LACERA values
- Innovate solutions through technology
- Prepare for the future of LACERA

Goal – Mature the organization toward the achievement of our mission and vision



Case Management Phase 2

2023-24 Focus (Tentative)

- Legal Review
- Administrative Appeals & Escalations
- Insurance Enrollment
- Felony Forfeiture Appeals Processes

Goal Track & manage cases coming from the Workspace Pension Administration System, more efficiently resulting in an improved member experience.

Cost - \$760,000

*Innovation Through
Technology*

&

*Superior Member
Experience*



AWS Call Center Enhancements

2023-24 Focus

- Implement Voice Recognition & Artificial Intelligence (AI) Technology
- Offer members choice - AI confirmation process or traditional personal confirmation during call
- Enhanced Reporting on Secure Confirmation Statistical Data

Goals – Reduce call wait time, provide a more secure validation process and improve the member experience.

Cost - \$300,00

*Innovation Through
Technology*

&

*Superior Member
Experience*



Knowledgebase Solution

2023-24 Focus - Build or buy a repository & automated workflow solution to implement our knowledge management policy.

Goal – Ensure a single, trusted data source for accurate business rules, procedures & operating instructions for staff.

Cost - \$300,000

*Innovation Through
Technology*

&

*Superior Member
Experience*



Telecommunications Upgrade & Member Service Contact Center Solution

2023-24 Focus - Implement a world-class Member Service Contact Center solution that integrates with LACERA's existing Microsoft suite of products, case management solution (Sol) and pension administration system (Workspace).

Goal – Modernize LACERA's telecommunications infrastructure.

Cost - \$250,000

*Innovation Through
Technology*

&

*Superior Member
Experience*



IT Modernization

2023-24 Focus - Convert the remaining LACERA conference rooms to Microsoft Teams-enabled meeting rooms.

Goal – Facilitate collaboration and connectivity for LACERA’s hybrid workforce.

Cost - \$225,000

*Innovation Through
Technology*



Operational Due Diligence Solution

2023-24 Focus - Source and implement a new due diligence solution to automate the analysis of manager and fund data.

Goal – Automate the due diligence process within the Investments Division to improve compliance and reduce risk.

Cost - \$30,000

*Innovation Through
Technology*

&

Risk & Compliance



Facilities Management Solution

2023-24 Focus - Replace manual processes with an enterprise-wide automated solution for maintenance, cleaning, safety and space change requests.

Goal – Provide automation, process improvement, transparency and metrics for LACERA's facilities management processes.

Cost - \$150,000

*Innovation through
Technology*

&

Fiscal Durability



Uninterruptible Power Supply (UPS) Upgrade

2023-24 Focus - Redesign and replace end-of-life UPS units that provide critical backup power to LACERA's data centers and boardroom during outages to provide a redundant power system.

Goal – Optimize LACERA's business continuity capabilities due to and during local power outages.

Cost - \$150,000

*Innovation through
Technology*

&

Fiscal Durability



Benefits PBI Upgrade

2023-24 Focus - Replace legacy member/beneficiary research system currently at end-of-life

Goal – Reduce risk of benefits overpayments to deceased members and more efficiently locate beneficiaries who are owed death benefits.

Cost - \$100,000

***Innovation Through
Technology
&
Risk & Compliance
&
Fiscal Durability***



Legal Matters Management System

2023-24 Focus - Source and implement an enterprise legal matters management software solution to replace inefficient manual processes.

Goal – Provide automation, process improvement, transparency and metrics for LACERA's Legal Services Division.

Cost - \$100,000

*Innovation Through
Technology
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Risk & Compliance
&
Fiscal Durability*



LACERA BUDGET POLICY

Responsible Manager: Laura Guglielmo, Assistant Executive Officer

Original Effective Date: 05/20/2009

Last Updated: 06/09/2022

Mandatory Review: Annually

Approval Level: Board of Retirement and Board of Investments

1. PURPOSE

This document sets forth the fiscal policy to ensure LACERA's budgeting practices are in accordance with prudent fiscal management for the allocation and utilization of resources to meet the organization's mission and vision. The policy also serves to increase the transparency of our budgeting process, which ensures stakeholders and members have insight into how we manage their funds and meet fiduciary obligations. LACERA's budget encompasses three components: The Administrative Budget, the Retiree Healthcare (RHC) Budget, and the Other Post-Employment Benefits (OPEB) Trust.

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

2. LEGAL AUTHORITY

[Government Code Section 31580.2](#) of the County Employees Retirement Law requires a budget covering the entire expense for the administration of the retirement system, shall be adopted by the Boards annually, and shall be charged against the earnings of the retirement fund. The expense incurred in any year may not exceed twenty-one hundredths of one percent (0.21%) of the accrued actuarial liability of the retirement system.

[Government Code Section 31596.1](#) provides that the expenses of investing its moneys, securing custodial bank services, securing actuarial services for the annual valuation and triennial experience study, and securing attorney services to assist with investment matters shall not be considered a cost of administering the system. As such, these costs are not included in the Administrative Budget and are identified as "non-administrative expenses."

Section 31596.1 also provides that the cost of internal legal representation secured by the Board of Retirement and Board of Investments under Government Code Section 31529.1 for services previously performed by County Counsel are not administrative costs. [Section 31529.1](#) provides that such legal representation is limited to one-hundredth of 1 percent of system assets in any budget year, except that investment legal expenses under [Government Code Section 31607](#) are not limited. Government Code Section 31580.2(b) provides that expenditures for computer software, computer hardware, and computer technology consulting services in support of these computer products.

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

3. SCOPE

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

Any exceptions to this Policy must be approved by the Board of Retirement and Board of Investments.

4. DEFINITIONS

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

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

Budget: The annual financial plan that outlines the resources and revenue needed to achieve LACERA's work plan to meet its mission and vision.

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

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

Non-Administrative Expenses: Expenses excluded from the Administrative Budget as specified in Government Code Section 31596.1.

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

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

Statutory Appropriation Limit: The limit of the Boards' authority to appropriate funds to administer the retirement system established by Government Code Section 31580.2. Currently twenty-one hundredths (.21) of one percent, of the Actuarial Accrued Liability of the retirement fund.

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

5. POLICY STATEMENT

This document sets forth the fiscal policy for the administration of LACERA's budget to ensure that the budgeting practices of the organization maintain a fiscally sustainable balanced budget that recognizes the fiduciary duty owed to our members. LACERA's budget encompasses three components: The Administrative Budget, the Retiree Healthcare (RHC) Program Budget and the Other Post-Employment Benefits (OPEB) Trust.

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

5.1 Administrative Budget

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

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

S&S costs reflect the daily operational needs of the organization. Some examples include building expenses (rent, maintenance, insurance), information technology needs, professional and specialized services, legal fees, office supplies and equipment, education, travel, and insurance.

5.2 Retiree Healthcare (RHC) Benefits Program Budget

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

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

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

Indirect Salaries and Employee Benefits and Indirect Services and Supplies reflect the program's pro-rata share of internal LACERA support functions such as Administrative Services, Information Technology and Human Resources.

5.3 Other Post-Employment Benefits (OPEB) Trust Budget

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

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

There are four categories of expenses of the OPEB Trust: Direct Costs of Salaries and Employee Benefits; Direct Services and Supplies; Indirect Salaries and Employee Benefits; and Indirect Services and Supplies. These expenses are allocated between the County, LACERA and the Court based on an agreed upon methodology. At the close of each fiscal year, actual costs are reconciled, and variances are credited or debited to each entity.

6. PROCESS

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

6.1 Budget Preparation and Development

It is the responsibility of LACERA management to develop and prepare an annual budget in accordance with responsible fiscal management for the allocation and utilization of resources to meet the organization’s mission, vision, and values.

6.2 Criteria

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

- Alignment with the Strategic Plan
- Mitigating risk
- Compliance with legally mandated requirements
- Technological advancements to support staff and improve service and offerings to our members
- Identifying opportunities for cost efficiencies
- Identifying opportunities to improve service to members
- Staff development and succession planning

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

6.3 Alignment with Strategic Plan

The first step in developing a budget is to consider what the organization expects to achieve in the upcoming fiscal year. The organization’s Strategic Plan lays out its strategic goals, objectives, and action plans toward achieving the organization’s mission, vision, and values. Those goals and objectives identify responsibilities, timelines, and the metrics that will be used to determine if the goal or objective has been met. As part of the budget development process, it is the responsibility of LACERA Trustees and Management to ensure that the organization’s budget, or financial plan, allocates the appropriate resources to achieve its strategic goals and objectives within the specified time frame.

6.4 Annual Budget Development and Approval Calendar

<i>Date</i>	<i>Activity</i>
By November 30	<ul style="list-style-type: none"> • Executive Office and Management will review Strategic Plan initiatives for alignment with the upcoming Fiscal Year budget development cycle. • Administrative Services Division will provide each Division Manager a budget package with instructions for completing their proposed budget for the upcoming fiscal year, a budget preparation timetable with specific deadlines, and a schedule of meeting dates with the Budget Unit and a schedule of meeting dates with the Executive Office.
December	The Budget Unit with a representative from Human Resources, meets with Division Managers to provide guidance in the development of their budget requests.
By January 15	Division Managers will submit their proposed budget to the Budget Unit.
By February 15	The Executive Office will meet with each Division Manager to discuss the Division’s needs and provide direction to the Division Managers and Budget Unit.
February	Audit Committee review of Internal Audit Proposed Budget
By Mid-April	The Budget Unit will prepare and distribute the preliminary Administrative, RHC, and OPEB Trust Budgets to all Trustees and Division Managers.

April and May	<ul style="list-style-type: none"> • Present preliminary budget to JOGC for review and input • Conduct budget hearings with all Trustees for final direction to staff
By June 30	Board of Retirement and Board of Investment approve final budget

6.5 Budget Adoption

The Board of Retirement and Board of Investment (“Boards”) have the joint responsibility to approve the enterprise-wide budget and resource allocations for all funds by June 30. The Boards have created the Joint Organizational Governance Committee (JOGC), to provide oversight over the budget preparation. The Preliminary Budget is presented to the JOGC in April for its review. Staff incorporates direction from the JOGC and the JOGC’s recommendations are presented to both Boards during annual Budget Hearings in May. Staff incorporates additional Board direction into a Proposed Budget. The Boards independently take action to approve and adopt a Final Adopted Budget by June 30th.

6.6 Budget Appropriation

The Final Adopted Budget reflects the funds appropriated, or set aside, for specific purposes. For LACERA, funds are appropriated for two primary purposes, Salaries and Employee Benefits, and Services and Supplies. Government Code Section 31580.2 states the annual budget for administrative expenses of a retirement system established under CERL may not exceed twenty-one hundredths (.21) of one percent of the Actuarial Accrued Liability (AAL) of the retirement system. Each year, LACERA’s statutory appropriation limit is identified in the Adopted Budget.

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

6.7 Budget Monitoring and Reporting

Budget Unit staff monitor and analyze Division and enterprise-wide expenditures throughout the year, consult with Division Managers to identify planned expenditures and project full year under/over expenditures by Division and compare those estimates against the Adopted Budget. Significant budgetary variances are discussed and explained.

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

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

6.8 Mid-Year Budget Review

By December 1, LACERA Executive Management will assess and evaluate the adequacy of the personnel and other resources included in the Final Adopted Budget and make recommendations to the JOGC for adjustments, if necessary. JOGC recommendations shall be considered for approval by the Boards.

6.9 Mid-Year and Year-End Adjustments Within the Administrative Budget

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

6.10 Transferring Appropriations

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

Within each major account are several line items with individual appropriations. The CEO has the authority to transfer appropriations not to exceed \$1 million across major accounts and has full discretion and authority to transfer appropriations between line items within each major account. The

CEO shall notify all Trustees of such actions at the next meeting of the Board and as part of the routine Budget Control Reporting.

6.11 Pre-funding OPEB with Budgetary Savings

LACERA participates in the OPEB Trust as a “contributing employer” and funds its employees’ program benefits on a pay-as-you-go basis, funding actual monthly premium costs. It also makes a quarterly contribution to paydown the future OPEB liability at a rate equal to that of Los Angeles County. It is LACERA’s objective to fund these program benefits within the working lifetime of the program beneficiaries so as maintain intergenerational equity. To achieve intergenerational equity more quickly, some or all year-end budgetary savings may at the discretion of the LACERA CEO be used to make an additional OPEB contribution by June 30 of the year in which the funds were budgeted. Such additional OPEB contributions may be up to but may not exceed that year’s budgeted OPEB contribution.

6.12 Increasing Total Appropriations

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

7. Audit Committee Oversight of Internal Audit

LACERA’s Internal Audit Division provides independent and objective assurance services and consulting services to assist the organization achieve its mission by improving our effectiveness of governance, risk management and control processes. To protect its independence, the Internal Audit Division reports to the Audit Committee of the Boards with functional reporting to the Chief Executive Officer. The Audit Committee reviews and approves Internal Audit’s Proposed Budget in February, which is then incorporated into LACERA’s Administrative Proposed Budget reviewed by the JOGC in April.

8. HISTORY

8.1 Approvals

8.1.1 Updated and approved by the Board of Retirement and Board of Investments on June 1, 2022 and June 9, 2022, respectively.

Prior versions are superseded and of no effect as of the stated approval date.

8.2 Current Status

Annual review scheduled for June 2023.

8.3 Versions

8.3.1 This policy was last updated on May 20, 2009

8.3.2 This policy was last approved by the Board of Retirement on June 1, 2022 and Board of Investments on June 9, 2022



ADMINISTRATIVE,
RETIREE HEALTHCARE BENEFITS AND
OPEB TRUST BUDGETS
FISCAL YEAR 2023-2024



FY 2023-2024

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EXECUTIVE SUMMARY

BUDGET HIGHLIGHTS

FISCAL YEAR 2023-2024

The Proposed Administrative Budget for FY 2023-24 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. In FY 2022-23, LACERA embarked upon an enterprise-wide strategic planning process—engaging members, Trustees, and staff at all levels. Although this Proposed Administrative Budget was developed before the Board of Retirement could formally adopt our Strategic Plan, as we considered what we hoped to accomplish in the coming year, the same themes emerged. As a result, this Proposed Administrative Budget aligns with the following five proposed strategic priorities:

- Superior Member Experience
- Innovation Through Technology
- Investing in People
- Enterprise Risk Management and Compliance
- Fiscal Durability

Superior Member Experience

Ensuring members have a consistent superior experience at all stages of their journey has been a longstanding focus of LACERA staff. As our member demographics change, technology advances, and member expectations shift, LACERA must be poised and ready to meet the members where they are and provide the education and guidance they need in a manner that is accessible and consistent at every stage of their journey. Members who are knowledgeable about their benefits will make better choices for themselves and their families.

In FY 2022-23, LACERA implemented several enhancements to provide better service to our members including: Launching Phase 1 of our case management (Sol) project, which includes Disability Retirement, Disability Litigation, and First Payment case management implementation; developing an online disability retirement application; and improving our member call experience by directing calls for account verification to a dedicated queue,

notifying members of call wait times, and implementing a callback feature. The FY 2023-24 Proposed Administrative Budget supports expanding these solutions.

Although technology is an integral part of ensuring a superior member experience, members value and expect personal interaction with our Retirement Benefits Specialists. In recent years, and especially since the onset of the COVID-19 pandemic, LACERA has struggled to simultaneously maintain our budgeted staffing levels in our Member Services, Benefits, and Retiree Healthcare divisions; meet demand from our members; and minimize call wait times. Staff in these member-facing divisions must undergo extensive training to provide the expertise our members expect. While these new staff are trained, LACERA has continued to experience high attrition at rates similar to that of Los Angeles County employees as a whole. The result has been a consistent gap in the number of trained Retirement Benefits Specialists available to answer questions from members and provide them education and guidance at the various stages of their journeys.

Although new staff are not requested for these divisions in the FY 2023-24 Proposed Administrative Budget, the Board of Retirement and Board of Investments have authorized the CEO to implement a strategy that anticipates attrition of Retirement Benefits Specialists and fully utilizing budgeted resources to ensure consistent staffing and service levels throughout the entire year.

Three new positions are proposed for the Disability Retirement Services Division to address changes in Los Angeles County policy related to workforce accommodations. LACERA anticipates a significant increase in the number of members seeking disability retirements directly or at the behest of their employer. Applications for disability retirements require extensive medical evidence and investigation, during which time applicants generally have no income. To ensure that applications are not unduly delayed, three additional Senior Disability Retirement Specialist positions are requested in FY 2023-24 and the proposed hiring plan will be adjusted to prioritize filling these positions during the fiscal year.

Innovation Through Technology

LACERA continues to be committed to leveraging technology to be a more nimble, responsive, and efficient organization. This improvement mindset ensures that we continuously seek opportunities to better serve our members and that staff have the tools to most effectively perform their work.

In FY 2022-23, LACERA made great strides in using technology to automate, simplify, and improve many of our day-to-day processes, saving staff time and reducing costs to the pension fund. We also utilized technology to improve our organizational resilience, business continuity, and disaster recovery, and to enhance security.

Improvements through technology continue to be a major focus in FY 2023-24 as we look forward to: Launching Phase 2 of our case management project, which will include legal

review, administrative appeals and escalations, insurance enrollment, and felony forfeiture appeals processes; enhancing our Call Center operations by implementing AWS Call Center; building a knowledge management solution; and completing and implementing several other projects currently underway. This strategic priority provides critical and essential support to achieving all four of LACERA's other strategic priorities. A complete summary of technology projects proposed for FY 2023-24 can be found on Page 6.

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 the aftermath of the COVID-19 pandemic, LACERA has continuously suffered from high vacancy rates, exacerbated by an extremely competitive job market. In FY 2021-22, LACERA hired or promoted 68 positions across 13 divisions, but the overall vacancy rate stayed stubbornly stagnant at 20 percent. In FY 2022-23, LACERA concentrated on simplifying and improving the hiring process by identifying opportunities to add capacity, utilizing outside recruitment firms to assist with recruitment workload, become more nimble without sacrificing the tenets of civil service and meritocracy, and improve organizational transparency. We are on track to hire or promote 63 positions, including 40 in the fourth quarter. In addition, an enterprise-wide hiring plan was developed and shared with staff, and Human Resources developed a hiring playbook and process map for managers to demystify the hiring process.

In FY 2023-24, as the new Human Resources staff members acclimate, we hope to accelerate our hiring plan and onboard new staff more quickly to reduce the overall vacancy rate. Key to this goal is to reduce attrition across the organization. In FY 2023-24, we plan to focus on culture by developing and implementing our diversity, equity and inclusion framework (known as the LEAD initiative); investing in staff professional development opportunities; assessing and improving career ladders and succession planning; continuing formal and informal mentorship programs; and expanding our internship program to more divisions across the organization. We will develop a specific workplan with goals and key performance indicators and transparently report on our progress.

Enterprise Risk Management and Compliance

Over the past three years, LACERA has made great strides in improving enterprise risk management, information security, and operational resilience by transitioning most of our information technology systems from onsite to cloud-based solutions. The organization benefited greatly, improving our business continuity and disaster recovery readiness, transitioning to a fully remote (and now hybrid) work environment offering greater flexibility

to our staff and members, and establishing a dedicated information security office independent of the Systems Division. Further, through the guidance and support of the Internal Audit Division and Audit Committee, we have participated in internal and external assessments to identify enterprise risk and compliance findings.

In FY 2022-23, we established and operationalized a Policy Committee tasked with systematically reviewing all LACERA policies and protocols as well as reviewing and adopting all new administrative policies. We also automated the process for filing the required annual Statement of Economic Interests for covered individuals, which helps us track compliance. Finally, we have improved LACERA's physical site security by moving the reception area from the 6th floor to the ground floor; requiring visitors (other than members) to check in, wear a visitors badge, and be escorted by staff while conducting business at LACERA headquarters; installing a video doorbell outside our Disability Litigation Office, as they are located on the 10th floor, which is shared by non-LACERA business entities; and restricting elevator access to LACERA-occupied floors, except for the 10th floor (to be completed in Spring 2023).

The FY 2023-24 Proposed Budget continues to support the enterprise risk management and compliance strategic priority. Previously, the Board of Retirement and Board of Investments approved a Compliance Officer position to be housed in the Legal Division and tasked with identifying and supporting enterprise-wide compliance matters. In researching how similarly structured organizations utilize similar positions, including best practices and comparable salary, it is proposed that the Compliance Officer position, which has not yet been approved by the Board of Supervisors, be amended to "Ethics and Compliance Officer." Further, Executive Management also plans to fill the authorized Special Assistant position within the Executive Office to help manage and report on progress toward policy implementation, compliance, and other strategic priorities.

The FY 2023-24 Proposed Budget also includes resources for Systems Division and the Information Security Office within the Executive Office to proactively secure LACERA and member data and monitor information security threats. Recruitment is currently underway, and we anticipate permanently filling our Information Security Officer and Chief Information Technology Officer positions in spring 2023.

Fiscal Durability

Key to LACERA's mission to produce, protect and provide the promised benefits is ensuring the fiscal durability of fund assets, as benefits are promised for members' lifetimes. This requires taking on as little investment risk as possible to consistently meet or exceed our benchmarks over the long-term to generate the necessary returns, as well as practicing fiscal prudence and due diligence when expending fund assets. To achieve this, the Investment Division has a specific strategy to shift from allocator to best-in-class investor. This includes, but is not limited to, negotiating favorable fees. Although, under CERL, investment fees are not included in the administrative budget, the expenditures

are noted in the Non-Administrative Expense section of the FY 2023-24 Proposed Budget documents.

The FY 2023-24 Proposed Budget further supports this strategic priority by including the resources necessary to effectively and efficiently administer the programs to fulfill LACERA's mission and to ensure the pension fund and the organization are appropriately supported to sustain that mission indefinitely. As detailed below, LACERA anticipates that several technology projects currently underway will be fully implemented and operationalized in FY 2023-24. Together, these solutions will eradicate inefficient and error-prone manual processes and integrate into our financial system, Great Plains, providing greater transparency in the prudent expenditure of fund assets for pension administration.

Budget Software: The Questica budget software solution will automate and streamline the budget development and approval process, as well as provide managers real-time access to monitor and control their budget and expenditures for the first time ever. The Questica budget solution will be implemented by fall of 2023, in time for use in the development of the FY 2024-25 Proposed Budget.

Automated Accounts Payable and Procurement: The Certify software will automate the requisition and procurement of goods and services approval process to ensure more efficient invoice payment and allow ACH payments to vendors instead of traditional paper checks. This solution will be fully implemented in the summer of 2023.

Enterprise Contract Lifecycle Management: The Cobblestone software solution will assist contract administrators, risk manager and legal division by ensuring LACERA maintains a complete repository of contracts and vendor agreements and supporting documentation such as proof of insurance. The solution will facilitate compliance with LACERA's contract and procurement policies, ensure consistency through the use of standard templates and contract language, and has tools to assist LACERA attorneys in reviewing non-standard terms and conditions that may be proposed by and required of some business partners. This software solution will be fully implemented in the summer of 2023.

Conclusion

The FY 2023-24 Proposed Budget reflects the resources necessary to effectively and efficiently administer the retirement programs to fulfill LACERA's mission indefinitely.

Summary of Technology Modernization Projects for FY 2023-24

Project Title	Description	Benefit/Goal	FY 23/24 Budget	Phase	Estimated Completion Date
Member case management system - Phase 2	All LACERA's member-facing divisions are asking for case management for their complex processes to improve operational efficiency. Phase 2 will include optical character recognition (OCR) technology and focus on the legal review, administrative appeals and escalations, insurance enrollment, and felony forfeiture appeals processes. The future phases may involve additional RFPs for professional services, or LACERA may choose to implement the additional phases using internal resources. The licensing costs for the case management solution will be an annual cost going forward.	The goal is to track and manage cases coming from the Workspace Pension Administration System. The benefits will be more efficient processing, greater automation, and improved member satisfaction.	\$760,000	Phase 2 of 5	06/30/24
Amazon Web Services (AWS) Call Center enhancements Phases 7, 8, and 9	To further improve and enhance our call center operations, LACERA seeks to implement voice recognition and artificial intelligence (AI) technology to mimic the organization's secure validation process. The new features will enable the organization to simulate a member's existing basic and secure confirmation process, leverage AI to allow members to choose between the confirmation process or be placed into predefined servicing queues with designated agents, and provide enhanced reporting on secure confirmation statistical data.	The automated member validation process will reduce call wait time, provide a more secure validation process, and improve the member experience.	\$300,000	Phase 7, 8, and 9 of 9	09/30/23
Knowledgebase solution	LACERA seeks to purchase or build a repository and automated workflow solution for LACERA knowledge management. The solution will be a single, trusted source of information that is accurate, consistent, and up to date and enables the right information to be found, at the right time, by the people who need it. We currently maintain this critical enterprise content in multiple formats and on disparate systems. The same amount was requested during the FY 2022-23 budget for both policy and knowledge management; however, we have separated these two efforts. The policy solution will be completed in the current fiscal year, and the knowledge management project, which is a significantly larger effort, will begin in FY 2023-24.	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.	\$300,000	Phase 1 of 1	06/30/24

Summary of Technology Modernization Projects for FY 2023-24

Project Title	Description	Benefit/Goal	FY 23/24 Budget	Phase	Estimated Completion Date
Telecommunications upgrade and hosted Contact Center	LACERA seeks to modernize our existing telecommunications infrastructure. This funding is requested to support LACERA's telecommunications strategy both for our Pasadena office and to acquire a world-class Member Service Contact Center solution that integrates with our existing Microsoft suite of products, case management application, and pension administration system. The same amount for this project was requested during the FY 2022-23 budget; however, this project was deferred to focus on implementing improvements to the current AWS Call Center solution (member callback feature).	The goal is to modernize LACERA's existing telecommunications infrastructure. The benefits include more efficient use of LACERA resources and greater member satisfaction.	\$250,000	Phase 1 of 1	06/30/24
Teams room conversion	As part of LACERA's IT modernization effort, Systems is converting all LACERA conference rooms to Microsoft Teams-enabled meeting rooms. 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 by enabling remote participants to see and hear everyone in the room. There are 15 conference rooms that need to be converted: Six of these conference rooms will be converted in FY 2022-23. The budget for FY 2023-24 is to convert the remaining nine rooms.	The goal is to facilitate collaboration for LACERA's hybrid workforce.	\$225,000	Phases 2 and 3 of 3	06/30/24
Facilities management solution	The Administrative Services Division seeks to implement an enterprise facilities management software solution to replace our current tediously manual processes. The new system will ensure that the organization can properly manage the health and safety of our work environment while enhancing our ability to improve maintenance, cleaning, and space change requests.	The goal is to provide automation, process improvement, transparency, and metrics for LACERA's facilities management process.	\$150,000	Phase 1 of 1	06/30/24
Uninterruptible power supply (UPS) upgrade	LACERA seeks to replace the end-of-life UPS units that provide critical backup power to LACERA's data centers and boardroom during outages. This funding is requested to redesign and replace the existing units to create a redundant power system. The project was previously requested during the FY 2022-23 midyear adjustments; however, it was deferred due to supply chain constraints.	The goal is to optimize LACERA's business continuity capabilities when a power outage affects LACERA's Pasadena building.	\$150,000	Phase 2 of 2	06/30/24

Summary of Technology Modernization Projects for FY 2023-24

Project Title	Description	Benefit/Goal	FY 23/24 Budget	Phase	Estimated Completion Date
Legal matters management system	The Legal Division seeks to implement an enterprise legal matters management software solution to replace our current tediously manual processes. The new system will ensure that the division can properly facilitate remote work and streamline workflows, time tracking, and document management processes.	The goal is to provide automation, process improvement, transparency, and metrics for LACERA's Legal Division.	\$100,000	Phase 1 of 1	06/30/24
Keycard reader upgrades	LACERA seeks to replace the current keycard readers that provide physical access to all LACERA suites with a modern solution that allows better customization and safety enhancements.	The goal is to improve the physical security of LACERA's offices.	\$100,000	Phase 1 of 1	06/30/24
Professional consulting services for Great Plains integrations	As LACERA continues to implement various enterprise software solutions such as hardware asset management, contract management, budgeting, and accounts payable, funding is needed for professional services to ensure these applications seamlessly integrate.	The goal is seamless integration between LACERA's general ledger system, Microsoft Dynamics Great Plains, and other systems that are currently being implemented: hardware asset management (ServiceNow HAM), enterprise contract lifecycle management (Cobblestone ECLM), budget solution (Questica), and automated accounts payable (Certify).	\$100,000	Phase 1 of 1	06/30/24
Benefits PBI upgrade	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 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	06/30/24
Investments due diligence solution	The Investments Division seeks to implement a due diligence solution, such as DiligenceVault. The new system will automate the analysis of manager and fund data as part of the due diligence processes.	The goal is to automate the due diligence process in the Investments Division.	\$30,000	Phase 1 of 1	06/30/24



Our Mission

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

Our Vision

Empowering our members to enjoy a healthy and secure retirement.

“Members” include active and retired members and, for the purposes of this plan, their beneficiaries and survivors.

Our mission defines what we do everyday and is central to our commitment to serving our members.

Our vision statement is inspirational and aspirational for improving how we will serve our members in the coming years. While we continue delivering secure, sustainable, and sound services, we will be highly focused on additional ways to educate our members so they can make informed planning decisions, use improved technology to access our services, and fulfill their retirement dreams.

Our Values

Our core values serve as our cultural guide and foundation in meeting our mission. As a member-focused government agency, we abide by our core values to ensure the public's trust, operate efficiently and cost effectively, and provide our members their promised benefits.



Accountability

We take responsibility for our actions and operate with the highest standards of professionalism and respect in fulfilling our mission and duty as prudent stewards of the pension funds.



Innovation

We cultivate a creative, forward-thinking approach in seeking out new ideas and novel solutions to continually improve our operations and the member experience.



Collaboration

We are One LACERA. We promote unity by successfully working together across all levels of the organization to deliver on our strategic priorities and objectives.



Integrity

We earn trust by our dedication to honesty, fairness, and ethical conduct in the service of our members and each other.



Inclusivity

We welcome all individuals, honoring and respecting their unique stories and perspectives, and celebrating the value that diversity adds to the organization in meeting our mission and strategic priorities.

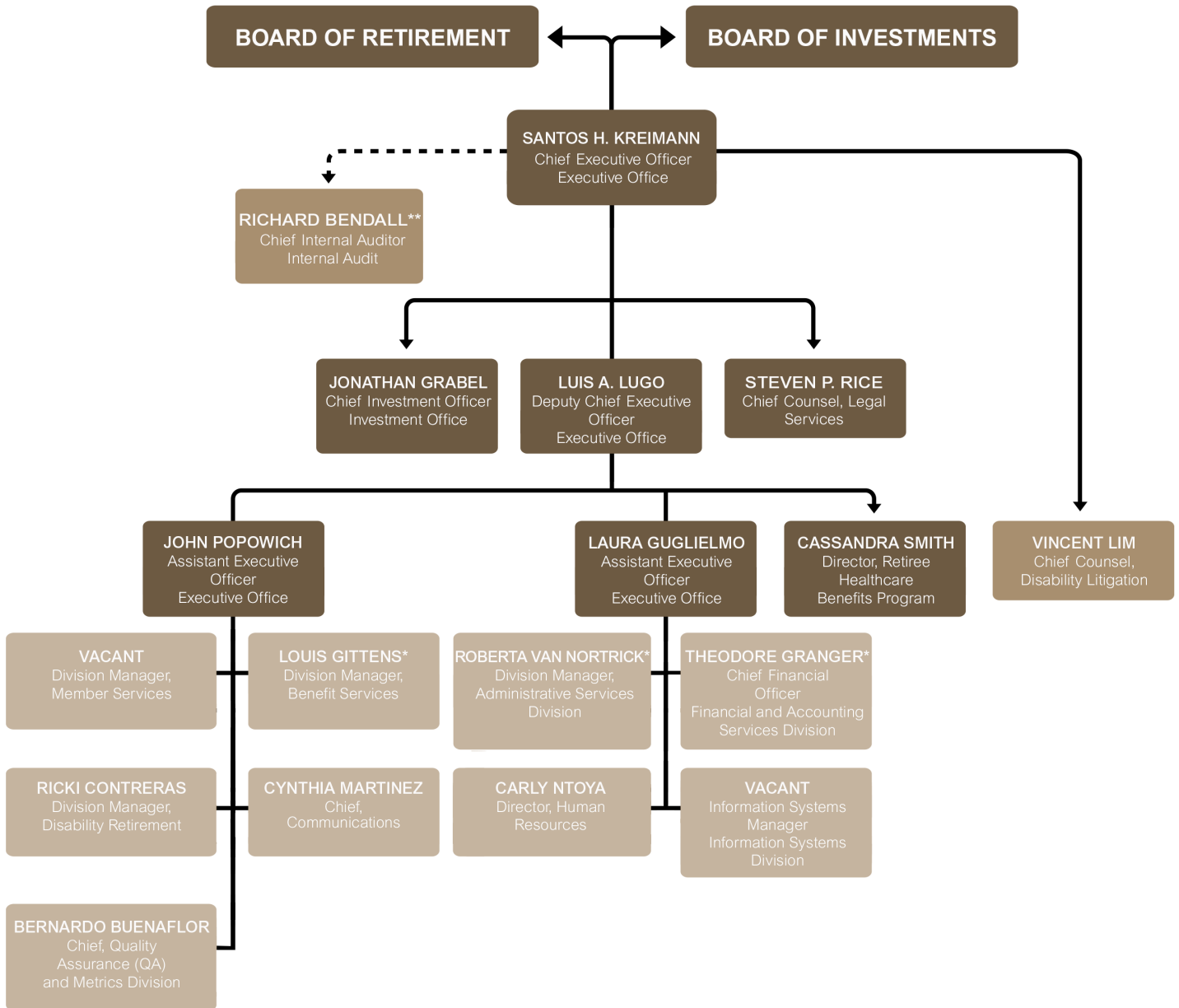


Transparency

We clearly communicate our knowledge, ideas, and expertise in an open, fair, and honest environment, resulting in better organizational outcomes and decision-making.



FY 2023-2024 Organizational Chart



* Interim assignment

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



FY 2023-2024 Board of Retirement

Mission Statement

We produce, protect, and provide the promised benefits.

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

Alternate Member
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 Treasurer and Tax Collector
Acting Ex-Officio Member



Jason E. Green

Elected by Safety Members



Elizabeth Greenwood

Appointed by Board of Supervisors



James P. Harris

Elected by Retired Members
Alternate Member



Keith Knox

County Treasurer and Tax Collector
Ex-Officio Member



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



FY 2023-2024 Board of Investments

Mission Statement

We produce, protect, and provide the promised benefits.

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.



Gina V. Sanchez
Chair

Appointed by Board of Supervisors



Herman B. Santos
Vice Chair

Elected by General Members



Joseph Kelly
Secretary

Elected by Retired Members



Elizabeth B. Ginsberg

Chief Deputy Treasurer and Tax Collector
Acting Ex-Officio Member



David Green

Elected by General Members



Jason E. Green

Elected by Safety Members



Patrick L. Jones

Appointed by Board of Supervisors



Onyx Jones

Appointed by Board of Supervisors



Keith Knox

County Treasurer and Tax Collector
Ex-Officio Member



David E. Ryu

Appointed by Board of Supervisors

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.

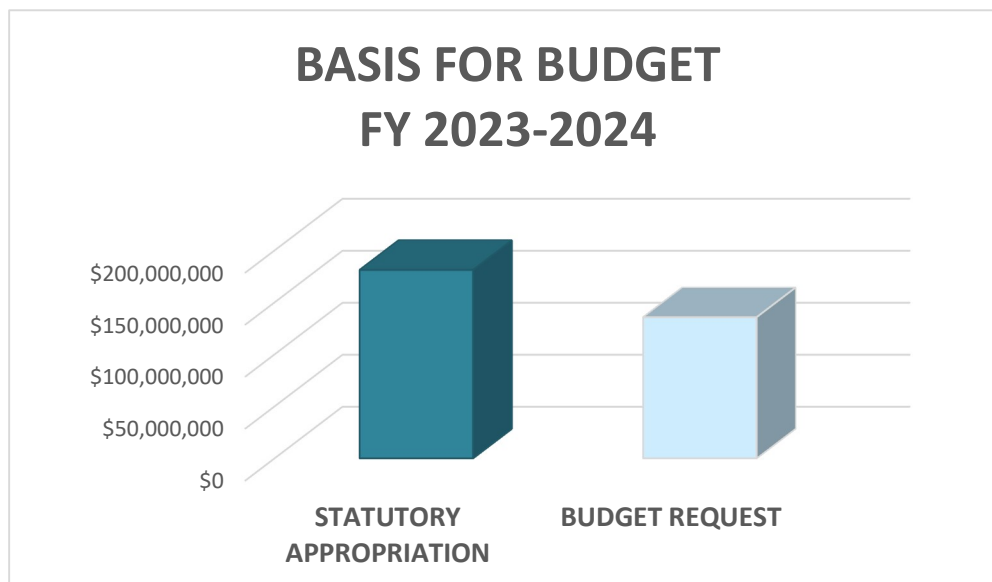
The budget is made up of three funds: the Administrative Fund, the Retiree Healthcare Fund, and the Other Post-Employment Benefits (OPEB) Trust Fund.

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 2023–24 is \$181,272,318. The proposed budget for FY 2023-24 totals \$135,747,974, \$45,524,344 below the statutory appropriation limit.



JOGC Oversight

In addition to the statutory codes, the budget is also guided by LACERA's Joint Organization Governance Committee (JOGC), which provides oversight during the annual budget development cycle. The process consists of staff developing a preliminary budget plan that 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 Investment ("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 Investment 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.

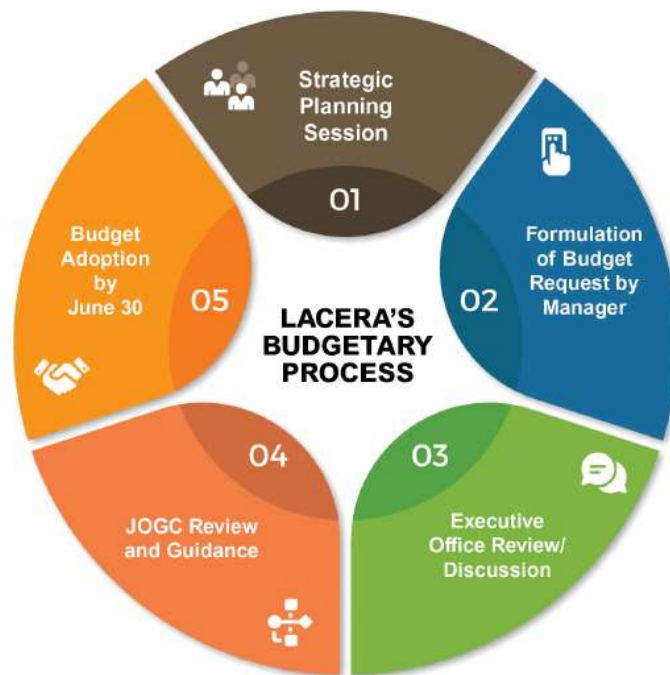
Retiree Healthcare Benefits Program

LACERA's Retiree Healthcare Benefits Program provides healthcare benefits to our membership on behalf the plan sponsor. 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.



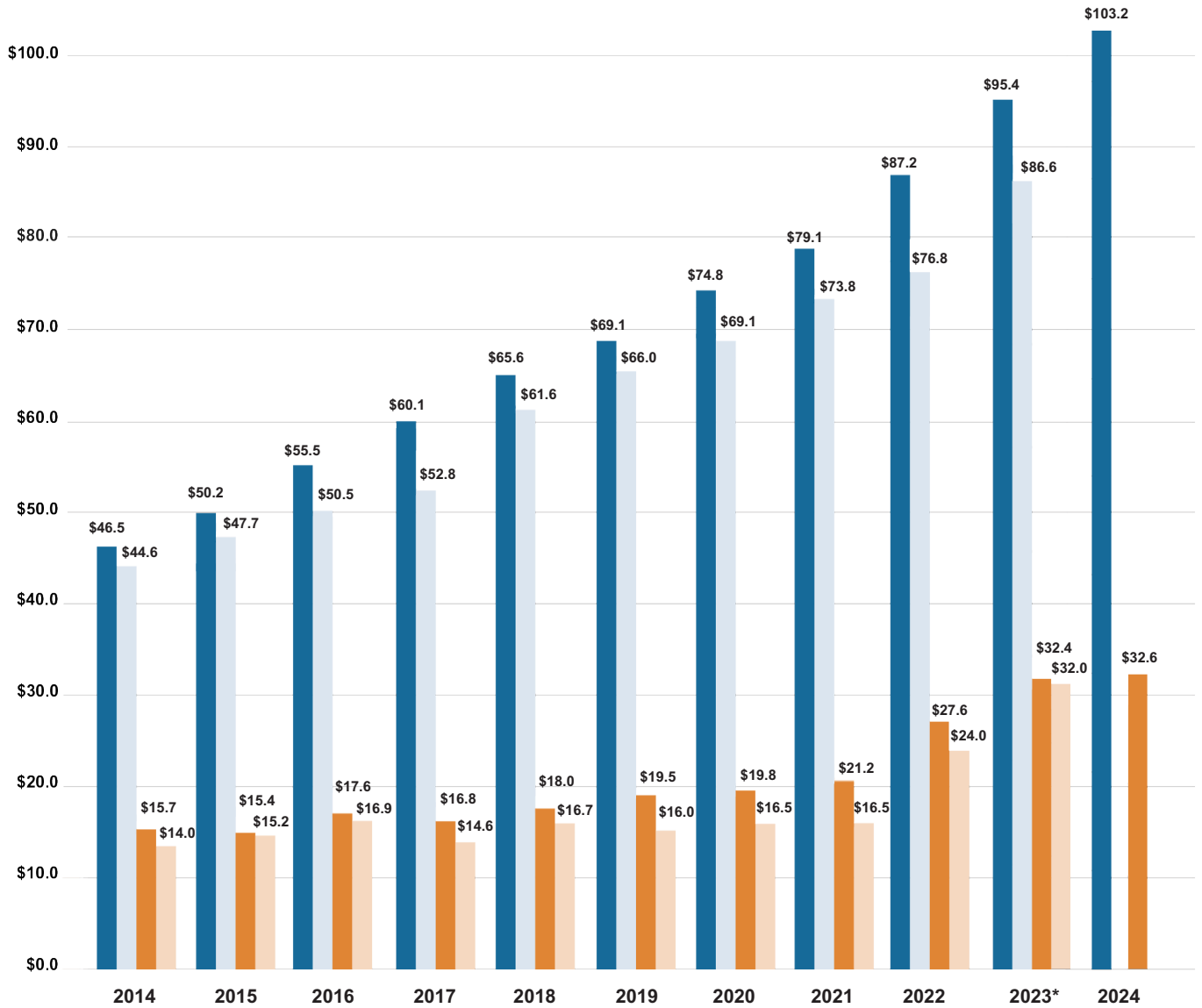
FY 2023-2024

HISTORY: BUDGET EXPENDITURES

Salaries and Employee Benefits & Services and Supplies

2014-2024

(\$ in Millions)



*The Actual Expenditures for the budget year ending 2023 are projected based on YTD figures through 01/31/2023.

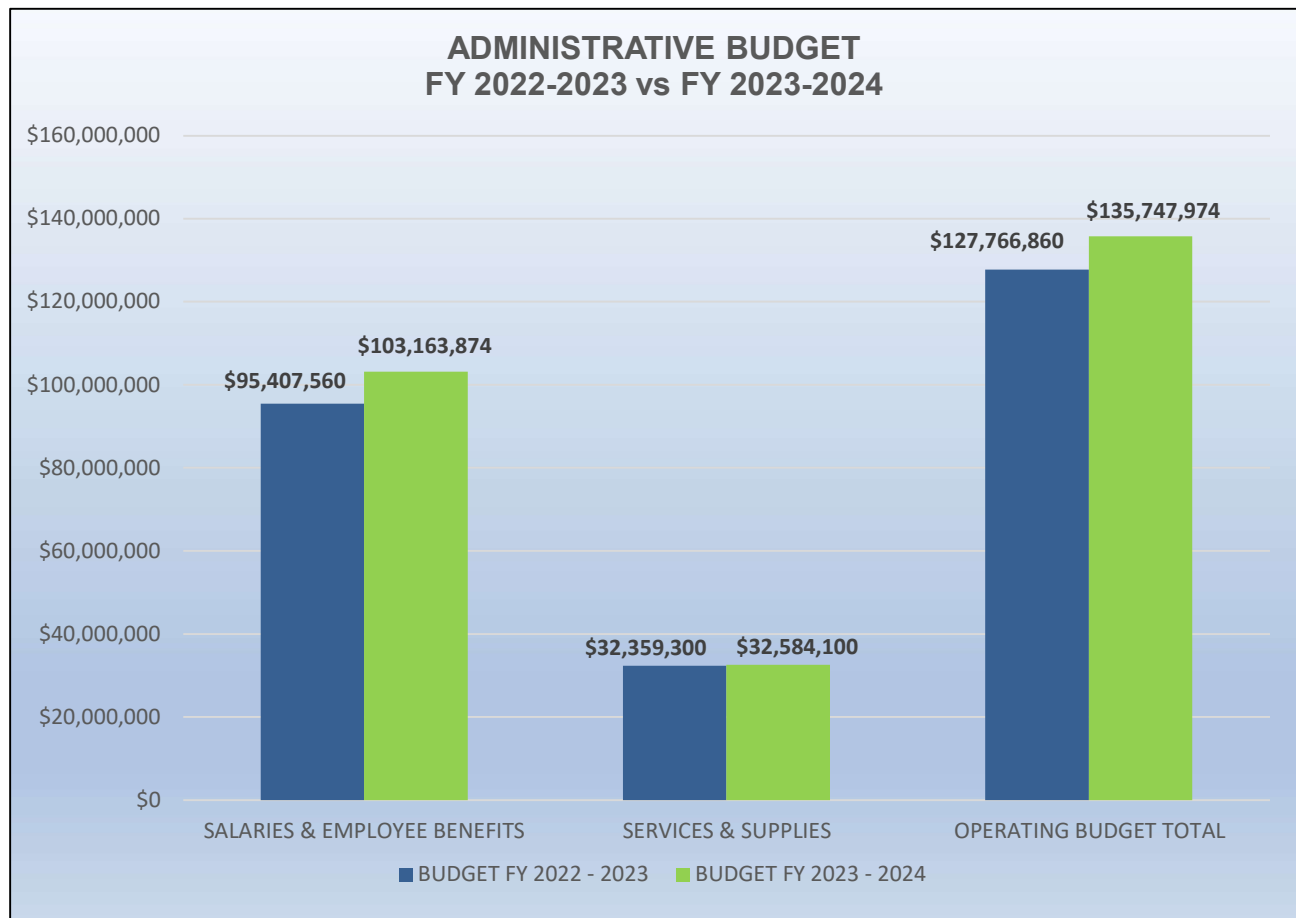
- Salaries and Employee Benefits Approved Budget
- Salaries and Employee Benefits Actual Expenditures
- Services and Supplies Approved Budget
- Services and Supplies Actual Expenditures

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 2023-2024 is \$135,747,974. This represents a 6.2 percent increase from the prior year budget.

ADMINISTRATIVE BUDGET	BUDGET FY 2022-2023	BUDGET FY 2023-2024	VARIANCE	% CHANGE
Salaries & Employee Benefits	\$95,407,560	\$103,163,874	\$7,756,314	8.1%
Services & Supplies	\$32,359,300	\$32,584,100	\$224,800	0.7%
OPERATING BUDGET TOTAL	\$127,766,860	\$135,747,974	\$7,981,114	6.2%



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

DIVISION	BUDGET REQUEST FY 2022-2023	BUDGET REQUEST FY 2023- 2024	VARIANCE	% CHANGE
Administrative Services	\$14,989,876	\$16,108,407	\$1,118,531	7.5%
Benefits	12,019,386	12,449,402	430,016	3.6%
Board of Retirement	291,500	303,500	12,000	4.1%
Board of Investments	498,000	551,000	53,000	10.6%
Communications	3,422,975	4,117,688	694,713	20.3%
Disability Litigation	2,407,817	2,561,141	153,324	6.4%
Disability Retirement	10,939,793	11,797,093	857,300	7.8%
Executive Office	5,394,151	5,276,415	(117,736)	-2.2%
Financial & Accounting Services	4,926,478	5,688,740	762,262	15.5%
Human Resources	5,839,537	6,743,591	904,054	15.5%
Internal Audit	3,468,495	3,613,148	144,653	4.2%
Investment Office	17,342,188	18,223,967	881,779	5.1%
Legal Services	10,457,195	9,997,732	(459,463)	-4.4%
Member Services	10,479,414	11,063,296	583,882	5.6%
Quality Assurance	2,918,368	3,383,332	464,964	15.9%
Systems	22,371,686	23,869,522	1,497,836	6.7%
TOTAL	\$127,766,860	\$135,747,974	\$7,981,114	6.2%

For additional details see the divisional tabs.

Salaries and Employee Benefits

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 2022-2023	BUDGET REQUEST FY 2023-2024	VARIANCE	% CHANGE
<u>SALARIES & OTHER PAYS</u>				
Permanent / County Temporary	\$49,928,206	\$55,994,827	\$6,066,621	12.2%
Agency Temporary	7,685,300	5,611,100	(2,074,200)	-27.0%
LACERA Intern Program	288,000	288,000	0	0.0%
Stipends	65,000	65,000	0	0.0%
Overtime	1,088,800	1,150,900	62,100	5.7%
Bilingual Bonus	22,800	22,800	0	0.0%
Transportation Allowance	7,200	21,600	14,400	200%
Rideshare Allowance	70,300	70,300	0	0.0%
Sickleave Buyback	68,800	68,800	0	0.0%
TOTAL SALARIES & OTHER PAYS	\$59,224,406	\$63,293,327	\$4,068,921	6.9%
<u>VARIABLE BENEFITS</u>				
Retirement	12,027,511	13,294,643	1,267,132	10.5%
FICA Contribution	892,955	1,060,984	168,029	18.8%
County Subsidy - Insurance	3,309,795	3,651,761	341,966	10.3%
Options Plan	4,736,909	4,515,725	(221,184)	-4.7%
Life Insurance	22,679	22,003	(676)	-3.0%
Health Insurance Temps	325,317	626,305	300,988	92.5%
Flexible Benefit Plan	10,868	18,805	7,937	73.0%
Thrift Plan/Horizons	2,021,290	2,251,401	230,111	11.4%
Savings Plan	1,519,048	1,527,203	8,155	0.5%
Pension Savings Plan	36,645	59,193	22,548	61.5%
Megaflex	6,159,991	7,264,514	1,104,523	17.9%
TOTAL VARIABLE BENEFITS	\$31,063,007	\$34,292,537	\$3,229,530	10.4%
OPEB CONTRIBUTION	\$1,775,147	\$1,989,009	\$213,862	12.0%
OTHER BENEFITS	\$3,345,000	\$3,589,000	\$244,000	7.3%
TOTAL EMPLOYEE BENEFITS	\$36,183,154	\$39,870,547	\$3,687,393	10.2%
TOTAL SALARIES & EMPLOYEE BENEFITS	\$95,407,560	\$103,163,874	\$7,756,314	8.1%

Assumptions

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

- Salaries are budgeted based on projected yearly costs by position.
- Vacant positions are budgeted at the first step and salary savings are calculated by reducing the salary cost by the number of months it takes to hire against the position. 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 2023 that are expected to be filled by June 30, 2023 are budgeted for the full year.
- Salary increases negotiated through a Memorandum of Understanding (MOU) are included in the budget request. Salaries increased across the board by 3 percent effective January 1, 2023 and will increase by an additional 3 percent on January 1, 2024.
- Variable benefits costs are adjusted consistent with Los Angeles County negotiated benefit rates.
- Employee salary step and merit increases are included for those employees not at the top end of their salary range.

Explanation of S&EB Costs

The proposed budget for S&EB totals \$103,163,874, an increase of approximately \$7.8 million or 8.1 percent. This increase includes partial year funding for three additional staff, negotiated cost-of-living adjustments (COLAs), nondiscretionary step and merit increases, overtime, and increases to variable benefits based on filling vacant positions and benefit increases negotiated by Los Angeles County. Additional factors impacting S&EB costs are detailed below.

Staffing Changes

A net increase of three permanent positions are requested for FY 2023-24, bringing LACERA's budgeted authority (excluding the Retiree Healthcare Program) from 493 to 496. As outlined below, three new staff positions are requested in the Disability Retirement Services Division, which we expect to be able to fill in January 2024. Six months' funding is proposed for these three positions. In addition, two positions in the Financial and Accounting Services Division (FASD) and one position in the Systems Division are proposed to be reclassified. Both the full-year cost and benefits associated with these changes are outlined in the chart below, along with the budget impact for FY 2023-24. Note that the two positions in FASD are currently vacant but we expect to be able to fill the newly created accountant positions using a current eligibility list.

Summary of Position Changes

DIVISION	#	POSITION TITLE	FULL YEAR SALARY	BUDGETED SALARY *	VARIABLE BENEFITS	BUDGET IMPACT
Disability Retirement	3.0	Senior Disability Retirement Specialist	\$259,956	\$194,967	\$107,232	\$302,199
Financial & Accounting Services	(1.0)	Accounting Officer II	(\$93,550)	\$0	\$0	\$0
	2.0	Accountant	\$134,121	\$134,121	\$73,766	\$207,887
	(1.0)	Accounting Technician	(\$53,184)	\$0	\$0	\$0
Systems Division	1.0	Information Technology Manager I	\$126,233	\$0	\$0	\$0
	(1.0)	Information Systems Manager I	(\$126,375)	\$0	\$0	\$0
Total	3.0		\$247,201	\$329,088	\$180,998	\$510,086

**Based on the hiring plan*

Salary Step and Merit Increases

Staff that are not at the top of their designated salary range are entitled to a salary step increase. These increases are budgeted at 5.5 percent. The total cost is estimated to be approximately \$302,000.

Management Appraisal and Performance Plan (MAPP) Tier I and Tier II employees may be entitled to salary increases based on their performance ratings. The increase ranges from 0 to 5 percent depending on the staff performance rating. The increase is estimated to be approximately \$472,000 or 13.7 percent from FY 2022-23.

Agency Temporary Salaries

Funding for Agency Temporary Salaries is reduced by approximately \$2.1 million, or 27 percent, from FY 2022-23, 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 strategy. 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. Our ultimate goal is for these individuals to grow and eventually become permanent LACERA staff members after completion of their education.

For FY 2023-24, LACERA hopes to welcome 14 Interns to support administrative, member-facing and investments projects in Administrative Services (2), the Executive Office (1), Human Resources (1), Investments (4), Legal (2), Quality Assurance (1), and Systems (3).

The FY 2023-2024 Administrative Budget includes \$288,000 to fund 12 Interns; two additional Interns for the Investments Division will be funded through outside organizations that promote diversity, equity and inclusion.

Employee Benefits

Total employee benefits are projected to total \$39,870,547, an increase of \$3,687,393, or 10.2 percent, from the prior year. The increase in fringe benefits cost is consistent with the benefits negotiated by the County.

For FY 2023-24, the most significant cost increases are primarily attributable to retirement cost increases of approximately \$1.3 million, or 10.5 percent, and to Megaflex benefit increase of approximately \$1.1 million, or 17.9 percent. The most significant increases by percentage include a 92.5 percent increase, or approximately \$301,000, for health insurance for County Temporary staff, a 73.0 percent increase, or approximately \$8,000, for Flexible Benefit Plan costs, and a 61.5 percent increase, or approximately \$23,000, for Pension Savings Plan costs.

Total Budgeted Positions

Based on the proposal of a net increase of 3 permanent positions, LACERA's total budgeted positions count will be 496.

DIVISION	BUDGETED POSITIONS FY 2022-2023	CHANGE	BUDGETED POSITIONS FY 2023-2024
Administrative Services	42	0	42
Benefits	79	0	79
Communications	14	0	14
Disability Litigation	7	0	7
Disability Retirement	41	3	44
Executive Office	14	0	14
Financial & Accounting	30	0	30
Human Resources	21	0	21
Internal Audit Services	11	0	11
Investment Office	45	0	45
Legal Services	29	0	29
Member Services	79	0	79
Quality Assurance	19	0	19
Systems	62	0	62
TOTAL	493	3	496

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 adopts 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.

In March 2023, the Board of Retirement and the Board of Investments authorized additional Ordinance positions in the Retirement Benefits Specialist series as well as Senior Disability Retirement Specialist. The Board of Retirement anticipated the request for the three new positions requested in this budget. This authority was needed in advance of the adoption of the budget to ensure there was no administrative delay in filling these needed positions. Filling the new positions will be dependent on the approval of the Board of Retirement and the Board of Investments.

In addition to the Ordinance positions approved by the Boards in March 2023, the Legal Division requests the addition of three Senior Staff Counsel positions in the Ordinance. These positions are not requested in the budget and no funding is required. This flexibility is needed for succession planning purposes, as the retirement of tenured attorneys is anticipated. Ideally, LACERA will have the flexibility to fill these positions without adversely impacting positions. LACERA staff will return to the Board of Retirement and the Board of Investments during the mid-year budget adjustments for any additional funding that may be needed.

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. 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 116 vacant positions as of March 31, 2023. Given the number of vacancies, new positions were generally not supported by executive management. The one exception were three new Sr. Disability Retirement Specialists positions, which were approved due to current and anticipated workload demands. Further, LACERA's Hiring Plan calls for recruitment for this classification in early FY 2023-24. With no other activity, these three new positions would increase the total number of vacancies to 119. However,

the chart does not reflect a class of approximately 24-25 Specialists of Retirement Benefits Specialists who are expected to start on May 1, 2023, with another six (6) Specialists scheduled for the RHC training program. We also have several recruitments within Legal, Investments, and Systems that we hope to conclude the end of this fiscal year (June 30, 2023). We anticipate 40 new hires in the fourth quarter of FY 2022-23 and will continue to work aggressively to recruit and retain the best possible talent.

Vacant Positions Summary

DIVISION	PROPOSED BUDGETED POSITIONS FY 2022-2023	VACANCY (AS OF 03/31/23)	%	PROPOSED BUDGETED POSITIONS FY 2023-2024*	VACANCY	%
Administrative Services	42	16	38%	42	16	38%
Benefits	79	6	8%	79	6	8%
Communications	14	5	36%	14	5	36%
Disability Litigation	7	0	0%	7	0	0%
Disability Retirement Services	41	2	5%	44	5	11%
Executive	14	6	43%	14	6	43%
Financial Accounting Services	30	6	20%	30	6	20%
Human Resources	21	9	43%	21	9	43%
Internal Audit	11	0	0%	11	0	0%
Investments	45	11	24%	45	11	24%
Legal Services Ø	29	10	34%	29	10	34%
Member Services	79	17	22%	79	17	22%
Quality Assurance	19	5	26%	19	5	26%
Systems	62	23	37%	62	23	37%
LACERA Total	493	116	24%	496	119	24%

*Includes new requested positions.

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

Hiring Plan

LACERA remains challenged with a high vacancy rate. To help address this, in FY 2022-2023, the Human Resources Division assessed its processes and workflows and developed a Hiring Manager Playbook to streamline operations where possible and demystify the hiring process. The employment market remains hot, making it difficult for LACERA to compete with more nimble private sector employers. Despite this, LACERA established an aggressive hiring plan in FY 2022-23. While most recruitments and assessments are being handled in house, we are also leveraging outside resources for key hard-to-recruit positions. We are on pace to hire or promote 50 to 60 individuals in FY 2022-23, including filling positions within Human Resources. Once our capacity constraints are addressed, we will be able to accelerate hiring.

Services and Supplies (S&S)

The FY 2023-24 Services and Supplies (S&S) budget is \$32,584,100, an increase of approximately \$225,000, or 0.7 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:

- Auto Expenses decreased by \$102,700 to \$30,800 to reflect a shift from purchasing vehicles for executives to authorizing a monthly transportation allowance. Funding remains for maintenance and fuel for existing vehicles.
- Transportation & Travel expenses increased by \$151,000, or 23 percent, reflecting an end to pandemic-era travel restrictions, necessary staff training and development, and travel for investment related due diligence.
- Stationery and Forms costs increased by \$174,400, or 21.6 percent, due to significant inflationary costs in paper supplies and supply chain constraints.
- Office Supplies & Equipment costs are expected to increase by \$208,200, or 24.6 percent, primarily due to information technology supplies and equipment and new due diligence software to assist the Investments Division.
- Insurance premium costs are expected to increase by \$361,100, or 32.2 percent, based on industry trends and risk threats. The most significant increase is anticipated to be Cyber Security Insurance.
- Equipment Maintenance costs are expected to increase by \$325,000, or 79.6 percent, primarily due to upgrading LACERA conference rooms to enable video conferencing (via Teams) and upgrading the key card readers on all LACERA suites.
- Building Costs are expected to decrease by \$161,300, or 2.0 percent, based on renovation plans.
- Legal Fees & Services are expected to decrease by \$998,000, or 32.5 percent, due to the conclusion of prior year litigation.
- Educational Expenses are expected to increase by \$128,300, or 10.2 percent, to reflect in-person staff participation in educational conferences and programs.

Services & Supplies Summary

S&S CATEGORY	BUDGET REQUEST FY 2022-2023	BUDGET REQUEST FY 2023-2024	VARIANCE	% CHANGE
Auto Expenses	\$133,500	\$30,800	(\$102,700)	-76.9%
Communications	535,000	570,000	35,000	6.5%
Transportation & Travel	656,200	807,200	151,000	23.0%
Postage	1,069,400	1,093,700	24,300	2.3%
Stationery & Forms	808,300	982,700	174,400	21.6%
Office Supplies & Equipment	845,700	1,053,900	208,200	24.6%
Insurance	1,120,600	1,481,700	361,100	32.2%
Equipment Maintenance	408,300	733,300	325,000	79.6%
Equipment Rents & Leases	287,000	250,000	(37,000)	-12.9%
Building Costs	7,961,300	7,800,000	(161,300)	-2.0%
Parking Fees	437,000	482,000	45,000	10.3%
Professional & Specialized Services	4,531,500	4,665,600	134,100	3.0%
Bank Services	200,500	200,000	(500)	-0.2%
Legal Fees & Services	3,071,000	2,073,000	(998,000)	-32.5%
Disability Fees & Services	3,145,300	3,090,300	(55,000)	-1.7%
Computer Services & Support	5,118,600	5,129,600	11,000	0.2%
Educational Expenses	1,253,000	1,381,300	128,300	10.2%
Miscellaneous	777,100	759,000	(18,100)	-2.3%
TOTAL	\$32,359,300	\$32,584,100	\$224,800	0.7%

LACERA

FISCAL YEAR 2023-2024

SALARIES AND EMPLOYEE BENEFITS
CATEGORY SUMMARY

	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022 - 2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		BUDGET	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE
			(01-31-23)	PROJECTION	BUDGET	% CHANGE		
Gross Salaries	\$55,994,827	\$49,928,206	\$25,168,153	\$48,756,400	(\$1,171,806)	-2.3%	\$6,066,621	12.2%
Salary Differential	-	-	-	-	-	-	-	-
Permanent Salaries	\$55,994,827	\$49,928,206	\$25,168,153	\$48,756,400	(\$1,171,806)	-2.3%	\$6,066,621	12.2%
Outside Agency Temporary Staffing	5,611,100	7,685,300	2,798,276	5,510,300	(2,175,000)	-28.3%	(2,074,200)	-27.0%
LACERA Intern Program	288,000	288,000	1,613	48,000	(240,000)	-83.3%	0	0.0%
Variable Benefits								
Retirement	13,294,643	12,027,511	5,121,951	10,367,800	(1,659,711)	-13.8%	1,267,132	10.5%
FICA Contribution	1,060,984	892,955	416,622	862,200	(30,755)	-3.4%	168,029	18.8%
County Subsidy - Insurance	3,651,761	3,309,795	1,036,948	2,359,500	(950,295)	-28.7%	341,966	10.3%
Options Plan	4,515,725	4,736,909	1,845,255	3,763,800	(973,109)	-20.5%	(221,184)	-4.7%
Life Insurance	22,003	22,679	9,277	19,400	(3,279)	-14.5%	(676)	-3.0%
Health Insurance Temps	626,305	325,317	137,052	339,800	14,483	4.5%	300,988	92.5%
Flexible Benefit Plan	18,805	10,868	9,044	18,500	7,632	70.2%	7,937	73.0%
Thrift Plan/Horizons	2,251,401	2,021,290	733,207	1,537,900	(483,390)	-23.9%	230,111	11.4%
Savings Plan	1,527,203	1,519,048	527,728	1,103,400	(415,648)	-27.4%	8,155	0.5%
Pension Savings Plan	59,193	36,645	12,618	25,600	(11,045)	-30.1%	22,548	61.5%
Megaflex	7,264,514	6,159,991	2,699,019	5,610,200	(549,791)	-8.9%	1,104,523	17.9%
Total	34,292,537	31,063,007	12,548,721	26,008,100	(5,054,907)	-16.3%	3,229,530	10.4%
Other Benefits	3,589,000	3,345,000	1,542,281	3,278,700	(66,300)	-2.0%	244,000	7.3%
OPEB Contribution	1,989,009	1,775,147	885,284	1,635,000	(140,147)	-7.9%	213,862	12.0%
Stipends	65,000	65,000	25,653	51,400	(13,600)	-20.9%	0	0.0%
Overtime	1,150,900	1,088,800	724,924	1,228,500	139,700	12.8%	62,100	5.7%
Bilingual Bonus	22,800	22,800	6,700	12,700	(10,100)	-44.3%	0	0.0%
Sickleave Buyback	68,800	68,800	34,022	67,200	(1,600)	-2.3%	0	0.0%
Rideshare Allowance	70,300	70,300	2,165	5,500	(64,800)	-92.2%	0	0.0%
Transportation Allowance	21,600	7,200	3,900	7,200	0	0.0%	14,400	200.0%
S&EB TOTAL	\$103,163,874	\$95,407,560	\$43,741,692	\$86,609,000	(\$8,798,560)	-9.2%	\$7,756,314	8.1%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/23, with the exception of Agency Temp Salaries, which are as of 01/31/23.

LACERA
FISCAL YEAR 2023-2024
SALARIES AND EMPLOYEE BENEFITS
DIVISION SUMMARY

	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2 0 2 2 - 2 0 2 3			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		BUDGET	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE
			(01-31-23)	PROJECTION	BUDGET	% CHANGE		
Administrative Services	\$5,512,307	\$4,442,976	\$2,016,290	\$3,997,700	(\$445,276)	-10.0%	\$1,069,331	24.1%
Benefits	12,363,302	11,960,086	6,186,588	11,875,400	(84,686)	-0.7%	403,216	3.4%
Communications	2,600,188	2,168,975	941,134	1,896,500	(272,475)	-12.6%	431,213	19.9%
Disability Litigation	2,510,041	2,353,917	1,235,121	2,354,700	783	0.0%	156,124	6.6%
Disability Retirement	8,428,093	7,514,693	3,841,453	7,453,500	(61,193)	-0.8%	913,400	12.2%
Executive Office	4,604,615	4,467,051	2,228,171	4,222,100	(244,951)	-5.5%	137,564	3.1%
Financial & Accounting Services	5,435,440	4,677,178	2,034,836	4,181,300	(495,878)	-10.6%	758,262	16.2%
Human Resources	4,403,991	3,623,337	1,311,915	2,856,000	(767,337)	-21.2%	780,654	21.5%
Internal Audit	2,888,948	2,743,995	1,322,916	2,686,700	(57,295)	-2.1%	144,953	5.3%
Investment Office	17,875,467	17,020,288	7,298,726	14,633,200	(2,387,088)	-14.0%	855,179	5.0%
Legal Services	7,524,432	7,029,695	2,867,503	5,771,400	(1,258,295)	-17.9%	494,737	7.0%
Member Services	11,034,096	10,452,614	4,747,709	9,533,400	(919,214)	-8.8%	581,482	5.6%
Quality Assurance	3,301,232	2,830,468	1,416,168	2,754,200	(76,268)	-2.7%	470,764	16.6%
Systems Division	14,681,722	14,122,286	6,293,162	12,392,900	(1,729,386)	-12.2%	559,436	4.0%
S&EB TOTAL	\$103,163,874	\$95,407,560	\$43,741,692	\$86,609,000	(\$8,798,560)	-9.2%	\$7,756,314	8.1%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/23, with the exception of Agency Temp Salaries, which are as of 01/31/23.

LACERA
FISCAL YEAR 2023-2024
AGENCY TEMPORARY STAFFING
DIVISION SUMMARY

	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2 0 2 2 - 2 0 2 3			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		BUDGET	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE
			(01-31-23)	PROJECTION	BUDGET	% CHANGE		
Administrative Services	\$457,800	\$473,400	\$188,609	\$377,300	(\$96,100)	-20.3%	(\$15,600)	-3.3%
Benefits	62,200	154,900	52,869	97,700	(57,200)	-36.9%	(92,700)	-59.8%
Communications	331,000	56,200	14,451	56,200	0	0.0%	274,800	489.0%
Disability Litigation	0	9,800	0	0	(9,800)	-100.0%	(9,800)	-100.0%
Disability Retirement	138,100	129,000	29,070	77,400	(51,600)	-40.0%	9,100	7.1%
Executive Office	645,200	1,129,700	657,542	1,129,700	0	0.0%	(484,500)	-42.9%
Financial & Accounting Services	776,700	778,100	210,070	420,200	(357,900)	-46.0%	(1,400)	-0.2%
Human Resources	139,000	144,300	61,788	123,600	(20,700)	-14.3%	(5,300)	-3.7%
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	179,400	196,600	43,577	147,500	(49,100)	-25.0%	(17,200)	-8.7%
Member Services	0	37,000	0	0	(37,000)	-100.0%	(37,000)	-100.0%
Quality Assurance	0	0	0	0	0	0.0%	0	0.0%
Systems Division	2,881,700	4,576,300	1,540,301	3,080,700	(1,495,600)	-32.7%	(1,694,600)	-37.0%
TOTAL	\$5,611,100	\$7,685,300	\$2,798,276	\$5,510,300	(\$2,175,000)	-28.3%	(\$2,074,200)	-27.0%

*All amounts rounded to the nearest dollar.

LACERA
BUDGET REQUEST INFORMATION
AGENCY TEMPORARY STAFFING
HISTORY OF EXPENDITURES

DIVISION	FYE 2021		FYE 2022		FYE 2023		FYE 2024
	Budget	Actual	Budget	Actual	Budget	Projection	Budget
Administrative Services	\$305,200	\$236,187	\$587,000	\$456,645	\$473,400	\$377,300	\$457,800
Benefits	47,700	61,449	71,900	69,194	154,900	97,700	62,200
Communications	135,700	73,304	79,600	1,213	56,200	56,200	331,000
Disability Litigation	8,700	0	0	0	9,800	0	0
Disability Retirement	72,100	100,660	143,000	43,941	129,000	77,400	138,100
Executive Office	0	0	0	0	1,129,700	1,129,700	645,200
Financial Services	505,400	354,985	729,400	473,724	778,100	420,200	776,700
Human Resources	47,700	68,633	47,700	36,327	144,300	123,600	139,000
Internal Audit	0	0	0	0	0	0	0
Investment Office	0	0	0	0	0	0	0
Legal Services	53,500	57,562	150,000	103,549	196,600	147,500	179,400
Member Services	0	0	0	0	37,000	0	0
Quality Assurance	0	0	0	0	0	0	0
Systems	2,650,000	2,843,400	2,193,100	3,899,919	4,576,300	3,080,700	2,881,700
GRAND TOTAL	\$3,826,000	\$3,796,181	\$4,001,700	\$5,084,512	\$7,685,300	\$5,510,300	\$5,611,100

*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2023-2024
OVERTIME REQUEST
DIVISION SUMMARY

	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022 - 2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE		
Administrative Services	\$35,700	\$49,400	\$1,540	\$37,100	(\$12,300)	-24.9%	(\$13,700)	-27.7%
Benefits	426,400	398,100	330,040	457,000	58,900	14.8%	28,300	7.1%
Communications	4,500	4,800	1,103	4,800	0	0.0%	(300)	-6.3%
Disability Litigation	2,800	6,600	508	2,000	(4,600)	-69.7%	(3,800)	-57.6%
Disability Retirement	103,600	165,300	47,736	88,200	(77,100)	-46.6%	(61,700)	-37.3%
Executive Office	27,600	25,600	11,902	23,900	(1,700)	-6.6%	2,000	7.8%
Financial & Accounting Services	64,700	65,300	39,211	65,300	0	0.0%	(600)	-0.9%
Human Resources	4,700	3,800	6,858	12,700	8,900	234.2%	900	23.7%
Internal Audit	5,300	5,000	629	1,200	(3,800)	-76.0%	300	6.0%
Investment Office	800	1,000	0	0	(1,000)	-100.0%	(200)	-20.0%
Legal Services	19,900	18,400	9,384	17,400	(1,000)	-5.4%	1,500	8.2%
Member Services	214,200	174,000	140,732	259,900	85,900	49.4%	40,200	23.1%
Quality Assurance	11,500	21,500	449	10,000	(11,500)	-53.5%	(10,000)	-46.5%
Systems Division	229,200	150,000	134,831	249,000	99,000	66.0%	79,200	52.8%
TOTAL	\$1,150,900	\$1,088,800	\$724,924	\$1,228,500	\$139,700	12.8%	\$62,100	5.7%

*All amounts rounded to the nearest dollar.

LACERA

BUDGET REQUEST INFORMATION

**OVERTIME
HISTORY OF EXPENDITURES**

DIVISION	FYE 2021		FYE 2022		FYE 2023		FYE 2024
	Budget	Actual	Budget	Actual	Budget	Projection	Budget
Administrative Services	\$43,700	\$19,806	\$50,000	\$5,833	\$49,400	\$37,100	\$35,700
Benefits	371,600	373,564	398,000	451,675	398,100	457,000	426,400
Communications	3,300	4,615	4,100	3,403	4,800	4,800	4,500
Disability Litigation	0	0	0	0	6,600	2,000	2,800
Disability Retirement	9,500	16,742	16,100	43,275	165,300	88,200	103,600
Executive Office	25,000	1,078	25,600	472	25,600	23,900	27,600
Financial Services	68,400	32,345	67,900	40,904	65,300	65,300	64,700
Human Resources	1,500	704	2,900	1,310	3,800	12,700	4,700
Internal Audit	4,800	785	4,900	986	5,000	1,200	5,300
Investment Office	1,000	0	1,000	0	1,000	0	800
Legal Services	12,500	6,290	30,000	20,897	18,400	17,400	19,900
Member Services	130,500	156,701	133,800	221,062	174,000	259,900	214,200
Quality Assurance	0	2,425	21,300	264	21,500	10,000	11,500
Systems	130,100	140,300	133,300	171,708	150,000	249,000	229,200
GRAND TOTAL	\$801,900	\$755,356	\$888,900	\$961,790	\$1,088,800	\$1,228,500	\$1,150,900

*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2023-2024
BILINGUAL BONUS
SUMMARY

	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2 0 2 2 - 2 0 2 3			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE		
Benefits Division	\$3,600	\$3,600	\$1,950	\$3,900	\$300	8.3%	\$0	0.0%
Legal Services	2,400	2,400	0	0	(2,400)	-100.0%	0	0.0%
Member Services Division	16,800	16,800	4,750	8,800	(8,000)	-47.6%	0	0.0%
TOTAL	\$22,800	\$22,800	\$6,700	\$12,700	(\$10,100)	-44.3%	\$0	0.0%

*All amounts rounded to the nearest dollar.

LACERA

BUDGET REQUEST INFORMATION

**VACANT POSITIONS
SUMMARY**

DIVISION	PROPOSED BUDGETED POSITIONS FY 2022-2023	VACANCY (AS OF 03/31/23)	%	PROPOSED BUDGETED POSITIONS FY 2023-2024*	VACANCY	%
Administrative Services	42	16	38%	42	16	38%
Benefits	79	6	8%	79	6	8%
Communications	14	5	36%	14	5	36%
Disability Litigation	7	0	0%	7	0	0%
Disability Retirement Services	41	2	5%	44	5	11%
Executive	14	6	43%	14	6	43%
Financial Accounting Services	30	6	20%	30	6	20%
Human Resources	21	9	43%	21	9	43%
Internal Audit	11	0	0%	11	0	0%
Investments	45	11	24%	45	11	24%
Legal Services Ø	29	10	34%	29	10	34%
Member Services	79	17	22%	79	17	22%
Quality Assurance	19	5	26%	19	5	26%
Systems	62	23	37%	62	23	37%
LACERA Total	493	116	24%	496	119	24%

* Includes new requested positions.

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

LACERA
FISCAL YEAR 2023-2024
SERVICES AND SUPPLIES
CATEGORY SUMMARY

	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022 - 2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE		
Auto Expense	\$30,800	\$133,500	(\$8,326)	\$72,300	(\$61,200)	-45.8%	(\$102,700)	-76.9%
Communications	570,000	535,000	340,026	528,500	(6,500)	-1.2%	35,000	6.5%
Transportation and Travel	807,200	656,200	178,188	516,800	(139,400)	-21.2%	151,000	23.0%
Postage	1,093,700	1,069,400	485,171	1,114,500	45,100	4.2%	24,300	2.3%
Stationery and Forms	982,700	808,300	372,128	674,000	(134,300)	-16.6%	174,400	21.6%
Office Supplies and Equipment	1,053,900	845,700	608,832	1,038,200	192,500	22.8%	208,200	24.6%
Insurance	1,481,700	1,120,600	979,848	1,194,100	73,500	6.6%	361,100	32.2%
Equipment Maintenance	733,300	408,300	112,036	450,300	42,000	10.3%	325,000	79.6%
Equipment Rents and Leases	250,000	287,000	119,851	230,000	(57,000)	-19.9%	(37,000)	-12.9%
Building Costs	7,800,000	7,961,300	3,777,510	7,608,200	(353,100)	-4.4%	(161,300)	-2.0%
Parking Fees	482,000	437,000	242,960	485,000	48,000	11.0%	45,000	10.3%
Professional and Spec. Svcs.	4,665,600	4,531,500	1,619,956	4,201,000	(330,500)	-7.3%	134,100	3.0%
Bank Services	200,000	200,500	(70,057)	200,000	(500)	-0.2%	(500)	-0.2%
Legal Fees and Services	2,073,000	3,071,000	3,143,856	4,026,300	955,300	31.1%	(998,000)	-32.5%
Disability Fees and Services	3,090,300	3,145,300	1,763,571	2,780,600	(364,700)	-11.6%	(55,000)	-1.7%
Computer Services and Support	5,129,600	5,118,600	3,636,026	5,187,600	69,000	1.3%	11,000	0.2%
Educational Expense	1,381,300	1,253,000	378,384	979,800	(273,200)	-21.8%	128,300	10.2%
Miscellaneous	759,000	777,100	177,932	679,300	(97,800)	-12.6%	(18,100)	-2.3%
S&S TOTAL	\$32,584,100	\$32,359,300	\$17,857,891	\$31,966,500	(\$392,800)	-1.2%	\$224,800	0.7%

*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2023-2024
SERVICES AND SUPPLIES
DIVISION SUMMARY

	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022 - 2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE		
Administrative Services	\$10,596,100	\$10,546,900	\$5,441,402	\$10,010,800	(\$536,100)	-5.1%	\$49,200	0.5%
Benefits	86,100	59,300	14,342	48,900	(10,400)	-17.5%	26,800	45.2%
Board of Retirement	303,500	291,500	65,113	220,600	(70,900)	-24.3%	12,000	4.1%
Board of Investment	551,000	498,000	253,644	439,400	(58,600)	-11.8%	53,000	10.6%
Communications	1,517,500	1,254,000	587,814	1,104,600	(149,400)	-11.9%	263,500	21.0%
Disability Litigation	51,100	53,900	15,959	47,200	(6,700)	-12.4%	(2,800)	-5.2%
Disability Retirement	3,369,000	3,425,100	1,838,166	3,049,600	(375,500)	-11.0%	(56,100)	-1.6%
Executive Office	671,800	927,100	401,406	871,900	(55,200)	-6.0%	(255,300)	-27.5%
Financial & Accounting Services	253,300	249,300	(58,438)	236,000	(13,300)	-5.3%	4,000	1.6%
Human Resources	2,339,600	2,216,200	600,600	1,782,800	(433,400)	-19.6%	123,400	5.6%
Internal Audit	724,200	724,500	151,216	714,600	(9,900)	-1.4%	(300)	0.0%
Investment Office	348,500	321,900	118,501	302,200	(19,700)	-6.1%	26,600	8.3%
Legal Services	2,473,300	3,427,500	3,330,007	4,369,800	942,300	27.5%	(954,200)	-27.8%
Member Services	29,200	26,800	4,411	21,500	(5,300)	-19.8%	2,400	9.0%
Quality Assurance	82,100	87,900	4,812	68,100	(19,800)	-22.5%	(5,800)	-6.6%
Systems	9,187,800	8,249,400	5,088,935	8,678,500	429,100	5.2%	938,400	11.4%
S&S TOTAL	\$32,584,100	\$32,359,300	\$17,857,891	\$31,966,500	(\$392,800)	-1.2%	\$224,800	0.7%

*All amounts rounded to the nearest dollar.



BOARD OF RETIREMENT

BUDGET HIGHLIGHTS

FISCAL YEAR 2023-2024

Mission

Produce, Protect, and Provide the Promised Benefits

INTRODUCTION

The Board of Retirement is responsible for the strategic direction of the association for the administration of the retirement system, the retiree healthcare program, and the review and processing of disability retirement applications. The Board must execute its duties with care, skill, prudence, and diligence. The Board is composed of 11 trustees. Four of its trustees are appointed by the Los Angeles County Board of Supervisors; two are elected by active general members; safety members elect one trustee and one alternate trustee; and retired members also elect one trustee and one alternate trustee. 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, sitting in for the ex-officio trustee as needed.

SERVICES AND SUPPLIES

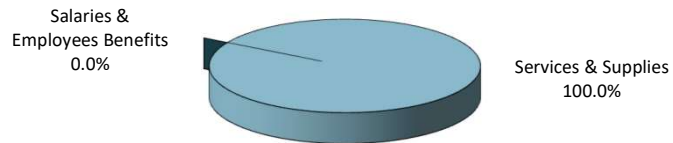
The Board's Services and Supplies budget request is based on actual expenditure trends.

LACERA
FISCAL YEAR 2023-2024
BUDGET SUMMARY

BOARD OF RETIREMENT

	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)			
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
Salaries & Employees Benefits	\$0	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
Services & Supplies	303,500	291,500	65,113	220,600	(70,900)	-24.3%	12,000	4.1%
OPERATING BUDGET	\$303,500	\$291,500	\$65,113	\$220,600	(\$70,900)	-24.3%	\$12,000	4.1%

2023 - 2024 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2023-2024
SERVICES & SUPPLIES ACCOUNT SUMMARY

BOARD OF RETIREMENT

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE		
TRANSPORTATION & TRAVEL	\$93,500	\$93,500	\$23,589	\$68,600	(\$24,900)	-26.6%	\$0	0.0%
EDUCATIONAL EXPENSES	86,000	86,000	39,319	62,000	(24,000)	-27.9%	0	0.0%
MISCELLANEOUS	124,000	112,000	2,205	90,000	(22,000)	-19.6%	12,000	10.7%
TOTAL	\$303,500	\$291,500	\$65,113	\$220,600	(\$70,900)	-24.3%	\$12,000	4.1%

*All amounts rounded to the nearest dollar.

BOARD OF RETIREMENT

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2022		FYE 2023		Proposed
	Budget	Actual	Budget	Projection	Budget
SERVICES & SUPPLIES					
Transportation & Travel	85,000	35,797	93,500	68,600	93,500
Educational Expenses	82,000	54,769	86,000	62,000	86,000
Miscellaneous	47,000	8,600	112,000	90,000	124,000
TOTAL OPERATING BUDGET	\$214,000	\$99,166	\$291,500	\$220,600	\$303,500

*All amounts rounded to the nearest dollar.



BOARD OF INVESTMENTS

BUDGET HIGHLIGHTS

FISCAL YEAR 2023-2024

Mission

Produce, Protect, and Provide the Promised Benefits

INTRODUCTION

The Board of Investments is responsible for establishing LACERA's investment policy and objectives, as well as exercising authority and control over the investment management of the pension fund. The Board must execute 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; and both safety members and retired members elect one trustee each. 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, sitting in for the ex-officio trustee as needed.

SERVICES AND SUPPLIES

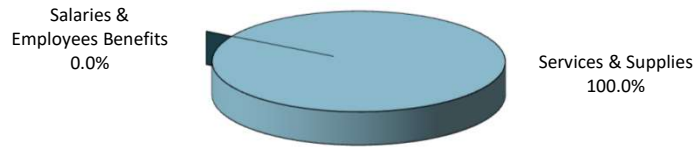
The Board's Services and Supplies budget request is based on actual expenditure trends.

LACERA
FISCAL YEAR 2023-2024
BUDGET SUMMARY

BOARD OF INVESTMENTS

	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
	PROPOSED BUDGET 2023-2024	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-23)	PROJECTION	BUDGET		
Salaries & Employees Benefits	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
Services & Supplies	551,000	498,000	253,644	439,400	-11.8%	53,000	10.6%
OPERATING BUDGET	\$551,000	\$498,000	\$253,644	\$439,400	-11.8%	\$53,000	10.6%

2023 - 2024 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2023-2024
SERVICES & SUPPLIES ACCOUNT SUMMARY

BOARD OF INVESTMENTS

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE		
TRANSPORTATION & TRAVEL	\$246,000	\$242,000	\$85,624	\$192,400	(\$49,600)	-20.5%	\$4,000	1.7%
EDUCATIONAL EXPENSES	200,000	150,000	95,222	144,000	(6,000)	-4.0%	50,000	33.3%
MISCELLANEOUS	105,000	106,000	72,798	103,000	(3,000)	-2.8%	(1,000)	-0.9%
TOTAL	\$551,000	\$498,000	\$253,644	\$439,400	(\$58,600)	-11.8%	\$53,000	10.6%

*All amounts rounded to the nearest dollar.

BOARD OF INVESTMENT

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2022		FYE 2023		Proposed
	Budget	Actual	Budget	Projection	Budget
SERVICES & SUPPLIES					
Transportation & Travel	220,000	59,906	242,000	192,400	246,000
Educational Expenses	150,000	104,866	150,000	144,000	200,000
Miscellaneous	66,000	4,000	106,000	103,000	105,000
TOTAL OPERATING BUDGET	\$436,000	\$168,772	\$498,000	\$439,400	\$551,000

*All amounts rounded to the nearest dollar.

ADMINISTRATIVE SERVICES

BUDGET HIGHLIGHTS

FISCAL YEAR 2023-2024

Mission

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

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

INTRODUCTION

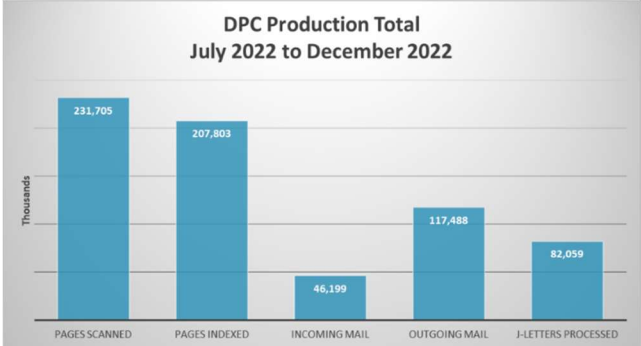
The Administrative Services Division (ASD) provides the operational infrastructure that supports the divisions in administering LACERA programs and services. In short, we ensure that each person has the right resources to do their job. Specific functions include:

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

- Rideshare Administration
- Risk Management

FY 2022-2023 ACHIEVEMENTS

During the 2022-2023 fiscal year, the Administrative Services Divisions achievements included:

Project Description	Status /Expected Completion												
<p>Business Continuity Plan (BCP) LACERA conducted BCP tabletop exercises from July to October 2022 with each Division to test their ability to recover critical business functions while using their BCP. The average score for the tabletop exercise was 89 out of 100. Although the LACERA scores were good, this exercise helped to pinpoint areas for improvement.</p>	Completed												
<p>Business Insurance Renewal The Risk Management Unit provided the Trustees with an overview of the challenges in the current insurance marketplace as presented by Alliant Insurance Services, LACERA’s insurance broker. The Trustees approved staff’s recommendation to align all business insurance into one cycle and all business lines were executed.</p>	Completed												
<p>Hardware Asset Management System (HAM) This system is used to conduct cycle counts of inventory assets related to technology according to the newly established Property and Equipment Management Policy and to manage the consumables inventory.</p>	Completed												
<p>Member Correspondence (J-Letters) The chart below reflects the DPC production totals from July 1, 2022, to December 31, 2022. During fiscal year 2022 – 2023, Systems implemented the automations of several new J-letter types, including but not limited to: Retired Death Continuance Claim Form, Retired Death Lump Sum Claim Form, Report on Employee with Job-Related Felony Conviction, Health Insurance Waiver Letter.</p>  <table border="1"> <caption>DPC Production Total July 2022 to December 2022</caption> <thead> <tr> <th>Category</th> <th>Production (Thousands)</th> </tr> </thead> <tbody> <tr> <td>PAGES SCANNED</td> <td>231,705</td> </tr> <tr> <td>PAGES INDEXED</td> <td>207,803</td> </tr> <tr> <td>INCOMING MAIL</td> <td>46,199</td> </tr> <tr> <td>OUTGOING MAIL</td> <td>117,488</td> </tr> <tr> <td>J-LETTERS PROCESSED</td> <td>82,059</td> </tr> </tbody> </table>	Category	Production (Thousands)	PAGES SCANNED	231,705	PAGES INDEXED	207,803	INCOMING MAIL	46,199	OUTGOING MAIL	117,488	J-LETTERS PROCESSED	82,059	Completed
Category	Production (Thousands)												
PAGES SCANNED	231,705												
PAGES INDEXED	207,803												
INCOMING MAIL	46,199												
OUTGOING MAIL	117,488												
J-LETTERS PROCESSED	82,059												

<p>Offsite Inventory An inventory of all LACERA’s technical resources used by staff to perform their duties while teleworking was conducted and recorded in the HAM system.</p>	<p>Completed</p>
<p>Property and Equipment Management Policy To reduce enterprise risk and improve efficiency, this Policy for tracking, identifying, and accounting for all LACERA owned property and equipment was updated to include only items having a cost of \$500 or more, a high propensity to be lost or stolen, holding LACERA specific data, or as determined by management.</p>	<p>Completed</p>

FY 2023-2024 DIVISION GOALS

The Administrative Services Division’s (ASD) goals for fiscal year 2023-2024 are centered around two main areas to better serve our internal customers: Staff and Technology.

Fill Vacancies

Reduce the 38 percent vacancy rate as quickly as is practicable. This will provide adequate staffing levels to perform the duties required of each unit and best support LACERA. We will collaborate with Human Resources to conduct a job analysis for all Administrative Services Analyst positions prior to the release of the hiring exams to update the knowledge, skills, and abilities for each position in the series. This will assist us to move more quickly in filling the vacancies and ensure that when selecting the candidates, we will appoint those with the best fit to foster their personal success and their contribution to the division and LACERA overall.

Staff Development

Provide opportunities for staff to further develop their professional expertise as members of leading industry organizations. In addition to these memberships, we encourage staff to complete the requirements for certification issued by these organizations. Staff will be offered opportunities to participate in training to further develop their skills, knowledge, and abilities, including the use of technology. Additionally, we anticipate training needs of new staff as we address our permanent staffing needs.

Implement Technology

Apply time and resources toward the effective implementation of new and upgraded technology that will allow us to serve our customers with efficiency and accuracy and assist us in mitigating any risk of errors to the organization.

We began the implementation processes for these technologies in fiscal year 2022-2023 but the completion dates are expected in fiscal year 2023-2024.

These include:

Project Description	Expected Completion
<p>Automated Budget System</p> <p>Administrative Services has never had an automated system for budget development or control, relying upon Excel spreadsheets and manual processes. We conducted an extensive needs assessment and released a Request for Proposal (RFP). Questica was selected as the budget software provider. The implementation plan was introduced at the end of calendar year 2022 and regular meetings between Questica and LACERA subject matter experts have moved the software implementation along. We anticipate full implementation by the Fall of 2023 and plan to use the new system for the development of the FY 2024-2025 budget.</p>	<p>Summer 2023</p>
<p>Enterprise Contract Lifecycle Management System (ECLM)</p> <p>This system will replace our current contract management database with an enterprise-wide solution that includes automated workflows and reporting capabilities and that will integrate with new and existing technology solutions. The vendor selected for the ECLM system is Cobblestone. We have met with the vendor to outline the deployment plan, launched the implementation, and expect that the system will be fully functional by the Summer of 2023.</p>	<p>Summer 2023</p>
<p>Procurement/Accounts Payable/Travel System</p> <p>Administrative Services, Financial and Accounting (FASD) and Systems Divisions have been collaborating to automate, simplify, and improve our procurement, and accounts payable approval and workflow processes. This software will process electronic payment methods, including automating the procurement and purchasing processes and the payment request review process in the Administrative Services Division. We anticipate this system will roll out in phases, starting with Procurement and Accounts Payable followed by the Expense phase.</p>	<p>Summer 2023</p>
<p>Renovation of 7th floor Systems/FASD</p> <p>The Systems and Financial and Accounting Division space has not been renovated in 20 years. To make the renovation timelier, the entire 7th floor is being renovated at the same time. This is a huge undertaking and we have had some setbacks related to the floorplan, but progress has been steady as we move toward completion of this project.</p>	<p>Summer 2023</p>

STAFFING

The Administrative Services Division has a total of 42 budgeted positions. There are currently 16 vacant positions in the division, totaling a 38 percent vacancy rate. This number includes the five new positions that were approved last fiscal year. This vacancy rate has hindered ASD's ability to fully implement its organizational realignment approved in Fiscal Year 2022-2023. We plan to align those positions where we have staff to fill them.

We are partnering with the Human Resources Division to develop the recruitment strategy and assessment tools in alignment with LACERA's Hiring Plan to address this challenge. In the meantime, some of our vacant positions are currently filled with temporary or interim staff which allows the critical work to be completed. Even our recent attempts to find temporary staff have been adversely impacted by the current labor market.

Agency Temporary Request

Due to the staffing challenges noted above, ASD's proposed budget for Agency Temporary staff is \$457,800, a decrease of 3.3 percent below FY 2022-2023. While our goal remains to hire permanent staff into these positions, the continued use of temporary staff is a practical solution we can employ today.

Intern Request

The Administrative Services Division requests two interns for entry-level positions: one for the Budget Unit and one for the Contract Management Unit. They will be assigned to assist with the implementation of new technology projects in these areas. This will provide students with valuable work experience and exposure to LACERA as a potential future employer.

Overtime

We expect overtime to be necessary for fiscal year 2023-2024 during periods of heightened activity related to budget preparation, renovations, and special projects and for the DPC staff during the March Rush. The amount of overtime will be reduced by 28 percent as a direct result of cross-training staff in the Mailroom and the Document Processing Center. Although we are requesting slightly less overtime budget, select Administrative Services Division staff will work overtime to implement new technologies and provide their expertise as the identified subject matter experts for several technology projects currently underway in the Administrative Services Division and other divisions within LACERA. These include the Budget software; the Enterprise Contract Lifecycle Management; and the Accounts Payable system projects. Overtime will be essential for staff to support these new projects while fulfilling their current duties.

SERVICES AND SUPPLIES

Most of the FY 2023-2024 Services and Supplies line items are similar to the prior year's budget. There are small changes attributable to vendor or overall supplier cost increases or decreases, and there are some significant changes proposed for Rent and Operating costs, Renovation Projects, and Business Insurance fees, including cyber liability insurance as follows:

- Reduction of \$100,000 from previous year's budget for the purchase of automobiles for LACERA Executives. LACERA has developed a policy to use a monthly transportation allowance of \$600/month for Executive level staff in lieu of a vehicle when part of their compensation package. This is less costly and less administratively burdensome. Incumbents who currently have a vehicle assigned shall continue.
- Expected increase of \$25,000 or 50 percent for offsite file archive costs and Business Continuity Professional Services.
- An overall reduction of \$161,300 or 2 percent for Building costs, which includes rent and operating costs for the headquarters building outlined in the lease agreement. This includes Common Area Maintenance charges, special repair orders, renovations, and rental space to be used as "swing space" to accommodate staff during renovations. No new permanent office space is proposed. Included in this line item is \$1,000,000 for potential renovations to better support the needs of the Human Resources, Legal, and Administrative Services divisions.
- An overall increase of \$361,100 for business insurance fees is expected reflecting various rate increases from between 5 and 32 percent. The largest increase of 30 percent is expected in cyber liability due to general market risks.
- An overall increase of \$12,000 or 89 percent for staff development and professional memberships.

Staff Development Plan:

Our goal is to create and support a learning environment where staff can develop the skills they need to succeed today and the knowledge and abilities that may prepare them for other opportunities in the future. By strengthening staff's core proficiencies, their ability to support LACERA effectively and efficiently in delivering the mission and the strategic goals is also reinforced.

Our plan includes opportunities for staff to join professional organizations related to their area of responsibility. We believe that memberships will contribute to the staff's level of expertise in their profession and provide opportunities to access member-only resources including educational materials, and attendance and networking at training and conferences. These organizations provide information about best practices, opportunities to network with others in their field, and professional certifications. These memberships include the Association of Records Managers and Administrators (ARMA), Disaster Recovery Institute International (DRII), Institute for Supply Management (ISM), Government Finance Officers Association (GFOA), National Contract Management Association (NCMA), and the Board of Certified Safety Professionals (BCSP).

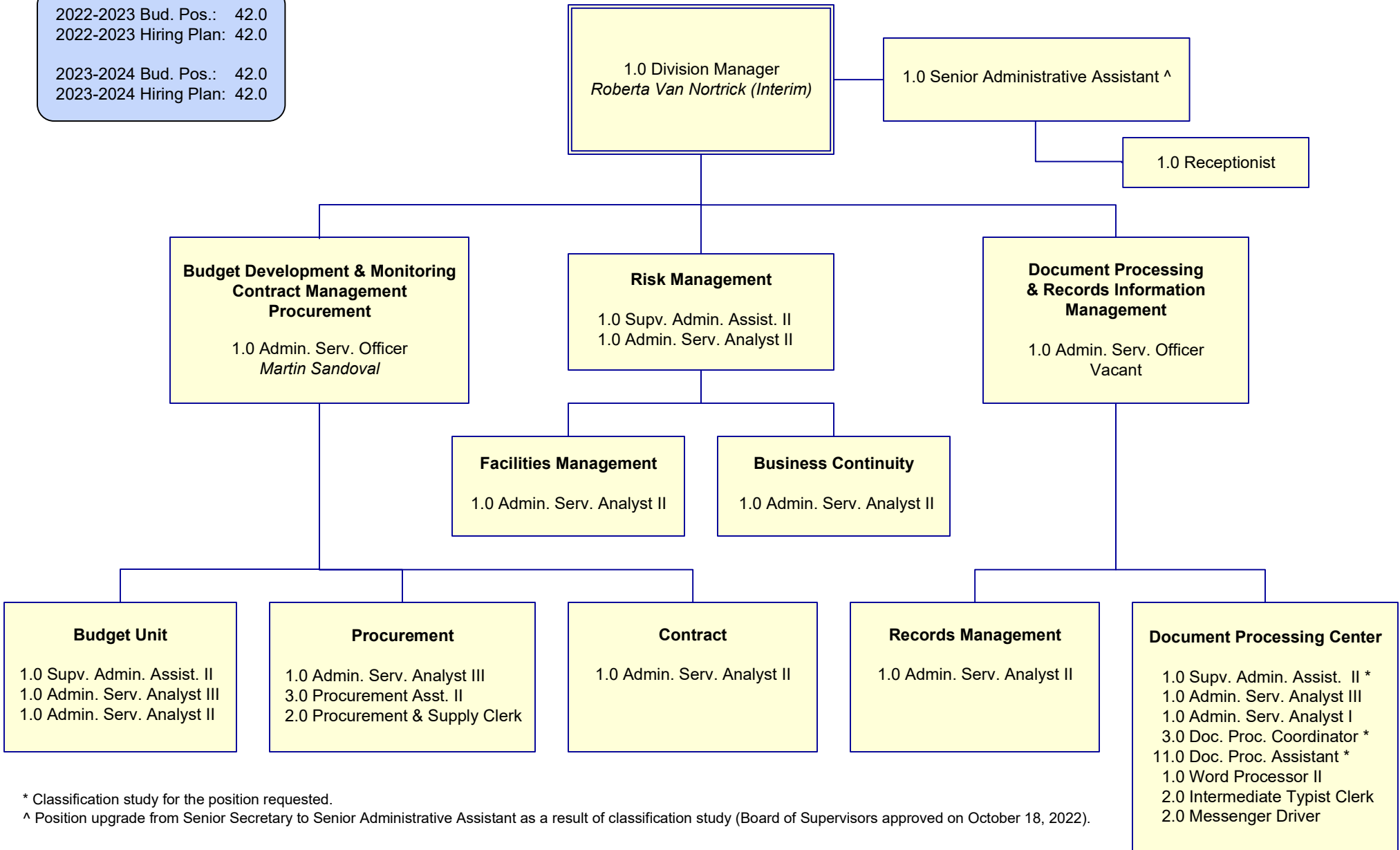
In addition to professional certifications, we have identified several training opportunities for Administrative Services staff including teambuilding, career coaching, various software trainings, warehouse and inventory management, procurement boot camp, budgeting, quality assurance fundamentals, and developing and honing supervisory and leadership skills.

We propose a budget of \$43,100 to cover memberships, training, conference registrations, and travel to these events, allowing staff to participate in professional organizations and attend training related to their job responsibilities. Training registration for represented staff will be applied from the training funds allocated in the Human Resources budget as found in the Memorandum of Understanding.

ADMINISTRATIVE SERVICES DIVISION

FISCAL YEAR 2023-2024

2022-2023 Bud. Pos.: 42.0
 2022-2023 Hiring Plan: 42.0
 2023-2024 Bud. Pos.: 42.0
 2023-2024 Hiring Plan: 42.0



* Classification study for the position requested.

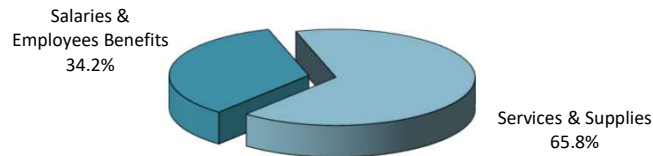
^ Position upgrade from Senior Secretary to Senior Administrative Assistant as a result of classification study (Board of Supervisors approved on October 18, 2022).

LACERA
FISCAL YEAR 2023-2024
BUDGET SUMMARY

ADMINISTRATIVE SERVICES DIVISION

	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET		
	PROPOSED BUDGET 2023-2024	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(01-31-23)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$5,512,307	\$4,442,976	\$2,016,290	\$3,997,700	(\$445,276)	-10.0%	\$1,069,331	24.1%
Services & Supplies	10,596,100	10,546,900	5,441,402	10,010,800	(536,100)	-5.1%	49,200	0.5%
OPERATING BUDGET	\$16,108,407	\$14,989,876	\$7,457,692	\$14,008,500	(\$981,376)	-6.5%	\$1,118,531	7.5%

2023 - 2024 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2023-2024
SALARIES AND EMPLOYEE BENEFITS SUMMARY

ADMINISTRATIVE SERVICES DIVISION

	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		BUDGET	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE
			(01-31-23)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$2,813,145	\$2,223,984	\$1,102,718	\$2,097,300	(\$126,684)	-5.7%	\$589,161	26.5%
Total Agency Temp Salaries	457,800	473,400	188,609	377,300	(96,100)	-20.3%	(15,600)	-3.3%
Employee Benefits (Variable)	1,911,226	1,426,725	595,982	1,227,600	(199,125)	-14.0%	484,501	34.0%
Employee Benefits (Other)	180,309	166,766	76,834	163,500	(3,266)	-2.0%	13,543	8.1%
OPEB Contribution	99,927	88,501	44,381	82,000	(6,501)	-7.3%	11,426	12.9%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	35,700	49,400	1,540	37,100	(12,300)	-24.9%	(13,700)	-27.7%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	7,300	7,300	4,142	7,800	500	6.8%	0	0.0%
Rideshare Allowance	6,900	6,900	2,085	5,100	(1,800)	-26.1%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$5,512,307	\$4,442,976	\$2,016,290	\$3,997,700	(\$445,276)	-10.0%	\$1,069,331	24.1%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$5,512,307	\$4,442,976	\$2,016,290	\$3,997,700	(\$445,276)	-10.0%	\$1,069,331	24.1%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/23, with the exception of Agency Temp Salaries, which are as of 01/31/23.

LACERA
FISCAL YEAR 2023-2024
SALARIES

ADMINISTRATIVE SERVICES DIVISION

2023-2024 BUDGET

FILLED POSITIONS	# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT
00410A	1	LS9	10,451	125,414
00423A	2	108L	20,780	249,363
00421A	1	100C	8,089	97,070
00420A	2	96C	13,235	158,825
00439A	1	93A	8,045	96,538
00464A	3	90G	18,257	219,089
00472A	2	86B	11,655	139,861
00448A	1	85A	5,657	67,884
00467A	2	83L	9,140	109,677
00471A	9	83B	46,005	552,055
00461A	2	77C	8,789	105,466

POSITIONS 26 1,921,243

VACANT POSITIONS	# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
00773A	1	LS12	11,308	135,701	135,701		
00410A	1	LS9	9,103	109,234			54,617
00423A	1	108L	8,029	96,353		72,265	
00421A	2	100C	6,337	76,049	152,099		
00420A	4	96C	5,685	68,224	272,897		
00419A	1	84D	4,410	52,924			26,462
00472A	1	86B	4,324	51,886			25,943
00471A	2	83B	3,987	47,843			47,843
00466A	1	78J	3,547	42,565			
00445A	2	77J	3,453	41,438			41,438
					560,697	72,265	196,303

POSITIONS 16 829,265

TOTAL POSITIONS 42

GROSS SALARIES 2,750,508

ANTICIPATED MOU SALARY INCREASE ** 41,258

ANTICIPATED STEP AND/OR MERIT SALARY INCREASE 12,644

BONUS 8,735

120-DAY RETIREE(S) 0

TOTAL SALARIES 2,813,145

MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/23.
 Represented/Non-Represented positions are shown at actual salaries as of 01/01/23.
 Represented positions shown in blue.
 Vacancies are shown at the 1st Step.
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.5% to anticipate a 3% MOU increase as of 01/01/24.

LACERA

FISCAL YEAR 2023-2024

SERVICES & SUPPLIES ACCOUNT SUMMARY

ADMINISTRATIVE SERVICES DIVISION

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE		
AUTO EXPENSE	\$11,500	\$111,500	(\$14,722)	\$55,500	(\$56,000)	-50.2%	(\$100,000)	-89.7%
TRANSPORTATION & TRAVEL	17,600	8,000	86	4,700	(3,300)	-41.3%	9,600	120.0%
POSTAGE	301,500	331,400	301,423	301,500	(29,900)	-9.0%	(29,900)	-9.0%
STATIONERY & FORMS	1,000	3,800	0	500	(3,300)	-86.8%	(2,800)	-73.7%
OFFICE SUPPLIES & EQUIPMENT	298,000	327,000	81,196	286,500	(40,500)	-12.4%	(29,000)	-8.9%
INSURANCE	1,481,700	1,120,600	979,848	1,194,100	73,500	6.6%	361,100	32.2%
EQUIPMENT MAINTENANCE	3,300	3,300	1,993	4,300	1,000	30.3%	0	0.0%
EQUIPMENT RENTS & LEASES	250,000	287,000	119,851	230,000	(57,000)	-19.9%	(37,000)	-12.9%
BUILDING COSTS	7,800,000	7,961,300	3,777,510	7,608,200	(353,100)	-4.4%	(161,300)	-2.0%
PROFESSIONAL & SPEC. SRVCS.	394,000	366,000	184,664	303,000	(63,000)	-17.2%	28,000	7.7%
EDUCATIONAL EXPENSES	25,500	13,500	4,291	10,500	(3,000)	-22.2%	12,000	88.9%
MISCELLANEOUS	12,000	13,500	5,261	12,000	(1,500)	-11.1%	(1,500)	-11.1%
TOTAL	\$10,596,100	\$10,546,900	\$5,441,402	\$10,010,800	(\$536,100)	-5.1%	\$49,200	0.5%

*All amounts rounded to the nearest dollar.

ADMINISTRATIVE SERVICES

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2022		FYE 2023		Proposed Budget
	Budget	Actual	Budget	Projection	
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$2,106,280	\$1,852,612	\$2,223,984	\$2,097,300	\$2,813,145
Total Agency Temp Salaries	587,000	456,645	473,400	377,300	457,800
Employee Benefits (Variable)	1,131,631	1,068,682	1,426,725	1,227,600	1,911,226
Employee Benefits (Other)	148,050	149,270	166,766	163,500	180,309
OPEB Contribution	72,676	69,701	88,501	82,000	99,927
OPEB Contribution (Budget Surplus)	0	72,676	0	0	0
Stipends	0	0	0	0	0
Overtime	50,000	5,833	49,400	37,100	35,700
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	7,300	3,729	7,300	7,800	7,300
Rideshare Allowance	6,900	3,132	6,900	5,100	6,900
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Auto Expenses	111,500	70,136	111,500	55,500	11,500
Transportation & Travel	8,000	97	8,000	4,700	17,600
Postage	301,400	301,320	331,400	301,500	301,500
Stationery & Forms	3,800	0	3,800	500	1,000
Office Supplies & Equipment	288,500	225,733	327,000	286,500	298,000
Insurance	1,114,200	1,106,157	1,120,600	1,194,100	1,481,700
Equipment Maintenance	3,300	1,125	3,300	4,300	3,300
Equipment Rents & Leases	277,000	197,025	287,000	230,000	250,000
Building Costs	7,472,400	5,604,859	7,961,300	7,608,200	7,800,000
Professional & Specialized Services	221,000	194,148	366,000	303,000	394,000
Educational Expenses	7,700	5,951	13,500	10,500	25,500
Miscellaneous	13,500	10,275	13,500	12,000	12,000
TOTAL OPERATING BUDGET	\$13,932,137	\$11,399,107	\$14,989,876	\$14,008,500	\$16,108,407

*All amounts rounded to the nearest dollar.



BENEFITS DIVISION

BUDGET HIGHLIGHTS

FISCAL YEAR 2023-2024

Mission

The Benefits Division encapsulates LACERA's mission to “produce, provide, and protect the promised benefits” through the collection of contributions and purchase contracts, the payment of benefits, and the safeguarding of member accounts— carried out in compliance with the CERL, PEPR, Board of Retirement Regulations, and organizational policies.

INTRODUCTION

The Benefits Division pursues the highest quality standards and most efficient processing methods for member requests through continuous process improvements within the division and in collaboration with its partner divisions throughout LACERA.

BENEFITS OVERVIEW AND ACCOMPLISHMENTS

The Division consists of four primary sections: Core Benefit Services, Special Benefits Services, Account Integrity Services, and the Process Management Group.

Core Benefits Services

This group primarily handles high volume, reduced complexity transactions that cover an array of services, from service credit purchases to placing members on the retirement agenda. This group is made up of four teams that are assigned a primary task and assist other teams whenever necessary.

Special Benefits Services

This group comprises three specialized, complex areas: Advanced Payroll Unit (APU), Death Legal Unit (DLU), and Exceptions. Advanced Payroll handles the most complex retirement requests, mostly involving disability retirement. DLU handles processes such

as death notifications and legal split calculations. Exceptions handles cases outside of the scope of normal processes, such as Replacement Benefit Plan benefits and errors identified by the system.

Account Integrity Services

This unit is made up of the Benefit Protection Unit (BPU) and Account Maintenance Unit (AMU). BPU performs functions such as member location and fraud investigation. One risk we want to mitigate is continuing to pay members after they pass away. During the upcoming fiscal year, we will be looking to replace the current technology used for death notification services with more robust and timely technology.

AMU performs manual data entry tasks across 28 separate processes. For example, the team enters information provided on documents such as beneficiary designation forms into Workspace. The team also responds to requests for pension verification. In the future, we will begin reviewing these processes to explore opportunities for automation using optical character recognition (OCR) and robotic process automation (RPA).

Process Management Group (PMG)

This group interprets the various laws governing LACERA, such as CERL, PEPRA, or Internal Revenue Codes, to ensure compliance and to determine whether there are opportunities to improve efficiency. The members of this group then become project managers overseeing initiatives to bring their recommendations to fruition and provide training to staff throughout the Member Operations Group (MOG), including Member Services and Quality Assurance.

PMG works with the entire MOG. Through continuous innovation, this fiscal year PMG streamlined processes, added new documents, and worked with the Systems Division to automate and improve processes. To name a few improvements, PMG added:

- Claim form automation for the survivor process.
- Updated felony forfeiture process and corresponding notification.
- Prepaid debit cards to replace physical paper checks (in progress).
- Updated W-4P system programming and member communication.
- Project-managed the implementation of multi-factor authentication.

Snapshot of Workload Drivers

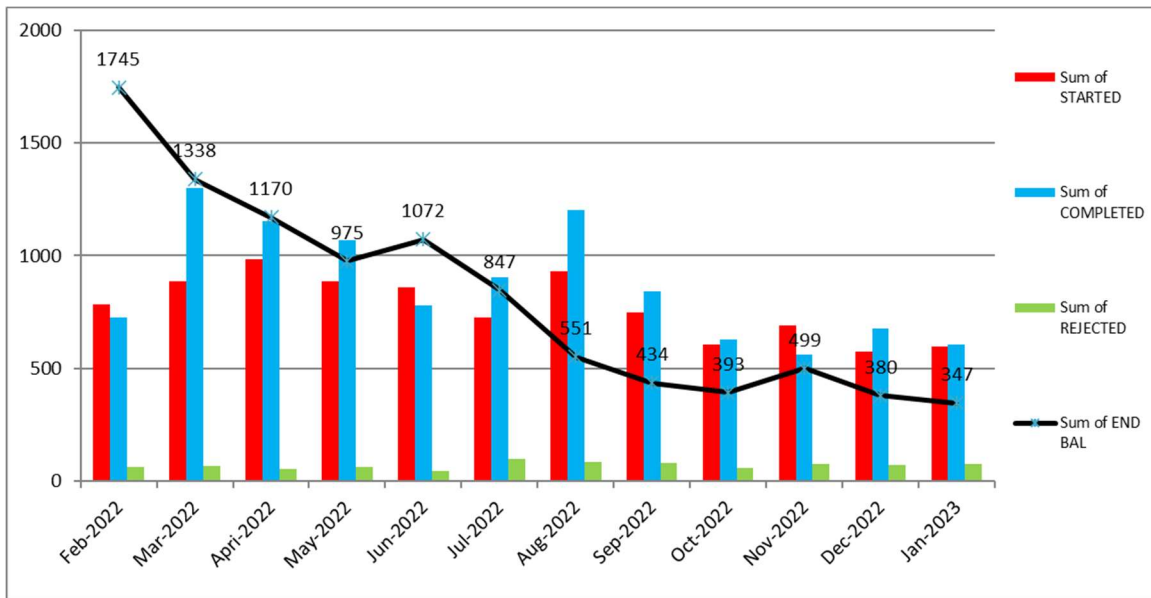
We have expended significant resources over the last several years to capture and refine important metrics, allowing us to gain a greater insight into the workload drivers. We will continue to focus on these efforts.

We feel as part of the budget process it is appropriate to provide some insights regarding the significant drivers of workload. This allows us to provide some insight into how we intend to manage our resources and meet expectations.

Death Legal Unit (DLU):

This unit has experienced a sharp increase in the volume of deaths over the last few years and legal splits have become more complex and time-consuming to process.

Death Notification (Manual) Rolling 12 months ending 1/31/2023



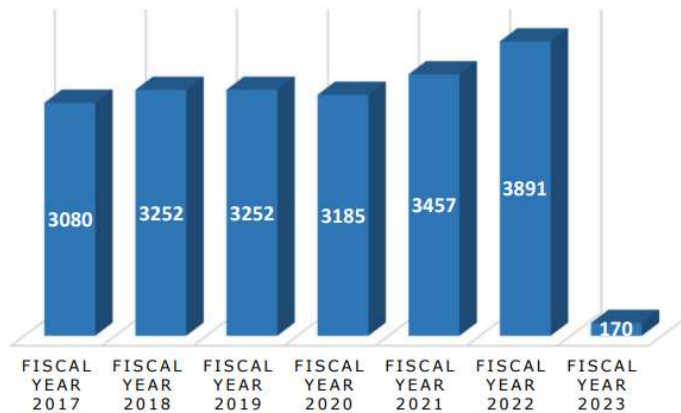
We recently filled a vacant position as well as the additional position previously added to the budget to help address the increased workload. We also re-engineered our death claim form benefit process so one-time payees automatically receive claim forms without staff intervention, significantly improving the survivor experience and our service level.

These changes have also significantly improved our ability to respond to the increasing demand and our efforts to reduce the backlog.

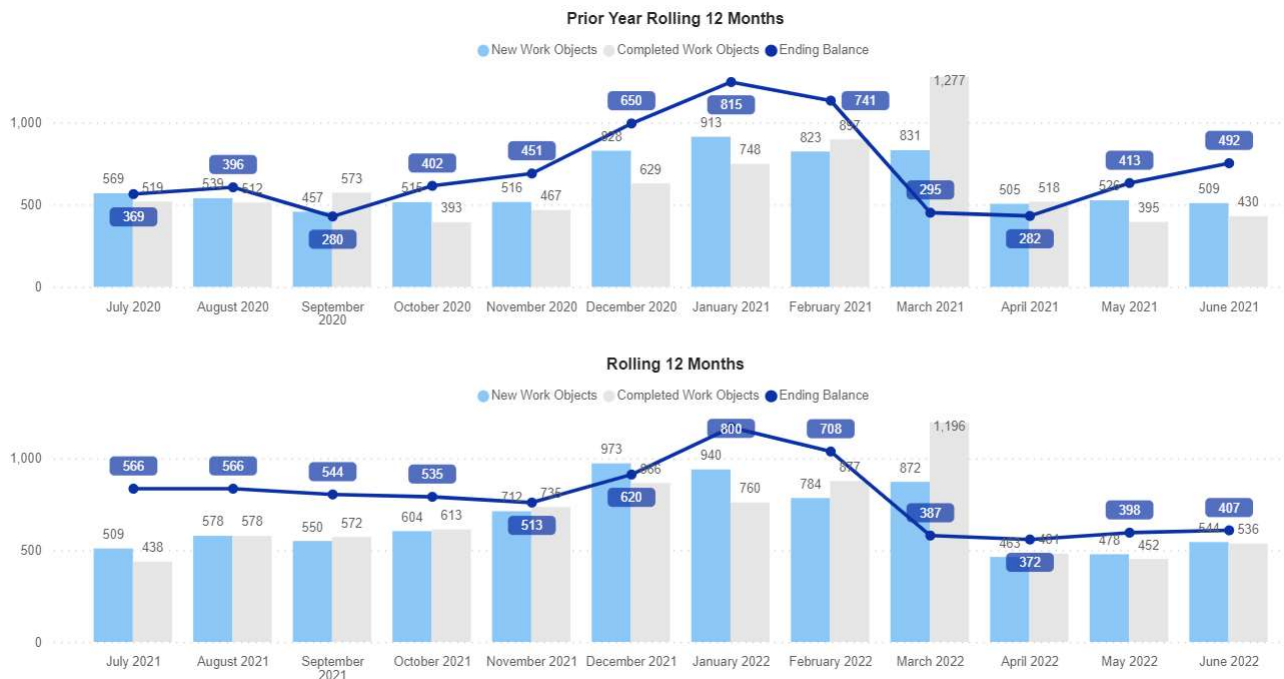
Core Benefits Section:

Although there were 3,891 retirements in FY 2021-22, the following charts compare this number to the number of service requests (work objects) submitted between July 1, 2021, and June 30, 2022: 8,007. This number was arrived at by adding the number of new work objects received each month, illustrated by the light blue bar on the left for each month in the second graph. A work object represents a member's request, which is assigned to a queue depending on the nature of the request. As illustrated, the number of work objects placed in the retirement election queue far surpassed the number of retirements during the 2021-22 fiscal year.

RETIREMENTS BY YEAR



Retirement Elections Work Queue—Fiscal Year 2021-2022



The reason the number of work objects in the queue does not match the number of retirements is because of the number of retirement rescissions, duplicates, and change of retirement date requests. Benefits plans to explore the reason why there are so many of these requests, as it will help improve our efficiency.

A decrease in retirements generally takes place after an MOU grants moderate to significant salary increases. Past experience has demonstrated that members will generally work longer to maximize the positive impact of the salary increase on their FAC, which increases the retirement allowance they receive upon retirement. As a result, we do not anticipate another significant increase in retirements for FY 2023-24. However, we

should continue to consider changes in workloads due to the increasing complexity of member transactions and improvements to compliance adherence. LACERA's workload might not necessarily decrease as much, due to the need to process rescissions and retirement date postponements, which is not evident by counting retirements alone.

The Core Benefits Training class is scheduled to begin April 2023 and will fill eight Retirement Benefits Specialist II positions based on projected attrition. The trainees are expected to complete their training by the end of January 2024, at which time they will become a productive part of the division. We anticipate an additional four months before they become fully acclimated to the work and become fully productive.

Member Experience Improvement Goals for FY 2023-24 and the Next Three Years

Benefits, and PMG specifically, will be partnering with the other Member Operations Group divisions and Systems to support and enact the strategic plan once approved. It is anticipated that the division will focus on fulfilling the four objectives under the Member Experience Priority. In anticipation of this plan, we are working on or pre-planning for the following objectives:

- **PEPRA Final Average Compensation (FAC) Automation:** PMG and Systems are working with the County Auditor-Controller to receive data in a format that will allow our system to generate a correct FAC figure for members. This will allow Systems to program Workspace to generate estimates and retirement benefit calculations for LACERA PEPRA members automatically, replacing the tedious manual process that currently exists. This is expected to be completed in the first month of the new fiscal year. In the meantime, the team is working with another arm of the Auditor-Controller in applying RPA to the manual process to see if we can speed up the process pending implementation of the permanent solution.
- **Unreported Death Identifications:** Unreported deaths pose a significant risk of overpaid benefits that may be difficult to recover. As part of our risk mitigation strategy, the BPU currently partners with an outside vendor to help it identify unreported member deaths. Once identified, BPU researches the possible death and initiates appropriate actions if a member has truly passed away. This process can take significant time and manual effort. The team will be requesting approval for an RFP to select a vendor that can handle this process for LACERA and provide us only with verified deaths for follow-up.
- **Automated Reciprocal Verification Process:** When a member joins LACERA and indicates they have service with a reciprocal agency, a manual process begins to request and verify data from the agency and establish reciprocity. Our goal is to automate this process so that it can mostly be conducted without any staff member interactions.
- **Automated Other Public Agency Purchase Requests:** When a member wants to purchase other public agency service, it triggers a manual process of contacting the other agencies and requesting verification of service. We intend to work with

Systems to leverage My LACERA to create a largely autonomous, member-initiated process that would request information from the other agency and trigger the issuance of a contract to purchase the time.

- **Review Exceptions Team's Processes for Automation:** Our Exceptions team deals with many systems-generated reports and service requests from other parts of the Member Operations Group. We intend to review these processes and eliminate the system-generated reports, replacing them with either automated resolution processes or the creation of service requests that can be tracked and analyzed for future improvements.
- **AMU Process Automation:** We will examine the option of leveraging OCR to automate the processing of member-submitted account maintenance forms.
- **Knowledge Management System:** PMG intends to partner with Systems and other Member Operations Group divisions on the selection and implementation of a knowledge management system. The system would manage all MOG knowledge databases, and leverage Artificial Intelligence (AI) and chatbots to assist staff with accessing knowledge and applying it to work at hand and even member interactions.

This fiscal year, Benefits will continue to refine its metrics and data analytics program to manage transactional processes, improve performance through automation and improve adherence to compliance requirements. We will ensure that our initiatives support the strategic planning process, particularly as it pertains to the Member Experience.

STAFFING

The Benefits Division is not requesting any new positions this fiscal year. We will continue to explore opportunities for automation and increase process efficiency throughout the division.

Agency Temp

Historically, Benefits staff fully prepared correspondence to members so they were ready for mailing and no further handling was required by the Data Processing Center (DPC) in Administrative Services. This process was inefficient, as it took staff away from processing member requests to perform administrative duties that should have been centralized within our DPC. Once staff began working remotely, Benefits worked with Systems to create a centralized printing location within Benefits and hired an agency temp to perform this function, freeing up staff to focus on their primary duties. This was meant to be a temporary solution while PMG worked with DPC to absorb these duties. DPC has a plan in place to take on these duties once they have obtained and trained enough staff for the additional processing. Until DPC is sufficiently staffed to manage the increase in workload, Benefits would like to continue having an agency temp perform this function.

Special Projects

Two staff members from the Core Benefits Section have been designated to complete special projects. The Alameda project identified salary items that were deemed as compensation earnable in the Alameda court decision. The project requires the return of overpaid contributions to active, retired, and deferred/inactive members; survivors; and beneficiaries of deceased members. It also impacted 118 purchase contracts using salaries that included pay items that are no longer deemed compensation earnable. With those pay items removed from the final average compensation (FAC), retired members whose FACs were based on salaries that included these pay items received overpaid benefits and are receiving notification. At the conclusion of this project, we will have: 1) returned all overpaid contributions through the suspension of contributions or offset against retirement overpayments, 2) collected or set up deductions to collect retirement overpayments, and 3) placed overpaid contracts into the member's account with interest.

The COLA Accumulation project seeks to correct 10,000 retiree accounts. All retiree and survivor benefits have been adjusted and retroactive payments made. The outstanding component of the COLA Accumulation project is to pay the beneficiaries and estates of deceased members. This project will resume after the completion of the Alameda project. We anticipate the COLA Accumulation project to be completed by December 2023.

Overtime

Benefits Division has relied on the use of overtime to supplement its regular production strategies and to help limit the length of service levels. As in the past, overtime is being requested to manage the workload imbalances related to the annual March rush and to reduce backlogs as we continue to seek improvements in efficiency and automation of the work.

The Member Services Division has been working overtime on Saturdays to process March retirements. Reviews of Member Services staff production shows their commitment to the highest quality service to our members. This has been a tremendous undertaking and shows our commitment to teamwork across divisions to ensure our members receive timely, high-quality service. However, Member Services may not be able to continue assisting Benefits during overtime.

We anticipate four upcoming retirements: one retirement at the end of FY 2022-23 and three retirements during FY 2023-24. As a result, we have included additional overtime allocations so that we will be able to serve our members timely until the 2024 training class is fully acclimated as planned.

Training and Development

Historically, Benefits supervisors and managers have not received additional training in leadership and management.

We are requesting funds to bring in a consultant to work with the Division Manager and section heads to sharpen individual skills, such as written and verbal communication, and boost leadership skills, such as building trust and increasing collaboration among division leaders.

Additionally, the Executive Office has challenged the interim Benefits Division Manager to develop staff throughout the division. As a result, section heads and supervisors are identifying core competencies and developing a preliminary roadmap for positions under their purview. These roadmaps will be reviewed and serve as tools to create individual self-development plans for subordinate staff. Formal training will include local and cost-effective instruction.

SERVICES AND SUPPLIES

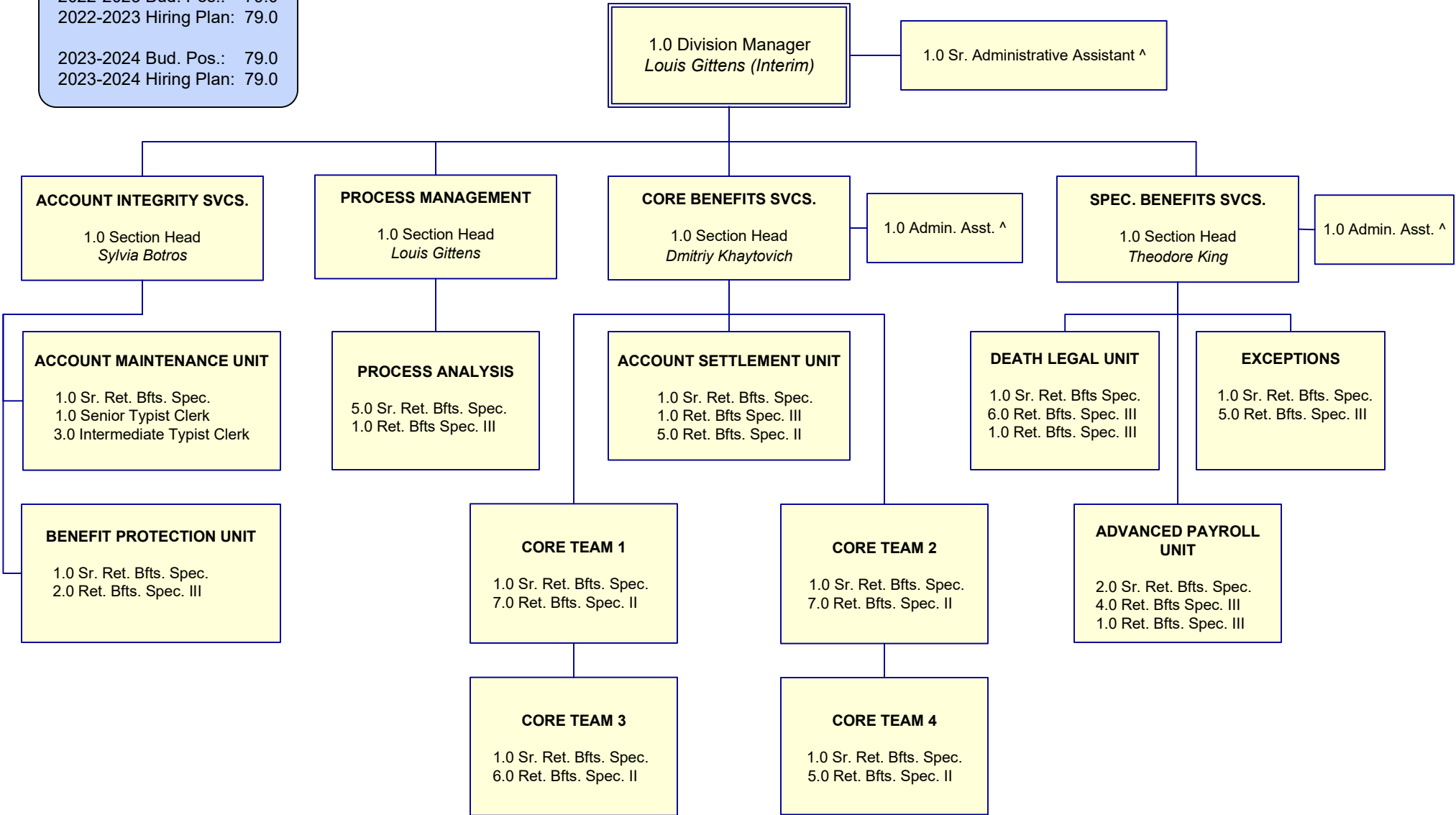
We propose increasing funding in the following areas:

- **Professional and Specialized Services:** There is technology available that provides comprehensive death audits, making it easier for LACERA to confirm that a member or survivor has died rather than through manual verification. We would like to set aside funds for this platform even though we are still in the preliminary stages of studying our current cost of performing these transactions, learning more about the company's validation process, and determining whether an RFP is required to ensure we are getting the best product on the market.
- **Educational Expenses:** In addition to the training previously discussed, we would like managers to attend SACRS, which is being conducted in person again, and CALAPRS, which is still virtual. There are other in-person events that should be attended by either the Division Manager or a section head. These events offer opportunities to learn the latest updates in the pension industry and to network and showcase LACERA's initiatives, contributing to LACERA's reputation in the industry.

BENEFITS DIVISION

FISCAL YEAR 2023-2024

2022-2023 Bud. Pos.: 79.0
 2022-2023 Hiring Plan: 79.0
 2023-2024 Bud. Pos.: 79.0
 2023-2024 Hiring Plan: 79.0



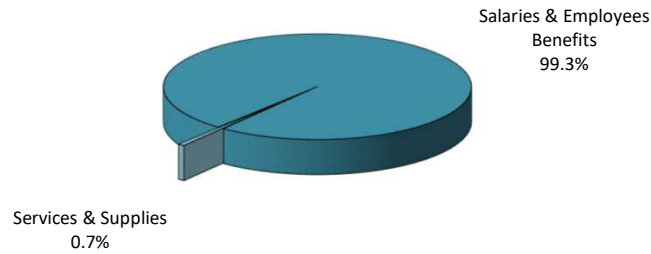
^ Position upgrade from Senior Secretary to Senior Administrative Assistant and Secretary to Administrative Assistant as a result of classification study (Board of Supervisors approved on October 18, 2022).

LACERA
FISCAL YEAR 2023-2024
BUDGET SUMMARY

BENEFITS DIVISION

	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET		
	PROPOSED BUDGET 2023-2024	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(01-31-23)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$12,363,302	\$11,960,086	\$6,186,588	\$11,875,400	(\$84,686)	-0.7%	\$403,216	3.4%
Services & Supplies	86,100	59,300	14,342	48,900	(10,400)	-17.5%	26,800	45.2%
OPERATING BUDGET	\$12,449,402	\$12,019,386	\$6,200,930	\$11,924,300	(\$95,086)	-0.8%	\$430,016	3.6%

2023 - 2024 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2023-2024
SALARIES AND EMPLOYEE BENEFITS SUMMARY

BENEFITS DIVISION

	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		BUDGET	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE
			(01-31-23)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$6,799,486	\$6,706,995	\$3,669,947	\$6,964,100	\$257,105	3.8%	\$92,491	1.4%
Total Agency Temp Salaries	62,200	154,900	52,869	97,700	(57,200)	-36.9%	(92,700)	-59.8%
Employee Benefits (Variable)	4,365,975	4,019,322	1,787,346	3,664,700	(354,622)	-8.8%	346,653	8.6%
Employee Benefits (Other)	435,814	423,908	196,377	415,500	(8,408)	-2.0%	11,906	2.8%
OPEB Contribution	241,527	224,962	140,552	259,500	34,538	15.4%	16,565	7.4%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	426,400	398,100	330,040	457,000	58,900	14.8%	28,300	7.1%
Bilingual Bonus	3,600	3,600	1,950	3,900	300	8.3%	0	0.0%
Sick Leave Buyback	12,000	12,000	7,506	13,000	1,000	8.3%	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	\$12,363,302	\$11,960,086	\$6,186,588	\$11,875,400	(\$84,686)	-0.7%	\$403,216	3.4%
Salary Differential	-	-	-	-	-		-	
TOTAL S&EB	\$12,363,302	\$11,960,086	\$6,186,588	\$11,875,400	(\$84,686)	-0.7%	\$403,216	3.4%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/23, with the exception of Agency Temp Salaries, which are as of 01/31/23.

LACERA
FISCAL YEAR 2023-2024
SALARIES

BENEFITS DIVISION

2023-2024 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT			
00772A	SECTION HEAD, LACERA	4	LS9	41,500	498,004			
01312A	SENIOR RETIREMENT BENEFITS SPECIALIST	12	104A	106,777	1,281,330			
01311A	RETIREMENT BENEFITS SPECIALIST III	22	98G	170,767	2,049,201			
01310A	RETIREMENT BENEFITS SPECIALIST II	29	92A	178,050	2,136,600			
00438A	ADMINISTRATIVE ASSISTANT	2	86J	12,185	146,215			
00446A	SENIOR TYPIST-CLERK	1	81H	4,521	54,249			
00445A	INTERMEDIATE TYPIST-CLERK	3	77J	13,326	159,913			
POSITIONS		73			6,325,511			
VACANT POSITIONS		# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
00773A	DIVISION MANAGER	1	LS12	11,308	135,701	135,701		
01312A	SENIOR RETIREMENT BENEFITS SPECIALIST	3	104A	7,028	84,336			
00439A	SENIOR ADMINISTRATIVE ASSISTANT	1	93A	5,216	62,592			31,296
01310A	RETIREMENT BENEFITS SPECIALIST II	1	92A	5,076	60,912	60,912		
POSITIONS		6			227,909	196,613	0	31,296
TOTAL POSITIONS		79						
GROSS SALARIES					6,553,419			
ANTICIPATED MOU SALARY INCREASE**					98,301			
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE					85,693			
BONUS					62,072			
120-DAY RETIREE(S)					0			
TOTAL SALARIES					6,799,486			

MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/23.
 Represented/Non-Represented positions are shown at actual salaries as of 01/01/23.
 Represented positions shown in blue.
 Vacancies are shown at the 1st Step.
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.5% to anticipate a 3% MOU increase as of 01/01/24.

LACERA
FISCAL YEAR 2023-2024
SERVICES & SUPPLIES ACCOUNT SUMMARY

BENEFITS DIVISION

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE		
TRANSPORTATION & TRAVEL	\$7,300	\$6,500	\$3,093	\$6,200	(\$300)	-4.6%	\$800	12.3%
OFFICE SUPPLIES & EQUIPMENT	3,400	3,400	654	2,000	(1,400)	-41.2%	0	0.0%
PROFESSIONAL & SPEC. SRVCS.	41,000	41,000	10,050	34,000	(7,000)	-17.1%	0	0.0%
EDUCATIONAL EXPENSES	33,600	7,600	545	6,100	(1,500)	-19.7%	26,000	342.1%
MISCELLANEOUS	800	800	0	600	(200)	-25.0%	0	0.0%
TOTAL	\$86,100	\$59,300	\$14,342	\$48,900	(\$10,400)	-17.5%	\$26,800	45.2%

*All amounts rounded to the nearest dollar.

BENEFITS DIVISION

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2022		FYE 2023		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$6,154,980	\$5,910,027	\$6,706,995	\$6,964,100	\$6,799,486
Total Agency Temp Salaries	71,900	69,194	154,900	97,700	62,200
Employee Benefits (Variable)	3,818,094	3,150,744	4,019,322	3,664,700	4,365,975
Employee Benefits (Other)	374,387	379,705	423,908	415,500	435,814
OPEB Contribution	183,782	220,373	224,962	259,500	241,527
OPEB Contribution (Budget Surplus)	0	183,782	0	0	0
Stipends	0	0	0	0	0
Overtime	398,000	451,675	398,100	457,000	426,400
Bilingual Bonus	2,400	3,250	3,600	3,900	3,600
Sick Leave Buyback	12,000	14,534	12,000	13,000	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	2,564	6,500	6,200	7,300
Office Supplies & Equipment	3,400	77	3,400	2,000	3,400
Professional & Spec. Svcs.	46,000	28,877	41,000	34,000	41,000
Educational Expenses	14,600	3,435	7,600	6,100	33,600
Miscellaneous	1,500	0	800	600	800
TOTAL OPERATING BUDGET	\$11,103,843	\$10,418,238	\$12,019,386	\$11,924,300	\$12,449,402

*All amounts rounded to the nearest dollar.



COMMUNICATIONS

BUDGET HIGHLIGHTS

FISCAL YEAR 2023-2024

Mission

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

INTRODUCTION

Communications' services include creative visioning, project management, public relations and strategic marketing, graphic design, photography, writing and editing, and video production. We create print materials, videos, and web design and content across our websites LACERA.com and LACERA Connect (intranet).

STATUS OF MAJOR PROJECTS, 2022-2023

Throughout 2022, 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.

Following are some of Communications Division's **requisite projects** throughout the year:

- Quarterly *PostScript* and *Spotlight* newsletters
- Themed Annual Comprehensive Financial Report (ACFR) and Popular Annual Financial Report (PAFR)
- *Retirement Law Book*

- Cost-of-living updates and communications (inserts, emails, web updates, web announcements, and newsletter articles)
- Executive Office communications and copywriting support
- LACERA.com and LACERA Connect maintenance, information updates, and content creation
- Calendars (retiree paydays, boards, and staff)
- Retiree Healthcare annual mailings
- Budget binder production
- Collateral for annual events (Board offsite meetings, Employee Wellness Fair, etc.)
- Photos for trustees and staff members, ID badges

Communications' and Strategic Plans

In 2022, Communications Division submitted the revised LACERA Communications Plan draft to Executive for review and approval. The Communications Plan provides an overview of Communications Division's role within the organization, and our philosophy, project landscape, and short- and long-term divisional goals. It also outlines how we plan to use all our resources in conjunction with what we've learned from the 2022 Member Survey to support the major initiatives of defining and implementing the proposed Superior Member Experience Program, focusing on specific member journeys and an omnichannel service approach.

Once the Strategic Plan and the Communications Plan have been defined and approved, the Communication Plan will be further revised to specifically outline the division goals and projects that we will be managing and supporting.

Additional Major Projects

In the meantime, Communications is continuing to move forward with current initiatives. Following are additional major projects that we are managing or supporting that will carry into 2023 or that are currently prioritized for 2023. Status and specifics are provided where applicable.

- **Strategic planning process:** We continue to support the executive team and professional consultant through direct email communication, writing and/or editing articles and memos to members and internal staff, and coordination and creation of graphics and collateral.
- **Case management:** In 2023, we anticipate providing communications support for the implementation of various case management components and new processes—including direct email communication to members and internal staff, lacera.com updates, and training videos. We will also need to update existing collateral with any process changes.

- **Campaigns:** We will continue to promote email messaging, paperless options, My LACERA, direct deposit, and beneficiary updates this year. The My LACERA campaign continues for this fiscal year. We will be expanding the campaign to include a mailing to active members who are not currently signed up for My LACERA. This mailing will be put into production mid-2023. We will continue to incorporate messaging in all other resources, such as the newsletters and email correspondence, to lead members to My LACERA.
- **Annual Retirement Benefits Statement redesign:** Working with Systems Division, Communications has expanded the statement to include new, customized information fields from the member database. *In pre-production; pending availability of internal resources and the selection of a new print vendor.*
- **Retirement Summary and Application Form (formerly the Retirement Benefits Estimate) redesign:** The form has been customized and expanded to include member-specific information including scenarios under the different retirement options. *In progress; the draft form has been beta-tested. It was determined that the form needs to be revisited to simplify the content for our members.*
- **Pre-Retirement Guide redesign:** The guide has been updated in coordination with multiple internal stakeholders and subject matter experts. *In progress; ready to print pending finalization of the Retirement Summary and Application Form.*
- **Plan Book updates:** The member plan books should serve as the definitive source for all plan information and require updates. Once completed, the plan centers on LACERA.com will be further developed and updated to reflect the changes to the plan books. *Pending internal resources.*

2023-24 Goals and Objectives

We anticipate adding new goals based on the final strategic plan and reassessing or reprioritizing current projects to align with the organization's direction.

- **Complete Retirement Options, Retirement University, and Medicare 101 videos currently in progress and increase overall video production.** We hired outside vendors in 2022 to boost video production services, which will continue into 2023 as we have increasing requests for this format for internal and member-facing communications.
 - Retirement University Options 1, 2, and 3 videos: *In production; anticipated completion in early 2023.*
 - Retirement University videos: *In pre-production and anticipated to start production in 2023.*
 - Medicare 101 video: *Currently in pre-production and anticipated to start production in 2023.*

- Support the **Business Continuity Plan (BCP) crisis communications component**. Communications will collaborate with the BCP Team and our Government Advocacy & Public Affairs consultant to develop multiple crisis communication templates.
- **Create and distribute a branding and style guide and begin LACERA-wide rebranding**. A mini style sheet with an updated logo and style guidelines was presented and distributed to the Management Action Committee (MAC) team on November 3. In 2023, we will begin rebranding existing collateral and create and distribute a comprehensive organizational style guide. Our aim is to establish and maintain a cohesive look and copy formatting for all print and digital materials and member communications.
- **Increase use of technological tools and online platforms.**
 - *Project request automation*: We recently completed an intake form, available on LACERA Connect, to help confirm, track, and process incoming requests. We are searching for a full-featured online platform to provide more services and convenience for internal clients and further boost efficiency.
 - *Online proofing*: In 2022, we incorporated new online proofing software, Ziflow. In 2023, we will assign more projects to Ziflow to streamline the proofing and production process.
 - *Augmented Intelligence (AI)*: We are currently researching the use of various software programs to assist us in our communications efforts. We are working with experienced vendors and peers to vet our options and assess how they would best serve our member's needs.
- **Support LACERA's social media goals and strategy**. We have already completed an initial social media strategy and action plan, created internally, which is on hold pending prioritization in the strategic plan. Depending on Board and executive direction, we may generate an RFP for a professional firm to establish the social media plan in 2023. The social media rollout also depends on the hiring of a Public Information Officer. See more under Staffing below.
- **Process plan to convert to digital communications**. This is a long-term goal that will be based on our members' needs and preferences. Given the data compiled from the most recent member survey, it is apparent that we currently have a large population that relies on print to receive news and information. The data collected in this survey shows that the majority—62 percent on average—of our members prefer receiving a mailed newsletter, but for those age 65 and over, that average jumps to 77 percent. On the flip side, only 26 percent of members on average expressed a preference for e-newsletters. This wide range of preferences confirms the need for an omnichannel service approach. We need to continue using all means of communication to reach our members, both print and digital. We will continue to expand our digital communications to transition as our demographics and members' needs transition.

STAFFING

A new Media Artist was hired and started working in November 2022, which has boosted our current capabilities and will help us meet the increasing demand for both print and video projects.

Communications hopes to fill the following vacant budgeted positions in 2023:

- Senior Writer
- Senior Media Artist
- Writer II
- Staff Assistant

We may also seek to fill the vacant Public Information Officer, however this may be delayed until FY 2024-2025

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).

Training and Development Goals for 2023

Communications Division has seen a significant increase in demand for our services over the last several years—from an overall increase in support requests to pandemic communications to more support of our expanded executive team. This, as well as travel restrictions due to the pandemic, means that Communications Division staff members have not had the opportunity to participate in professional development and training as needed to improve their job-specific skills and network with professional peers. Educational enrichment is instrumental for staff members in improving and modernizing their skillsets as well as maintaining enthusiasm for their craft.

For 2023, 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)

SERVICES AND SUPPLIES

Overall, the FY 2023-24 budget request is 21 percent higher than the FY 2022-23 approved budget. Each of the Communications Division's line items was carefully reviewed with significant increases explained below:

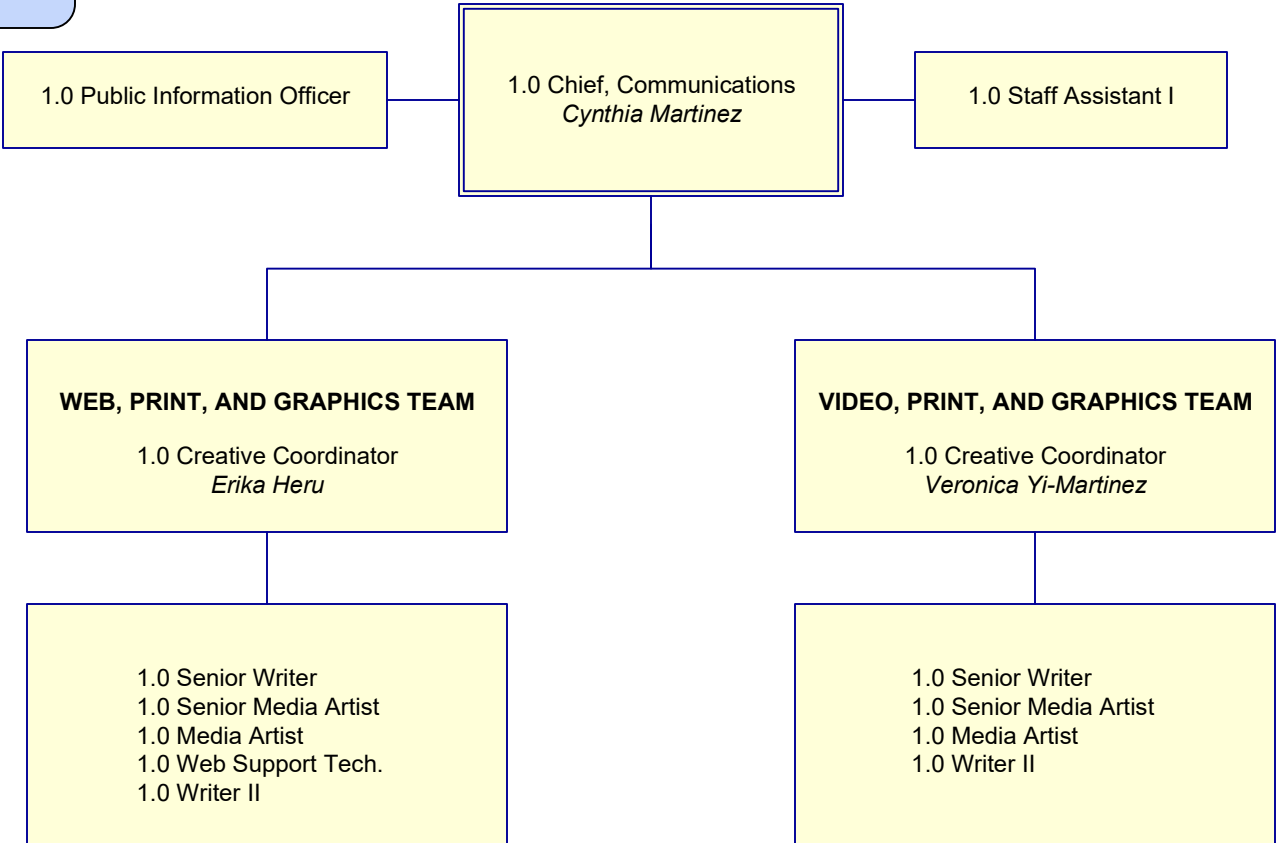
- The transportation and travel budget has increased from \$4,500 in FY 2022-23 to \$17,600 in FY 2023-24 to accommodate attendance at the CAPIO and HOW conferences.
- Due to an 8 percent postage rate hike, we are requesting a slight increase in 2023 postage costs. Even with this increase, the overall division request is lower than previous budgets due to the removal of a miscellaneous mailing deduction.
- Increases in LACERA communications components to be mailed, as well as higher paper and labor costs, account for an increase of \$177,200 from \$804,500 to \$981,700 in the Stationery and Forms section, including more details on line items below:
 - The annual benefits statement (ABS) has increased by \$40,000 because we have added enhanced features. An RFP is being opened in 2023 to secure a new vendor who can accommodate the new format.
 - *PostScript* and *Spotlight* costs have increased from \$80,000 to \$140,000 for *PostScript* and from \$90,000 to \$120,000 for *Spotlight* to accommodate the new RHC supplement and subsequent page count increases as well as overall production costs.
 - There is a new case management support line item of \$25,000 to accommodate anticipated communications needs, such as reprinting or video production costs, associated with new processes.
- Under Professional Services, campaign costs were increased from \$10,000 to \$70,000 (all-inclusive) for print, postage, and mailing, for various campaigns and a member journey campaign anticipated to be part of the strategic plan.
- There are also new line items under professional services for Miscellaneous Video Production (\$30,000) and a wire service for press releases (\$3,000).

COMMUNICATIONS

FISCAL YEAR 2023-2024

2022-2023 Bud. Pos.: 14.0
2022-2023 Hiring Plan: 14.0

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

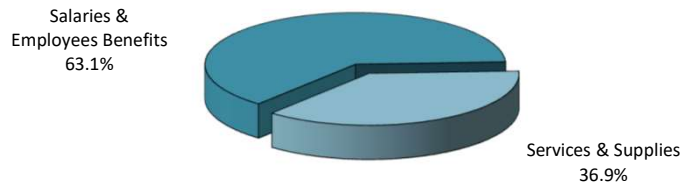


LACERA
FISCAL YEAR 2023-2024
BUDGET SUMMARY

COMMUNICATIONS

	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET		
	PROPOSED BUDGET 2023-2024	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(01-31-23)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$2,600,188	\$2,168,975	\$941,134	\$1,896,500	(\$272,475)	-12.6%	\$431,213	19.9%
Services & Supplies	1,517,500	1,254,000	587,814	1,104,600	(149,400)	-11.9%	263,500	21.0%
OPERATING BUDGET	\$4,117,688	\$3,422,975	\$1,528,948	\$3,001,100	(\$421,875)	-12.3%	\$694,713	20.3%

2023 - 2024 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2023-2024

SALARIES & EMPLOYEE BENEFITS SUMMARY

COMMUNICATIONS

	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		BUDGET	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE
			(01-31-23)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$1,263,940	\$1,242,896	\$570,630	\$1,099,100	(\$143,796)	-11.6%	\$21,044	1.7%
Total Agency Temp Salaries	331,000	56,200	14,451	56,200	0	0.0%	274,800	489.0%
LACERA Intern Program	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	870,339	740,334	294,419	614,400	(125,934)	-17.0%	130,005	17.6%
Employee Benefits (Other)	81,012	78,556	36,246	77,000	(1,556)	-2.0%	2,456	3.1%
OPEB Contribution	44,897	41,689	23,077	42,700	1,011	2.4%	3,208	7.7%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	4,500	4,800	1,103	4,800	0	0.0%	(300)	-6.3%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	3,500	3,500	1,207	2,300	(1,200)	-34.3%	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	\$2,600,188	\$2,168,975	\$941,134	\$1,896,500	(\$272,475)	-12.6%	\$431,213	19.9%
Salary Differential	-	-	-	-	-		-	
TOTAL S&EB	\$2,600,188	\$2,168,975	\$941,134	\$1,896,500	(\$272,475)	-12.6%	\$431,213	19.9%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/23, with the exception of Agency Temp Salaries, which are as of 01/31/23.

LACERA
FISCAL YEAR 2023-2024
SALARIES

COMMUNICATIONS

2023-2024 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT			
00794A	CHIEF, COMMUNICATIONS	1	LS10	14,164	169,970			
00779A	CREATIVE COORDINATOR	2	109L	19,657	235,883			
00784A	SENIOR WRITER	1	107K	9,950	119,403			
00807A	SENIOR MEDIA ARTIST	1	105H	9,016	108,191			
00789A	MEDIA ARTIST	2	102C	15,465	185,579			
00787A	WEB SUPPORT TECHNICIAN	1	098E	6,369	76,427			
00786A	WRITER II	1	098E	7,098	85,178			
POSITIONS		9			980,631			
VACANT POSITIONS		# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
00784A	SENIOR WRITER	1	107K	7,796	93,550	93,550		
00465A	PUBLIC INFORMATION OFFICER	1	104C	7,568	90,820			45,410
00807A	SENIOR MEDIA ARTIST	1	105H	7,348	88,172			44,086
00786A	WRITER II	1	098E	6,033	72,392			36,196
00426A	STAFF ASSISTANT I	1	087E	4,543	54,515			27,257
						93,550	0	152,949
POSITIONS		5			246,499			
TOTAL POSITIONS		14						
GROSS SALARIES					1,227,130			
ANTICIPATED MOU SALARY INCREASE**					18,407			
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE					18,403			
BONUS					0			
120-DAY RETIREE(S)					0			
TOTAL SALARIES					1,263,940			

MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/23.
 Represented/Non-Represented positions are shown at actual salaries as of 01/01/23.
 Represented positions shown in blue.
 Vacancies are shown at the 1st Step.
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.5% to anticipate a 3% MOU increase as of 01/01/24.

LACERA
FISCAL YEAR 2023-2024
SERVICES AND SUPPLIES

COMMUNICATIONS

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE		
TRANSPORTATION & TRAVEL	\$17,600	\$4,500	\$0	\$4,400	(\$100)	-2.2%	\$13,100	291.1%
POSTAGE	342,200	348,000	183,748	363,000	15,000	4.3%	(5,800)	-1.7%
STATIONERY & FORMS	981,700	804,500	372,128	673,500	(131,000)	-16.3%	177,200	22.0%
OFFICE SUPPLIES & EQUIPMENT	6,000	6,000	5,801	6,000	0	0.0%	0	0.0%
PROFESSIONAL & SPEC. SRVCS.	140,000	47,000	20,566	42,000	(5,000)	-10.6%	93,000	197.9%
COMPUTER SERVICES & SUPPORT	0	14,000	4,931	11,600	(2,400)	-17.1%	(14,000)	-100.0%
EDUCATIONAL EXPENSES	29,400	29,400	640	3,600	(25,800)	-87.8%	0	0.0%
MISCELLANEOUS	600	600	0	500	(100)	-16.7%	0	0.0%
TOTAL	\$1,517,500	\$1,254,000	\$587,814	\$1,104,600	(\$149,400)	-11.9%	\$263,500	21.0%

*All amounts rounded to the nearest dollar.

COMMUNICATIONS

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2022		FYE 2023		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$1,290,318	\$966,240	\$1,242,896	\$1,099,100	\$1,263,940
Total Agency Temp Salaries	79,600	1,213	56,200	56,200	331,000
Employee Benefits (Variable)	760,301	524,778	740,334	614,400	870,339
Employee Benefits (Other)	77,116	78,020	78,556	77,000	81,012
OPEB Contribution	37,855	36,763	41,689	42,700	44,897
OPEB Contribution (Budget Surplus)	0	37,855	0	0	0
Stipends	0	0	0	0	0
Overtime	4,100	3,403	4,800	4,800	4,500
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	3,500	866	3,500	2,300	3,500
Rideshare Allowance	1,000	0	1,000	0	1,000
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Transportation & Travel	7,500	0	4,500	4,400	17,600
Postage	300,000	250,183	348,000	363,000	342,200
Stationery & Forms	641,500	567,123	804,500	673,500	981,700
Office Supplies & Equipment	5,000	5,393	6,000	6,000	6,000
Professional & Specialized Services	62,000	30,240	47,000	42,000	140,000
Computer Services & Support	14,500	3,000	14,000	11,600	0
Educational Expenses	10,400	940	29,400	3,600	29,400
Miscellaneous	600	0	600	500	600
TOTAL OPERATING BUDGET	\$3,295,291	\$2,506,016	\$3,422,975	\$3,001,100	\$4,117,688

*All amounts rounded to the nearest dollar.



DISABILITY LITIGATION

BUDGET HIGHLIGHTS

FISCAL YEAR 2023-2024

Mission

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

INTRODUCTION

The Disability Litigation Office (DLO) is a legal unit at LACERA that is separate from and independent of the Legal Office. The Disability Litigation Chief Counsel reports directly to the Chief Executive Officer. Established in 1996, the DLO has a staff of four attorneys (3-Senior Staff Counsel; 1-Chief Counsel) and three secretaries (Senior Legal Secretaries). Our main operation consists of litigating appeals that members may file after the Board of Retirement denies any disability retirement or service-connected survivor benefit application. As of February 2022, the DLO began handling Felony Forfeiture appeals, in accordance with the Administrative Appeals Procedures, adopted by the Board of Retirement. With each of the above-noted appeals, DLO provides LACERA and its fund with legal representation at the administrative level before a hearing referee and the Board of Retirement.

DIVISION UPDATE

The DLO continued its high level of performance in 2022, taking advantage of LACERA's advancing remote technology, while also showing a strong in-office presence for hearings and various committee meetings in which the DLO team was actively involved. The DLO is on a hybrid remote-to-office work schedule on a weekly basis.

Our remote operations continue to be seamless, employing MS Teams, OneDrive, and SharePoint, all to be further enhanced with the upcoming roll-out of OneMeeting. We continue to hold hearings remotely or hybrid on Teams as needed and also have enjoyed a robust return to live hearings at LACERA, as the pandemic landscape shifted and transmission rates decreased.

While historically we have been primarily paper-based, our Senior Legal Secretaries have been working tirelessly converting the DLO's existing caseload to digital. To date, 2/3rds of our case files have been digitally scanned (well ahead of our June 2023 conversion project deadline). Additionally, all new appeal files continue to be transmitted electronically from Disability Retirement Services (DRS). This digital conversion has increased the division's productivity immeasurably, as electronic appeal files are accessible remotely through MS OneDrive or SharePoint. This provides attorneys 24/7 access to their case files to conduct discovery, prepare for hearings, and draft legal briefs. Staff also benefits from ready access for scheduling, correspondence, and assisting DLO attorneys conducting discovery and compiling evidence.

Additionally, MS Teams keeps the DLO well-connected and fully informed. The DLO is diligent in conducting monthly staff meetings, where we discuss solutions to streamline business operations, update processes, engage in teambuilding, and education. DLO team members are continuously developing their skills. Team members are taking advantage of Udemy Courses and finessing their presentation skills by sharing lessons learned from those courses with the entire DLO team. In addition to Udemy, one of our attorneys attended a three-month course in Management Essentials through Harvard Online Business School; the invaluable takeaways from which will be presented to the DLO team in 2023. Two of our Senior Legal Secretaries completed training in Power BI, for both career development and increased divisional metrics tracking and presentation. One of our Senior Legal Secretaries completed Scrum training in preparation of the Case Management Solution project. Further, with guidance from Systems, two Senior Legal Secretaries learned how to use MS Visio to create DLO process swimlanes for the Case Management Solution project.

The DLO team was actively involved in the selection of the vendor for the Case Management Solution project. Select DLO staff (1-Senior Staff Counsel and 1-Senior Legal Secretary) are now fully engaged in project development and implementation, mapping the requirements of the DLO's business operations. Once that critical step is complete, the remainder of the DLO staff will be included in the various showcases to observe testing, programming progress, and provide feedback. The purpose of this group effort is to ensure the Case Management Solution best captures and supports the DLO's business operations and workflow from appeal intake to closure and archiving.

The Case Management Solution will place our casefiles at our digital fingertips, replacing manual processes and increasing productivity. Everything from emails to briefs to medical records will be centrally stored and accessed under each Applicant's digital file. With this digital organization, more time may be spent on drafting legal arguments, litigation

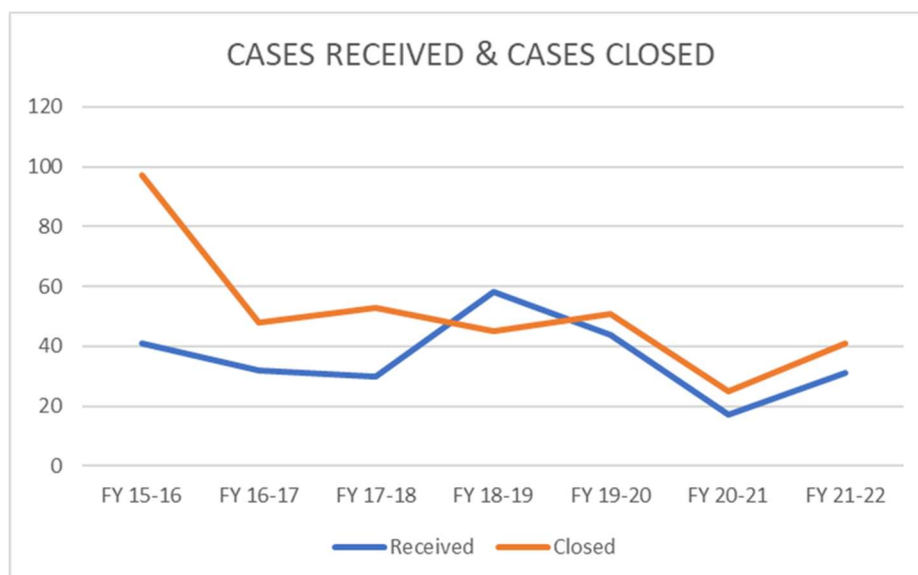
strategy, and legal research than thumbing through volumes of paper to locate a particular piece of supporting evidence or email printed from Outlook.

Increased efficiency will also support the DLO team in its universal effort to participate in LACERA-wide committees. Six of the DLO's members participated in Strategic Planning action planning teams (including Culture, Metrics, and Technology) with three DLO attorneys also working on follow-up teams to hone the various strategic plan objectives. Additionally, two DLO attorneys (Chief and Senior Staff Counsel) are actively participating in LACERA's Policy Committee (including editing LACERA-wide policies). All four attorneys (Chief and Senior Staff Counsels) are engaged in their respective Management Action Committee (MAC) and Supervisors Action Committee (SAC) teams, and regularly share updates from those monthly meetings with staff to foster transparency, teamwork, and productivity. In addition to committees, as day-to-day issues arise, the DLO conscientiously works with its business partners (such as Benefits, Member Services, and Disability Retirement Services) to streamline operations whenever indicated. The DLO is committed to the overall development of LACERA as a whole, well beyond the walls of the DLO suite.

INVENTORY OF CASES

The DLO has 78 active cases as of December 31, 2022. The average age of these active cases is 2 years, 3 months, and 10 days. Under Rule 32 of the Board's *Procedures for Disability Retirement Hearings*, Applicants must bring their cases to hearing within three years from the date the Applicant is notified of the assignment of the referee. Cases do not move forward until the Applicant files a prehearing statement. Respondent's deadline to file its prehearing statement is not triggered until Applicant (the moving party) first files its evidence.

The number of cases the DLO received versus those that have closed from FY 2015-2016 to FY 2021-2022 are demonstrated by the following graph:



Based on statistics from the last three fiscal years, the DLO anticipates it will receive approximately 25-30 regular disability retirement appeals in FY 2023-2024.

The average lifespan for all cases that were closed from 2011 to 2022 was 2 years, 7 months, and 29 days.

STAFFING

There are currently seven budgeted full-time positions in the DLO. No additional staff positions, nor temps, are requested at this time. We are requesting overtime to cover the Senior Legal Secretary who is heavily involved in the Case Management Solution project.

SERVICES AND SUPPLIES

The DLO budget request for services, supplies, travel, and transportation are relatively unchanged from last fiscal year. While we anticipate a slight increase in air travel fees, gas prices continue to decrease.

We are only anticipating one new conflict case in the upcoming fiscal year and have reduced our request for outside counsel funds accordingly.

FUTURE

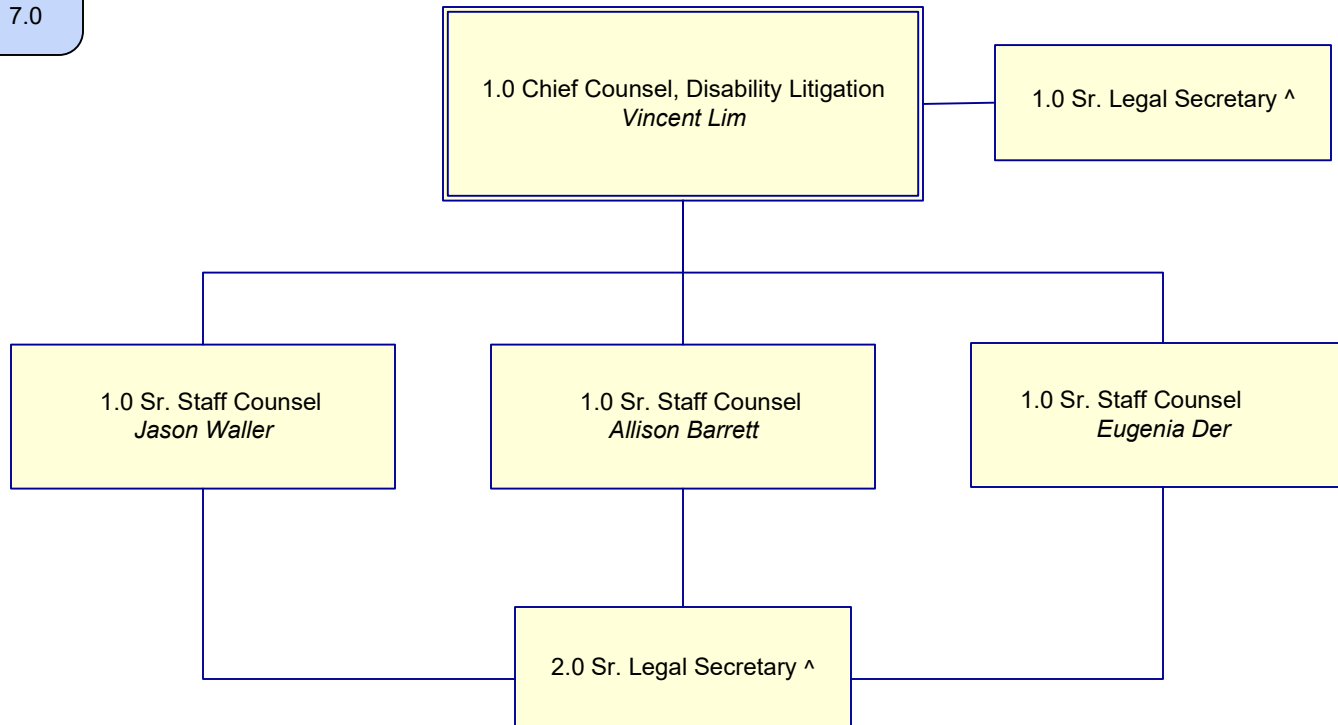
The DLO looks forward to working with its internal business partners in the ongoing move toward a fully electronic operation, to make our business operations and processes more efficient and to enhance employee productivity. We will continue to serve as active participants and subject-matter experts in the development and implementation of the Case Management Solution project; and to wholeheartedly engage in LACERA-wide committees for the advancement of our organization as a whole. We are fully committed to developing our staff with ongoing training in support of their long-term career goals. As always, the DLO will continue its mission of impartial justice -- to provide Applicants with full and fair hearings to ensure each determination on appeal is substantially supported by the facts and the law.

DISABILITY LITIGATION

FISCAL YEAR 2023-2024

2022-2023 Bud. Pos.: 7.0
2022-2023 Hiring Plan: 7.0

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



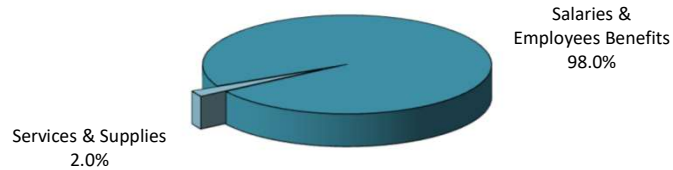
^ Position upgrade from Senior Management Secretary to Senior Legal Secretary as a result of classification study (Board of Supervisors approved on October 18, 2022).

LACERA
FISCAL YEAR 2023-2024
BUDGET SUMMARY

DISABILITY LITIGATION

	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET		
	PROPOSED BUDGET 2023-2024	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(01-31-23)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$2,510,041	\$2,353,917	\$1,235,121	\$2,354,700	\$783	0.03%	\$156,124	6.6%
Services & Supplies	51,100	53,900	15,959	47,200	(6,700)	-12.4%	(2,800)	-5.2%
OPERATING BUDGET	\$2,561,141	\$2,407,817	\$1,251,080	\$2,401,900	(\$5,917)	-0.2%	\$153,324	6.4%

2023 - 2024 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2023-2024
SALARIES AND EMPLOYEE BENEFITS SUMMARY

DISABILITY LITIGATION

	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$1,461,729	\$1,371,867	\$768,933	\$1,407,800	\$35,933	2.6%	\$89,862	6.6%
Total Agency Temp Salaries	0	9,800	0	0	(9,800)	-100.0%	(9,800)	-100.0%
Employee Benefits (Variable)	899,000	832,028	399,448	811,200	(20,828)	-2.5%	66,972	8.0%
Employee Benefits (Other)	93,690	86,707	39,896	85,000	(1,707)	-2.0%	6,983	8.1%
OPEB Contribution	51,923	46,014	26,336	48,700	2,686	5.8%	5,909	12.8%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	2,800	6,600	508	2,000	(4,600)	-69.7%	(3,800)	-57.6%
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	\$2,510,041	\$2,353,917	\$1,235,121	\$2,354,700	\$783	0.03%	\$156,124	6.6%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$2,510,041	\$2,353,917	\$1,235,121	\$2,354,700	\$783	0.03%	\$156,124	6.6%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/23, with the exception of Agency Temp Salaries, which are as of 01/31/23.

LACERA
FISCAL YEAR 2023-2024
SALARIES

DISABILITY LITIGATION

2023-2024 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
09215A	CHIEF COUNSEL, DISABILITY LITIGATION	1	LS18	26,415	316,985			
09213A	SENIOR STAFF COUNSEL	3	LS16	64,957	779,482			
00441A	SENIOR LEGAL SECRETARY	3	101H	25,938	311,253			
POSITIONS		7			1,407,720			
VACANT POSITIONS		# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
POSITIONS		0			0			
TOTAL POSITIONS		7						
GROSS SALARIES					1,407,720			
ANTICIPATED MOU SALARY INCREASE**					21,116			
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE					32,894			
BONUS					0			
120-DAY RETIREE(S)					0			
TOTAL SALARIES					1,461,729			

MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/23.
 Represented/Non-Represented positions are shown at actual salaries as of 01/01/23.
 Represented positions shown in blue.
 Vacancies are shown at the 1st Step.
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.5% to anticipate a 3% MOU increase as of 01/01/24.

LACERA
FISCAL YEAR 2023-2024
SERVICES & SUPPLIES ACCOUNT SUMMARY

DISABILITY LITIGATION

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE		
AUTO EXPENSE	\$2,400	\$2,900	\$315	\$2,400	(\$500)	-17.2%	(\$500)	-17.2%
TRANSPORTATION & TRAVEL	7,100	6,500	0	5,200	(1,300)	-20.0%	600	9.2%
OFFICE SUPPLIES & EQUIPMENT	1,800	2,000	127	1,800	(200)	-10.0%	(200)	-10.0%
LEGAL FEES & SERVICES	3,000	5,500	0	4,500	(1,000)	-18.2%	(2,500)	-45.5%
EDUCATIONAL EXPENSES	36,500	36,500	15,517	33,000	(3,500)	-9.6%	0	0.0%
MISCELLANEOUS	300	500	0	300	(200)	-40.0%	(200)	-40.0%
TOTAL	\$51,100	\$53,900	\$15,959	\$47,200	(\$6,700)	-12.4%	(\$2,800)	-5.2%

*All amounts rounded to the nearest dollar.

DISABILITY LITIGATION

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2022		FYE 2023		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$1,294,960	\$1,274,122	\$1,371,867	\$1,407,800	\$1,461,729
Total Agency Temp Salaries	0	0	9,800	0	0
Employee Benefits (Variable)	729,886	685,748	832,028	811,200	899,000
Employee Benefits (Other)	77,393	77,856	86,707	85,000	93,690
OPEB Contribution	37,991	44,717	46,014	48,700	51,923
OPEB Contribution (Budget Surplus)	0	37,991	0	0	0
Stipends	0	0	0	0	0
Overtime	0	0	6,600	2,000	2,800
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	3,000	1,498	2,900	2,400	2,400
Transportation & Travel	6,800	4,378	6,500	5,200	7,100
Office Supplies & Equipment	1,500	1,652	2,000	1,800	1,800
Legal Fees & Services	7,500	46	5,500	4,500	3,000
Educational Expenses	33,000	33,523	36,500	33,000	36,500
Miscellaneous	700	0	500	300	300
TOTAL OPERATING BUDGET	\$2,193,630	\$2,161,531	\$2,407,817	\$2,401,900	\$2,561,141

*All amounts rounded to the nearest dollar.

DISABILITY RETIREMENT SERVICES

BUDGET HIGHLIGHTS

FISCAL YEAR 2023-2024

Mission

To administer the LACERA disability retirement program in an equitable, timely, accurate, and courteous manner consistent with applicable laws, policies, and procedures.

INTRODUCTION

The Disability Retirement Services Division (DRS) is responsible for investigating and evaluating disability retirement applications submitted by active, retired, and deferred members of LACERA, as well as survivor- and employer-filed applications. Staff presents recommendations to the Board of Retirement, which is the governing board responsible for adjudicating each application. Staff also administers the disability appeals process in conjunction with Disability Litigation and serves as the official Custodian of Record for all disability retirement files. This role requires Disability Retirement Services to act as the Clerk of the Board in administrative hearings.

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

Our division is purpose-driven and people-focused. We recognize that we serve a vulnerable population. Members who file for disability are uniquely situated, as they must navigate a complex system that requires them to know and understand their rights and responsibilities to make informed decisions about benefit options. These benefits are not exclusively related to disability retirement or LACERA. Our staff and membership must often understand complicated benefit structures related to workers' compensation, short- or long-term disability, Social Security, and the interplay between each benefit. They must also understand and have an awareness of the Americans with Disabilities Act (ADA) and

California's Fair Employment and Housing Act (FEHA) laws as they request accommodations from their employer and actively participate in the interactive process.

To provide our membership with a superior member experience, DRS recognizes that a high level of engagement is often required. Disability Retirement is ultimately a high-touch process with nuanced decision-making points.

Our objective is to educate our people, members, plan sponsor, vendors, and business partners. Education will be done through formal training, coaching, and counseling through hands-on and lived experiences, and through frequent and ongoing feedback. DRS will do this to empower all vested parties and execute our mission.

Finalization of the case management system (CMS) implementation will be vital to our future success as we strive to achieve our objective by leveraging our new tool while also expanding capacity and adding staff to support the investigation process.

DIVISION UPDATE

Case Management

With the implementation of our CMS, called Sol, by the end of FY 2022-23, DRS will be well positioned to begin tackling the increasing workload and future challenges discussed below.

As a software tool, Sol is being designed to better manage the lifecycle of a case. It automates manual processes, streamlines workflows, and provides greater access to data. The access to data will facilitate collaboration, as it will make information easily accessible to our team members. As a result, it will assist our team in making decisions on how to optimize workflows and increase the overall efficiency of the division and organization, which will directly impact service delivery to our members.

Additional benefits of Sol are listed below:

- Reduce/contain processing time
- Improve accuracy of data
- Improve supervisory oversight
- Improve claim development

The benefits of Sol will ultimately save LACERA time and money through improved efficiency and accuracy. Prior to Sol, most DRS business processes were manually performed. Not only is that time consuming, but there is also an increased chance of error. With Sol, processing time will be reduced through automation, such as automatic generation of letters and Board agendas and partial automation of assembling board packets. Currently, DRS staff may need to search through multiple databases for information about a claim, which is time consuming. With Sol, the information will be consolidated in one location. In addition, data automatically captured by Sol will assist

with metrics and reporting, whereas currently, data for reports needs to be manually gathered and inputted. As a result, staff will be able to generate more specific reports more quickly than ever before.

Sol will also provide increased accuracy. Each business process is automatically tracked in the system. That will allow the investigator or supervisor to access both the detailed and high-level views of the work being performed. Furthermore, DRS's business processes will be programmed in Sol. As a result, the system will assist staff by making sure every business step is performed, reducing the chances for error. Sol's automatic notification features will also alert staff about case issues as they arise, which will reduce delays in processing claims. These benefits and more from Sol will allow greater visibility in DRS's process, which will allow us to make well informed decisions and improve organizational performance.

Although Sol will improve efficiency and accuracy, it cannot reduce headcount due to the high-touch and sensitive nature of the work performed in DRS, which requires a personal touch.

Currently, DRS has three supervisors who are dedicated to project development and implementation of Sol. Once Sol is near completion, approximately a third of the division will be involved in user testing. Finally, during deployment of Sol, the entire division will receive ongoing training as the team transitions to the new CMS.

My LACERA

The future state of LACERA and our focus on the member experience, related journeys, and omnichannel approach includes a robust self-service option on My LACERA. With the soft launch of the online disability retirement application on September 8, 2022, DRS is excited to leverage the use of technology to engage our membership in the most meaningful and effective way. This self-service option may be a matter of preference or convenience for the member, who can complete their application from the comfort of their home and at their own pace. It has also allowed the DRS intake team to have real-time tracking and monitoring, so we are able to proactively reach out to any member and offer guidance and support. This type of visibility is not available to our team with a paper application.

STAFF DEVELOPMENT AND SUCCESSION PLANNING

DRS recognizes the importance of staff development and succession planning. Our focus this fiscal year will be on building the infrastructure to support the implementation of a career path for administrative support staff, which includes finalizing the new classification titled Disability Retirement Support Specialist I.

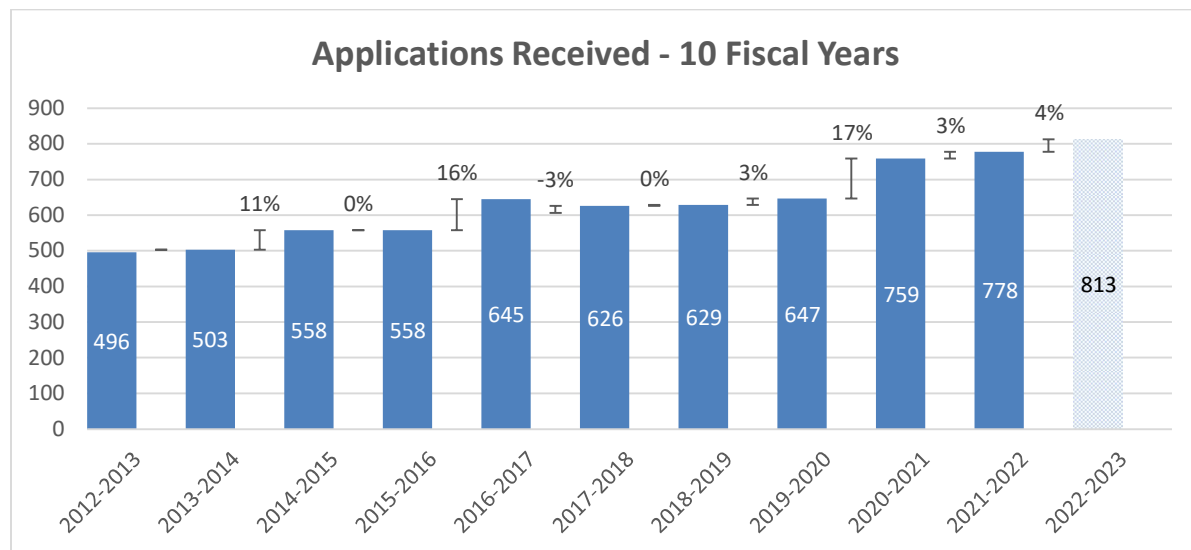
DRS continues to develop staff through our administrative support staff training opportunity, which allows staff to learn how to investigate applications for disability retirement and provides additional staff to help process cases.

We strive to cross train our team and leverage tools like Udemy to design and deliver customized training to support and encourage employee development and preserve institutional knowledge. This is vital as a third of our leadership team will become retirement ready in the next decade.

In the next fiscal year, DRS will look at reorganizing the team to create a Member Care and Administrative Section and consolidate our core business functions of case processing and agenda management under one Section Head. This will require an additional level of leadership and oversight to ensure the integrity of processes and the quality of case management continue as we expand capacity and focus on the member experience.

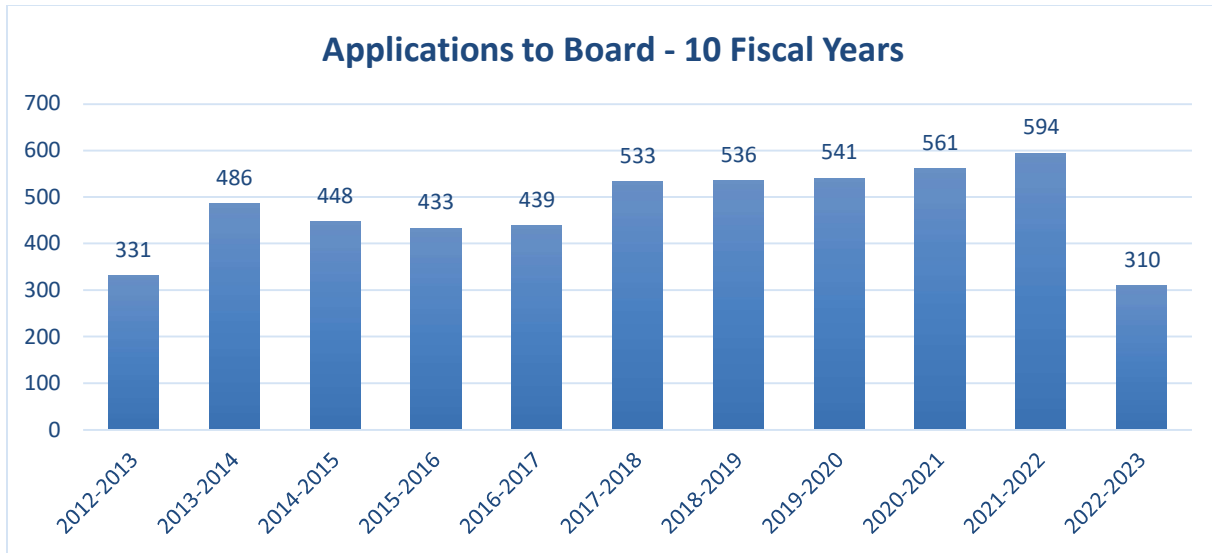
DISABILITY RETIREMENT CASE INVENTORY AND TRENDS

There continues to be an upward trend in the number of disability retirement applications received annually. To date, we received approximately 57 percent more cases than we did in FY 2012-13 with an annual average increase of approximately 4.6 percent. Consequently, our current pending caseload is a record 881 cases.



2022-2023 – Projection based on 4.6% average growth rate

Our average annual case production over the last five years is 553. In FY 2021-22, our case production increased by 6 percent from the previous fiscal year, with staff adjudicating 594 total cases.



When fully staffed, DRS case processing capacity is 672 cases. Although we are operating at near capacity given our vacancy rate and staff leave of absences, we are unable to keep pace with the continual increase in incoming applications.

STAFFING

Given this increasing and complex workload, DRS is requesting additional staff this year to expand case processing capacity. DRS currently has 41 budgeted full-time positions. We are requesting three additional team members at the Senior Disability Retirement Specialist level to expand capacity and contain processing time. This would result in 44 budgeted full-time positions.

A focus on continuous improvement, changes to our organizational structure, and modification to policy and procedures allowed DRS to increase productivity over the last decade; however, we remain unable to keep pace with the steady increase of disability retirement application filings.

Factually and anecdotally, this steady increase has several contributing factors:

Contributing Factors	Commentary
Aging Population	By 2030, every Baby Boomer will be age 65 or older, which means that one out of every five U.S. citizens will be of retirement age. Meola, A. (2022, April 21). US Aging Population Problems & Healthcare Issues. Insider Intelligence. https://www.insiderintelligence.com/insights/aging-population-healthcare/
PEPRA	As of January 1, 2023, all LACERA members are now in contributory plans and eligible to apply for disability retirement. Population filing has quadrupled since 2017.

Cultural Climate/Shifts	<ul style="list-style-type: none"> • Civil Unrest: Safety member filings have increased by 31 percent since 2019. • Increasing mental health crises and related disability: Psychiatric claims are more challenging to process. • COVID-19
Plan Sponsor	The newly implemented disability compliance framework has resulted in increased employer-filed applications, counseling, coordination, and education of department personnel.

More challenges lie ahead with anticipated workload increases and necessary collaboration with the plan sponsor as they continue to implement their newly designed disability compliance framework. DRS anticipates a substantial increase in disability applications as the departments aggressively review their employees who are on long-term leave and in accommodated positions. DRS management and the Legal team have met with L.A. County DHR and their vendor on several occasions to discuss the impact of the changes being made to the County’s former Return to Work Program. The newly minted disability compliance framework will require LACERA to educate department personnel via regular and ongoing outreach as they file for disability retirement, request salary supplements, and discuss accommodation issues at both the department and Countywide level. The level of member interaction and education will also increase. Contact will need to be established early and maintained often to ensure the member is well informed before making decisions that will impact their employment relationship with the County, including salary and healthcare as well as other benefit entitlements mentioned above. This will require an additional focus on member care from the onset of the application process.

With the implementation of Sol by the end of FY 2022-23, DRS will be well positioned to begin tackling the increasing workload and future challenges. As we continue to embrace a growth mindset of continuous improvement, we also want to look beyond the next couple of years and well into the future, with a goal of processing 60 cases per month with 75 percent being processed within 12 months.

In addition to the Sol implementation and streamlining efforts, the proposed staffing plan will facilitate our goal accomplishment. In summation, staff is requesting a total of three new positions in FY 2023-24 to expand capacity.

Overtime

Last fiscal year the Executive Office and Human Resources approved a proposed pilot training opportunity for administrative support staff, which will continue in FY 2023-24 due to its success. As mentioned above, this program is also vital to staff development and succession planning. Overtime is needed for staff to successfully participate in the pilot program.

Additionally, DRS supervisors will be required to work overtime to ensure a successful implementation of our CMS.

The table below illustrates the overtime budget needed for:

- Administrative support staff participating in the pilot training opportunity
- Subject matter experts for the CMS implementation project
- Projected overtime for meeting operational and administrative deadlines, including generating statistics and special projects

Position	No. Staff	Total Hours Year	Total
Staff Assistant II (Pilot)	2	600	\$ 35,300
Senior Typist Clerk (Pilot)	1	300	\$ 12,300
SME Supervisor (Case Management)	5	500	\$ 43,100
Sr. Administrative Assistant (Deadlines, Statistics and Special Projects)	1	120	\$ 6,700
Senior DRS (Case Processing)	1	80	\$ 6,200
TOTAL		1,600	\$ 103,600

Agency Temps

DRS currently has vacancies and is requesting two agency-temporary positions to support the administrative support staff participating in the pilot training opportunity and due to the increase in applications received at intake.

SERVICES AND SUPPLIES

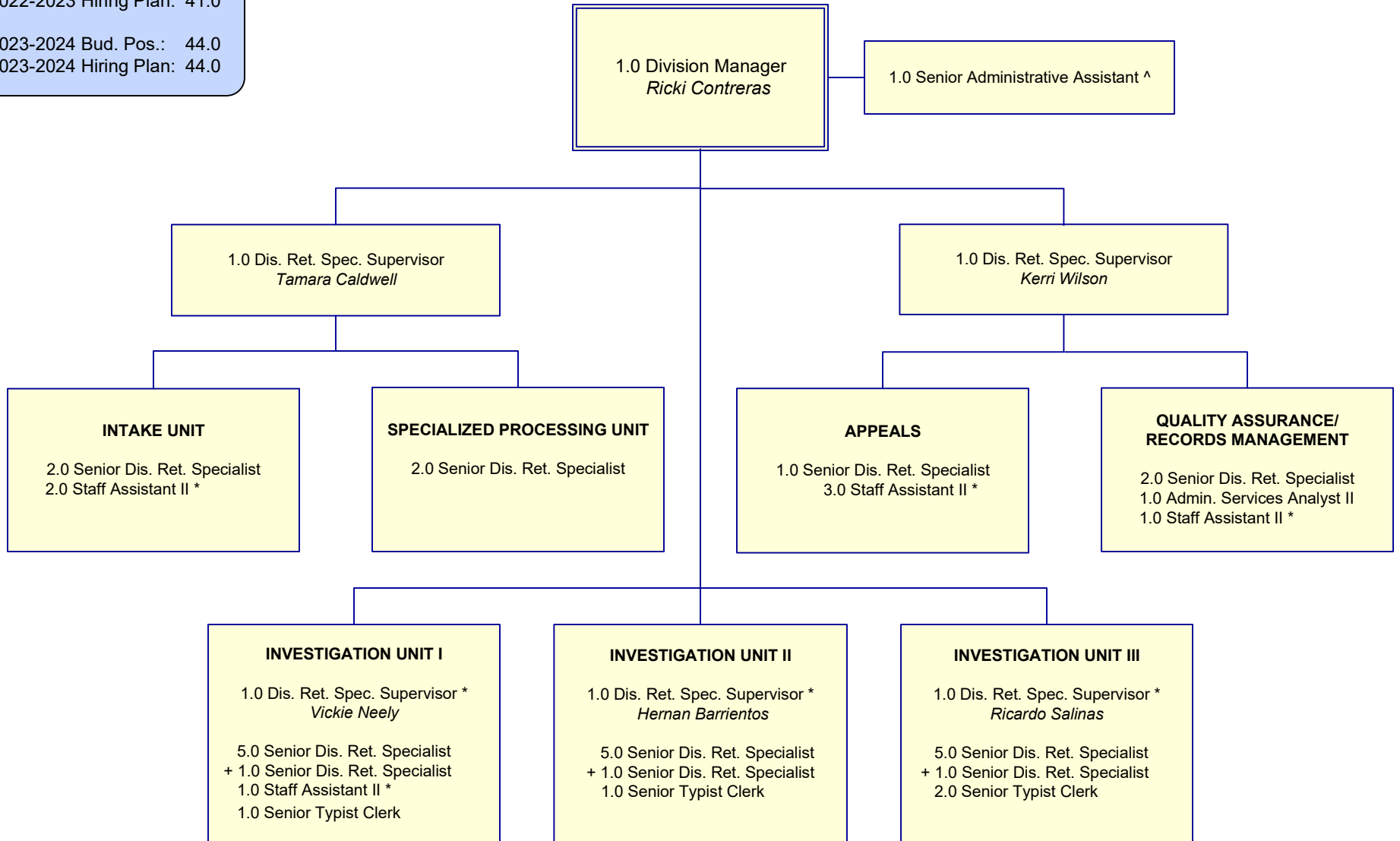
The DRS budget request for services, supplies, travel, and transportation are relatively unchanged from last fiscal year.

DISABILITY RETIREMENT

FISCAL YEAR 2023-2024

2022-2023 Bud. Pos.: 41.0
 2022-2023 Hiring Plan: 41.0

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



+ Added position

* Classification and/or compensation study requested.

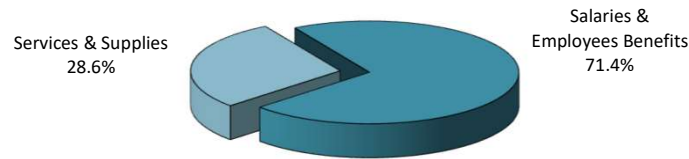
^ Position upgrade from Senior Secretary to Senior Administrative Assistant as a result of classification study (Board of Supervisors approved on October 18, 2022).

LACERA
FISCAL YEAR 2023-2024
BUDGET SUMMARY

DISABILITY RETIREMENT

	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET		
	PROPOSED BUDGET 2023-2024	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(01-31-23)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$8,428,093	\$7,514,693	\$3,841,453	\$7,453,500	(\$61,193)	-0.81%	\$913,400	12.2%
Services & Supplies	3,369,000	3,425,100	1,838,166	3,049,600	(375,500)	-11.0%	(56,100)	-1.6%
OPERATING BUDGET	\$11,797,093	\$10,939,793	\$5,679,619	\$10,503,100	(\$436,693)	-4.0%	\$857,300	7.8%

2023 - 2024 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2023-2024
SALARIES AND EMPLOYEE BENEFITS SUMMARY

DISABILITY RETIREMENT

	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$4,579,337	\$4,134,839	\$2,282,758	\$4,283,200	\$148,361	3.6%	\$444,498	10.8%
Total Agency Temp Salaries	138,100	129,000	29,070	77,400	(51,600)	-40.0%	9,100	7.1%
Employee Benefits (Variable)	3,140,378	2,675,028	1,263,799	2,568,600	(106,428)	-4.0%	465,350	17.4%
Employee Benefits (Other)	293,514	261,338	120,449	256,200	(5,138)	-2.0%	32,176	12.3%
OPEB Contribution	162,664	138,688	95,857	177,000	38,312	27.6%	23,976	17.3%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	103,600	165,300	47,736	88,200	(77,100)	-46.6%	(61,700)	-37.3%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	6,000	6,000	1,784	2,900	(3,100)	-51.7%	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	\$8,428,093	\$7,514,693	\$3,841,453	\$7,453,500	(\$61,193)	-0.8%	\$913,400	12.2%
Salary Differential	-	-	-	-	-		-	
TOTAL S&EB	\$8,428,093	\$7,514,693	\$3,841,453	\$7,453,500	(\$61,193)	-0.81%	\$913,400	12.2%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/23, with the exception of Agency Temp Salaries, which are as of 01/31/23.

LACERA
FISCAL YEAR 2023-2024
SALARIES

DISABILITY RETIREMENT

2023-2024 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT			
00773A	DIVISION MANAGER	1	LS12	17,116	205,394			
01643A	DISABILITY RETIRE. SPECIALIST SUPV.	5	109A	52,785	633,420			
01632A	SENIOR DISABILITY RETIRE. SPECIALIST	21	105A	195,404	2,344,853			
00420A	ADMINISTRATIVE SERVICES ANALYST II	1	96C	8,045	96,538			
00427A	STAFF ASSISTANT II	6	94L	42,863	514,360			
00439A	SENIOR ADMINISTRATIVE ASSISTANT	1	93A	6,840	82,080			
00446A	SENIOR TYPIST CLERK	4	81H	21,254	255,049			
POSITIONS		39			4,131,695			
VACANT POSITIONS		# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
01632A	SENIOR DISABILITY RETIRE. SPECIALIST	4	105A	7,221	86,652		259,956	
00427A	STAFF ASSISTANT II	1	94L	5,493	65,912			32,956
						0	259,956	32,956
POSITIONS		5			292,912			
TOTAL POSITIONS		44						
GROSS SALARIES					4,424,607			
ANTICIPATED MOU SALARY INCREASE**					66,369			
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE					17,378			
BONUS					70,984			
120-DAY RETIREE(S)					0			
TOTAL SALARIES					4,579,337			

MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/23.
 Represented/Non-Represented positions are shown at actual salaries as of 01/01/23.
 Represented positions shown in blue.
 Vacancies are shown at the 1st Step.
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.5% to anticipate a 3% MOU increase as of 01/01/24.

LACERA
FISCAL YEAR 2023-2024
SERVICES & SUPPLIES ACCOUNT SUMMARY

DISABILITY RETIREMENT

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE		
TRANSPORTATION & TRAVEL	\$7,700	\$8,000	\$791	\$5,500	(\$2,500)	-31.3%	(\$300)	-3.8%
OFFICE SUPPLIES & EQUIPMENT	5,000	5,800	561	5,000	(800)	-13.8%	(800)	-13.8%
PROFESSIONAL & SPEC. SRVCS.	235,000	230,000	69,196	230,000	0	0.0%	5,000	2.2%
LEGAL FEES & SERVICES	20,000	25,000	3,846	20,000	(5,000)	-20.0%	(5,000)	-20.0%
DISABILITY FEES & SERVICES	3,090,300	3,145,300	1,763,571	2,780,600	(364,700)	-11.6%	(55,000)	-1.7%
EDUCATIONAL EXPENSES	10,700	10,700	202	8,200	(2,500)	-23.4%	0	0.0%
MISCELLANEOUS	300	300	0	300	0	0.0%	0	0.0%
TOTAL	\$3,369,000	\$3,425,100	\$1,838,166	\$3,049,600	(\$375,500)	-11.0%	(\$56,100)	-1.6%

*All amounts rounded to the nearest dollar.

DISABILITY RETIREMENT

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2022		FYE 2023		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$3,971,485	\$3,692,430	\$4,134,839	\$4,283,200	\$4,579,337
Total Agency Temp Salaries	143,000	43,941	129,000	77,400	138,100
Employee Benefits (Variable)	2,467,442	2,167,881	2,675,028	2,568,600	3,140,378
Employee Benefits (Other)	237,356	240,036	261,338	256,200	293,514
OPEB Contribution	116,515	147,811	138,688	177,000	162,664
OPEB Contribution (Budget Surplus)	0	116,515	0	0	0
Stipends	0	0	0	0	0
Overtime	16,100	43,275	165,300	88,200	103,600
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	6,000	3,429	6,000	2,900	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	1,970	8,000	5,500	7,700
Office Supplies & Equipment	6,000	311	5,800	5,000	5,000
Professional & Specialized Services	224,500	271,335	230,000	230,000	235,000
Legal Fees & Services	20,000	19,219	25,000	20,000	20,000
Disability Fees & Services	2,665,500	2,252,937	3,145,300	2,780,600	3,090,300
Educational Expenses	10,700	4,364	10,700	8,200	10,700
Miscellaneous	300	0	300	300	300
TOTAL OPERATING BUDGET	\$9,897,398	\$9,005,456	\$10,939,793	\$10,503,100	\$11,797,093

*All amounts rounded to the nearest dollar.



EXECUTIVE OFFICE

BUDGET HIGHLIGHTS

FISCAL YEAR 2023-2024

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.

INTRODUCTION

The Executive Office, with broad oversight from the Boards of Retirement and Investments, sets the organizational vision and provides direction to staff to effectively implement LACERA's mission—to produce, protect, and provide the promised benefits. The Executive Office seeks to simplify and improve how LACERA's mission is achieved through its people, systems, policies, and processes.

FY 2022-2023 ACCOMPLISHMENTS

The Executive Office's focus in FY 2022-23 was on simplifying and improving LACERA's most basic operational and administrative processes to serve our members more effectively and efficiently. Much of the work we spearheaded is highlighted in various divisions, but some additional highlights are reflected below:

Return to Office/Hybrid Work Environment

After more than two years since the COVID-19 pandemic upended the way we perform our work and provide services to our members, LACERA transitioned to a hybrid work environment, made possible by the development and implementation of a Telework Policy. While we are still working on the optimal balance of remote and office days, we now have the ability to grant greater flexibility for staff and encourage in-person

collaboration and connection with professional colleagues, while maintaining productivity and service levels.

OneMeeting

We have successfully transitioned our Board management software solution from BoardVantage to OneMeeting (formerly PrimeGov), allowing for significant efficiencies, including agenda and meeting material development, accurate recording of motions and votes, and development of meeting minutes.

Hiring Plan and Transparency

After extensive collaboration with division managers, we have developed a comprehensive hiring plan strategy that aggressively leverages limited available resources to attack our high vacancy rate and better serve our internal customers. This plan has been shared with staff and the Boards, and the status of exams is now available for staff and managers on LACERA Connect and updated monthly. Additionally, the Human Resources Division completed its draft of a comprehensive hiring guide for LACERA managers. The final draft is expected to be completed and fully implemented in the current fiscal year and will ensure that all division managers understand LACERA's hiring process and the county, state and federal requirements.

Strategic Plan

With the assistance of an outside consultant, the Executive Office solicited extensive feedback from staff, the Board, our plan sponsors, and all members via forums and surveys as part of our strategic planning process. The proposed strategic priorities will be discussed during our Board of Retirement Offsite Committee meeting scheduled in February, and we expect Board adoption in April, allowing us to focus on implementation in FY 2023-24.

Case Management

After an extensive needs assessment and solicitation process, LACERA selected a vendor to implement the first three phases of our Case Management System and we are on target to complete this first phase this fiscal year. This solution's impact on our manual processes will be transformational.

Policy Development

To ensure LACERA policies are developed and implemented in a timely and consistent manner and reviewed regularly, the Executive Office developed a Policy Committee that established a Policy on Policies and a review process. This committee also ensures that new or revised policies are shared with staff and published on LACERA Connect.

PROPOSED FY 2023/2024 ACTIVITIES

In FY 2023-24, the Executive Office will be focusing on implementing the strategic plan and continuing to emphasize the importance of elevating the maturity of LACERA's administrative operations. Management will be supporting staff in each of our strategic priorities and will continue to focus on improving and simplifying how we do our work to achieve our mission to produce, protect and provide the promised benefits to our members.

STAFFING

No new permanent positions are requested for the Executive Office in FY 2023-24; however, the office does plan to engage an intern for the first time. While the specific work plan for an intern is yet to be determined, the intent is to provide an opportunity for a student to gain exposure to retirement plan administration, general management, and the vast array of employment options the County of Los Angeles offers. Providing this exposure helps our Diversity, Equity and Inclusion (DEI) efforts and offers insight into how to prepare LACERA to adapt to the needs and desires of future Generation Z employees.

Currently, the Special Assistant position created in FY 2021-22 is vacant, and recruitment is expected by December 31, 2023. Therefore, only six months funding is included for this position.

The Information Security Office was created in FY 2021-22 to separate information security functions from Systems Division and was filled with temporary IT security professionals. Recruitment is currently underway for the Information Security Officer position, which supervises the group, and it is expected to be filled by a permanent staff member in the current fiscal year. Based on the current hiring plan, it is anticipated that recruitments will be completed for three of the four remaining staff positions by December 2023. Funding for permanent and temporary staffing have been adjusted to reflect this hiring plan.

SERVICES AND SUPPLIES

The Executive Office has outlined its needs for services and supplies in FY 2023-24, which total \$671,800—a decrease of \$255,300 from the FY 2022-23 Adopted Budget of \$927,100. Additional details are outlined below.

Transportation and Travel: The Executive Office plans to increase funding for transportation and travel by \$27,800 in FY 2023-24, from \$22,000 to \$49,800. For the past several years, travel has been limited due to the COVID-19 pandemic. However, as we fully transition to the endemic phase, travel associated with training and due diligence is expected to fully resume. Executive Office management staff will be participating in

several educational conferences, including IFEBP, SACRS, CALAPRS, as well as the Milken Institute and Wharton School. Additionally, the Information Security team will be participating in educational conferences, BlackHat, and RSA. This training and education is critical to ensure LACERA executives and Information Security staff keep abreast of industry trends and advancements. Some members of the Executive Office, including the Information Security Office, may also be required to travel for due diligence purposes.

Professional and Specialized Services: The Executive Office utilizes a variety of professional and specialized services. For FY 2023-24, funding totaling \$517,000 is requested, a decrease of \$317,800 from FY 2022-23. Funding adjustments are outlined by category below:

Strategic Planning: One-time funding for strategic planning is expected to decrease from \$321,000 in FY 2022-23 to \$25,000 in FY 2023-24. The major work associated with this initiative will be complete, but a small contingency amount of \$25,000 is proposed to continue to address ad hoc work related to strategic planning that may be required throughout the fiscal year.

Public and Media Relations: Funding totaling \$250,000 is requested. The FY 2022-23 budget includes \$125,000 for public and media relations and expects to expend approximately \$100,000. The Executive Office plans to maintain funding totaling \$100,000 for general public and media relations activities and seeks to provide an additional \$150,000 for services that specialize in investments and/or financial services to be expended on an as-needed basis.

Software and Subscriptions: The Information Security Office requires funding totaling \$62,000, an increase of \$25,000 over FY 2022-23 for threat intelligence services. Additionally, the Information Security Office collaborated with Systems Division and recommended mail gateway security enhancements to be included in the Systems Division budget.

Security Assessment: Funding for annual penetration testing is estimated to remain flat at approximately \$100,000.

Improvement Projects: Funding for ad hoc improvement projects that may be necessary to implement audit findings and/or strategic planning initiatives remains flat at \$80,000.

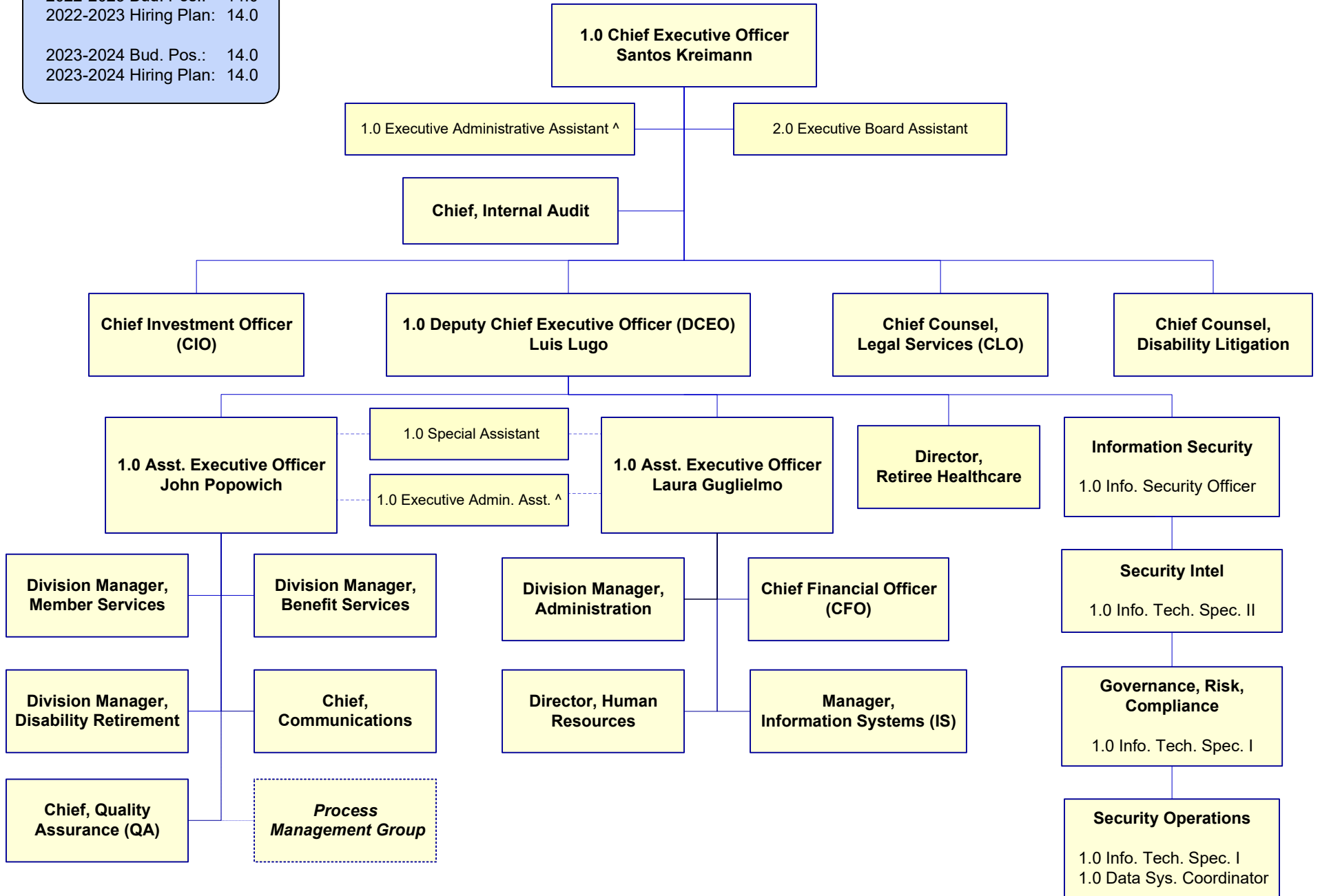
Educational Expenses: Funding totaling \$78,500 for professional memberships, registrations fees, and educational materials is requested for FY 2023-24. This represents an increase of \$34,500. Participation at professional conferences has been greatly

curtailed as a result of the COVID-19 pandemic, and it is crucial that executives and information security professionals maintain and enhance their industry-specific training and affiliations.

EXECUTIVE OFFICE

FISCAL YEAR 2023-2024

2022-2023 Bud. Pos.: 14.0
 2022-2023 Hiring Plan: 14.0
 2023-2024 Bud. Pos.: 14.0
 2023-2024 Hiring Plan: 14.0



^ Position upgrade from Executive Secretary to Executive Administrative Assistant as a result of classification study (Board of Supervisors approved on October 18, 2022).

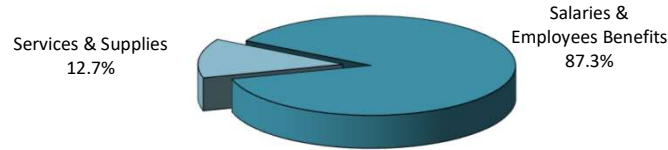
Process Management Group (pending)

LACERA
FISCAL YEAR 2023-2024
BUDGET SUMMARY

EXECUTIVE OFFICE

	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET		
	PROPOSED BUDGET 2023-2024	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(01-31-23)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$4,604,615	\$4,467,051	\$2,228,171	\$4,222,100	(\$244,951)	-5.5%	\$137,564	3.1%
Services & Supplies	671,800	927,100	401,406	871,900	(55,200)	-6.0%	(255,300)	-27.5%
OPERATING BUDGET	\$5,276,415	\$5,394,151	\$2,629,577	\$5,094,000	(\$300,151)	-5.6%	(\$117,736)	-2.2%

2023 - 2024 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2023-2024
SALARIES AND EMPLOYEE BENEFITS SUMMARY

EXECUTIVE OFFICE

	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$2,218,354	\$1,939,134	\$934,336	\$1,784,800	(\$154,334)	-8.0%	\$279,220	14.4%
Total Agency Temp Salaries	645,200	1,129,700	657,542	1,129,700	0	0.0%	(484,500)	-42.9%
Employee Benefits (Variable)	1,418,876	1,106,359	507,348	1,046,400	(59,959)	-5.4%	312,517	28.2%
Employee Benefits (Other)	142,186	130,567	60,078	128,000	(2,567)	-2.0%	11,619	8.9%
OPEB Contribution	78,799	69,290	31,312	57,900	(11,390)	-16.4%	9,509	13.7%
Stipends	65,000	65,000	25,653	51,400	(13,600)	-20.9%	0	0.0%
Overtime	27,600	25,600	11,902	23,900	(1,700)	-6.6%	2,000	7.8%
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	1,400	1,400	0	0	(1,400)	-100.0%	0	0.0%
Transportation Allowance	7,200	0	0	0	0	0.0%	7,200	0.0%
ADJUSTED GROSS S&EB	\$4,604,615	\$4,467,051	\$2,228,171	\$4,222,100	(\$244,951)	-5.5%	\$137,564	3.1%
Salary Differential	-	-	-	-	-		-	
TOTAL S&EB	\$4,604,615	\$4,467,051	\$2,228,171	\$4,222,100	(\$244,951)	-5.5%	\$137,564	3.1%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/23, with the exception of Agency Temp Salaries, which are as of 01/31/23.

LACERA
FISCAL YEAR 2023-2024
SALARIES

EXECUTIVE OFFICE

2023-2024 BUDGET

<u>FILLED POSITIONS</u>		<u># POS.</u>	<u>SCHEDULE</u>	<u>ACTUAL MO. RATE</u>	<u>ANNUAL AMOUNT</u>			
00776L	CHIEF EXECUTIVE OFFICER	1		40,374	484,486			
00770A	DEPUTY CHIEF EXECUTIVE OFFICER (UC)	1	LR18	23,029	276,354			
00792A	ASSISTANT EXECUTIVE OFFICER (UC)	2	LS16	42,441	509,295			
00745A	EXECUTIVE BOARD ASSISTANT	2	107E	20,198	242,376			
00442A	EXECUTIVE ADMINISTRATIVE ASSISTANT	2	104B	18,482	221,784			
	POSITIONS	8			1,734,294			
<u>VACANT POSITIONS</u>		<u># POS.</u>	<u>SCHEDULE</u>	<u>1ST STEP MO. RATE</u>	<u>ANNUAL AMOUNT</u>	<u>FILLED AT 12 MONTHS</u>	<u>FILLED AT 9 MONTHS</u>	<u>FILLED AT 6 MONTHS</u>
00775A	SPECIAL ASSISTANT	1	LS12	11,308	135,701			67,850
00806A	INFORMATION SECURITY OFFICER	1	LS12	11,308	135,701	135,701		
00802A	INFORMATION TECHNOLOGY SPECIALIST II	1	126B	12,795	153,539			76,769
00801A	INFORMATION TECHNOLOGY SPECIALIST I	2	120L	11,118	133,415			133,415
00469A	DATA SYSTEMS COORDINATOR	1	113J	9,151	109,808			
	POSITIONS	6			413,735	135,701	0	278,035
	TOTAL POSITIONS	14						
	GROSS SALARIES				2,148,030			
	ANTICIPATED MOU SALARY INCREASE**				32,220			
	ANTICIPATED STEP AND/OR MERIT SALARY INCREASE				38,104			
	BONUS				0			
	120-DAY RETIREE(S)				0			
	TOTAL SALARIES				2,218,354			

MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/23.
 Represented/Non-Represented positions are shown at actual salaries as of 01/01/23.
 Represented positions shown in blue.
 Vacancies are shown at the 1st Step.
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.5% to anticipate a 3% MOU increase as of 01/01/24.

LACERA
FISCAL YEAR 2023-2024
SERVICES & SUPPLIES ACCOUNT SUMMARY

EXECUTIVE OFFICE

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE		
AUTO EXPENSE	\$13,000	\$12,300	\$5,449	\$11,500	(\$800)	-6.5%	\$700	5.7%
TRANSPORTATION & TRAVEL	49,800	22,000	4,844	17,600	(4,400)	-20.0%	27,800	126.4%
OFFICE SUPPLIES & EQUIPMENT	3,000	3,500	527	3,000	(500)	-14.3%	(500)	-14.3%
PROFESSIONAL & SPEC. SRVCS.	517,000	834,800	368,274	779,800	(55,000)	-6.6%	(317,800)	-38.1%
EDUCATIONAL EXPENSES	78,500	44,000	19,802	50,000	6,000	13.6%	34,500	78.4%
MISCELLANEOUS	10,500	10,500	2,510	10,000	(500)	-4.8%	0	0.0%
TOTAL	\$671,800	\$927,100	\$401,406	\$871,900	(\$55,200)	-6.0%	(\$255,300)	-27.5%

*All amounts rounded to the nearest dollar.

EXECUTIVE OFFICE

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2022		FYE 2023		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$1,908,555	\$1,556,341	\$1,939,134	\$1,784,800	\$2,218,354
Total Agency Temp Salaries	0	0	1,129,700	1,129,700	645,200
Employee Benefits (Variable)	1,051,621	861,150	1,106,359	1,046,400	1,418,876
Employee Benefits (Other)	123,933	124,674	130,567	128,000	142,186
OPEB Contribution	60,837	57,552	69,290	57,900	78,799
OPEB Contribution (Budget Surplus)	0	60,837	0	0	0
Stipends	65,000	50,631	65,000	51,400	65,000
Overtime	25,600	472	25,600	23,900	27,600
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	0	0	0	0	0
Rideshare Allowance	1,400	0	1,400	0	1,400
Transportation Allowance	7,200	0	0	0	7,200
SERVICES & SUPPLIES					
Auto Expenses	12,300	8,309	12,300	11,500	13,000
Transportation & Travel	17,000	13,859	22,000	17,600	49,800
Office Supplies & Equipment	4,500	868	3,500	3,000	3,000
Professional & Specialized Services	205,000	87,900	834,800	779,800	517,000
Educational Expenses	64,000	28,320	44,000	50,000	78,500
Miscellaneous	16,000	8,059	10,500	10,000	10,500
TOTAL OPERATING BUDGET	\$3,562,946	\$2,858,971	\$5,394,151	\$5,094,000	\$5,276,415

*All amounts rounded to the nearest dollar.

FINANCIAL & ACCOUNTING SERVICES (FASD)

BUDGET HIGHLIGHTS

FISCAL YEAR 2023-2024

Mission

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

INTRODUCTION

The Financial and Accounting Services Division (FASD) contributes to LACERA's mission by conducting financial transactions and reporting, and coordinating actuarial consulting and reporting, while ensuring compliance with regulatory and statutory mandates.

SUMMARY

FASD's budget request seeks to ensure financial transactions are completed timely and accurately, financial reporting quality is maintained, and LACERA's operations and organizational initiatives are supported, while risks are mitigated and change is managed. To accomplish this, FASD requests authorization to:

1. Delete one Accounting Officer II position overseeing the Reporting and Compliance Section.
2. Fund one Accountant position in the Reporting and Compliance Unit (RCU) to substitute for the deleted Accounting Officer II position. This Accountant position will ensure the current workflow is maintained; strengthen the ability to manage major projects, including actuarial and financial statement reporting; and assume additional monthly and quarterly reporting requirements.

3. Delete one Accounting Technician I in the Disbursements Unit to upgrade the position to Accountant.
4. Fund one Accountant position within the Disbursements Unit to substitute for the deleted Accounting Technician I position. The duties and responsibilities of the Accounting Technician position have become more complex over time and are now consistent with those assigned to the higher-level Accountant position.

DIVISIONAL GOALS AND OBJECTIVES

Goal: To complete financial transactions and deliver financial and actuarial reports in accordance with statutory deadlines.

Objectives:

Financial Reports

- Process corporate and investment accounting transactions accurately, timely, and in accordance with Generally Accepted Accounting Principles (GAAP)
- Prepare annual financial statements in compliance with Governmental Accounting Standards Board (GASB) reporting requirements
- Transmit final reports to external agencies, including the County of Los Angeles and federal and state agencies

Actuarial Reports

- Coordinate actuarial projects for the Pension Plan and Other Post-Employment Benefits (OPEB) Program with external consulting actuaries
- Obtain LACERA Board approval by preparing memos, meeting materials, and presenting information
- Communicate final Pension Plan reports to the County of Los Angeles Board of Supervisors for approval and adoption of annual employer and employee contribution rates

Staffing

- Align organizational structure and positions in accordance with recommendations contained in the Classification Study
- Maintain permanent and temporary staff levels on par with budgeted position counts that will support organizational initiatives and reduce the risk of errors

STATUS OF MAJOR PROJECTS AS OF FISCAL YEAR 2022-2023

The following is a status of major projects completed or where completion is anticipated during the prior FY 2022-23.

Annual Projects	Completed/ Anticipated
<ul style="list-style-type: none"> ▪ 2022 Annual Audit and Financial Statements ▪ 2022 Financial Reports <ul style="list-style-type: none"> ○ Annual Comprehensive Financial Report (ACFR) ○ Popular Annual Financial Report (PAFR) ▪ 2022 Pension Investigation of Experience Study Report ▪ 2022 Pension Valuation Report ▪ 2022 GASB 68 Pension, Employer Financial Statement Reporting ▪ 2022 OPEB Trust, Employer Statement of Fiduciary Net Position ▪ 2022 GASB 75 OPEB, Employer Financial Statement Reporting ▪ 2023 Pension Risk Assessment Report ▪ 2022 OPEB Valuation Report ▪ 2022 Regulatory Reports, federal and state 	<p>October 2022 December 2022</p> <p>December 2022 March 2023 March 2023 March 2023 June 2023 June 2023 August 2023 Quarterly and Calendar Year-End</p>
One-Time Projects	Completed/ Anticipated
<ul style="list-style-type: none"> ▪ Custodian Bank Search ▪ Accounts Payable Policy ▪ Onboard New Financial Statement Auditor ▪ OPEB Trust, Investment Structure Changes ▪ Onboard New Actuarial Consultant ▪ Automated Accounts Payable Software Implementation 	<p>December 2022 March 2023 April 2023 June 2023 Summer 2023 Summer 2023</p>

CLASSIFICATION STUDY

A classification and compensation study (Classification Study), which reviewed all the accountant positions except management and administrative, was completed by an external consultant and approved by LACERA's Boards in December 2022. The Classification Study recommends upgrading class specifications, adding job classifications, and changing compensation for some positions. LACERA's Human Resources Division will forward it to the County of Los Angeles for review.

Per the Classification Study's recommendation, we are asking to delete the Accounting Officer II (AO II) position in the Reporting and Compliance Section. The Reporting and Compliance Unit (RCU) will be created and moved under the General Accounting Section, and staff will report to the Accounting Officer I (AO I) position.

The General Accounting Section's AO I position will oversee three units in total: Reconciliation, Disbursements, and RCU, which is consistent with the Classification Study's organizational structure recommendations. In addition, the Classification Study

recommended upgrading the Accounting Technician I position in the Disbursements Unit, and we are requesting this change as of the FY 2023-24 budget cycle.

STAFF

During the FY 2022-23, LACERA's Human Resources Division assisted FASD in hiring six Accountants. Although we completed a successful recruitment process in a very competitive job market we found it difficult to recruit qualified applicants to fill two vacant Investment Accounting positions. We anticipate filling these positions after the Classification Study has been approved by the County, which will update the job requirements and salary structure. We also experienced some additional attrition.

Currently, FASD has seven regular permanent vacancies:

- One Chief Financial Officer (anticipated recruitment near the end of FY 2022-23)
- One Administrative Assistant
- One Senior Administrative Assistant
- Two Accountants: Investment Accounting Section
- One Accounting Officer II – Proposed to be deleted and replaced with one Accountant
- One Accounting Technician I – Proposed to be deleted and replaced with one Accountant

Temporary Staffing

FASD currently employs a total of five temporary staff, including four Accountants and one Administrative Assistant.

Our budget request for the upcoming fiscal year 2023-2024 includes maintaining these existing five temporary positions and adding three more temporary staff for a total of eight. These additional positions will support our accounting operations as follows:

- Four at the Accountant level, in the General Accounting Section
- Two at the Accountant level in the Investment Accounting Section, and
- Two administrative staff, including an Administrative Assistant and a Senior Administrative Assistant.

The use of temporary staff is required to meet current workload requirements until permanent staff may be hired.

STAFF TRAINING AND DEVELOPMENT

Training and Travel

FASD requests (and LACERA's governing Boards consistently approve) a budget for staff training every year. Currently, there are seven FASD staff members who hold a Certified Public Accountant (CPA) license and one staff member who is in the final stages of

obtaining her license. CPAs must attend qualifying training courses to meet the California State Board of Accountancy continuing professional education (CPE) reporting requirements of 40 hours every year.

Non-credentialed staff are encouraged to obtain at least 10 hours of training every year to keep up with changes in the accounting profession. Staff may attend relevant courses that cover topics such as: government accounting, upcoming Governmental Accounting Standards Board (GASB) pronouncements, pension fund financial reporting requirements, or other financial accounting courses, including fraud. In addition, FASD has acquired several new staff and recently promoted some staff to supervisory positions and expects these positions to obtain the required and recommended supervisory training.

LACERA offers staff a variety of training resources, including attending webinars and workshops online. Also, staff can attend local, in-person conferences that are one-day or multiday events, while some educational and networking conferences require travel outside of the Los Angeles area. FASD staff regularly attend training events offered by the following organizations:

<i>Organization / Description</i>
LCW: Liebert Cassidy Whitmore Los Angeles County's vendor, which provides supervisory and staff training
P2F2: Public Pension Financial Forum National organization for financial accountants who work for state and local pension funds
GFOA: Government Finance Officers Association Professional association of state and local government finance officers providing annual award programs for financial statements
AICPA: American Institute of Certified Public Accountants National organization of CPAs where staff can obtain training and network with other professionals
CalCPA: California Society of Certified Public Accountants State association of CPAs where staff can obtain training and network with other professionals
WORKIVA: Wdesk Software Software tool used to prepare LACERA's annual financial statements
IOFM: The Institute of Finance and Management National association of professionals in accounts payable, procure-to-pay, and accounts receivable
CALAPRS: California Association of Public Retirement Systems State organization that sponsors educational forums for sharing information and exchanging ideas among California public pension systems

Our budget includes a request of \$7,000 for training and registration. This represents a decrease of \$3,000 over the prior year because a portion of the registration expenses are historically paid by the negotiated Memorandum of Understanding (MOU) funds. We are including in our budget request funding for a CPA review course, which provides the materials and training to sit for the CPA exam, as we have one new FASD staff member who expressed interest in pursuing this credential.

In addition, FASD is requesting \$29,300 for travel-related expenses (air fare, hotel, ground transportation, and per diem) so staff can attend offsite conferences and networking events throughout the country. This travel request represents an increase of \$7,500 over the prior year due to the expectation that travel would get back to the normal pre-pandemic level.

OVERTIME

Our budget includes a request of \$64,700 for overtime. This represents a decrease of \$600 compared to the prior year primarily due to improved staffing levels and operations efficiency.

As in the past, overtime is requested to manage the additional workload related to the annual fiscal year-end financial statement preparation and audit, which is the basis for preparing the Annual Comprehensive Financial Report (ACFR) and Popular Annual Financial Report (PAFR). In addition, Board meeting deadlines to prepare and present actuarial reports cause staff to incur overtime. When combined with the development of anticipated new responsibilities and unforeseen special projects, maintaining a budget for overtime has proven to be prudent.

OTHER SIGNIFICANT CHANGES TO SERVICES AND SUPPLIES

The Services and Supplies total budget request of \$253,300 represents a \$4,000, or 1.6 percent, increase when compared with the prior fiscal year. This is primarily due to a proposed increase in the travel-related expense category for FY 2023-24.

LOOKING FORWARD FOR FY 2023-24

The following is a status of major projects completed or expected to be completed by FASD staff during the upcoming FY 2023-24.

<i>Annual Projects</i>	<i>Anticipated</i>
<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 OPEB Pension Investigation of Experience Study Report 	<p>October 2023 December 2023</p> <p>December 2023 March 2024</p>

<ul style="list-style-type: none"> ▪ 2023 GASB 68 Pension, Employer Financial Statement Reporting ▪ 2023 OPEB Trust, Employer Statement of Fiduciary Net Position ▪ 2023 GASB 75 OPEB, Employer Financial Statement Reporting ▪ 2024 Pension Risk Assessment Report ▪ 2023 OPEB Valuation Report ▪ 2023 Regulatory Reports, federal and state 	<p>March 2024</p> <p>March 2024</p> <p>June 2024</p> <p>June 2024</p> <p>Summer 2024</p> <p>Quarterly and Calendar Year-End</p>
<i>One-Time Projects</i>	<i>Anticipated</i>
<ul style="list-style-type: none"> ▪ Member Debit Card Program ▪ State Street Bank, Cash Manager to eCash Flow Module ▪ Enterprise Resource Planning (ERP), Preliminary 	<p>December 2023</p> <p>December 2023</p> <p>TBD</p>

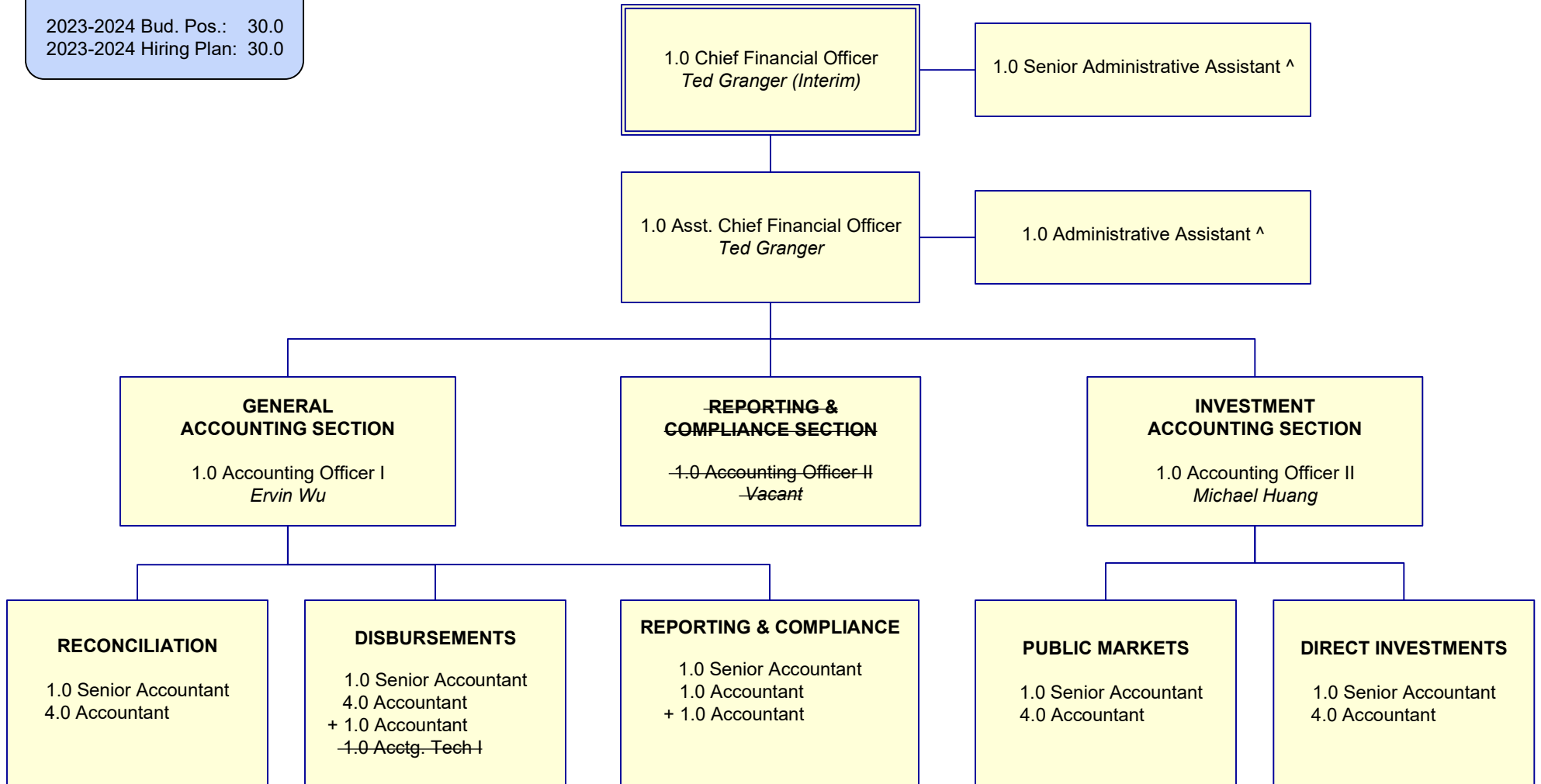
CONCLUSION

This budget request was developed to provide the Financial and Accounting Services Division with vital resources to readily contribute toward serving our members in the fulfillment of LACERA’s mission and vision.

FINANCIAL AND ACCOUNTING SERVICES DIVISION

FISCAL YEAR 2023-2024

2022-2023 Bud. Pos.: 30.0
 2022-2023 Hiring Plan: 30.0
 2023-2024 Bud. Pos.: 30.0
 2023-2024 Hiring Plan: 30.0



+ Added position
 - Deleted 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).

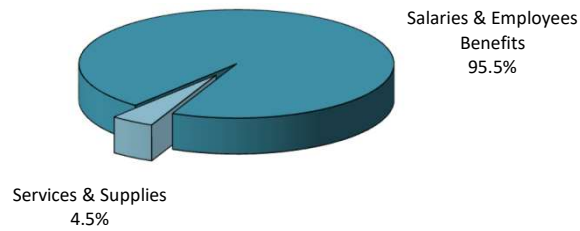
^ Position upgrade from Senior Secretary to Senior Administrative Assistant and Secretary to Administrative Assistant as a result of classification study (Board of Supervisors approved on October 18, 2022).

LACERA
FISCAL YEAR 2023-2024
BUDGET SUMMARY

FINANCIAL AND ACCOUNTING SERVICES

	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET		
	PROPOSED BUDGET 2023-2024	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(01-31-23)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$5,435,440	\$4,677,178	\$2,034,836	\$4,181,300	(\$495,878)	-10.6%	\$758,262	16.2%
Services & Supplies	253,300	249,300	(58,438)	236,000	(13,300)	-5.3%	4,000	1.6%
OPERATING BUDGET	\$5,688,740	\$4,926,478	\$1,976,397	\$4,417,300	(\$509,178)	-10.3%	\$762,262	15.5%

2023 -2024 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2023-2024
SALARIES AND EMPLOYEE BENEFITS SUMMARY

FINANCIAL AND ACCOUNTING SERVICES

	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$2,752,536	\$2,220,717	\$1,115,073	\$2,259,000	\$38,283	1.7%	\$531,819	23.9%
Total Agency Temp Salaries	776,700	778,100	210,070	420,200	(357,900)	-46.0%	(1,400)	-0.2%
Employee Benefits (Variable)	1,547,806	1,366,535	552,645	1,199,700	(166,835)	-12.2%	181,271	13.3%
Employee Benefits (Other)	176,424	148,317	68,670	145,400	(2,917)	-2.0%	28,107	19.0%
OPEB Contribution	97,774	78,710	46,032	85,000	6,290	8.0%	19,064	24.2%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	64,700	65,300	39,211	65,300	0	0.0%	(600)	-0.9%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	12,000	12,000	3,054	6,300	(5,700)	-47.5%	0	0.0%
Rideshare Allowance	7,500	7,500	80	400	(7,100)	-94.7%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$5,435,440	\$4,677,178	\$2,034,836	\$4,181,300	(\$495,878)	-10.6%	\$758,262	16.2%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$5,435,440	\$4,677,178	\$2,034,836	\$4,181,300	(\$495,878)	-10.6%	\$758,262	16.2%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/23, with the exception of Agency Temp Salaries, which are as of 01/31/23.

LACERA
FISCAL YEAR 2023-2024
SALARIES

FINANCIAL & ACCOUNTING SERVICES

2023-2024 BUDGET

FILLED POSITIONS	# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT
00799A ASSISTANT CHIEF FINANCIAL OFFICER	1	LS10	14,811	177,734
00418A ACCOUNTING OFFICER II	1	107K	10,506	126,067
00417A ACCOUNTING OFFICER I	1	104C	9,264	111,168
00146A SENIOR ACCOUNTANT	5	99J	40,628	487,532
00415A ACCOUNTANT	15	95G	100,151	1,201,812
00413A ACCOUNTING TECHNICIAN I	1	87A	5,973	71,676
POSITIONS	24			2,175,988

VACANT POSITIONS	# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
00800A CHIEF FINANCIAL OFFICER	1	LS12	11,308	135,701	135,701		
00418A ACCOUNTING OFFICER II	1	107K	7,796	93,550			
00418A ACCOUNTING OFFICER II	(1)	107K	7,796	93,550			
00415A ACCOUNTANT	4	95G	5,588	67,060	268,241		
00439A SENIOR ADMINISTRATIVE ASSISTANT	1	93A	5,216	62,592			31,296
00413A ACCOUNTING TECHNICIAN I	(1)	87A	4,432	53,184			
00438A ADMINISTRATIVE ASSISTANT	1	86J	4,400	52,795			26,397
					403,942	0	57,693

POSITIONS **6** **461,635**

TOTAL POSITIONS **30**

GROSS SALARIES **2,637,624**

ANTICIPATED MOU SALARY INCREASE** **39,564**

ANTICIPATED STEP AND/OR MERIT SALARY INCREASE **23,979**

BONUS **51,369**

120-DAY RETIREE(S) **0**

TOTAL SALARIES **2,752,536**

MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/23.
 Represented/Non-Represented positions are shown at actual salaries as of 01/01/23.
 Represented positions shown in blue.
 Vacancies are shown at the 1st Step.
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.5% to anticipate a 3% MOU increase as of 01/01/24.

LACERA

FISCAL YEAR 2023-2024

SERVICES & SUPPLIES ACCOUNT SUMMARY

FINANCIAL AND ACCOUNTING SERVICES

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		BUDGET	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE
			(01-31-23)	PROJECTION	BUDGET	% CHANGE		
TRANSPORTATION & TRAVEL	\$29,300	\$21,800	\$6,666	\$17,000	(\$4,800)	-22.0%	\$7,500	34.4%
OFFICE SUPPLIES & EQUIPMENT	6,000	5,000	206	4,000	(1,000)	-20.0%	1,000	20.0%
BANK SERVICES	200,000	200,500	(70,057)	200,000	(500)	-0.2%	(500)	-0.2%
EDUCATIONAL EXPENSES	16,000	19,000	4,746	13,000	(6,000)	-31.6%	(3,000)	-15.8%
MISCELLANEOUS	2,000	3,000	0	2,000	(1,000)	-33.3%	(1,000)	-33.3%
TOTAL	\$253,300	\$249,300	(\$58,438)	\$236,000	(\$13,300)	-5.3%	\$4,000	1.6%

*All amounts rounded to the nearest dollar.

FINANCIAL AND ACCOUNTING SERVICES

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2022		FYE 2023		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$1,942,091	\$1,742,257	\$2,220,717	\$2,259,000	\$2,752,536
Total Agency Temp Salaries	729,400	473,724	778,100	420,200	776,700
Employee Benefits (Variable)	1,168,551	899,952	1,366,535	1,199,700	1,547,806
Employee Benefits (Other)	116,069	118,767	148,317	145,400	176,424
OPEB Contribution	56,977	65,618	78,710	85,000	97,774
OPEB Contribution (Budget Surplus)	0	56,977	0	0	0
Stipends	0	0	0	0	0
Overtime	67,900	40,904	65,300	65,300	64,700
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	12,000	4,964	12,000	6,300	12,000
Rideshare Allowance	7,500	0	7,500	400	7,500
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Transportation & Travel	14,000	338	21,800	17,000	29,300
Office Supplies & Equipment	3,500	3,783	5,000	4,000	6,000
Bank Services	200,500	203,372	200,500	200,000	200,000
Educational Expenses	19,000	8,372	19,000	13,000	16,000
Miscellaneous	3,000	1,365	3,000	2,000	2,000
TOTAL OPERATING BUDGET	\$4,340,488	\$3,620,393	\$4,926,478	\$4,417,300	\$5,688,740

*All amounts rounded to the nearest dollar.

HUMAN RESOURCES

BUDGET HIGHLIGHTS

FISCAL YEAR 2023-2024

Mission

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

INTRODUCTION

Human Resources (HR) is responsible for providing human resources services to all LACERA staff members. Our work encompasses all areas of human resources such as: recruitment, selection, performance and workforce management, classification, compensation, employee and organizational development, employee payroll and benefits, employee relations, labor negotiations, workplace investigations, workers' compensation, career planning and development, leave management, and disability compliance management.

SUCCESSSES

The HR Division continues to improve its processes and procedures to increase efficiency and provide service to staff members. Examples of successes from July through December 2022 include:

- Partnered with the Systems Division to digitize staff member files.
- Completed and implemented LACERA's Bonus Policy, as recommended in an audit finding.
- Promulgated six eligible lists/registers; hired 21 staff members; and secured 11 temporary staff to fill critical vacancies.
- Contracted with executive recruiters to fill vacancies in four high-impact positions.

- Processed 191 leaves; and coordinated 150 training courses for staff.
- Implemented pending classification studies conducted for the Secretary classification family and Accounting classification family.
- Created a manager-focused hiring playbook to increase organizational efficiency and transparency related to the steps in the hiring process.
- Contracted with vendors that provide assessment materials to expedite our hiring process.
- Conducted contact tracing and processed special leave requests related to COVID-19.
- Publish and update LACERA's hiring priorities on LACERA Connect to increase transparency throughout the organization.

CHALLENGES

- HR continues to work toward reducing the vacancy rate.
- Changing workforce dynamic make it more difficult to recruit non-permanent staff members. This year HR has experienced waning interest from candidates to fill agency temporary and intern positions.
- Implementation of recommendations resulting from completed classification studies: One classification study remains to be escalated through the approval process.

FUTURE PLANS

The following is an outline of priorities and initiatives that will be our focus for FY 2023-24:

- Partner with the division managers to execute LACERA's hiring priorities, thus reducing the vacancy rate.
- Continue to refine the job analysis and classification procedures.
- Continue to partner with the Systems Division to automate processes and reduce paper-driven processes with the implementation of Service Now. This will enable reporting on time to hire.
- Enhance the HR Data Manager to generate reports on typical HR metrics such as turnover, retention, and promotion rates. Currently, these are calculated manually.
- Implement policies and create guides for time usage and time reporting where policies are missing.
- Update various disability compliance management forms and procedures for ease of use.

- Support the execution of LACERA's strategic plan and related initiatives such as LEAD, engagement surveys, and culture-building initiatives.

STAFFING

The HR Division is not requesting the addition of new permanent staff. Instead during FY 2023-24, HR will focus on getting newly hired staff acclimated to HR at LACERA, performing to capacity, and refining changes that were implemented during the previous budget year.

HR is requesting one intern to continue and complete the project that the FY 2022-23 intern began; one Senior Human Resources Assistant agency temporary staff member and one Human Resources Analyst agency temporary staff member in place of permanent staff who are on long-term leave; and one Intermediate Typist Clerk agency temporary staff member to complete outstanding work on the HR file digitization project. There are requests to hire 14 interns during FY 2023-24 to be assigned to administrative, member-facing and investment projects.

TRAINING AND TRAVEL

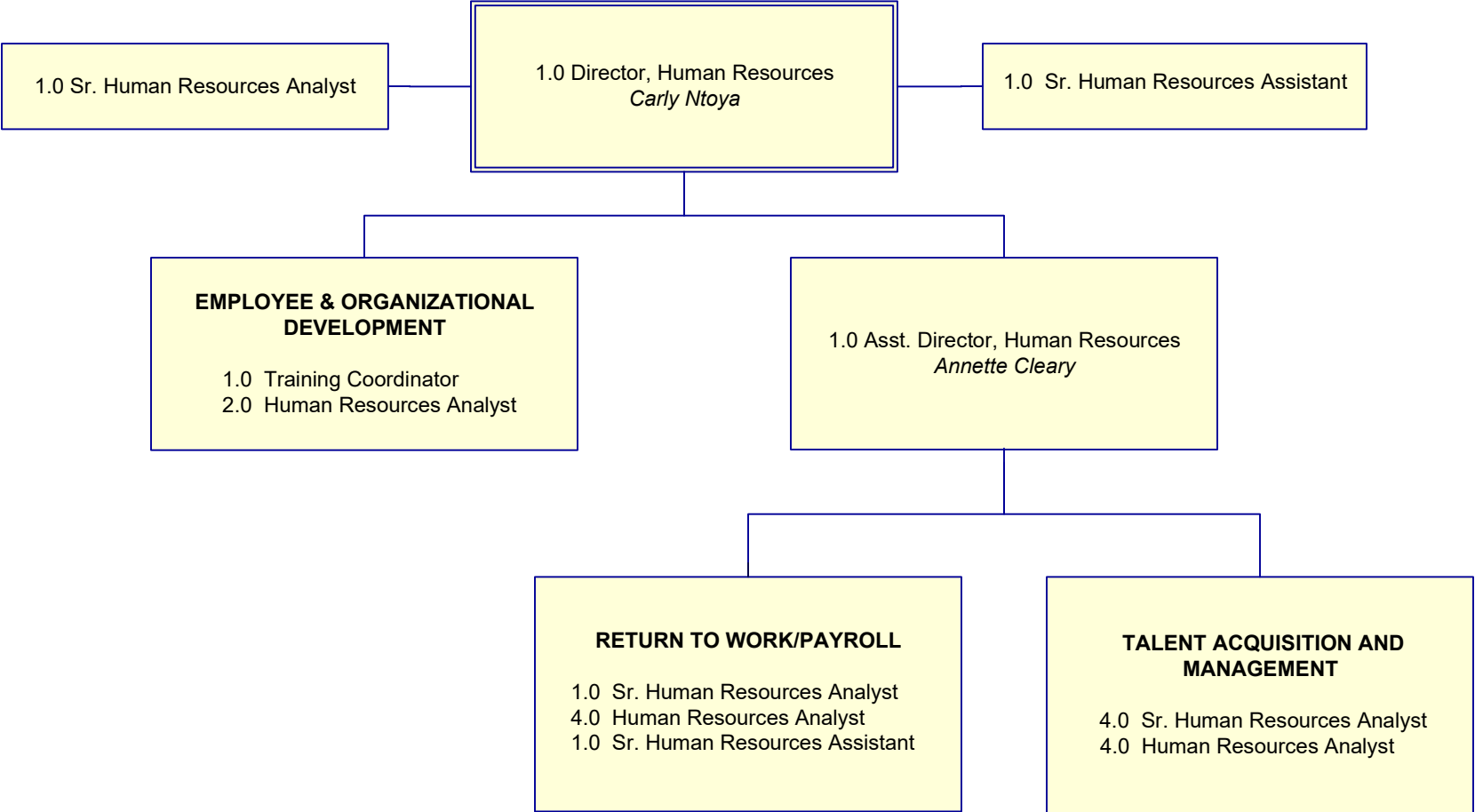
HR staff members expect to resume travel for in-person professional development after two years of virtual training. Current staff members expect to complete professional development to maintain certifications. Recently hired staff members may need to refresh skills to maximize performance and impact at LACERA. Professional development will focus on strengthening skills in job analysis methodology, compensation strategies, workforce development, and culture-improving activities.

HUMAN RESOURCES

FISCAL YEAR 2023-2024

2022-2023 Bud. Pos.: 21.0
2022-2023 Hiring Plan: 21.0

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

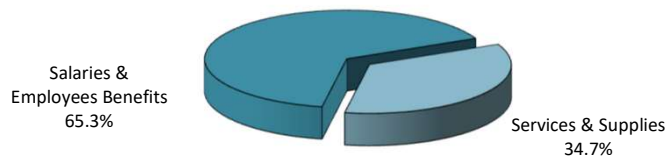


LACERA
FISCAL YEAR 2023-2024
BUDGET SUMMARY

HUMAN RESOURCES

	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET		
	PROPOSED BUDGET 2023-2024	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(01-31-23)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$4,403,991	\$3,623,337	\$1,311,915	\$2,856,000	(\$767,337)	-21.2%	\$780,654	21.5%
Services & Supplies	2,339,600	2,216,200	600,600	1,782,800	(433,400)	-19.6%	123,400	5.6%
OPERATING BUDGET	\$6,743,591	\$5,839,537	\$1,912,515	\$4,638,800	(\$1,200,737)	-20.6%	\$904,054	15.5%

2023 - 2024 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2023-2024
SALARIES AND EMPLOYEE BENEFITS SUMMARY

HUMAN RESOURCES

	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$2,200,574	\$1,797,569	\$710,712	\$1,509,700	(\$287,869)	-16.0%	\$403,005	22.4%
Total Agency Temp Salaries	139,000	144,300	61,788	123,600	(20,700)	-14.3%	(5,300)	-3.7%
LACERA Intern Program	288,000	288,000	1,613	48,000	(240,000)	-83.3%	0	0.0%
Employee Benefits (Variable)	1,550,803	1,199,476	440,245	978,400	(221,076)	-18.4%	351,327	29.3%
Employee Benefits (Other)	141,046	123,142	56,661	120,700	(2,442)	-2.0%	17,904	14.5%
OPEB Contribution	78,167	65,350	34,038	62,900	(2,450)	-3.7%	12,817	19.6%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	4,700	3,800	6,858	12,700	8,900	234.2%	900	23.7%
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	\$4,403,991	\$3,623,337	\$1,311,915	\$2,856,000	(\$767,337)	-21.2%	\$780,654	21.5%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$4,403,991	\$3,623,337	\$1,311,915	\$2,856,000	(\$767,337)	-21.2%	\$780,654	21.5%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/23, with the exception of Agency Temp Salaries, which are as of 01/31/23.

LACERA
FISCAL YEAR 2023-2024
SALARIES

HUMAN RESOURCES

2023-2024 BUDGET

FILLED POSITIONS	# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT			
00425A DIRECTOR, HUMAN RESOURCES	1	LS12	15,653	187,842			
00437A ASSISTANT DIRECTOR, HUMAN RESOURCES	1	LS10	13,749	164,983			
00436A SENIOR HUMAN RESOURCES ANALYST	4	105E	38,262	459,146			
01886A TRAINING COORDINATOR	1	105D	9,542	114,503			
00434A HUMAN RESOURCES ANALYST	4	101E	33,876	406,508			
00435A SENIOR HUMAN RESOURCES ASSISTANT	1	094G	7,133	85,599			
POSITIONS	12						
					1,418,581		
VACANT POSITIONS	# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
00436A SENIOR HUMAN RESOURCES ANALYST	2	105E	7,293	87,520	175,041		
00434A HUMAN RESOURCES ANALYST	6	101E	6,544	78,525	471,149		
00435A SENIOR HUMAN RESOURCES ASSISTANT	1	094G	5,439	65,270	65,270		
					711,459	0	0
POSITIONS	9						
					711,459		
TOTAL POSITIONS	21						
GROSS SALARIES					2,130,040		
ANTICIPATED MOU SALARY INCREASE**					31,951		
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE					10,585		
BONUS					27,998		
120-DAY RETIREE(S)					0		
TOTAL SALARIES					2,200,574		

MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/23.
 Represented/Non-Represented positions are shown at actual salaries as of 01/01/23.
 Represented positions shown in blue.
 Vacancies are shown at the 1st Step.
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.5% to anticipate a 3% MOU increase as of 01/01/24.

LACERA
FISCAL YEAR 2023-2024
SERVICES & SUPPLIES ACCOUNT SUMMARY

HUMAN RESOURCES

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE		
TRANSPORTATION & TRAVEL	\$10,800	\$9,400	\$1,144	\$3,300	(\$6,100)	-64.9%	\$1,400	14.9%
OFFICE SUPPLIES & EQUIPMENT	3,000	7,000	10,367	12,000	5,000	71.4%	(4,000)	-57.1%
PARKING FEES	482,000	437,000	242,960	485,000	48,000	11.0%	45,000	10.3%
PROFESSIONAL & SPEC. SRVCS.	788,300	675,800	176,251	462,300	(213,500)	-31.6%	112,500	16.6%
COMPUTER SERVICES & SUPPORT	50,000	55,000	27,019	35,000	(20,000)	-36.4%	(5,000)	-9.1%
EDUCATIONAL EXPENSES	509,000	509,000	48,970	329,500	(179,500)	-35.3%	0	0.0%
MISCELLANEOUS	496,500	523,000	93,890	455,700	(67,300)	-12.9%	(26,500)	-5.1%
TOTAL	\$2,339,600	\$2,216,200	\$600,600	\$1,782,800	(\$433,400)	-19.6%	\$123,400	5.6%

*All amounts rounded to the nearest dollar.

HUMAN RESOURCES

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2022		FYE 2023		Proposed Budget
	Budget	Actual	Budget	Projection	
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$1,513,977	\$1,286,858	\$1,797,569	\$1,509,700	\$2,200,574
Total Agency Temp Salaries	47,700	36,327	144,300	123,600	139,000
LACERA Intern Program	312,000	8,488	288,000	48,000	288,000
Employee Benefits (Variable)	913,126	802,837	1,199,476	978,400	1,550,803
Employee Benefits (Other)	90,483	91,024	123,142	120,700	141,046
OPEB Contribution	44,417	55,035	65,350	62,900	78,167
OPEB Contribution (Budget Surplus)	0	44,417	0	0	0
Stipends	0	0	0	0	0
Overtime	2,900	1,310	3,800	12,700	4,700
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	9,000	0	9,400	3,300	10,800
Office Supplies & Equipment	8,000	2,257	7,000	12,000	3,000
Parking Fees	377,000	449,990	437,000	485,000	482,000
Professional & Specialized Services	575,800	248,323	675,800	462,300	788,300
Computer Services & Support	55,000	25,370	55,000	35,000	50,000
Educational Expenses	512,000	121,183	509,000	329,500	509,000
Miscellaneous	232,500	62,246	523,000	455,700	496,500
TOTAL OPERATING BUDGET	\$4,695,603	\$3,235,667	\$5,839,537	\$4,638,800	\$6,743,591

*All amounts rounded to the nearest dollar.

INTERNAL AUDIT

BUDGET HIGHLIGHTS

FISCAL YEAR 2023-2024

Mission

To support LACERA's mission through independent, objective assurance and consulting services designed to add value and improve LACERA's operations.

INTRODUCTION

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

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

- Risk exposure relating to achievement of LACERA's strategic objectives
- The reliability and integrity of information and the means used to identify, measure, classify, and report such information
- The systems established to ensure compliance with those policies, procedures, laws, and regulations, which could have a significant impact on LACERA
- The means of safeguarding assets and, as appropriate, verifying the existence of such assets
- The effectiveness and efficiency with which resources are employed
- Operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operation or programs are being carried out as planned
- Monitoring governance processes

NOTABLE ACHIEVEMENTS AND CONTRIBUTIONS

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

- Initiated an RFP for a new financial services firm
- Oversaw ongoing actuarial audit activities
- Oversaw real estate advisor compliance and operational audits
- Continued to operate effectively as a hybrid audit team
- Completed an external quality assessment (EQA) review and received the highest rating
- Partnered with various internal stakeholders to address recommendations like improving physical safety by requiring key card access, ensuring new hires receive Information Security Awareness training during their orientation, and closed a number of sensitive IT recommendations
- Continue to participate in organizational initiatives such as strategic planning, policy committee, IT Coordination Council, and other advisory projects
- Participate on development projects such as case management, accounts payable automation and others, from an independent audit perspective

To improve efficiency and effectiveness of the Internal Audit function, we are continuing to focus on three primary goals: 1) develop and execute a risk-based annual audit plan, 2) continue to improve Internal Audit's presence and value with stakeholders, and 3) continue to enhance Internal Audit's competence and efficiencies.

STAFFING

We have 11 budgeted positions in Internal Audit, all of which are currently filled. One of those positions, a Senior Internal Auditor, has been on loan to the Systems Division.

One of our Internal Audit goals is to ensure that each staff member participates and receives 40 hours of continuing education. We are continuing to evaluate, improve, and ensure that we provide comprehensive training for personnel at all levels to develop themselves as auditors, obtain credentials, and provide for succession planning to the management (Principal) and Division Management level (Chief Audit Executive). For FY 2023-24, we plan to use a hybrid approach; staff will attend both virtual and in-person training and conferences, including sessions from the Institute for Internal Auditors (IIA), Association of Public Pension Fund Auditors (APPFA), Certified Fraud Examiners, and other specialty training.

The Institute of Internal Auditors (IIA) Quality Services presented their external quality assessment (EQA) of Internal Audit to the Audit Committee at the March 2022 meeting. Staff development and training includes focus on some of the recommendations by the EQA auditors. These include:

- Enhancing the audit and workpaper documentation processes
- Integrating IT audit considerations into all audit projects
- Improving the timeliness of audits and supervisory review

We are continuing to supplement staff knowledge and experience by leveraging our audit pool and external professional services providers, especially in areas such as investments and information technology.

SERVICES AND SUPPLIES

Each fiscal year, Internal Audit prepares a risk-based Audit Plan, approved by the Audit Committee. The Audit Plan defines the allocation of audit resources and communicates Internal Audit planned activities and resource requirements. This provides the basis for the Chief Audit Executive (CAE) and the Audit Committee to ensure that Internal Audit resources are appropriate, sufficient, and effectively deployed.

Internal Audit continues to leverage the use of external resources to better meet the needs of the organization and address the Audit Plan. The cost associated with these resources is a significant portion of the budget, \$650,000. Of this, approximately \$150,000 is for the external financial audit, while \$500,000 is to be used at the discretion of the Audit Committee and/or staff to perform external IT audits, investment audits, and other external audits as needed to address the Audit Plan.

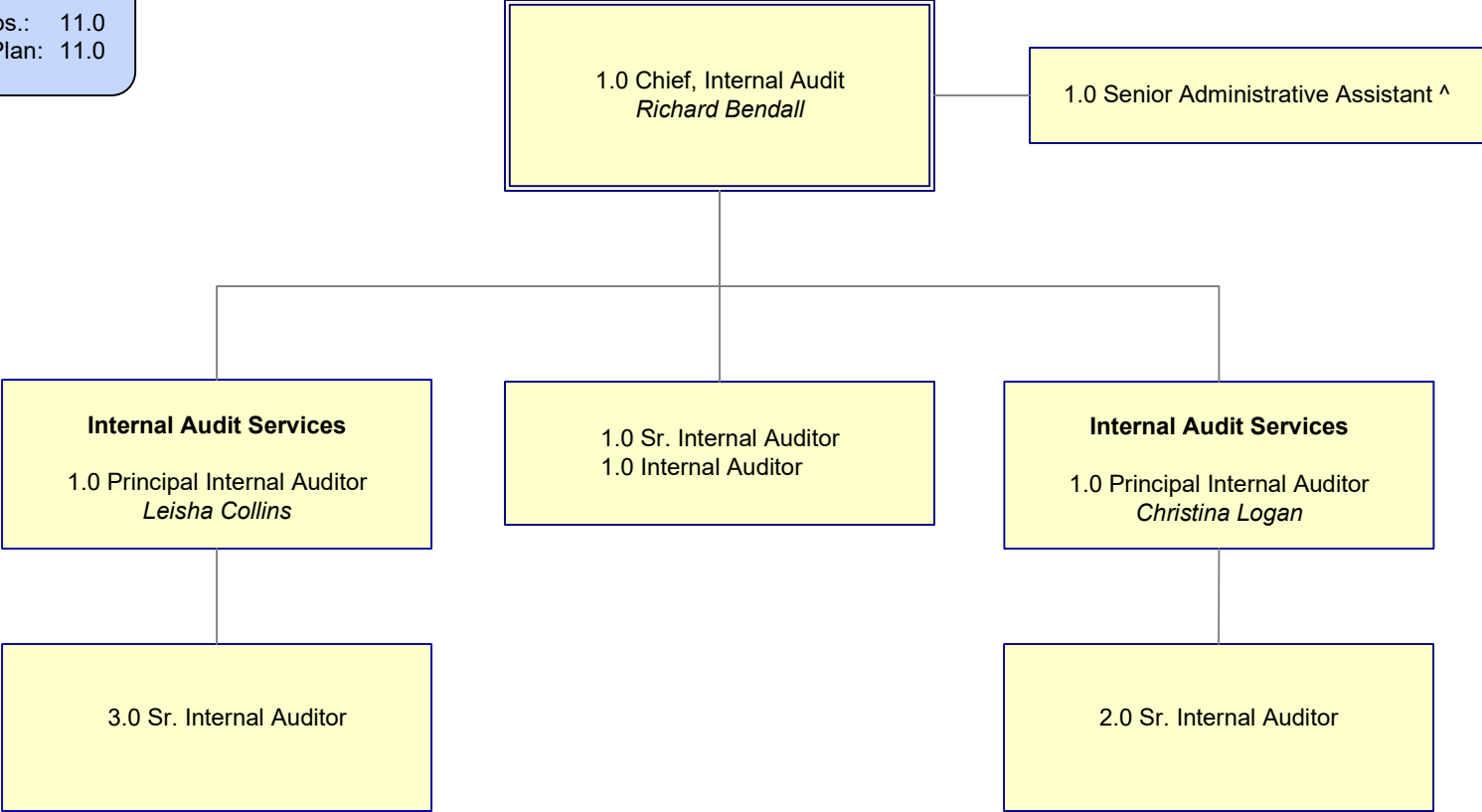
Our total S&S budget has remained relatively unchanged, decreasing by \$300, from \$724,500 for FY 2022-2023 to \$724,200 for FY 2023-2024.

INTERNAL AUDIT

FISCAL YEAR 2023-2024

2022-2023 Bud. Pos.: 11.0
2022-2023 Hiring Plan: 11.0

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



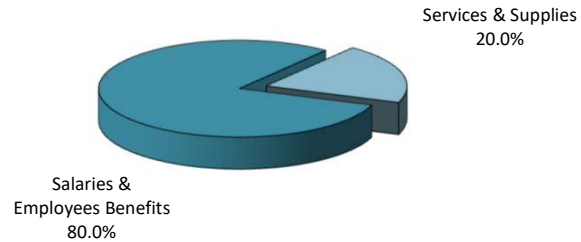
^ Position upgrade from Senior Secretary to Senior Administrative Assistant as a result of classification study (Board of Supervisors approved on October 18, 2022).

LACERA
FISCAL YEAR 2023-2024
BUDGET SUMMARY

INTERNAL AUDIT

	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET		
	PROPOSED BUDGET 2023-2024	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(01-31-23)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$2,888,948	\$2,743,995	\$1,322,916	\$2,686,700	(\$57,295)	-2.1%	\$144,953	5.3%
Services & Supplies	724,200	724,500	151,216	714,600	(\$9,900)	-1.4%	(300)	0.0%
OPERATING BUDGET	\$3,613,148	\$3,468,495	\$1,474,132	\$3,401,300	(\$67,195)	-1.9%	\$144,653	4.2%

2023 - 2024 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2023-2024
SALARIES AND EMPLOYEE BENEFITS SUMMARY

INTERNAL AUDIT

	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$1,652,147	\$1,590,417	\$797,659	\$1,590,000	(\$417)	0.0%	\$61,730	3.9%
Total Agency Temp Salaries	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	1,065,420	1,003,252	446,575	939,100	(64,152)	-6.4%	62,168	6.2%
Employee Benefits (Other)	105,895	93,962	43,235	92,100	(1,862)	-2.0%	11,933	12.7%
OPEB Contribution	58,686	49,864	34,818	64,300	14,436	29.0%	8,822	17.7%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	5,300	5,000	629	1,200	(3,800)	-76.0%	300	6.0%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	0	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	1,500	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	\$2,888,948	\$2,743,995	\$1,322,916	\$2,686,700	(\$57,295)	-2.1%	\$144,953	5.3%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$2,888,948	\$2,743,995	\$1,322,916	\$2,686,700	(\$57,295)	-2.1%	\$144,953	5.3%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/23, with the exception of Agency Temp Salaries, which are as of 01/31/23.

LACERA
FISCAL YEAR 2023-2024
SALARIES

INTERNAL AUDIT

2023-2024 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
00774A	CHIEF, INTERNAL AUDIT	1	LS12	17,116	205,394			
00762A	PRINCIPAL INTERNAL AUDITOR	2	117H	25,982	311,788			
00763A	SENIOR INTERNAL AUDITOR	6	111E	66,944	803,326			
00764A	INTERNAL AUDITOR	1	105B	11,256	135,075			
00439A	SENIOR ADMINISTRATIVE ASSISTANT	1	093A	6,657	79,884			
POSITIONS		11			1,535,467			
VACANT POSITIONS		# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
POSITIONS		0			0			
TOTAL POSITIONS		11						
GROSS SALARIES					1,535,467			
ANTICIPATED MOU SALARY INCREASE**					23,032			
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE					6,162			
BONUS					87,486			
120-DAY RETIREE(S)					0			
TOTAL SALARIES					1,652,147			

MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/23.
 Represented/Non-Represented positions are shown at actual salaries as of 01/01/23.
 Represented positions shown in blue.
 Vacancies are shown at the 1st Step.
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.5% to anticipate a 3% MOU increase as of 01/01/24.

LACERA
FISCAL YEAR 2023-2024
SERVICES & SUPPLIES ACCOUNT SUMMARY

INTERNAL AUDIT

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE		
TRANSPORTATION & TRAVEL	\$17,000	\$17,000	\$167	\$11,800	(\$5,200)	-30.6%	\$0	0.0%
OFFICE SUPPLIES & EQUIPMENT	1,200	1,500	315	800	(700)	-46.7%	(300)	-20.0%
PROFESSIONAL & SPEC. SRVCS.	675,000	675,000	144,416	672,000	(3,000)	-0.4%	0	0.0%
EDUCATIONAL EXPENSES	30,500	30,500	6,320	29,500	(1,000)	-3.3%	0	0.0%
MISCELLANEOUS	500	500	0	500	0	0.0%	0	0.0%
TOTAL	\$724,200	\$724,500	\$151,216	\$714,600	(\$9,900)	-1.4%	(\$300)	-0.04%

*All amounts rounded to the nearest dollar.

INTERNAL AUDIT

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2022		FYE 2023		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$1,454,721	\$1,360,723	\$1,590,417	\$1,590,000	\$1,652,147
Total Agency Temp Salaries	0	0	0	0	0
Employee Benefits (Variable)	843,072	729,950	1,003,252	939,100	1,065,420
Employee Benefits (Other)	86,941	87,461	93,962	92,100	105,895
OPEB Contribution	42,678	51,136	49,864	64,300	58,686
OPEB Contribution (Budget Surplus)	0	42,678	0	0	0
Stipends	0	0	0	0	0
Overtime	4,900	986	5,000	1,200	5,300
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	0	17,000	11,800	17,000
Office Supplies & Equipment	1,500	418	1,500	800	1,200
Professional & Spec. Svcs.	671,000	295,615	675,000	672,000	675,000
Educational Expenses	30,500	27,428	30,500	29,500	30,500
Miscellaneous	500	0	500	500	500
TOTAL OPERATING BUDGET	\$3,154,313	\$2,596,395	\$3,468,495	\$3,401,300	\$3,613,148

*All amounts rounded to the nearest dollar.

INVESTMENT OFFICE

BUDGET HIGHLIGHTS

FISCAL YEAR 2023-2024

Mission

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

INTRODUCTION

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

BACKGROUND

On an ongoing basis, the Investment Office implements LACERA's strategic asset allocation and the Investment Office's strategic initiatives identified in its annual work plan. As part of this effort, the Investment Office's staff works to optimize asset category returns through structure reviews, monitor existing investments, and perform diligence on prospective mandates. The team takes a total portfolio approach that incorporates environmental, social, and governance (ESG) considerations and diversity, equity, and inclusion (DEI) factors in its analysis. The Investment Office balances risks such as leverage and illiquidity with the goal of optimizing risk-adjusted returns.

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

In the recent period, the Investment Office continued to implement the strategic asset allocation approved in 2021, added emerging manager programs across various asset classes in the portfolio, enhanced risk and performance reporting, optimized the structure of the OPEB Master Trust, and improved due diligence and data gathered for our LACERA T.I.D.E. (Toward Inclusion, Diversity, and Equity) initiative.

LACERA's most important resource is its people. Toward this end, the Investment Office has continued to focus on cross-asset category collaboration to enhance the team's overall investment knowledge and perspectives. The greater depth of investment talent best positions the fund to meet its goals in a challenging macroeconomic environment.

Over the coming years, the Investment Office will continue to enhance its operational capabilities, optimize LACERA's investment model, strengthen its influence on fees, and improve outcomes for the LACERA portfolio through its ESG and DEI efforts. For additional information, please see the 2023 Investments Division Work Plan, which is located in the strategic plans. This work plan continues the strategic journey of morphing from an Allocator to Best-in-Class Investor.

STAFFING

For the Fiscal Year 2023-2024, the Investment Office will focus on filling 11 current vacancies. The Investment Office has 45 budgeted positions and is currently running at a 24.4 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.

Interns

A goal of LACERA T.I.D.E. is to grow the Investment Division's long-standing internship program to support diversity, equity, and inclusion and recruitment objectives. During the 2023-2024 fiscal year, the Investments Office will offer four internship opportunities, doubling the number of internships typically offered annually. Interns work on resume-enhancing and beneficial projects such as performance attribution, market research, and investment analysis. For the Fiscal Year 2023-2024 only two of the four intern slots will impact the LACERA budget, as two outside organizations that promote diversity and inclusion will be sponsoring two of the interns to work in the Investment Office.

SERVICES AND SUPPLIES

There is an 8 percent increase in the proposed FY 2023-2024 Supplies and Services budget compared to the approved FY 2022-2023 budget. The increase is attributed to travel for investment due diligence purposes as travel continues to normalize to pre-pandemic levels. The proposed travel increase is 25 percent higher compared to the FY 2022-2023 budget. Also, for the proposed FY 2023-2024 budget there are decreases in the auto expenses and membership categories. While these two items represent a decrease in the Investments Services and Supplies budget, they have been recategorized and are now reflected in the Boards of Investments budget and within the transportation allowance section in the Investment's Salaries budget. The travel increase and

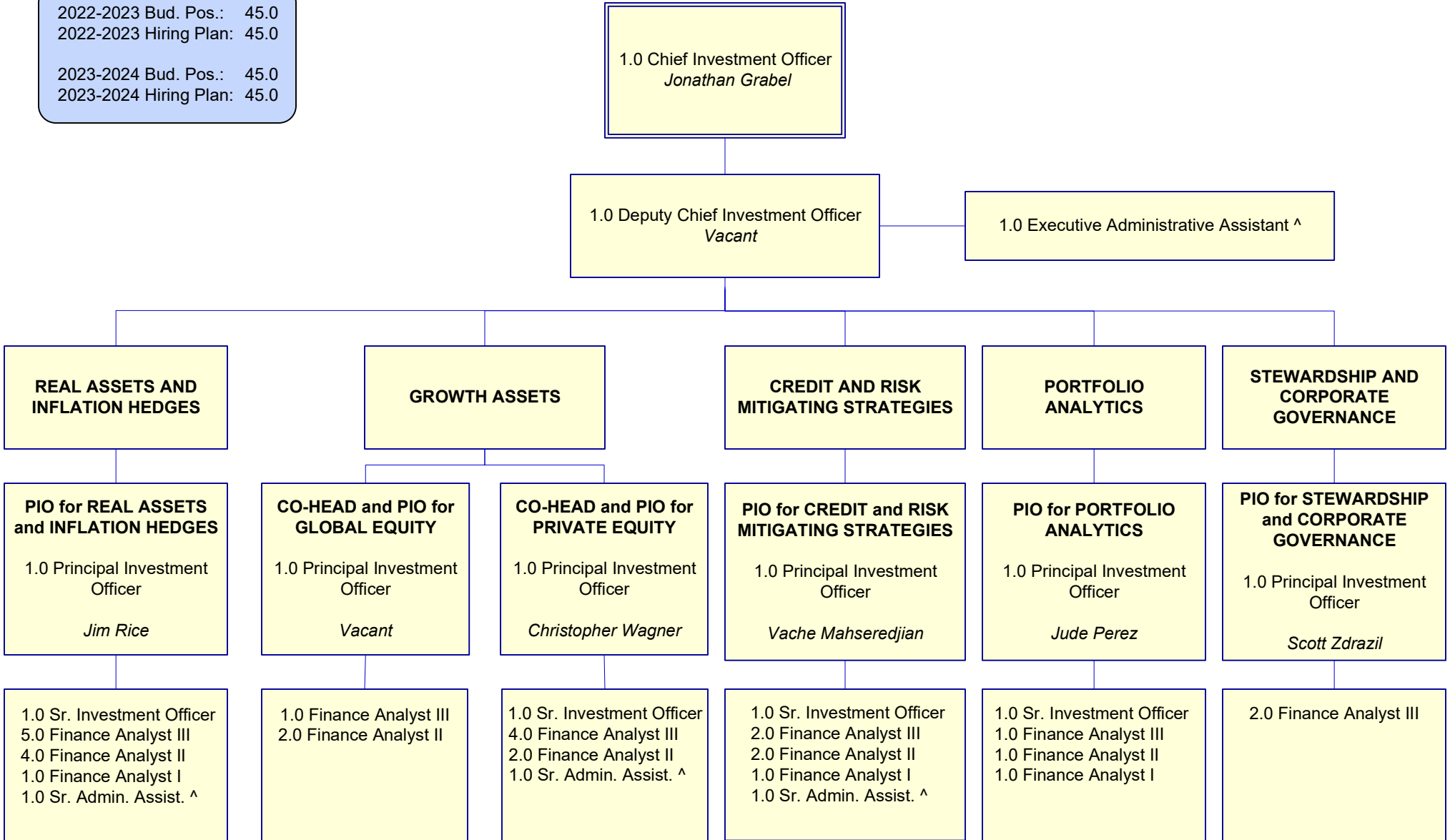
recategorization of the two items mentioned above represent the total change for the Services and Supplies category for FY 2023-2024.

INVESTMENT OFFICE

FISCAL YEAR 2023-2024

2022-2023 Bud. Pos.: 45.0
 2022-2023 Hiring Plan: 45.0

2023-2024 Bud. Pos.: 45.0
 2023-2024 Hiring Plan: 45.0



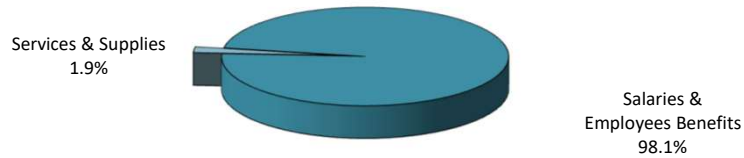
^ Position upgrade from Senior Management Secretary to Executive Administrative Assistant and Senior Secretary to Senior Administrative Assistant as a result of classification study (Board of Supervisors approved on October 18, 2022).

LACERA
FISCAL YEAR 2023-2024
BUDGET SUMMARY

INVESTMENT OFFICE

	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET		
	PROPOSED BUDGET 2023-2024	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(01-31-23)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$17,875,467	\$17,020,288	\$7,298,726	\$14,633,200	(\$2,387,088)	-14.02%	\$855,179	5.0%
Services & Supplies	348,500	321,900	118,501	302,200	(19,700)	-6.1%	26,600	8.3%
OPERATING BUDGET	\$18,223,967	\$17,342,188	\$7,417,227	\$14,935,400	(\$2,406,788)	-13.9%	\$881,779	5.1%

2023 - 2024 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2023-2024
SALARIES AND EMPLOYEE BENEFITS SUMMARY

INVESTMENT OFFICE

	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		BUDGET	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE
			(01-31-23)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$10,865,804	\$9,730,713	\$4,839,640	\$9,447,800	(\$282,913)	-2.9%	\$1,135,091	11.7%
Total Agency Temp Salaries	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	5,907,050	6,277,477	2,067,820	4,377,800	(1,899,677)	-30.3%	(370,427)	-5.9%
Employee Benefits (Other)	696,446	652,582	300,272	639,600	(12,982)	-2.0%	43,864	6.7%
OPEB Contribution	385,968	346,317	87,094	160,800	(185,517)	-53.6%	39,651	11.4%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	800	1,000	0	0	(1,000)	-100.0%	(200)	-20.0%
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	7,200	3,900	7,200	0	0.0%	7,200	100.0%
ADJUSTED GROSS S&EB	\$17,875,467	\$17,020,288	\$7,298,726	\$14,633,200	(\$2,387,088)	-14.0%	\$855,179	5.0%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$17,875,467	\$17,020,288	\$7,298,726	\$14,633,200	(\$2,387,088)	-14.02%	\$855,179	5.0%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/23, with the exception of Agency Temp Salaries, which are as of 01/31/23.

LACERA
FISCAL YEAR 2023-2024
SALARIES

INVESTMENT OFFICE

2023-2024 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT			
00493A	CHIEF INVESTMENT OFFICER (UC)	1	LR28	66,450	797,394			
00495A	PRINCIPAL INVESTMENT OFFICER	2	LR23	77,172	926,066			
00496A	PRINCIPAL INVESTMENT OFFICER (UC)	3	LR23	111,900	1,342,799			
00492A	SENIOR INVESTMENT OFFICER	2	LR20	55,435	665,219			
00769A	FINANCE ANALYST III	13	LR16	274,758	3,297,096			
00768A	FINANCE ANALYST II	8	LR12	114,585	1,375,018			
00767A	FINANCE ANALYST I	2	107L	20,498	245,976			
00439A	SENIOR ADMINISTRATIVE ASSISTANT	3	093A	20,520	246,240			
POSITIONS		34			8,895,808			
VACANT POSITIONS		# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
00494A	DEPUTY CHIEF INVESTMENT OFFICER (UC)	1	LR24	26,934	323,209	323,209		
00496A	PRINCIPAL INVESTMENT OFFICER (UC)	1	LR23	25,055	300,660			150,330
00492A	SENIOR INVESTMENT OFFICER	2	LR20	20,168	242,019			242,019
00769A	FINANCE ANALYST III	2	LR16	15,102	181,224			181,224
00768A	FINANCE ANALYST II	3	LR12	11,308	135,701	407,102		
00767A	FINANCE ANALYST I	1	107L	7,815	93,779			
00442A	EXECUTIVE ADMINISTRATIVE ASSISTANT	1	104B	7,046	84,547			42,273
POSITIONS		11			1,346,159	730,312	0	615,847
TOTAL POSITIONS		45						
GROSS SALARIES					10,241,967			
ANTICIPATED MOU SALARY INCREASE**					153,630			
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE					252,108			
BONUS					218,099			
120-DAY RETIREE(S)					0			
TOTAL SALARIES					10,865,804			

MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/23.
 Represented/Non-Represented positions are shown at actual salaries as of 01/01/23.
 Represented positions shown in blue.
 Vacancies are shown at the 1st Step.
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.5% to anticipate a 3% MOU increase as of 01/01/24.

LACERA
FISCAL YEAR 2023-2024
SERVICES & SUPPLIES ACCOUNT SUMMARY

INVESTMENT OFFICE

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE		
AUTO EXPENSE	\$0	\$2,400	\$0	\$0	\$0	-100.0%	(\$2,400)	-100.0%
TRANSPORTATION & TRAVEL	219,000	175,000	41,087	144,400	(30,600)	-17.5%	44,000	25.1%
OFFICE SUPPLIES & EQUIPMENT	3,500	3,500	159	3,000	(500)	-14.3%	0	0.0%
EDUCATIONAL EXPENSES	125,000	140,000	76,580	154,000	14,000	10.0%	(15,000)	-10.7%
MISCELLANEOUS	1,000	1,000	676	800	(200)	-20.0%	0	0.0%
TOTAL	\$348,500	\$321,900	\$118,501	\$302,200	(\$19,700)	-6.1%	\$26,600	8.3%

*All amounts rounded to the nearest dollar.

INVESTMENT OFFICE

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2022		FYE 2023		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$10,263,564	\$8,506,782	\$9,730,713	\$9,447,800	\$10,865,804
Total Agency Temp Salaries	0	0	0	0	0
Employee Benefits (Variable)	4,998,241	4,042,210	6,277,477	4,377,800	5,907,050
Employee Benefits (Other)	613,402	617,071	652,582	639,600	696,446
OPEB Contribution	301,112	222,087	346,317	160,800	385,968
OPEB Contribution (Budget Surplus)	0	301,112	0	0	0
Stipends	0	0	0	0	0
Overtime	1,000	0	1,000	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	7,200	7,200	14,400
SERVICES & SUPPLIES					
Auto Expense	0	0	2,400	0	0
Transportation & Travel	141,000	17,097	175,000	144,400	219,000
Office Supplies & Equipment	4,500	30	3,500	3,000	3,500
Educational Expenses	116,000	115,534	140,000	154,000	125,000
Miscellaneous	7,000	677	1,000	800	1,000
TOTAL OPERATING BUDGET	\$16,458,019	\$13,829,800	\$17,342,188	\$14,935,400	\$18,223,967

*All amounts rounded to the nearest dollar.



LEGAL SERVICES

BUDGET HIGHLIGHTS

FISCAL YEAR 2023-2024

Mission

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

INTRODUCTION

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

ACHIEVEMENTS

During the 2022-23 fiscal year, the Legal Office's achievements include the following:

Benefits: Handle a steadily increasing volume of benefits issues; advise staff and attorneys for members and former spouses regarding dissolution matters; develop benefits training for the Board of Retirement, and training module for staff regarding implementation of dissolution orders; make recommendations to the Board of Retirement and provide pensionable compensation analyses on many new and revised pay items for County and Superior Court employees; advise staff on benefits policy implementation and improvement; and advise Board of Retirement and staff regarding administrative appeals.

Disability: Prepare monthly Board of Retirement memos on disability applications and counsel the Board; successfully litigate writs of mandate in the Superior Court

and the *Marquez* case in the Court of Appeal; provide ongoing Board of Retirement education on disability law issues; assist in policy development, including collaboration with Disability Retirement Services on new DRS procedures for processing Class-4 arduous disability retirement applications to help alleviate backlog; and continue collaboration with DHR and County to help County facilitate new procedures for employer-filed disability retirement applications.

Litigation and Employment: Effectively conduct member and other litigation in the Superior Court and administrative appeals before the Board of Retirement; evaluate potential securities litigation matters and oversee outside counsel in pending actions and individual cases, including FirstEnergy, the Interest Rate Swaps Antitrust Litigation, Securities Lending Antitrust Litigation, the Milford Hotel foreclosure litigation, various title holding company matters, and other cases; assist in numerous HR and employment policies and issues; assist in development of operational diversity, equity, and inclusion proposals for strategic plan; revise Privacy Policy and training; develop e-filing solution for Form 700 Statements of Economic Interest and ongoing FPPC compliance; assist with retiree healthcare issues.

Investment and Commercial Transactions: Handle directly or oversee outside counsel on hundreds of new and existing investment transactions worth billions of dollars per year across all LACERA asset classes; provide monthly report to the Board of Investments on investment legal projects; provide annual report for Board of Investments on investment legal work; manage filings and other oversight for all real estate title holding entities; collaborate with Investments Division staff on investment transactions and issues; obtain education to stay current on legislative and regulatory developments regarding investments issues; assist in custody bank RFP and contract negotiations; handle all commercial contract drafting and/or review for LACERA's commercial contracts; and respond to all Public Records Act requests and provide monthly report to Operations Oversight Committee; conducted Diversity, Equity and Inclusion Survey of LACERA outside counsel.

Legislative Affairs: Prepare monthly legislative presentations for the Insurance, Benefits and Legislative Committee; represent LACERA at regular monthly meetings of SACRS Legislative Committee and collaborate with SACRS systems on legislative issues; monitor ongoing state and federal legislative matters; arranged for key state or federal legislative visits for Chief Executive Officer and Deputy Chief Executive Officer; met virtually with congressional staffers to discuss repeal of the direct payment requirement for the public safety officer healthcare tax benefit, which was ultimately enacted in the SECURE Act 2.0; supported passage of state bills AB 1824 and AB 1971, which included a key provision allowing members to change their settlement option upon approval of disability retirement; oversee Boards' state and federal legislative advocates, including current RFP process; and supported Beacon economic analysis of LACERA.

Governance: Assist with compliance and risk management components of proposed strategic plan; ensure ongoing Brown Act compliance, including compliance and updates on COVID teleconference and new AB 2449

teleconferencing rules; assist with implementation of Education and Travel Policies; development and revision of Felony Forfeiture Administrative Appeal Procedures, Post-Employment Retirement Policy, and other policies and procedures; participate as member on internal LACERA technology and policy development committees; address ongoing ethics and compliance questions; oversee fiduciary counsel; assist in negotiations regarding \$1 million lifetime maximum benefit for certain retiree health insurance; and collaborate with and support the Executive Office in the management of LACERA.

GOALS

In addition to continuation of our work across all sections of the Legal Office, specific goals for FY 2023-24 focused on improving our services to the organization into the future include:

Benefits: To recruit adequate expert legal resources into the future.

Status: Recruitment (open and public) is underway for one existing Benefits Staff Counsel position utilizing an outside legal recruiter. Recruitment (promotional) has recently been completed for one existing Benefits Legal Analyst position.

Investments: To recruit additional lawyers and maintain the expertise of existing staff to ensure that we keep up with the sophistication of investment operations and build our in-house personnel.

Status: Recruitments (open and public) are underway to fill existing positions for one new Senior Investment Staff Counsel and three Investment Staff Counsel, utilizing an outside legal recruiter to identify quality candidates. In addition, the office is seeking one to two investment lawyers on a secondment basis from outside legal law firms to provide support, pending completion of the recruitments. The Investments Section of the Legal Office will also continue to work on development of a transaction management tool to provide increased technology to support the large volume of investment, commercial contracts, and Public Records Act matters.

Ordinance Positions: To support the growth of the office, development of legal staff, and improved service, the Legal Office seeks an increase in the number of ordinance positions for Senior Staff Counsel from 10 to 14.

Compliance and Governance: To bolster the operational lines of compliance within the organization by refining our monitoring and development of policy development, training, and enforcement and by providing a compliance team to work with subject matter experts in LACERA's other divisions.

Status: The Legal Office will support development and achievement of LACERA's compliance and risk management goal through approval and hiring of a Compliance Manager within the office. The request position has

changed for FY 2023-24 from Director of Compliance to Compliance and Ethics Officer to provide mid-level support for development of the compliance program, with the addition of the Director position in the future as the program becomes more sophisticated.

Classification Study for New Senior Legal Analyst Position: Increased professionalism, expertise, and supervisory capability within LACERA's paralegal staff will be achieved through consideration of a new Senior Legal Analyst classification. The Legal Office requests a classification study for this position.

Status: Requested for FY 2023-24.

Succession Planning: To ensure leadership and continuity of support in key legal areas.

Status: The office provided opportunities to lawyers to lead projects with other LACERA staff, make presentations to the Boards, participate in the growth of the office and obtain education and training. Approval of the Principal Staff Counsel position, which remains subject to approval by the Board of Supervisors, will assist greatly in management of the office, service to our internal clients, and succession planning.

STAFFING ISSUES FOR FY 2023-24

A. Positions

The office's FY 2023-24 budget addresses four categories of positions that are needed to ensure that the office continues to provide excellent legal services to the Boards, staff in all divisions, and members, and to meet organizational changes in other parts of LACERA, such as the Executive Office, Benefits and Member Services, Investments, and the new organizational chart proposed by the Chief Executive Office. The current structure is over 15 years old. LACERA has greatly evolved during that time, as has the legal landscape and the sophistication of the services that the office's clients in the organization require. The requested positions will help establish the foundation on which the office can build to meet the challenges of the future.

1. **Principal Counsel:** Two positions were approved by the Boards in 2017. They have not yet been approved by the Board of Supervisors. With the increase in the amount and complexity of legal issues in the organization since 2017, the need for these positions is greater now than it was then. Although no funding can yet be requested for the positions, they remain a part of the Legal Office organizational chart and future plans as a placeholder.
2. **Senior Staff Counsel:** As a result of the growth in the Legal Office's work as described above, it is necessary to increase number of ordinance positions for this classification. The current number of authorized positions is 10, which will be exhausted by the new position. To accommodate future needs, the number should be increased to 14. The hiring of new lawyers is important not just to perform necessary legal work for the present, but to build the foundation for future

leadership and succession planning in the Legal Division for senior positions, including Chief Counsel, Principal Staff Counsel, and Senior Staff Counsel. We have also learned that excellent lawyers hired by the Legal Division sometimes transfer to other LACERA divisions, where they pursue their ambitions and become part of the future in other areas of the fund.

- 3. Compliance and Ethics Officer:** The Director of Compliance position has been previously discussed with the Boards. This year, we propose changing the requested position to Compliance and Ethics Officer to provide staff to begin development and implementation of the compliance program, with the expectation that the Director position may be added in the future. The Compliance and Ethics Officer will further the organization's operational compliance by providing dedicated expertise and full-time commitment to the compliance function, which is currently spread throughout the Legal Office and even other parts of the organization. Adding a dedicated position will also strengthen LACERA's management and Internal Audit compliance efforts. A Compliance and Ethics Officer will enable LACERA to implement a compliance structure in line with the Institute of Internal Auditors' "three lines" model of compliance, with the first line being the delivery of services and support for services, the second line being management of risk, and the third line being the independent role of Internal Audit. A Compliance and Ethics Officer provides needed leadership and expertise to provide a strong second line, which currently does not have dedicated staff at LACERA, although a variety of staff give some attention to the issue. The job description for the Compliance and Ethics Officer is currently in development and will be presented to the Boards for approval, along with the recommended salary, during FY 2023-24.

B. Classification Study for Senior Legal Analyst

The Legal Division requests a new classification for Senior Legal Analyst, in addition to the existing Legal Analyst classification, to recognize the Legal Division's increasing reliance on experienced legal analysts to perform high-level legal work that is extremely important and sophisticated but does not require the services of an attorney. The division currently relies upon Legal Analysts for work in the Benefits, Disability, and Investment sections of the office. Senior Legal Analysts will perform advanced work in areas of benefit and legal order analysis, investment contract and investment regulatory requirements, and Form 700 and other ethics compliance functions. Senior Legal Analysts will free attorneys from performing these functions and leverage the legal staff of the office in an efficient and economical way.

C. Temporary Services and Overtime

The agency-temporary budget for FY 2023-24 will provide for temporary staff to cover Legal Office needs, such as potential attorney and clerical assistance for special projects and coverage for administrative staff absences or medical leave. The office also needs occasional overtime throughout the year to support secretarial and Legal Analyst staff in the Investment Section of the Legal Office in keeping up with the very high volume and time-sensitive demands of the organization's investment work; in the

Benefits Section of the Office to cover March Madness and other member service needs; and to complete compliance projects and other special assignments. However, the office will continue to be efficient in the use of temporary staff and overtime and authorizes requests in these areas only when there is demonstrated need to complete work necessary to fulfill LACERA's mission.

D. Intern

The Legal Division intends to hire two interns in FY 2023-24 to help recruit talent for the future and to provide opportunity to a law school student who may be interested in a career in government and public pension law. One intern will be a law student, and the other will be for legal analyst work. The division intends to expose the interns to the work of all sections of the office in order to provide broad experience of LACERA's legal needs and promote understanding of all major dimensions of LACERA's business. The division will also support additional work in specialized areas if the intern expresses a focused interest. The Legal Division focuses on diversity as an important factor in all our recruiting, which will be a consideration, as well in selecting an excellent intern. The planning for recruitment of the interns is underway.

E. Training

Attorneys are required by California law to obtain 25 hours of mandatory continuing legal education every three years. The Legal Office's attorneys are diligent in obtaining this training and seeking additional training as needed. Training is provided through SACRS, the National Association of Public Pension Attorneys, and other sources.

Other LACERA staff obtain training on important processes and skills through the Human Resources Office.

SERVICES AND SUPPLIES

Even as the office's staffing grows in capability and the demand for legal services within the organization continues to expand, we will strive in FY 2023-24 to be more efficient. Therefore, we have increased the Services and Supplies budget associated with staff to reflect the proposed greater headcount. Overall, the Services and Supplies budget has been reduced based on a projected reduction in Outside Legal Counsel fees.

The budget for Services and Supplies is primarily based on historical expenditures, adjusted for experience, and increased headcount. LACERA will continue to be efficient across the board in FY 2023-24, primarily through a focus on efficiency; continued reduction in the physical, hard copy library in favor of electronic resources; allocation of education opportunities and organizational memberships to minimize—if not eliminate—travel, avoid duplication, and increase the sharing of knowledge and information; and better management of outside legal resources.

Outside Legal Resources is a difficult category to budget and control, because it is dependent on unpredictable contingencies and claims as well as Board issues that may arise. The office proposes an amount for FY 2023-24 to recognize recent trends in outside counsel usage, including projections based on the status of major pending matters, while

at the same time committing to manage outside counsel assignments to control cost.

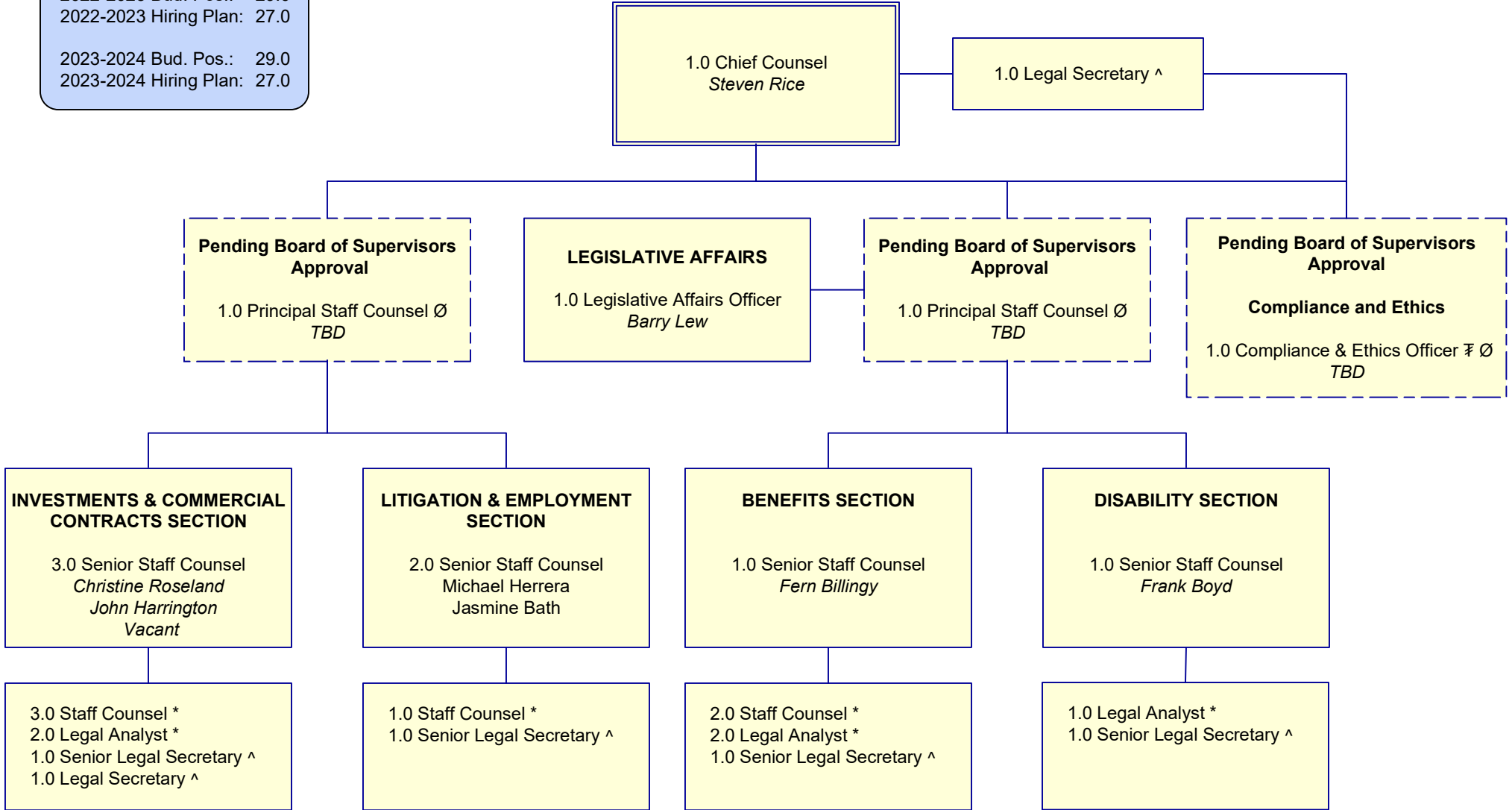
In order to supplement the division's recruitment efforts for full-time investment attorneys, the division is currently exploring secondments with some of our major outside investment law firms to be used in support of the division's work for the Investments Division. Under this arrangement, one or more firms will place an attorney with LACERA on a full- or part-time basis. A secondment relationship will provide LACERA with high-quality investment attorneys devoted to our work, whom we may be able to recruit for a full-time position. Such a relationship will also deepen the selected law firms' understanding of LACERA and enable them to provide better service to the fund even after the secondment has ended. The secondment will be used if the division is not able to recruit permanent investment Senior Staff Counsel and Staff Counsel through the civil service exam process and will be used on a temporary basis until permanent staff can be hired. This is a creative way of addressing staffing shortages and recruiting challenges for sophisticated permanent investment attorneys, while supporting LACERA's investment transactional work at the needed level of expertise. Because this expense is in support of investment work, it is not an administrative expense and therefore is not included in the administrative budget. Outside counsel hired on a secondment basis, like other outside investment counsel, is a non-administrative expense not included in the Administrative Budget.

LEGAL SERVICES

FISCAL YEAR 2023-2024

2022-2023 Bud. Pos.: 29.0
 2022-2023 Hiring Plan: 27.0

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



* Classification study for the position requested

^ Position upgrade from Senior Management Secretary to Senior Legal Secretary and Management Secretary to Legal Secretary as a result of classification study (Board of Supervisors approved on October 18, 2022).

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 Compliance and Ethics Officer in Legal Services)

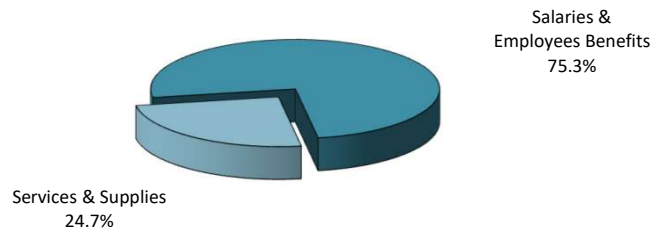
₣ Title change from Director of Compliance to Compliance and Ethics Officer

LACERA
FISCAL YEAR 2023-2024
BUDGET SUMMARY

LEGAL SERVICES

	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET		
	PROPOSED BUDGET 2023-2024	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(01-31-23)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$7,524,432	\$7,029,695	\$2,867,503	\$5,771,400	(\$1,258,295)	-17.9%	\$494,737	7.0%
Services & Supplies	2,473,300	3,427,500	3,330,007	4,369,800	942,300	27.5%	(954,200)	-27.8%
OPERATING BUDGET	\$9,997,732	\$10,457,195	\$6,197,510	\$10,141,200	(\$315,995)	-3.0%	(\$459,463)	-4.4%

2023 - 2024 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2023-2024
SALARIES AND EMPLOYEE BENEFITS SUMMARY

LEGAL SERVICES

	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$4,320,931	\$3,853,589	\$1,742,020	\$3,375,300	(478,289)	-12.4%	\$467,342	12.1%
Total Agency Temp Salaries	179,400	196,600	43,577	147,500	(49,100)	-25.0%	(17,200)	-8.7%
Employee Benefits (Variable)	2,568,864	2,555,301	892,326	1,864,300	(691,001)	-27.0%	13,563	0.5%
Employee Benefits (Other)	276,951	261,912	120,513	256,700	(5,212)	-2.0%	15,039	5.7%
OPEB Contribution	153,485	138,993	59,683	110,200	(28,793)	-20.7%	14,492	10.4%
Stipends	0	0		0	0	0.0%	0	0.0%
Overtime	19,900	18,400	9,384	17,400	(1,000)	-5.4%	1,500	8.2%
Bilingual Bonus	2,400	2,400	0	0	(2,400)	-100.0%	0	0.0%
Sick Leave Buyback	0	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	2,500	2,500	0	0	(2,500)	-100.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$7,524,432	\$7,029,695	\$2,867,503	\$5,771,400	(\$1,258,295)	-17.9%	\$494,737	7.0%
Salary Differential	-	-	-	-			-	
TOTAL S&EB	\$7,524,432	\$7,029,695	\$2,867,503	\$5,771,400	(\$1,258,295)	-17.9%	\$494,737	7.0%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/23, with the exception of Agency Temp Salaries, which are as of 01/31/23.

LACERA
FISCAL YEAR 2023-2024
SALARIES

LEGAL SERVICES

2023-2024 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT			
09216A	CHIEF COUNSEL	1	LS19	28,397	340,758			
09213A	SENIOR STAFF COUNSEL	6	LS16	121,389	1,456,662			
09212A	STAFF COUNSEL	3	LS12	51,452	617,429			
00795A	LEGISLATIVE AFFAIRS OFFICERS	1	115H	12,639	151,664			
09235A	LEGAL ANALYST	4	102F	34,452	413,424			
00441A	SENIOR LEGAL SECRETARY	2	101H	15,903	190,837			
00440A	LEGAL SECRETARY	2	97C	13,830	165,959			
POSITIONS		19			3,336,733			
VACANT POSITIONS		# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
99999A	PRINCIPAL STAFF COUNSEL Ø	2	LS17	16,235	194,816			
99999A	COMPLIANCE & ETHICS OFFICER Ø	1	LS16	15,102	181,224			90,612
09213A	SENIOR STAFF COUNSEL	1	LS16	15,102	181,224	181,224		
09212A	STAFF COUNSEL	3	LS12	11,308	135,701	407,102		
09235A	LEGAL ANALYST	1	102F	6,740	80,882	80,882		
00441A	SENIOR LEGAL SECRETARY	2	101H	6,592	79,107			79,107
						669,208	0	169,719
POSITIONS		10			838,927			
TOTAL POSITIONS		29						
GROSS SALARIES					4,175,661			
ANTICIPATED MOU SALARY INCREASE**					62,635			
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE					74,295			
BONUS					8,342			
120-DAY RETIREE(S)					0			
TOTAL SALARIES					4,320,931			

MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/23.
 Represented/Non-Represented positions are shown at actual salaries as of 01/01/23.
 Represented positions shown in blue.
 Vacancies are shown at the 1st Step.
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.5% to anticipate a 3% MOU increase as of 01/01/24.

LACERA
FISCAL YEAR 2023-2024
SERVICES & SUPPLIES ACCOUNT SUMMARY

LEGAL SERVICES

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE		
AUTO EXPENSE	\$3,900	\$4,400	\$633	\$2,900	(\$1,500)	-34.1%	(\$500)	-11.4%
TRANSPORTATION & TRAVEL	21,800	17,800	3,263	12,300	(5,500)	-30.9%	4,000	22.5%
OFFICE SUPPLIES & EQUIPMENT	5,000	6,000	1,045	3,000	(3,000)	-50.0%	(1,000)	-16.7%
PROFESSIONAL & SPEC. SRVCS.	280,300	252,300	127,569	252,300	0	0.0%	28,000	11.1%
LEGAL FEES & SERVICES	2,050,000	3,040,500	3,140,010	4,001,800	961,300	31.6%	(990,500)	-32.6%
EDUCATIONAL EXPENSES	110,000	104,500	57,130	95,500	(9,000)	-8.6%	5,500	5.3%
MISCELLANEOUS	2,300	2,000	359	2,000	0	0.0%	300	15.0%
TOTAL	\$2,473,300	\$3,427,500	\$3,330,007	\$4,369,800	\$942,300	27.5%	(\$954,200)	-27.8%

*All amounts rounded to the nearest dollar.

** The projection for Legal Fees & Services will be offset by \$1M credit.

LEGAL SERVICES

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2022		FYE 2023		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$3,630,372	\$2,598,365	\$3,853,589	\$3,375,300	\$4,320,931
Total Agency Temp Salaries	150,000	103,549	196,600	147,500	179,400
Employee Benefits (Variable)	2,117,944	1,484,491	2,555,301	1,864,300	2,568,864
Employee Benefits (Other)	214,441	215,724	261,912	256,700	276,951
OPEB Contribution	105,267	95,913	138,993	110,200	153,485
OPEB Contribution (Budget Surplus)	0	105,267	0	0	0
Stipends	0	0	0	0	0
Overtime	30,000	20,897	18,400	17,400	19,900
Bilingual Bonus	2,400	1,000	2,400	0	2,400
Sick Leave Buyback	0	0	0	0	0
Rideshare Allowance	2,500	0	0	0	0
Transportation Allowance	0	0	2,500	0	2,500
SERVICES & SUPPLIES					
Auto Expenses	4,400	1,726	4,400	2,900	3,900
Transportation & Travel	26,400	8,221	17,800	12,300	21,800
Office Supplies & Equipment	6,000	1,616	6,000	3,000	5,000
Professional & Specialized Services	252,300	255,691	252,300	252,300	280,300
Legal Fees & Services	1,100,000	2,888,853	3,040,500	4,001,800	2,050,000
Educational Expenses	103,000	79,821	104,500	95,500	110,000
Miscellaneous	3,000	622	2,000	2,000	2,300
TOTAL OPERATING BUDGET	\$7,748,024	\$7,861,756	\$10,457,195	\$10,141,200	\$9,997,732

*All amounts rounded to the nearest dollar.

MEMBER SERVICES

BUDGET HIGHLIGHTS

FISCAL YEAR 2023-2024

Mission

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

INTRODUCTION

Member Services is dedicated to continually improving the member experience across all channels. We provide full-service support—from assisting members with technical support for My LACERA and general account maintenance to providing in-depth retirement counseling and assisting survivors when a member passes away. Our focus is on member education and support.

Member Services is composed of three operational sections:

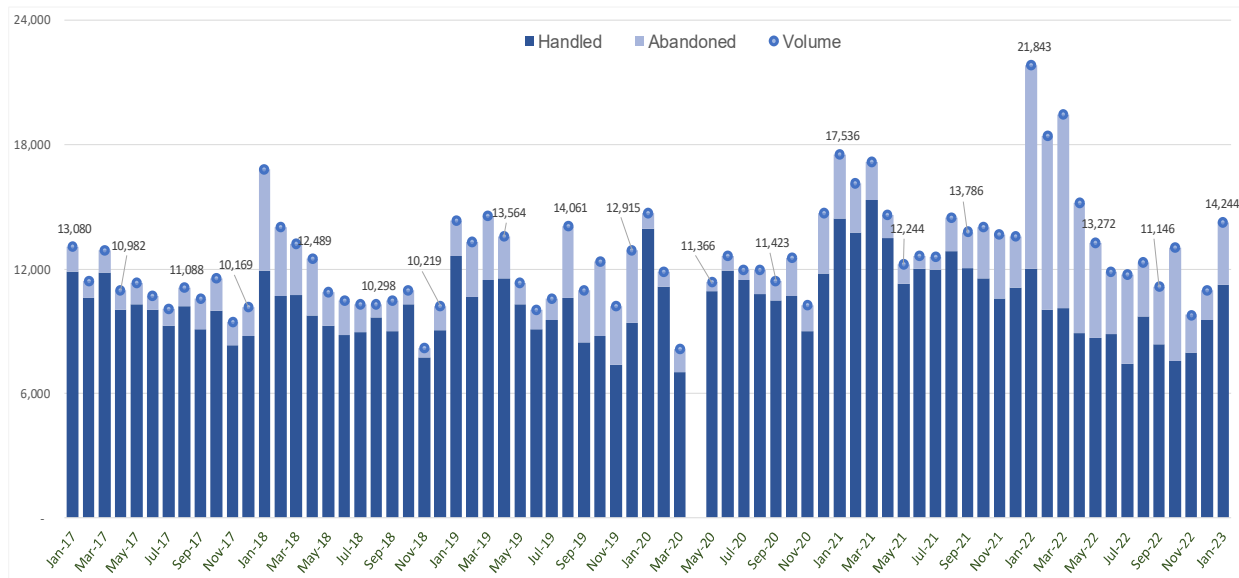
- **The Contact Center:** This section is composed of our Call Center, which provides full-service support for members and survivors; HR Pros from the County and outside districts; My LACERA technical support; and the Correspondence Unit.
- **Outreach:** The Outreach section consists of the Member Services Center (MSC), which provides in-person and virtual one-on-one counseling sessions for members. The Outreach section also provides webinars to educate members on a wide variety of topics and conducts in-person workshops and benefit tables at various County and union events.

- Member Quality Control Group (MSQC):** The MSQC section maintains the Member Services knowledge base referred to as the MS Operating Instructions, monitors phone calls to confirm exacting performance expectations are maintained, and oversees the collection and analysis of member feedback for Member Services interactions. The MSQC also oversees the escalation process and includes a Member Care Unit, which addresses more complex member concerns.

ACCOMPLISHMENTS

FY 2022-23 was a year of innovation and rapid change as we worked to address historic call volumes, recover from the high vacancy rate resulting from the COVID-19 pandemic, expand our appointment availability in the Member Service Center during a reduced staffing environment, and begin the planning and development of our Member Experience program focus.

The last two years have seen the highest call volumes since we started tracking them in 2006. These call volumes were driven by a high interest in retirement planning, delays in processing death benefits, and delays in processing Part B reimbursements and were compounded by high vacancies in our Call Center.



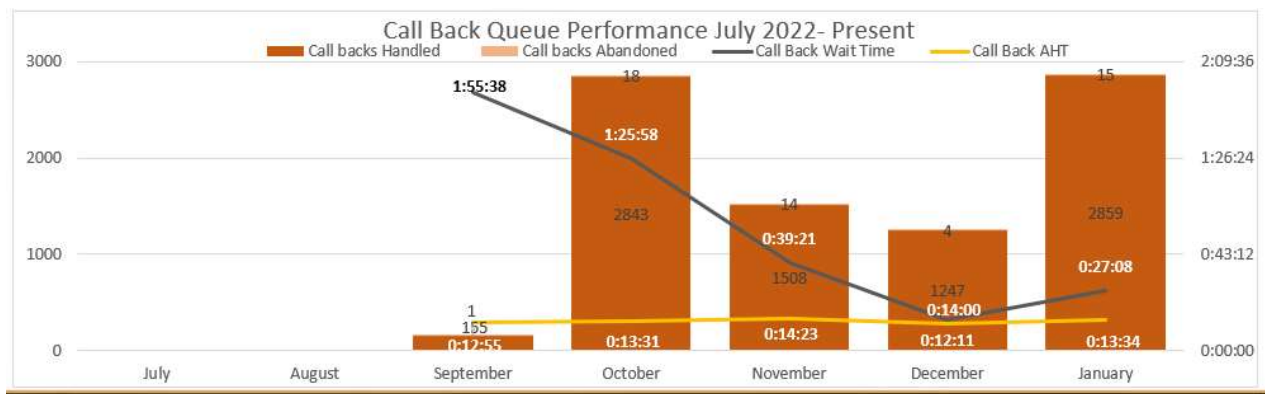
Facing increases of this nature with the challenges of a high vacancy rate required the division to take multiple innovative steps to improve the member experience.

The division worked alongside our Benefits Division to support the Quality Assurance Division as they trained two large CORE Benefit Training (CBT) program classes of Retirement Benefit Specialist Is to fill Call Center vacancies. This effort was a first for

LACERA as we conducted two classes nearly simultaneously. The three divisions worked together closely to coordinate the training, including pausing training to help Member Services launch a new service channel to support My LACERA.

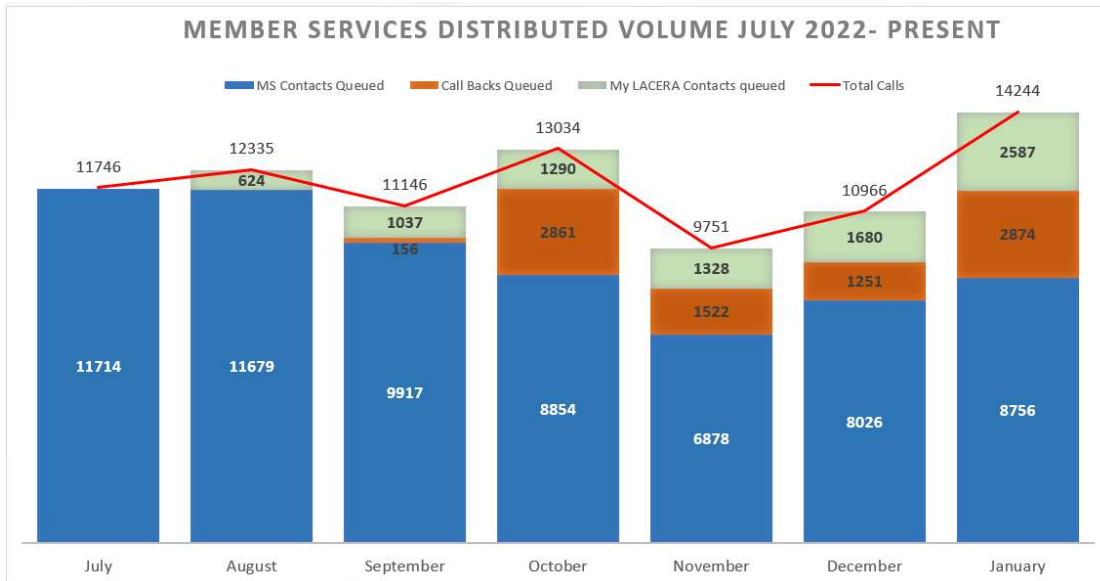
Member Services turned to innovative technical solutions to address continued high call volumes while we waited for the new trainees to graduate. During the first half of FY 2022-23, the division launched two new services: the callback feature and the new My LACERA support queue.

Member Services team members partnered with Systems and our Call Center SaaS provider, Amazon Web Services (AWS), to develop and roll out the new callback feature, which allows members to opt for a same day callback instead of waiting on hold. On average, about 117 members a day opt to take advantage of the callback feature, with an average wait time of 1 hour, 9 minutes. The team is working to define a Grade of Service (GOS) to include in the KPI for this queue.



In the fall of 2022, Member Services launched the new My LACERA Support queue in our Call Center, allowing members to bypass the main queue to get direct assistance with accessing and using My LACERA. The support queue averages about 90 calls per day, with an average wait time of 1 minute, 20 seconds. The GOS KPI for this queue is 89.94 percent of all calls answered in 60 seconds or less.

Together, these innovative technologies—along with a slightly lower call volume and careful workforce management during the first half of the fiscal year—helped reduce our average call wait time by 15 percent from 21 minutes, 37 seconds to 18 minutes, 23 seconds.



Member Services also rolled out a new appointment and queue management system for our Member Service Center in the second quarter of FY 2022-23. The new system provides improved performance for members scheduling in-person or virtual appointments. The new system replaced a slow and unresponsive appointment system, vastly improving the member experience. The new technology includes automatic email notifications for members as a reminder of their upcoming appointment.

Behind the scenes, the new queue management technology will allow us to begin collecting improved metrics for the Member Service Center operations, so we can better track how we provide service, forecast future staffing needs, and identify areas for improvement in our processes.

With better insight and careful workforce management and planning, Member Services also prepared for and increased the availability of appointments in the Member Service Center for the 2023 March Madness season. The team increased available appointments from 12 to 25–30 per day for in-person and 17 to 19 for virtual appointments. The team also worked to once again provide Saturday virtual counseling sessions to meet member demand. These efforts were carried out despite our staffing challenges. .

Focusing on developing our Member Experience program, Member Services introduced new surveys for members to provide feedback about their Call Center and Member Service Center interactions. Members can now opt to answer a post-call survey before speaking to a specialist. The short, five-question survey collects member feedback on their interaction during that call. (Members completing a one-on-one counseling session in the Member Service Center receive a text message satisfaction survey.) This is the beginning of our member experience feedback loop.

Additional advances include the launch and support of multi-factor authentication for My LACERA and new procedures supporting our death benefit claim form automation process.

The Member Operations Group (MOG) is always looking for ways to develop staff and improve the level of service we provide to members. The Member Services and Benefits divisions work together closely to coordinate activities on a number of levels. This year the two divisions joined forces to create a new and innovative way of sharing resources to further the development of staff and keep all staff connected to the members. The new classes that graduated in late 2022 were moved forward as hybrid Retirement Benefit Specialists. The two divisions will be developing a rotation schedule that will see these specialists working in both the Call Center and processing member requests in the Core Benefits Unit. The rotation keeps staff training current, fosters a greater understanding of the member request lifecycle, and keeps all staff focused on improving the member experience, all without degrading the service that either division offers.

Looking Forward to FY 2023-24

Our focus in 2023-2024 is to continue to innovate and improve our ability to deliver service to members when and how they want it. Superior Member Experience is Priority No. 1 in the proposed strategic plan— this priority and the associated objectives will help guide us as we work to improve the efficiency of our highly personalized service while expanding self-service options. As Member Services focuses on planning and delivering on the objectives outlined in strategic Priority No. 1, we look forward to working with the Member Experience Council to focus and prioritize efforts to improve specific member journeys.

Our initial focus will be reimagining the retirement planning journey. A multidivisional effort is underway to standardize the Member Services retirement counseling procedures to ensure members receive the same information and level of support regardless of their channel of choice, as well as ensuring that we have an integrated approach to helping members with their retirement plans. This new approach will also incorporate the lacera.com Retirement Planning section as an ongoing resource hub as they move through the retirement process. By developing a reference hub that matches the information shared during their personalized counseling sessions, members will have an online resource that will help answer their questions and increase their knowledge and understanding of the retirement planning process and benefits. We expect this resource will improve their experience and may even reduce call volumes from follow-up questions. We expect this new standardized process to be in place during the first quarter of FY 2023-24.

Future phases expected to kick in toward the end of FY 2023-24 will include integrating Retiree Healthcare in the standardized retirement planning counseling session. By cross-training Member Services staff, we can ensure that every retirement counseling interaction will include explanations of the basics of the healthcare plans. Staff will be

trained to identify trigger points to connect members with the RHC Member Care Unit for more advanced discussions regarding plan selection and Medicare questions.

All of these efforts will serve as a springboard for future plans to develop a self-service or guided online retirement process similar to what you may experience in popular tax preparation programs.

Additional focus is expected on the new member journey as we partner with Benefits and Systems to change the New Member Sworn Statement process. The current process requires new members to complete a paper form provided by our HR Pro partners throughout the County. Our goal is to modernize this process and combine it with My LACERA registration. This will allow us to begin forming a stronger digital relationship with our members at the start of their careers, which serves as the gateway for proactive communications during other member journeys and additional self-service offerings.

Member Services is partnering with our Call Center SaaS provider, AWS, to implement an innovative AI-assisted Secure Validation and Voice Authorization process for our Call Centers. Currently members must be validated by a specialist before we can begin discussing private retirement-related topics or process member requests. This process can range from one to three minutes or more. The new process will securely validate the member prior to reaching a specialist and deliver the member's account to the specialist so we can begin assisting the member right away. Not only will this personalize the interaction and improve the one-on-one member experience, it will also reduce average handling time for specialists, allowing us to handle more calls in a standard day. Of course, in keeping with our focus on the member experience, those who do not wish to go through this process can opt out and be validated by a specialist in person. If a member opts into voice authentication, their voice alone will serve as the verification method—again, making their overall experience smoother and faster.

Member Services will also continue working with other MOG divisions as we implement the case management system (CMS). We will be evaluating the potential for the CMS to be used to manage our escalation and hardship process and help us increase our ability to communicate status with members. Our expectation for the CMS is a new transparency that will allow early intervention to resolve challenges and pivot us away from a task-process method, which isolates processes, to a more complete view of the member. Greater visibility will allow us to see and eliminate errors, which will increase member satisfaction.

Member Services will also be partnering with Systems to issue an RFP for an Enterprise Communication System that will provide enhanced member interaction capabilities in our Call Center and also allow us to evaluate potential AI-assisted chat support on our website. More details will be released as we refine the RFP.

Ensuring a consistent level of service and a positive member experience requires stable staffing in our member-facing divisions. Member Services and MOG are working with

Human Resources and the Executive Office to create a pipeline of trained staff to continually fill vacancies that occur. Member Services is a gateway division that serves as a launching platform for staff to grow with LACERA over time. New staff are trained by Quality Assurance in our Core Benefits Training program and then work in the Member Services Call Center and often promote from the Call Center to other parts of the organization. This constant (but positive) staff movement leaves a perpetual, cyclical high vacancy rate in the Call Center. High vacancy rates degrade our ability to provide service not only in the Call Center, but also in the Member Service Center, which often relies on specialists moving from the Call Center to fill their vacancies. By approaching the Board of Retirement with a request to over-hire, we can ensure that we have a steady pipeline of trained staff to vacancies quickly.

We are looking forward to a new cadre of trainees beginning in April of 2023, who will graduate near the end of the year. Member Services has been working with the other MOG divisions to develop a revamped Core Benefits Training program that incorporates both technical knowledge and the soft skills required to provide members complex benefit and retirement counseling. The new program will focus on developing a well-rounded and trained staff that can fulfill our vision of hybrid Retirement Benefit Specialists who can work in both a Member Services member interaction role as well as a Benefits processing role. The new program has added customer service training, including mock call practices as well as the historical production level practice for Benefits processing.

We expect the new class to provide us with a sufficient pipeline of trained staff that will also allow us to fill vacancies in our Member Service Center. Member Services is focused and determined to increase the availability of in-person and virtual appointments. This is a critical goal that we hope to meet toward the end of the FY 2023-24.

The new Division Manager of Member Services, like other MOG division managers, will be responsible for working with the MS Section Heads and Supervisors to identify core competencies and develop a preliminary roadmap for staff member education and development for positions under their purview. These roadmaps will be reviewed and serve as tools for creating individual self-development plans for subordinate staff. Formal training will include local and cost-effective instruction.

STAFFING

Member Services service levels continue to improve as a result of a reduction in staffing vacancies. In FY 2022-23, Member Services placed 14 graduates of two Core Benefits Training (CBT) classes in the Member Services Call Center. Our Call Center has 30 positions, and because of the pandemic, LACERA was not able to offer training classes in more than two years. Our staffing is dynamic, as many specialists will promote, transfer to other divisions, and retire, so having new specialists from the CBT is how we add staff. Before the graduation of classes in 2023, the last CBT class began in 2019, so the additional specialists we added this past fiscal year has significantly improved

our ability to deliver timely service to our callers. Member Services is not asking for additional positions in FY 2023-24.

OVERTIME

With the development of the case management project, we will need Member Services subject matter experts to contribute their insights and knowledge. Member Services is asking for the overtime budget to be increased by 15 percent in staffing hours from FY 2022-23, totaling \$214,200, for this project. In addition to case management, Member Services is asking for overtime funds to provide additional retirement counseling meetings and to support Benefits during March Madness.

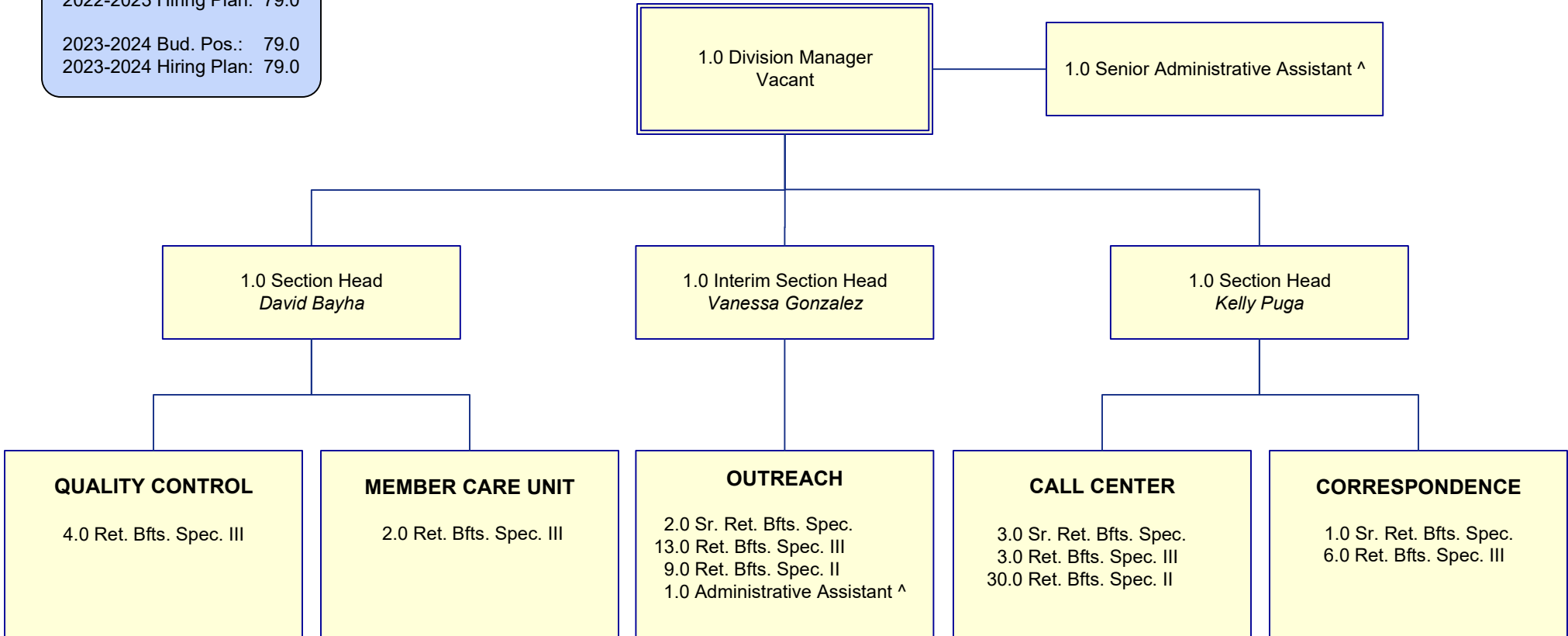
SERVICES AND SUPPLIES

The Services and Supplies budget requests are in line with previous years and based on actual and historical expenditure trends. We reduced our travel during the pandemic and anticipate restarting conference participation in FY 2023-24. SACRS, CALAPRS, CEBS and ICMI are some of the conferences we attended in the past.

MEMBER SERVICES DIVISION

FISCAL YEAR 2023-2024

2022-2023 Bud. Pos.: 79.0
 2022-2023 Hiring Plan: 79.0
 2023-2024 Bud. Pos.: 79.0
 2023-2024 Hiring Plan: 79.0



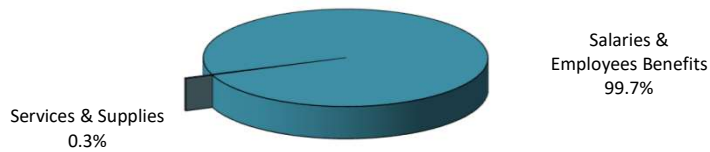
^ Position upgrade from Senior Secretary to Senior Administrative Assistant and Secretary to Administrative Assistant as a result of classification study (Board of Supervisors approved on October 18, 2022).

LACERA
FISCAL YEAR 2023-2024
BUDGET SUMMARY

MEMBER SERVICES

	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET		
	PROPOSED BUDGET 2023-2024	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(01-31-23)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$11,034,096	\$10,452,614	\$4,747,709	\$9,533,400	(\$919,214)	-8.8%	\$581,482	5.6%
Services & Supplies	29,200	26,800	4,411	21,500	(5,300)	-19.8%	2,400	9.0%
OPERATING BUDGET	\$11,063,296	\$10,479,414	\$4,752,120	\$9,554,900	(\$924,514)	-8.8%	\$583,882	5.6%

2023 - 2024 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2023-2024
SALARIES AND EMPLOYEE BENEFITS SUMMARY

MEMBER SERVICES

	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$6,231,376	\$5,973,287	\$2,892,560	\$5,679,400	(\$293,887)	-4.9%	\$258,089	4.3%
Total Agency Temp Salaries	0	37,000	0	0	(37,000)	-100.0%	(37,000)	-100.0%
Employee Benefits (Variable)	3,925,972	3,639,900	1,411,761	2,983,400	(656,500)	-18.0%	286,072	7.9%
Employee Benefits (Other)	399,401	383,245	177,242	375,600	(7,645)	-2.0%	16,156	4.2%
OPEB Contribution	221,347	203,383	112,971	208,600	5,217	2.6%	17,964	8.8%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	214,200	174,000	140,732	259,900	85,900	49.4%	40,200	23.1%
Bilingual Bonus	16,800	16,800	4,750	8,800	(8,000)	-47.6%	0	0.0%
Sick Leave Buyback	15,000	15,000	7,694	17,700	2,700	18.0%	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	\$11,034,096	\$10,452,614	\$4,747,709	\$9,533,400	(\$919,214)	-8.8%	\$581,482	5.6%
Salary Differential **	-	-	-	-	-		-	
TOTAL S&EB	\$11,034,096	\$10,452,614	\$4,747,709	\$9,533,400	(\$919,214)	-8.8%	\$581,482	5.6%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/23, with the exception of Agency Temp Salaries, which are as of 01/31/23.

LACERA
FISCAL YEAR 2023-2024
SALARIES

MEMBER SERVICES

2023-2024 BUDGET

FILLED POSITIONS	# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT			
00772A SECTION HEAD, LACERA	3	LS9	32,112	385,340			
01312A SENIOR RETIREMENT BENEFITS SPECIALIST	4	104A	35,943	431,316			
01311A RETIREMENT BENEFITS SPECIALIST III	26	98G	195,174	2,342,084			
00439A SENIOR ADMINISTRATIVE ASSISTANT	1	93A	6,840	82,080			
01310A RETIREMENT BENEFITS SPECIALIST II	28	92A	153,216	1,838,592			
POSITIONS	62			5,079,412			
VACANT POSITIONS	# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
00773A DIVISION MANAGER	1	LS12	11,308	135,701	135,701		
01312A SENIOR RETIREMENT BENEFITS SPECIALIST	2	104A	7,028	84,336			
01311A RETIREMENT BENEFITS SPECIALIST III	2	98G	6,062	72,749			72,749
01310A RETIREMENT BENEFITS SPECIALIST II	11	92A	5,076	60,912	670,032		
00438A ADMINISTRATIVE ASSISTANT	1	86J	4,400	52,795			26,397
					805,733	0	99,147
POSITIONS	17			904,879			
TOTAL POSITIONS	79						
GROSS SALARIES				5,984,291			
ANTICIPATED MOU SALARY INCREASE**				89,764			
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE				141,676			
BONUS				15,644			
120-DAY RETIREE(S)				0			
TOTAL SALARIES				6,231,376			

MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/23.
 Represented/Non-Represented positions are shown at actual salaries as of 01/01/23.
 Represented positions shown in blue.
 Vacancies are shown at the 1st Step.
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.5% to anticipate a 3% MOU increase as of 01/01/24.

LACERA

FISCAL YEAR 2023-2024

SERVICES & SUPPLIES ACCOUNT SUMMARY

MEMBER SERVICES

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE		
TRANSPORTATION & TRAVEL	\$11,500	\$8,000	\$2,921	\$9,000	\$1,000	12.5%	\$3,500	43.8%
OFFICE SUPPLIES & EQUIPMENT	4,000	5,000	1,477	2,500	(2,500)	-50.0%	(1,000)	-20.0%
EDUCATIONAL EXPENSES	11,200	11,300	0	8,900	(2,400)	-21.2%	(100)	-0.9%
MISCELLANEOUS	2,500	2,500	13	1,100	(1,400)	-56.0%	0	0.0%
TOTAL	\$29,200	\$26,800	\$4,411	\$21,500	(\$5,300)	-19.8%	\$2,400	9.0%

*All amounts rounded to the nearest dollar.

MEMBER SERVICES

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2022		FYE 2023		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$5,973,011	\$5,259,951	\$5,973,287	\$5,679,400	\$6,231,376
Total Agency Temp Salaries	0	0	37,000	0	0
Employee Benefits (Variable)	3,275,270	2,793,049	3,639,900	2,983,400	3,925,972
Employee Benefits (Other)	367,397	373,194	383,245	375,600	399,401
OPEB Contribution	180,351	202,477	203,383	208,600	221,347
OPEB Contribution (Budget Surplus)	0	180,351	0	0	0
Stipends	0	0	0	0	0
Overtime	133,800	221,062	174,000	259,900	214,200
Bilingual Bonus	16,800	11,400	16,800	8,800	16,800
Sick Leave Buyback	15,000	12,569	0	0	0
Rideshare Allowance	10,000	0	15,000	17,700	15,000
Transportation Allowance	0	0	10,000	0	10,000
SERVICES & SUPPLIES					
Transportation & Travel	21,700	0	8,000	9,000	11,500
Office Supplies & Equipment	12,500	1,972	5,000	2,500	4,000
Educational Expenses	16,500	150	11,300	8,900	11,200
Miscellaneous	4,800	0	2,500	1,100	2,500
TOTAL OPERATING BUDGET	\$10,027,130	\$9,056,175	\$10,479,414	\$9,554,900	\$11,063,296

*All amounts rounded to the nearest dollar.

QUALITY ASSURANCE & METRICS

BUDGET HIGHLIGHTS

FISCAL YEAR 2023-2024

Mission

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

INTRODUCTION

The Quality Assurance & Metrics Division (QA) performs three main functions in service to LACERA's Member Operations Group (MOG), which are those divisions that provide retirement benefit services to LACERA's members. In order to deliver these services, QA is divided into three main units:

- **Quality Auditing:** Providing independent transactional audits of work processed by MOG staff for our members.

QA independently reviews and reports on the benefit-related business transactions performed by the MOG. The accuracy and completeness of business transactions are measured by audit parameters established by QA and the Executive Office after consultation between QA and audited divisions. QA compiles an annual report to the Operations Oversight Committee of the Board of Retirement regarding the overall accuracy and quality of the preceding fiscal year's member transactions.

QA reviews audit parameters with the auditee divisions annually so QA can audit cases based primarily on risk. These parameters include:

- **Audit Criteria:** These are the standards against which the quality of transactions is measured, based on LACERA's policies and procedures, as well as governing laws and regulations.
- **Audit Risk Levels:** This is a ranking of the magnitude of a particular transaction's risks to LACERA or its member. Various risk-related

characteristics are associated with each risk level. Risk levels help QA auditors triage cases for risk-based sampling and workload management. Risks are developed in conjunction with QA, the audited division, the Member Operations Group AEO, and Internal Audit.

- *Audit Sampling Plan*: Auditors apply a pre-determined sampling methodology when selecting cases to be audited for each audited group of transactions.
- *Audit Workflow*: To conduct its audits, QA uses a series of standardized steps designed to test the transaction's quality at appropriate points in the process.
- **Technical Training**: Providing in-depth technical benefits training for MOG staff, from new hires to veterans. The key initiatives of this training program are:
 - Core Benefits Training for newly hired Retirement Benefits Specialists and others who may benefit from entry-level retirement benefit specialist training.
 - Ad hoc training on various topics at the request of the MOG divisions.
 - Advanced CERL Education (ACE) to help increase the analytical and advanced processing skills of specialists to prepare them to perform the most complex work at the level of RBS III or higher.
 - QA Staff Development Training

For the first time since its inception the 2022 CORE Benefits Training program consisted of two simultaneous classes with 10 and 13 participants, who were trained and evaluated by nine QA instructors on 23 Benefits processes. The trainees processed over 1,500 cases with an overall accuracy of 96.68 percent during the production periods (All training production work was checked 100 percent before being finalized.)

The CORE Benefits Training program took place over 10 months, alternating classroom instruction and practice with periods of actual processing of member requests. Training materials were reviewed and updated before each session to reflect changes in the retirement law, LACERA's business policies, and LACERA's Systems processing.

As part of the proposed "Superior Member Experience" Priority, we are revamping the Core Benefit Training Program to include the use of mock calls, role-playing, and other customer service training so that every module covering the back-office processing of work will conclude with training to help relate that process to our members through member calls and face-to-face counseling. This will ensure we are providing Specialists who are able to serve in a hybrid capacity in both Benefits and Member Services.

FY 2023-2024 will see the first iteration of the revised course structure. To help alleviate staffing shortages in all MOG divisions and leverage the available QA staff, for the next upcoming Core Benefits Training, QA plans to train one large class of approximately 26 trainees. We plan to provide approximately 7 to 10 months of immersive classroom training on both Core Benefits and Member Services processes. This will be followed by about five months of combined Member Services and Benefits production work. QA will audit 100 percent of the Benefits production work. We believe that the immersive training approach will help accelerate the transition of the trainees from the training environment to the true production environment. Until sufficient QA vacancies are filled and ramped up to full productivity, QA will make use of overtime to keep pace with its growing workload.

QA has been developing e-learning modules to broaden our blended learning approach, using Udemy, and other desktop software tools. Future training will employ a combination of interactive learning complemented with face-to-face learning, as well as easily accessed refresher information. We continually evaluate our training programs to ensure we are providing the most comprehensive training in the shortest time frame possible to effectively train Specialists and improve their ability to service members.

Between 2021 and 2022, QA did not conduct Advanced CERL Education (ACE) training due to COVID exigencies as well as staff shortages, but refresher training for veteran staff was conducted. For FY 2021-2022, refresher training for veteran staff was provided covering account analysis, redeposits, and general-to-safety transfers.

- **Special Projects:** Special projects as assigned by the Executive Office and consistent with QA's independent quality assurance function.

QA engages in special projects assigned by the Executive Office that are appropriate for QA's skills and resources and do not compromise QA's standards of independence, objectivity, and professional ethics. For example, QA Senior Quality Auditors analyze, test, and validate new procedures, calculations, legislation, and system benefit calculation programming, such as beta testing the benefit calculation engine, validating mass contribution rate changes, validating member account adjustments for the felony conviction process, and analyzing new County pay codes. Pay code analysis can take from 90 minutes to several weeks for each batch of new pay codes, depending upon availability of information and the extent of coordination needed between LACERA's Quality Assurance Division, Legal Division, and Executive Office, as well as Los Angeles County's Auditor Controller and Executive Office. The Quality Analysts also performed annual census testing of 30 randomly selected member records. The PEPRAs embedded pay codes testing, Alameda project, and PEPRAs final compensation testing are in process.

Quality Assurance also collaborates with other divisions to facilitate data cleanup projects as directed by LACERA's strategic goals.

Expanding the Scope of Quality Auditing

QA has surveyed its partners in the MOG and identified at least 20 processes that are currently not audited by QA that carry sufficient risk to warrant QA's testing. Given that QA's currently available 10 auditors are able to audit 17 processes, the expansion of QA's audit scope would require a multi-year effort. We propose implementing 5 to 10 new process audits per fiscal year, assuming all vacant budgeted positions are filled. This rate of expansion is subject to the availability of new QA auditors in the coming years, and the staffing needs for this scope expansion effort will need to be assessed as these efforts progress.

The following is a partial list of processes that QA plans to audit in the future as resources become available:

- Death legal transactions like legal splits, retired deaths, power of attorneys, and levies
- Exceptions team transactions like withdrawals, tax, error reports, plan changes, IOB postings (excess contributions), recalculations of previous service and temporary time
- Payroll Unit transactions like disability reciprocity and payroll adjustments
- Account Integrity Section transactions like death notifications, Benefit Protection Unit transactions and verifications, new enrollments, and various data entry transactions not yet audited.
- Process Management Group transactions like business rule updates, special projects, systems implementations, and felony forfeitures
- Account Settlement Unit transactions like complex collection cases, required minimum distribution administration, and internal collection administration processes.
- Correspondence Unit transactions and administrative processes
- Member Services Quality Control Unit transactions and administrative processes

In addition to traditional transactional testing, QA will be working with the MOG divisions to undertake call monitoring to help support the quality of LACERA's service to its members as delivered through the Call Center and possibly other future channels of communication. By moving this function from within Member Services to QA, LACERA hopes to promote greater independence and objectivity in the call monitoring program, as documented in Internal Audit recommendations. To facilitate this transition, the MSQC team and QA reviewed the current Member Services process and determined that it is currently being managed by approximately two full-time equivalents (FTEs). Accordingly,

two new Quality Auditor II positions are projected to be needed and will be requested in a future budget year to ensure that QA has sufficient staff to accommodate the Call Center monitoring functions. This is over and above QA's existing five vacant positions, which are needed to further expand QA's audit scope as discussed above.

Supporting Strategic Initiatives in FY 2023-2024 and Beyond

Quality Assurance is partnering with the development team for the case management system. Quality Assurance is contributing subject matter experts to work on the development of the new first payment process and will be conducting user acceptance testing throughout the various stages of the implementation.

In support of LACERA's strategic focus on continuously improving our members' customer service experience, has been working with its partners throughout LACERA, especially Benefits, Member Services, and Communications, to undertake the development and implementation of an organization-wide system of customer surveys covering both internal and external customers. These efforts will be folded into the proposed Member Experience Council.

Below is a list of other initiatives planned for FY 2023-2024 are reflected below:

Project	Division Served	Project Objective	Timeframe
Case Management: Phase 1 Retirement Process	Benefits	Implement automated workflow in case management system with interface to standalone QA processes	2023-2024
Case Management: Phase 2 Retirement Process	Benefits	Integrate QA auditing processes into case management system	2023-2024
Implement Hybrid New Specialist Training to replace Core Benefits Training	Benefits and Member Services	Restructure new specialist class starting in 2023, and refine training using advanced tools in 2024-2025	2023-2025
Transition to risk-based sampling	Benefits	Adopt risk-based sampling upon implementation of risk-based risk data collection and case management metrics	2023-2025

Future Special Projects

QA will collaborate with the MOG Divisions on new special projects, such as additional Alameda project testing, PEPRA embedded earnings testing, FAC testing, organization-wide member surveys, other internal/external party surveys, and the case management system implementation.

Implementing 2021 Internal Audit Recommendations

A 2021 Internal Audit recommendation suggested that LACERA can increase the independence of the quality assurance operations by removing QA organizationally from the Member Operations Group. The Executive Office will be forming a work group with SME from Human Resources, Benefits, Internal Audit, and Quality Assurance to develop plans to fulfill the IA recommendations. This is a significant effort that includes separating Quality Assurance from the Member Operations Group vertical management structure and moving it to the Business Services Group. This will include developing plans to break off the Process Management Group (PMG) in Benefit into a new division and moving the QA Technical Training unit to PMG.

In preparation for this QA's Senior Quality Auditor responsible for the training function will be developing the project plan in conjunction with PMG to manage the transition and to organize the program and the new training unit within PMG.

STAFFING REQUEST

QA has five existing staff vacancies—three Senior Quality Auditors and two Quality Auditor IIs. To better match resources to QA's key functions, QA will seek to fill two Senior Quality Auditor positions to ensure sufficient supervision of the QA audit staff, and then use the remaining vacancies to further increase audit staffing. Once these vacancies are filled, QA plans to utilize new metrics reports developed for QA to determine future staffing needs. Given our current vacancies, we will not be requesting any additional staffing this fiscal year.

In light of increased member transactions and the existing QA staff shortages, the QA budget request includes \$11,500 for overtime, which is for nonexempt staff who support the various QA functions, especially during the peak retirement season.

QA utilizes a number of administrative, production, and timekeeping reports that are generated for management in QA and the MOG, and for the Executive Office. Currently, these reports involve inefficient and unreliable excel worksheets. In this budget request, we are hoping to recruit one intern or professional student worker with Excel, Power BI, and SharePoint knowledge and experience to help improve the existing reports and data sets. This individual will also help organize QA's electronic and physical files.

Investing in our People:

One of the goals assigned to the Member Operations Group for the current fiscal year is to review each job classification within our operational control and develop a list of skill competencies and training that would be beneficial to those within those classifications. The results of this project will help us support our "Investing in People" strategic priority

by having an assessment that we can use to develop future training programs. This will also help us create individual development plans for staff.

SERVICES AND SUPPLIES

Our request for Services and Supplies has decreased based on divisional restructuring for lean operating efficiency, the increased use of paperless remote working tools, and changes from physical travel to online training for staff.

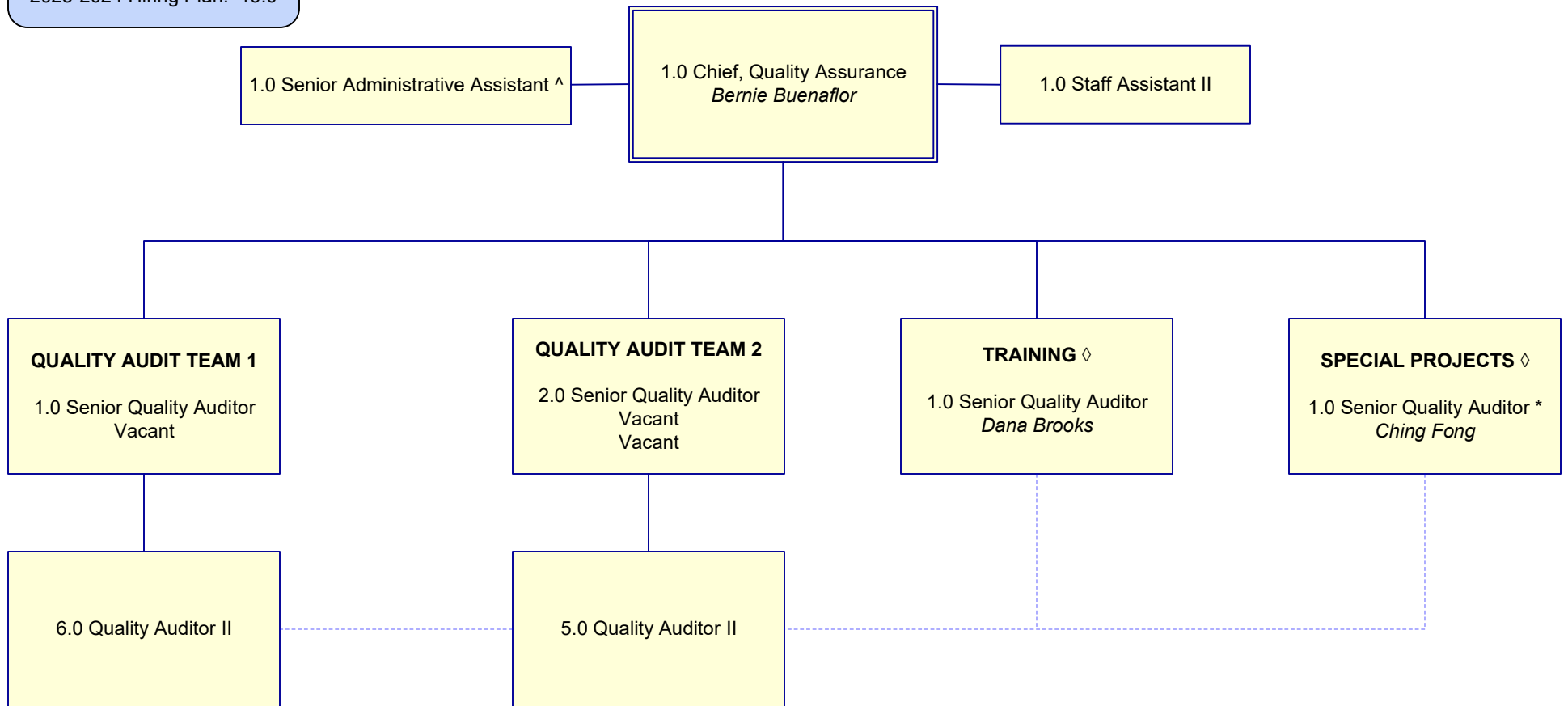
Educational expenses have been reduced overall to account for savings from LACERA's production-focused priorities over the last few years and from lower-than-budgeted staff levels. As QA updates its job training requirements and as staffing levels increase, more classes will be introduced within a structured QA staff development program that can better prepare both current and future QA auditors to serve LACERA's quality control needs. These include foundational courses, such as the following training for QA's auditors:

- Institute of Internal Auditors Audit Standards
- Audit Report Preparation and Audit Communication
- Audit Sampling
- Controls Self-Assessment
- Root Cause Analysis

QUALITY ASSURANCE DIVISION

FISCAL YEAR 2023-2024

2022-2023 Bud. Pos.: 19.0
 2022-2023 Hiring Plan: 19.0
 2023-2024 Bud. Pos.: 19.0
 2023-2024 Hiring Plan: 19.0



* Classification study for the position requested.

^ Position upgrade from Senior Secretary to Senior Administrative Assistant as a result of classification study (Board of Supervisors approved on October 18, 2022).

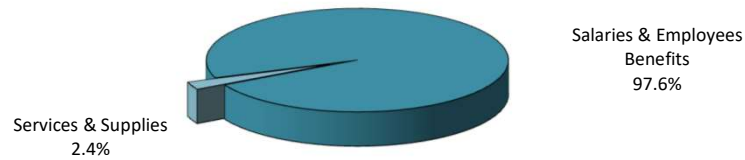
◇ In addition to the quality audit, QA Auditors conduct training and work on special projects, which are coordinated by the QA Sr. Auditor for Training and the QA Sr. Auditor for Special Projects, respectively.

LACERA
FISCAL YEAR 2023-2024
BUDGET SUMMARY

QUALITY ASSURANCE

	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET		
	PROPOSED BUDGET 2023-2024	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(01-31-23)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$3,301,232	\$2,830,468	\$1,416,168	\$2,754,200	(\$76,268)	-2.7%	\$470,764	16.6%
Services & Supplies	82,100	87,900	4,812	68,100	(19,800)	-22.5%	(5,800)	-6.6%
OPERATING BUDGET	\$3,383,332	\$2,918,368	\$1,420,981	\$2,822,300	(\$96,068)	-3.3%	\$464,964	15.9%

2023 - 2024 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2023-2024
SALARIES AND EMPLOYEE BENEFITS SUMMARY

QUALITY ASSURANCE

	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$1,885,279	\$1,607,869	\$847,544	\$1,590,200	(\$17,669)	-1.1%	\$277,410	17.3%
Total Agency Temp Salaries	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	1,213,448	1,009,017	473,878	963,700	(45,317)	-4.5%	204,431	20.3%
Employee Benefits (Other)	120,837	123,397	56,778	121,000	(2,397)	-1.9%	(2,560)	-2.1%
OPEB Contribution	66,968	65,485	37,519	69,300	3,815	5.8%	1,483	2.3%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	11,500	21,500	449	10,000	(11,500)	-53.5%	(10,000)	-46.5%
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	\$3,301,232	\$2,830,468	\$1,416,168	\$2,754,200	(\$76,268)	-2.7%	\$470,764	16.6%
Salary Differential	-	-	-	-	-		-	
TOTAL S&EB	\$3,301,232	\$2,830,468	\$1,416,168	\$2,754,200	(\$76,268)	-2.7%	\$470,764	16.6%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/23, with the exception of Agency Temp Salaries, which are as of 01/31/23.

LACERA
FISCAL YEAR 2023-2024
SALARIES

QUALITY ASSURANCE

2023-2024 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT			
00780A	CHIEF, QUALITY ASSURANCE	1	LS12	17,116	205,394			
00798A	SENIOR QUALITY AUDITOR	2	108G	20,306	243,666			
00797A	QUALITY AUDITOR II	9	103E	81,547	978,569			
00427A	STAFF ASSISTANT II	1	94L	6,122	73,465			
00439A	SENIOR ADMINISTRATIVE ASSISTANT	1	93A	6,840	82,080			
POSITIONS		14			1,583,174			
VACANT POSITIONS		# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
00798A	SENIOR QUALITY AUDITOR	3	108G	7,420	89,040			133,560
00797A	QUALITY AUDITOR II	2	103E	6,448	77,371			77,371
POSITIONS		5			210,931	0	0	210,931
TOTAL POSITIONS		19						
GROSS SALARIES					1,794,105			
ANTICIPATED MOU SALARY INCREASE**					26,912			
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE					10,202			
BONUS					54,060			
120-DAY RETIREE(S)					0			
TOTAL SALARIES					1,885,279			

MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/23.
 Represented/Non-Represented positions are shown at actual salaries as of 01/01/23.
 Represented positions shown in blue.
 Vacancies are shown at the 1st Step.
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.5% to anticipate a 3% MOU increase as of 01/01/24.

LACERA
FISCAL YEAR 2023-2024
SERVICES & SUPPLIES ACCOUNT SUMMARY

QUALITY ASSURANCE

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)		OVER/(UNDER)	
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE	\$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	\$9,600	\$12,000	\$1,990	\$6,300	(\$5,700)	-47.5%	(\$2,400)	-20.0%
OFFICE SUPPLIES & EQUIPMENT	1,000	1,000	268	600	(400)	-40.0%	0	0.0%
PROFESSIONAL & SPECIALIZED SERVICES	55,000	50,000	0	50,000	0	0.0%	5,000	10.0%
EDUCATIONAL EXPENSES	16,300	24,500	2,555	11,000	(13,500)	-55.1%	(8,200)	-33.5%
MISCELLANEOUS	200	400	0	200	(200)	-50.0%	(200)	-50.0%
TOTAL	\$82,100	\$87,900	\$4,812	\$68,100	(\$19,800)	-22.5%	(\$5,800)	-6.6%

*All amounts rounded to the nearest dollar.

QUALITY ASSURANCE

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2022		FYE 2023		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$1,821,199	\$1,432,437	\$1,607,869	\$1,590,200	\$1,885,279
Total Agency Temp Salaries	0	0	0	0	0
Employee Benefits (Variable)	1,090,338	827,081	1,009,017	963,700	1,213,448
Employee Benefits (Other)	117,634	118,337	123,397	121,000	120,837
OPEB Contribution	57,745	58,878	65,485	69,300	66,968
OPEB Contribution (Budget Surplus)	0	57,745	0	0	0
Stipends	0	0	0	0	0
Overtime	21,300	264	21,500	10,000	11,500
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	1,000	0	0	0	0
Rideshare Allowance	2,200	0	1,000	0	1,000
Transportation Allowance	0	0	2,200	0	2,200
SERVICES & SUPPLIES					
Transportation & Travel	12,000	0	12,000	6,300	9,600
Office Supplies & Equipment	2,000	235	1,000	600	1,000
Professional & Specialized Services	50,000	50,000	50,000	50,000	55,000
Educational Expenses	19,500	6,119	24,500	11,000	16,300
Miscellaneous	400	0	400	200	200
TOTAL OPERATING BUDGET	\$3,195,316	\$2,551,097	\$2,918,368	\$2,822,300	\$3,383,332

*All amounts rounded to the nearest dollar.



SYSTEMS DIVISION

BUDGET HIGHLIGHTS

FISCAL YEAR 2023-2024

Mission

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

INTRODUCTION

In support of LACERA's mission to strengthen, modernize, and build a world-class technological infrastructure, Systems has implemented new remote computing capabilities, cloud-hosted services, better systems redundancies, and stronger cybersecurity features. This budget request for FY 2023-24 showcases the division's ongoing dedication to delivering exceptional support to our internal clients and offering more self-service options for LACERA members. This budget will also provide the division with the necessary resources to work with the Information Security Office to address cybersecurity threats and enhance our cybersecurity program.

FY 2022-23 ACCOMPLISHMENTS

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. Here are the projects we have completed so far this year:

Appointment Scheduling Solution: Systems worked closely with Member Services to implement QFlow, an appointment scheduling and queuing solution that supports both onsite and virtual appointments.

Automated Death Benefits Processing: LACERA expanded the automation of death claim forms to include retired members with no surviving spouse. The automation replaced a manual process with a streamlined workflow that automatically mails member-specific forms and requests to beneficiaries as well as followup correspondence until all necessary forms are completed and signed and all supporting documentation is submitted.

Boardroom Audio/Visual Improvements: Systems upgraded the audio and visual equipment in LACERA's boardroom to further enhance our ability to support onsite and hybrid board meetings. The equipment upgrades include replacing the older voting kiosks with current workstations and touchscreen panels and improved microphones with visual queues to distinguish muted and unmuted mics. Programmatic changes also allow Trustees attending onsite to maintain an individual tile during the Zoom meeting broadcast, which facilitates a more professional experience.

Call Center Improvements: Systems worked closely with Member Services to enhance our Amazon Web Services (AWS) Call Center solution to include a callback request feature for members on hold, the ability to announce call wait times, automation of Call Center holiday processing, an emergency access console, an after-call survey for Call Center interactions, and a My LACERA support queue.

Hardware Asset Management Solution: LACERA has implemented a cloud-based solution for hardware asset management (HAM). This low-code solution automates the tracking of assets throughout their lifecycle—from procurement to disposal—and has mobile capabilities for asset inventory auditing, remote asset receiving, and asset disposal scanning. The use of this solution replaces a tedious manual process.

My LACERA Multi-Factor Authentication: LACERA implemented multi-factor authentication (MFA) for resetting passwords and accessing My LACERA from unrecognized devices. My LACERA previously relied on user-selected challenge questions to authenticate users who forgot their passwords or attempted to access My LACERA from an unrecognized device.

Online Disability Application: LACERA developed an online disability retirement application on My LACERA to facilitate member self-service, improve the member experience, and streamline the intake of disability retirement applications.

IRS Tax Form Change Implementation: LACERA implemented new tax tables as well as a revised version of the Federal Withholding Certificate for Pension & Annuity Recipients, published by the IRS. Workspace, My LACERA, and lacera.com were updated to support the new tables and forms.

ServiceNow Implementation: Systems selected ServiceNow, a cloud-based IT service management tool, to improve how the division manages IT incidents, problems, requests, and knowledge. Phase 1 of the ServiceNow implementation was completed and provides automation and tracking for all requests coming into the Systems Helpdesk. Future phases of the project will introduce sophisticated automation for routine IT requests as well as Human Resources case management that automates HR workflow and integrates HR onboarding and offboarding with the Systems Division IT service management tool.

We also have the following projects in progress:

Automated Budget Solution: LACERA has historically relied upon Excel spreadsheets and manual processes for developing and managing the association's budget. LACERA released a Request for Proposals (RFP) for an automated budget solution in 2022. After an extensive RFP and selection process, the Board of Retirement approved the selection of Questica on October 6, 2022. The implementation of Questica is in progress, and we anticipate full implementation in Summer 2023. Our goal is to use the new system for the development of the FY 2024-25 budget.

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 first phase of the case management project includes Disability Retirement Services, the Disability Litigation Office, and Benefits' first payment process. We expect Phase 1 to be completed by June 2023.

Data Lake: LACERA is creating 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 data lake project 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. We are currently completing the first phase of this project, which includes building the infrastructure and framework of LACERA's data lake. The second phase of the project involves the conversion of legacy reports and creating new reports and dashboards for LACERA's business divisions. Phase 2 will begin in April 2023 and is expected to be completed in Fall 2023. Phases 3 and 4 of the project involve standardizing, documenting, and optimizing the data lake and the process and are expected to be completed 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. We expect the implementation to be completed in summer 2023.

Form 700 Automation: LACERA has procured an automated solution for Form 700 submission and tracking from Granicus. This solution will automate a tediously manual task for trustees and LACERA staff. We expect the implementation of the Granicus solution to be completed by April 2023.

Human Resources (HR) Digitization: LACERA is currently converting 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. The HR digitization project team decided to leverage a product that is already implemented at LACERA for this effort: Microsoft SharePoint. The paper files are currently being scanned and indexed into SharePoint. We expect this project to be completed in summer 2023.

Human Resources (HR) Case Management: In December 2022, the Information Technology Coordination Council approved a case management project for Human Resources. Funding for the project was approved during the FY 2022-23 midyear budget adjustments. The HR Project team selected ServiceNow's HR module for their case management solution, and they are currently selecting a ServiceNow business partner to implement and customize the ServiceNow Human Resources module. We expect the implementation to be completed in summer 2023.

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 selecting 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 2023.

Policy Management Solution: In September 2022, the Information Technology Coordination Council approved a policy management project to automate the creation, review, approval, and maintenance of LACERA policies as well as track the versions and acknowledgement of policies. Funding for this project was included in the FY 2022-23 budget. The policy management project team issued a Request for Quote (RFQ) and is currently reviewing quotes submitted by interested vendors and consultants.

Pre-Paid Bank Card Integration: LACERA is in the final vendor evaluation phase for pre-paid bank card solutions for monthly benefit payments. The goals of this project are to provide a lower cost alternative to issuing checks for those participants without a banking relationship, to create a more reliable payment process in the event of a disaster that impacts the ability to mail monthly paper checks, and to reduce or eliminate paper checks that are mailed to one-time payees. The integration of this service is expected to be completed by fall 2023.

Procurement and Accounts Payable Solution: LACERA has procured a procurement and accounts payable solution that integrates and automates purchasing and accounts payment for greater efficiencies. Administrative Services, Financial and Accounting Services (FASD) and Systems divisions have been collaborating to implement this solution to improve our current processes. We expect to implement the solution in phases starting in summer 2023.

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 requesting the removal of one position that is no longer needed and the addition of one position that appropriately supports LACERA's operations. There is no net change in the number of positions; we are requesting 62 budgeted positions for FY 2023-24, with the following changes:

- We are requesting that one position, Information Systems Manager I, be removed and replaced with one position, Information Technology Manager I, who will join the Project Manager Office to manage the development of new technology projects at LACERA.

Positions Requested for FY 2023-2024:	1
Positions Removed FY 2023-2024:	(1)
Net Change:	0

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 staffing fall into the second category. They are performing work that will be performed by permanent staff members once the permanent 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.

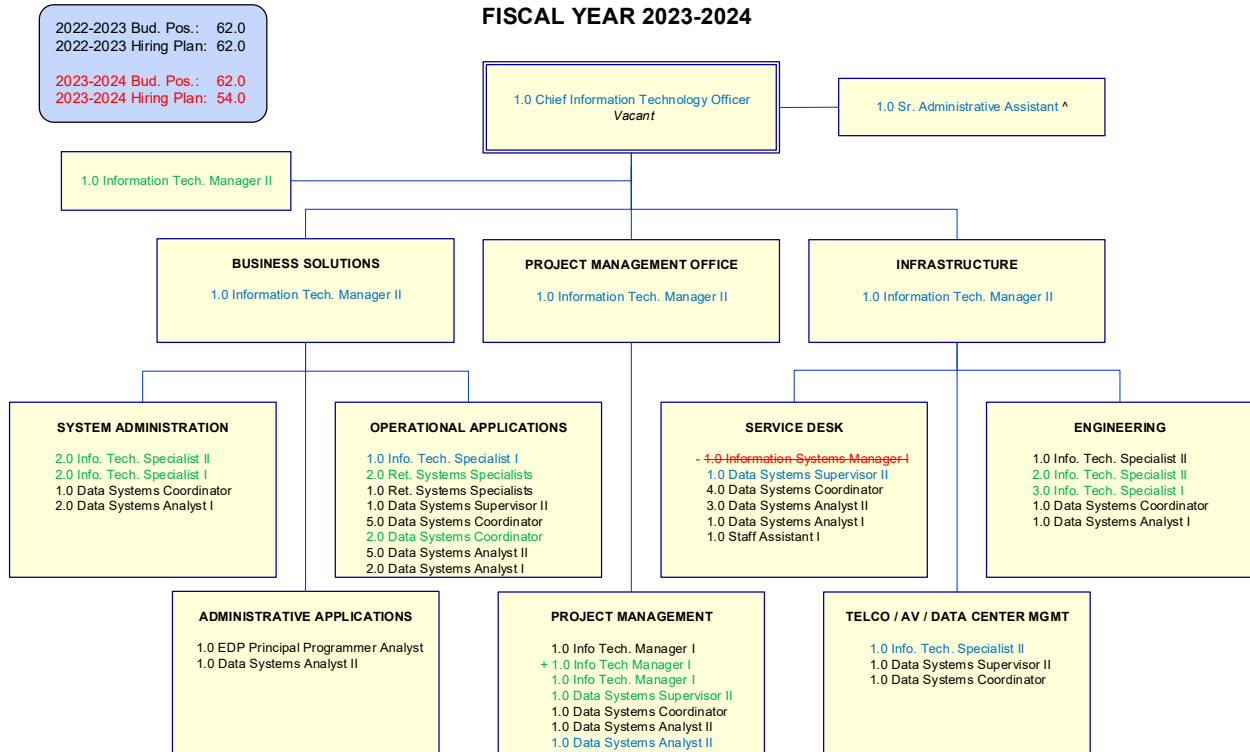
While we have had vacancies in Systems for a long time, Human Resources has developed a hiring plan that includes our vacancies. We currently have 26 vacancies in Systems. During the remainder of FY 2022-23 and FY 2023-24, the Human Resources hiring plan includes filling 21 of these positions. The 21 positions anticipated to be filled include:

- Chief Information Technology (1)
- Retirement Systems Specialist (2)
- Information Technology Manager II (3)
- Information Technology Specialist I (8)
- Information Technology Specialist II (7)

We expect these positions to be filled by temporary staff members who are transitioning to permanent employment, permanent staff members who are getting promoted, and external recruits who are joining LACERA as new employees. As this hiring plan is executed, we plan to reduce our use of temporary employees. The following chart illustrates the vacancies in Systems: the positions in blue text are vacant; the positions in green text are vacant and are currently filled by a temporary employee:

SYSTEMS DIVISION

FISCAL YEAR 2023-2024



+ Added position
 - Deleted position
 ^ Position upgrade from Senior Secretary to Senior Administrative Assistant as a result of classification study (Board of Supervisors approved on October 18, 2022).
 Blue Text are vacant
 Green Text are vacant and the duties are being performed by temporary staffing

INTERNS

The Systems Division is requesting three interns: one for each of our major information systems sections. 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.

OVERTIME

The 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

- Continued development and post-implementation support for the following new systems: Phase 1 of Sol, our case management solution; Questica, our automated budget solution; Cobblestone, our contract management solution; and Certify, our automated accounts payable solution
- Development and implementation support for Phase 2 of Sol

Staff Development

The Systems Division intends to place a priority on developing technical mastery and building professional relationships. 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.

SERVICES AND SUPPLIES

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

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

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

The list of projects highlights Systems' fiscal year 2023-24 budget requests:

Project	Total Cost (Account)	Description
Member Case Management (Phase 2)	\$760,000	Case management continues to be a top priority for LACERA in the upcoming fiscal year. During FY 2022-23, LACERA selected a vendor for our enterprise case management solution and is currently implementing Phase 1 of the project. Phase 1 includes the disability retirement, disability appeals, and member first payment processes. The estimate in this current fiscal year is for Phase 2 of five project phases. Phase 2 will include optical character recognition (OCR) technology and focus on the legal review, administrative appeals and escalations, insurance enrollment, and felony forfeiture appeals processes. The future phases may involve additional RFPs for professional services, or LACERA may choose to implement the additional phases using internal resources. The licensing costs for the case management solution will be an annual cost going forward.
AWS Call Center phases 7, 8, and 9	\$300,000	To further improve and enhance our call center operations, LACERA seeks to implement voice recognition and artificial intelligence (AI) technology to mimic the organization's secure validation process. The new features will enable the organization to simulate a member's existing basic and secure confirmation process, leverage AI to allow members to choose between the confirmation process or be placed into predefined servicing queues with designated agents, and provide enhance reporting on secure confirmation statical data.
Knowledge management solution	\$300,000	LACERA seeks to purchase or build a repository and automated workflow solution for LACERA knowledge management. The solution will be a single trusted source of information that is accurate, consistent, and

		<p>up to date and enables the right information to be found, at the right time, by the people who need it. We currently maintain this critical enterprise content in multiple formats and on disparate systems. The same amount was requested during the FY 2022-23 budget for both policy and knowledge management; however, we have separated these two efforts. The policy solution will be completed in the current fiscal year, and the knowledge management project, which is a significantly larger effort, will begin in FY 2023-24.</p>
<p>Telecommunications upgrade and hosted Contact Center</p>	<p>\$250,000</p>	<p>LACERA seeks to modernize our existing telecommunications infrastructure. This funding is requested to support LACERA’s telecommunications strategy both for our Pasadena office and to acquire a world-class Member Service Contact Center solution that integrates with our existing Microsoft suite of products, case management application, and pension administration system. The same amount for this project was requested during the F Y 2022-23 budget; however, this project was deferred to focus on implementing improvements to the current AWS Call Center solution (member callback feature)</p>
<p>Teams room conversion</p>	<p>\$225,000</p>	<p>As part of LACERA’s IT modernization effort, Systems is converting all LACERA conference rooms to Microsoft Teams-enabled meeting rooms. 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 by enabling remote participants to see and hear everyone in the room. There are 15 conference rooms that need to be converted: Six of these conference rooms will be converted in FY 2022-23. The budget for FY 2023-24 is to convert the remaining nine rooms.</p>

Facilities management solution	\$150,000	The Administrative Services Division seeks to implement an enterprise facilities management software solution to replace our current tediously manual processes. The new system will ensure that the organization can properly manage the health and safety of our work environment while enhancing our ability to improve maintenance, cleaning, and space change requests.
Uninterruptible power supply (UPS) upgrade	\$150,000	LACERA seeks to replace the end-of-life UPS units that provide critical backup power to LACERA's data centers and boardroom during outages. This funding is requested to redesign and replace the existing units to create a redundant power system. The project was previously requested during the FY 2022-23 midyear adjustments; however, it was deferred due to supply chain constraints.
Legal matters management system	\$150,000	The Legal Division seeks to implement an enterprise legal matters management software solution to replace our current tediously manual processes. The new system will ensure that the division can properly facilitate remote work and streamline workflows, time tracking, and document management processes.
Keycard reader upgrades	\$100,000	LACERA seeks to replace the current keycard readers that provide physical access to all LACERA suites with a modern solution that allows better customization and safety enhancements.
Professional consulting services for Great Plains integrations	\$100,000	As LACERA continues to implement various enterprise software solutions such as hardware asset management, contract management, budgeting, and accounts payable, funding is needed for professional services to ensure these applications integrate seamlessly with our current general ledger system, Great Plains.
Benefits PBI upgrade	\$100,000	The Benefits Division seeks to replace their current end-of-life member/beneficiary research system. The new system will

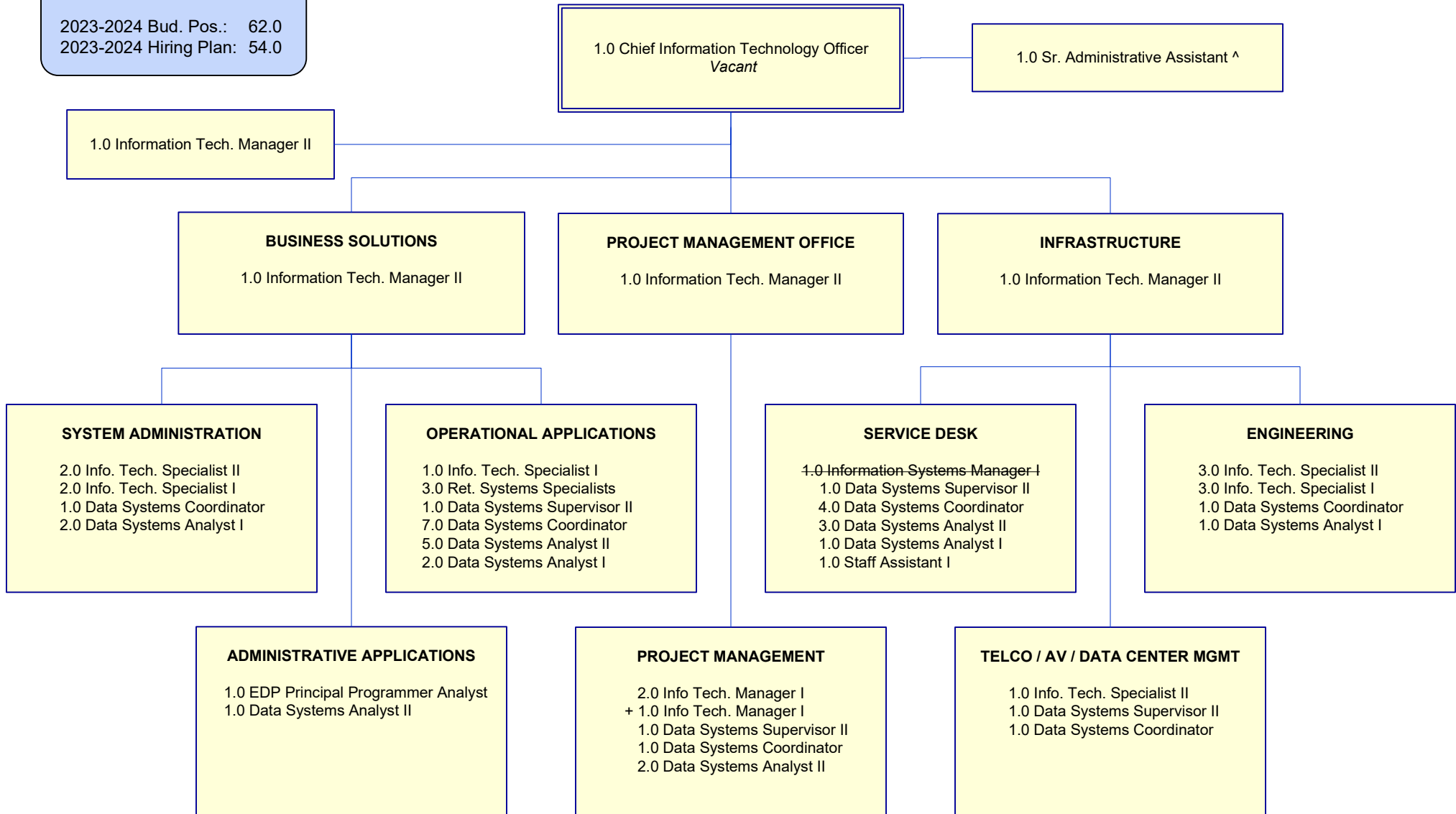
		ensure that the organization can quickly and accurately identify deceased members and locate or identify the beneficiary to fulfill our fiduciary responsibilities and pay out the owed benefits.
Investments due diligence solution	\$30,000	The Investments Division seeks to implement a due diligence solution, such as DiligenceVault. The new system will automate the analysis of manager and fund data as part of the due diligence processes.

SYSTEMS DIVISION

FISCAL YEAR 2023-2024

2022-2023 Bud. Pos.: 62.0
2022-2023 Hiring Plan: 62.0

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



+ Added position

– Deleted position

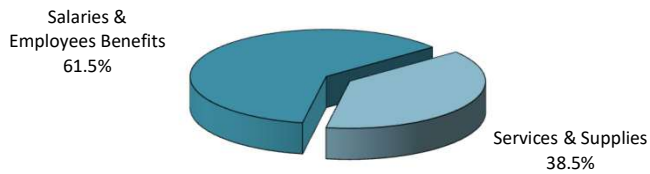
^ Position upgrade from Senior Secretary to Senior Administrative Assistant as a result of classification study (Board of Supervisors approved on October 18, 2022).

LACERA
FISCAL YEAR 2023-2024
BUDGET SUMMARY

SYSTEMS DIVISION

	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET		
	PROPOSED BUDGET 2023-2024	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(01-31-23)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$14,681,722	\$14,122,286	\$6,293,162	\$12,392,900	(\$1,729,386)	-12.2%	\$559,436	4.0%
Services & Supplies	9,187,800	8,249,400	5,088,935	8,678,500	429,100	5.2%	938,400	11.4%
OPERATING BUDGET	\$23,869,522	\$22,371,686	\$11,382,097	\$21,071,400	(\$1,300,286)	-5.8%	\$1,497,836	6.7%

2023 - 2024 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2023-2024
SALARIES AND EMPLOYEE BENEFITS SUMMARY

SYSTEMS DIVISION

	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$6,950,188	\$5,534,330	\$2,893,621	\$5,668,700	\$134,370	2.4%	\$1,415,858	25.6%
Total Agency Temp Salaries	2,881,700	4,576,300	1,540,301	3,080,700	(1,495,600)	-32.7%	(1,694,600)	-37.0%
Employee Benefits (Variable)	3,907,381	3,212,254	1,415,130	2,768,800	(443,454)	-13.8%	695,127	21.6%
Employee Benefits (Other)	445,474	410,601	189,029	402,400	(8,201)	-2.0%	34,873	8.5%
OPEB Contribution	246,880	217,901	111,615	206,100	(11,801)	-5.4%	28,979	13.3%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	229,200	150,000	134,831	249,000	99,000	66.0%	79,200	52.8%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	12,000	12,000	8,635	17,200	5,200	43.3%	0	0.0%
Rideshare Allowance	8,900	8,900	0	0	(8,900)	-100.0%	0	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$14,681,722	\$14,122,286	\$6,293,162	\$12,392,900	(\$1,729,386)	-12.2%	\$559,436	4.0%
Salary Differential	-	-	-	-	-		-	
TOTAL S&EB	\$14,681,722	\$14,122,286	\$6,293,162	\$12,392,900	(\$1,729,386)	-12.2%	\$559,436	4.0%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/23, with the exception of Agency Temp Salaries, which are as of 01/31/23.

LACERA
FISCAL YEAR 2023-2024
SALARIES

SYSTEMS DIVISION

2023-2024 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT			
00804A	INFORMATION TECH. MANAGER II	1	LS12	26,100	313,200			
00803A	INFORMATION TECH. MANAGER I	1	LS11	14,004	168,052			
00802A	INFORMATION TECHNOLOGY SPECIALIST II	1	126B	14,054	168,646			
00460A	DATA SYSTEMS SUPERVISOR II	2	119E	26,761	321,135			
02644A	RETIREMENT SYSTEMS SPECIALIST	1	118K	13,779	165,343			
00453A	EDP PRINCIPAL PROG. ANALYST	1	118H	13,711	164,533			
00469A	DATA SYSTEMS COORDINATOR	13	113J	141,263	1,695,161			
00458A	DATA SYSTEMS ANALYST II	10	108B	99,702	1,196,420			
00457A	DATA SYSTEMS ANALYST I	6	105F	48,658	583,900			
00426A	STAFF ASSISTANT I	1	87L	5,958	71,501			
	POSITIONS	37			4,847,892			
VACANT POSITIONS		# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
00805A	CHIEF INFORMATION TECHNOLOGY (UC)	1	LR14	13,068	156,819	156,819		
00804A	INFORMATION TECH. MANAGER II	3	LS12	11,308	135,701		203,551	
00803A	INFORMATION TECH. MANAGER I	2	LS11	10,519	126,233			
00802A	INFORMATION TECHNOLOGY SPECIALIST II	5	126B	12,795	153,539		575,771	
00801A	INFORMATION TECHNOLOGY SPECIALIST I	6	120L	11,118	133,415		600,367	
00460A	DATA SYSTEMS SUPERVISOR II	2	119E	10,662	127,949			
00782A	INFORMATION SYSTEMS MANAGER I	1	118L	10,531	126,375			
00782A	INFORMATION SYSTEMS MANAGER I	(1)	118L	10,531	126,375			
02644A	RETIREMENT SYSTEMS SPECIALIST	2	118K	10,506	126,067			126,067
00469A	DATA SYSTEMS COORDINATOR	2	113J	9,151	109,808			109,808
00458A	DATA SYSTEMS ANALYST II	1	108B	7,854	94,243			
00439A	SENIOR ADMINISTRATIVE ASSISTANT	1	93A	5,216	62,592			
	POSITIONS	25			1,772,383	156,819	1,379,689	235,874
	TOTAL POSITIONS	62						
	GROSS SALARIES				6,620,274			
	ANTICIPATED MOU SALARY INCREASE**				99,304			
	ANTICIPATED STEP AND/OR MERIT SALARY INCREASE				50,470			
	BONUS				25,685			
	120-DAY RETIREE(S)	2			154,454			
	TOTAL SALARIES				6,950,188			

MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/23.
 Represented/Non-Represented positions are shown at actual salaries as of 01/01/23.
 Represented positions shown in blue.
 Vacancies are shown at the 1st Step.
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.5% to anticipate a 3% MOU increase as of 01/01/24.

LACERA
FISCAL YEAR 2023-2024
SERVICES & SUPPLIES ACCOUNT SUMMARY

SYSTEMS DIVISION

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE		
COMMUNICATIONS	\$570,000	\$535,000	\$340,026	\$528,500	(\$6,500)	-1.2%	\$35,000	6.5%
TRANSPORTATION & TRAVEL	41,600	4,200	2,925	8,100	3,900	92.9%	37,400	890.5%
POSTAGE	450,000	390,000	0	450,000	60,000	15.4%	60,000	15.4%
OFFICE SUPPLIES & EQUIPMENT	713,000	469,000	506,130	708,000	239,000	51.0%	244,000	52.0%
EQUIPMENT MAINTENANCE	730,000	405,000	110,042	446,000	41,000	10.1%	325,000	80.2%
PROFESSIONAL & SPECIALIZED SERVICES	1,540,000	1,359,600	518,971	1,375,600	16,000	1.2%	180,400	13.3%
COMPUTER SERVICES & SUPPORT	5,079,600	5,049,600	3,604,075	5,141,000	91,400	1.8%	30,000	0.6%
EDUCATIONAL EXPENSES	63,100	36,500	6,545	21,000	(15,500)	-42.5%	26,600	72.9%
MISCELLANEOUS	500	500	221	300	(200)	-40.0%	0	0.0%
TOTAL	\$9,187,800	\$8,249,400	\$5,088,935	\$8,678,500	\$429,100	5.2%	\$938,400	11.4%

*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 2022		FYE 2023		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$6,054,880	\$4,686,335	\$5,534,330	\$5,668,700	\$6,950,188
Total Agency Temp Salaries	2,193,100	3,899,919	4,576,300	3,080,700	2,881,700
Employee Benefits (Variable)	3,530,148	2,421,661	3,212,254	2,768,800	3,907,381
Employee Benefits (Other)	381,398	384,347	410,601	402,400	445,474
OPEB Contribution	187,224	169,448	217,901	206,100	246,880
OPEB Contribution (Budget Surplus)	0	187,224	0	0	0
Stipends	0	0	0	0	0
Overtime	133,300	171,708	150,000	249,000	229,200
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	12,000	11,693	0	0	0
Rideshare Allowance	8,900	0	12,000	17,200	12,000
Transportation Allowance	0	0	8,900	0	8,900
SERVICES & SUPPLIES					
Communications	630,000	584,479	535,000	528,500	570,000
Transportation & Travel	4,600	4,421	4,200	8,100	41,600
Postage	390,000	439,440	390,000	450,000	450,000
Office Supplies & Equipment	399,600	363,967	469,000	708,000	713,000
Equipment Maintenance	434,500	362,815	405,000	446,000	730,000
Professional & Specialized Services	1,536,600	1,506,719	1,359,600	1,375,600	1,540,000
Computer Services & Support	4,619,600	4,187,326	5,049,600	5,141,000	5,079,600
Educational Expenses	36,500	9,169	36,500	21,000	63,100
Miscellaneous	1,000	291	500	300	500
TOTAL OPERATING BUDGET	\$20,553,351	\$19,390,963	\$22,371,686	\$21,071,400	\$23,869,522

*All amounts rounded to the nearest dollar.

PROJECTED NON-ADMINISTRATIVE EXPENSES
For the Fiscal Year Ended June 30, 2024

	Current Year		Prior Year ACTUAL FOR FY 2021-2022
	EXPENSES AS OF 12/31/2022	PROJECTED FOR FY 2023-2024	
Pension Trust Fund:			
Investment Management Fees			
U.S. Equity	\$ 2,771,854	\$ 5,603,729	\$ 11,508,316
Non-U.S. Equity	11,805,022	23,206,076	33,386,467
Fixed Income	2,431,795	23,191,603	38,166,125
Cash and Short-Term	159,208	318,415	307,397
Mortgage Loan Services	12,562	25,123	29,291
Private Equity	3,693,955	14,464,646	12,551,478
Real Assets	1,622,885	3,397,637	2,632,597
Real Estate	11,068,980	26,315,691	23,567,148
Hedge Funds	216,243	1,038,852	633,015
Commodities	1,715,923	3,431,846	5,203,433
Total Investment Management Fees	35,498,427	100,993,617	127,985,266
Other Investment Expenses			
Consultants			
General Investment Portfolio	122,500	490,000	514,890
Private Equity	271,431	1,035,181	1,047,682
Real Estate	96,369	328,569	378,450
Other Consulting Fees	428,208	856,417	1,019,292
	918,508	2,710,166	2,960,313
Custodians			
Investment Custodian and Banking Fees	2,087,113	3,000,000	3,695,080
Mortgages	-	5,000	5,000
	2,087,113	3,005,000	3,700,080
Performance and Other Fees	58,391,882	182,305,072	173,036,159
Investment Management Data Services	1,072,020	1,964,910	1,596,581
Investment Legal Counsel	1,214,680	2,255,000	1,081,799
Total Other Investment Expenses	63,684,203	192,240,147	182,374,933
Total Management Fees and Other Investment Expenses	\$ 99,182,630	\$ 293,233,765	\$ 310,360,199
Actuarial Consulting Services	27,067	250,000	219,132
Total Pension Fund Non-Administrative Expenses	\$ 99,209,697	\$ 293,483,765	\$ 310,579,331
Retiree Health Care (RHC) Program Funds:			
Fixed Income Management Fees	\$ 51,981	\$ 103,962	\$ 90,402
Short-Term Management Fees	9,378	18,757	24,901
Custodian Fees	15,000	30,000	30,167
Total RHC Program Non-Administrative Expenses	\$ 76,359	\$ 152,718	\$ 145,470
Other Post Employment Benefits (OPEB) Trust Fund:			
Enhanced Cash Management Fees	\$ 11,691	\$ 23,381	\$ 19,537
Commodities Management Fees	71,159	142,318	160,882
Global Equity Management Fees	148,993	297,986	294,582
Fixed Income Management Fees	157,389	314,779	329,178
Real Estate Management Fees	73,531	147,061	148,004
Private Assets	-	928,000	-
General Investment Portfolio Consultant	42,499	84,998	61,676
Custodian Fees	108,309	216,618	218,862
Total OPEB Trust Non-Administrative Expenses	\$ 613,570	\$ 2,155,141	\$ 1,232,721

CEO's 100-Day Plan Status



LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

Los Angeles County Employees Retirement Association (LACERA)

Roadmap for Implementing Action Steps in the 100-Day Management Report

Updated: 03/10/2023

Focus				Action Steps				Timeline				Percent Completed			
								Accountability		FY2020-21			FY2021-22	FY2022-23	
								Lead	Support	Jul	Aug				Sep
CHAPTER II - UPDATE ON ACTIONS TAKEN															
Strategic Planning & Action Plans															
SP	II.1	Report review with Trustees	CEO	Trustees								100%			
SP	II.2	Refined "Next Action Steps"	CEO	Execs								100%			
SP	II.3	Strategic planning effort	CEO	Trustees, Execs								100%			
SP	II.4	Strategic Plan actions defined	CEO	Execs								90%			
COVID-19 Transition Plan															
C19	II.5	After action reviews	CEO	Execs	M	M	M	M	M	M	Ongoing				
C19	II.6	COVID-19 Transition Plan	CEO, AEO/Ops	IT, Admin, HR	Starting with Member Services							100%			
C19	II.7	Plans to address the work backlog:	AEO/Ops	Mem Group											
C19	II.7a	-- Retiree Disability (moving to paperless)	AEO/Ops	Mgr/Disab	Slight delays in third-parties providing documentation							100%			
C19	II.7b	-- Member Services (heavily "real time")	AEO/Ops	Mgr/Mem								100%			
C19	II.7c	-- Benefit Services (rules, resources, tech)	AEO/Ops	Mgr/Benefits, IT	Heavy backlog pre-/post-COVID-19						Ongoing				
C19	II.7c1	. "Quick fix" Benefits backlog plan	Mgr/Benefits	Legal, IT							Ongoing				
C19	II.7c2	. Longer term Benefits backlog plan (self-service)	Mgr/Benefits	IT, PMG							Ongoing				
Business Continuity Planning (BCP)															
SP	II.8	Unified BCP	AEO/Ops	Admin., HR								100%			
IT	II.9	BCP/DRP initiatives implementation for IT	IT Exec		See Chapter V							100%			
Management of Staff Working Remotely															
Culture	II.10	Remote staff management	Execs	HR Dir							Ongoing Hybrid	100%			
CHAPTER III - NEW ORGANIZATIONAL ALIGNMENT															
Org	III.1	Structural review with both Boards	CEO	Trustees								100%			
Org	III.2	Staff announcement of new structure	CEO	Execs		MAC						100%			
Org	III.3	Routine executive meetings	CEO	Execs							Ongoing	100%			
Org	III.4	Member-facing functional alignment	AEO/Ops	Mem Ops								100%			
Org	III.5	New COO position	CEO	HR Dir								100%			
Org	III.6	CFO position redefined & filled	CEO	HR Dir								50%			
Org	III.7	CI&TO position defined; recruitment begun	CEO	HR Dir								100%			
Org	III.8	Compliance Officer position filled	Chief Counsel	HR Dir								25%			
Org	III.9	PIO position filled	CEO	HR Dir								10%			
Org	III.10	Organizational refinements if any	CEO	Execs							Ongoing				
Org	III.11	Job titles/org hierarchy consistency	HR Dir								Ongoing				
CHAPTER IV - PLANNING															
SP	IV.1	Best practices identified for Strategic Plan	Execs	Mgrs							See also VII.4				

Los Angeles County Employees Retirement Association (LACERA)

Roadmap for Implementing Action Steps in the 100-Day Management Report

Updated: 03/10/2023

Focus				Action Steps				Timeline				Percent Completed			
								Accountability		FY2020-21			FY2021-22	FY2022-23	
								Lead	Support	Jul	Aug				Sep
SP	IV.2	Shared vision & strategic planning		CEO	Trustees							100%			
SP	IV.3	Unified BCP		Admin Services	IT							100%			
SP	IV.4	IT plans (strategy, security BCP, DRP)		IT	ITMC							100%			
SP	IV.5	HR Plans		HR Dir	Execs							100%			
SP	IV.6	Improved budgeting process		CFO, Admin								75%			
SP	IV.7	Communications Plan		Comm	Mem Ops, RHC, IT					Ongoing		75%			
SP	IV.8	Linkage of plans to Strategic Plan		Execs						Ongoing		100%			
CHAPTER V - IT MODERNIZATION															
IT Planning, Structure, & Staffing															
IT-Org	V.1	IT Management Council established		IT Exec	CEO, Execs							100%			
IT-Org	V.2	Priority IT plans developed & implemented		IT Exec	IT Team							90%			
IT-Org	V.3	Priority IT policies & IT developed		IT Exec	ITMC					Ongoing					
		-- PMO										100%			
		-- IT Operations										100%			
IT-Org	V.4	IT Strategic Plan developed & aligned		IT Exec	ITMC							75%			
IT-Org	V.5	IT Program Management Office established		CEO	CTO, AEO/Admin							100%			
IT-Org	V.6	IT/IS structure realigned		CEO, CTO	AEO/Admin							100%			
IT-Org	V.7	IT staffing plan implemented		IT Exec	HR Dir							50%			
IT Security															
IT-Security	V.8	Immediate IT vulnerabilities addressed		IT Exec	IT Sec Consultant							100%			
IT-Security	V.9	Security expert consultant study completed		CEO	IT Exec							100%			
IT-Security	V.10	Security study recommendations adopted		IT Exec	ITMC							100%			
IT Investment															
IT-Invest	V.11	IT recommended investments		CTO, AEO/Admin	ITMC					Ongoing					
IT-Invest	V.12	IT Modernization/IT Strategic Plan adopted		IT Exec	Trustees							75%			
IT-Invest	V.13	IT capabilities/systems upgrade investments		Trustees, IT Exec	ITMC					Ongoing					
IT-Imple	IT Implementation														
IT-Imple	V.14	IT "quick fixes" implemented		CTO, AEO/Admin								100%			
IT-Imple	V.15	IT Strategic Plan/other IT plans implemented		CTO, AEO/Admin						Ongoing					
IT-Imple	V.16	Robust telecommuting capabilities		CTO, AEO/Admin	IT Exec							100%			
IT-Imple	V.17	Migration to the cloud (vendor resources)		CTO, AEO/Admin	CIO							100%			
IT-Imple	V.18	Migration to the cloud (servers & systems)		IT Exec								90%			
IT-Imple	V.19	Virtual call center, including counseling		AEO/Ops, IT	Mem Group							100%			
IT-Imple	V.20	Remote work capability for benefits analysts		IT								100%			

Los Angeles County Employees Retirement Association (LACERA)
Roadmap for Implementing Action Steps in the 100-Day Management Report

Updated: 03/10/2023

Focus	Action Steps		Accountability		Timeline							Percent Completed	
					FY2020-21			FY2021-22	FY2022-23				
					Lead	Support	Jul			Aug	Sep		Q2
CHAPTER VI - WORK CULTURE & CHANGE MANAGEMENT													
Culture	VI.1	Leadership & management dev program	CEO	HR Dir									10%
Culture	VI.2	Diversity/Inclusion Plan (culture/values)	CEO	Execs, HR Dir							Ongoing		30%
Culture	VI.3	Shortened technical training	QA	Mem Group				Prepare			Monitor		75%
Culture	VI.4	Levels of Protection defined & implemented	Chief Counsel	Compliance Officer									20%
CHAPTER VII - ENHANCED PROCESSES & OPERATIONS													
Improve	VII.1	New budget system and processes	Admin Services	CFO	Build on existing "Great Plains" platform								75%
Improve	VII.1	Division staffing & metrics in budget	CEO/COO	Mgrs/Mem Ops			Draft Budget				Ongoing		
Improve	VII.2	Continuous process improvement initiative	AEO/Mem Serv	PMG						Ongoing	Ongoing		
Improve	VII.3	Metrics & priority processes to improve	PMG	Mgrs/Mem Ops						Annual	Annual		60%
Improve	VII.4	Best practices & best-in-class standard	Execs	Mgrs/Mem Ops						See also IV.1			
Improve	VII.5	Process inventory/priorities approved	Execs	AEO/Ops, PMG						Annual	Annual		100%
Improve	VII.6	Process improvement with metrics	PMG	Mgrs/Mem Ops						Ongoing	Ongoing		75%
Improve	VII.7	Potential expansion of PMG's services	CEO	Execs									25%

The LACERA Strategic Plan will be inserted here upon approval by the Boards.

Towards Best-In-Class Investor

2023 Work Plan and Strategic Initiatives

Investments Division

Board of Investments
January 11, 2023

Jonathan Grabel – Chief Investment Officer



2023 Work Plan Recommendation and Overview

Recommendation

- Approve the 2023 Work Plan and Strategic Initiatives

Overview



The updated 2023 Work Plan and Strategic Initiatives for LACERA's Investments Division 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. Promote **disciplined execution** and aligned resources for defined priorities while acknowledging that LACERA is resilient and adaptable to unforeseen circumstances

LACERA Investments Division

Work Plan and Strategic Initiatives Timeline

Components of the Investments Division's Work Plan and Strategic Initiatives have evolved over several years while maintaining the goal to improve portfolio outcomes



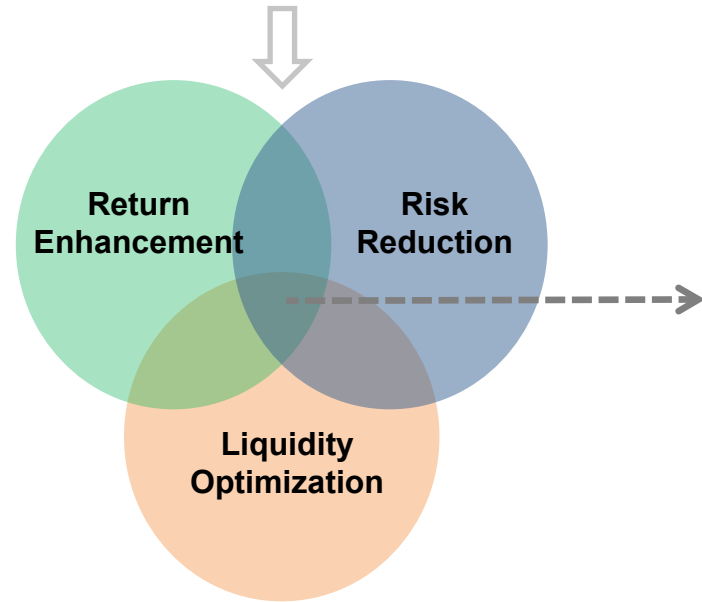
2023 Work Plan

Background and Strategic Initiatives



Execute Strategic Asset Allocation

while balancing...



**Produce,
Protect, and
Provide the
Promised
Benefits**



**Enhance
Operational
Effectiveness**



**Optimize
Investment
Model**



**Maximize
Stewardship and
Ownership Rights**



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

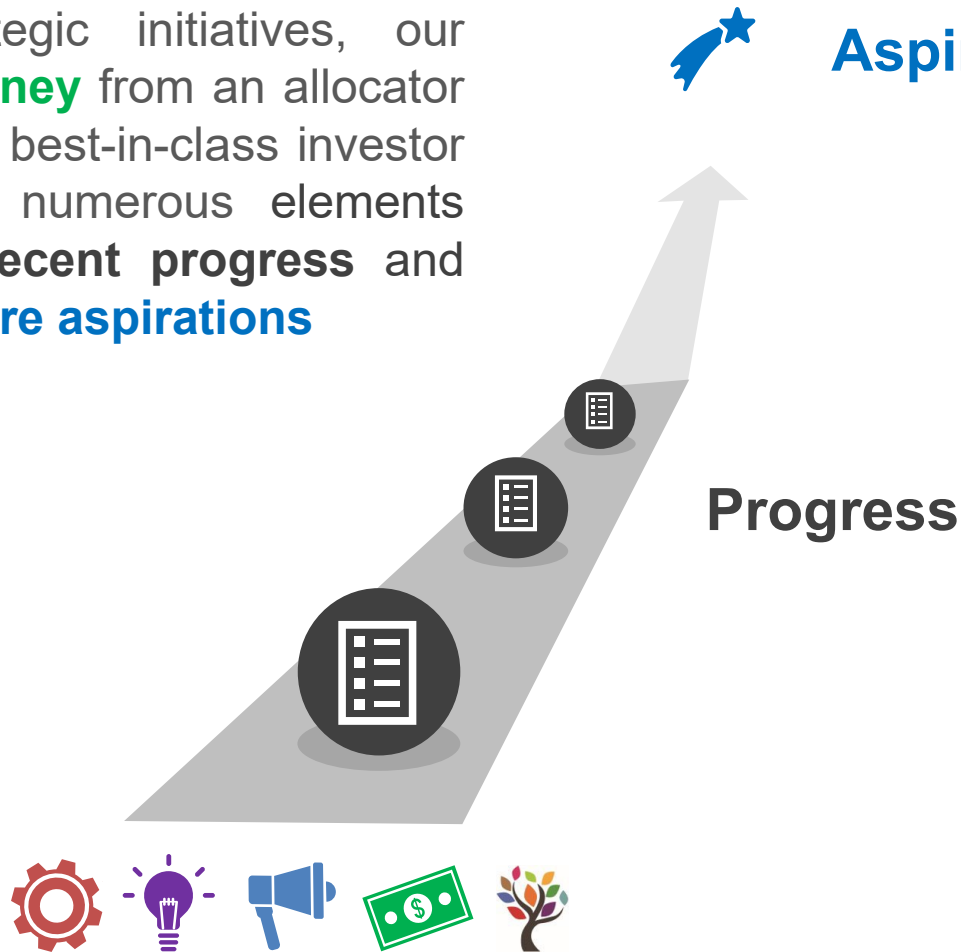


**LACERA
T.I.D.E.**

2023 Work Plan

Strategic Initiatives Towards Best-In-Class Investor

Across LACERA's five strategic initiatives, our **journey** from an allocator to a best-in-class investor has numerous elements of **recent progress** and **future aspirations**



Progress points and aspirations may overlap -- in areas where we have both accomplishments and incremental goals

Upcoming slides highlight each initiative and reflect feedback from the BOI →

2023 Work Plan

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.



**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:

- Enhanced risk analytics and reporting
- Improved asset transparency and wire transfer processes
- Established single-investor vehicles and dedicated managed accounts

Aspirations:

- Continuous improvement of investment and operational due diligence
- Optimize presentation and quality of information provided to the Board
- Advance OPEB strategic asset allocation and unitization structure
- Derive and maximize value from technology
- Avoid uncompensated complexity

2023 Work Plan

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.



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:

- Expanded co-investment programs to additional asset categories
- Created revenue sharing agreements with asset managers through emerging manager programs
- Completed analysis of internal asset management for public markets

Aspirations:

- Evolve internal staff investment committees
- Further cultivate an investor mindset
- Continuously right-size capital invested to asset managers and mandates

2023 Work Plan

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.



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:

- Institutionalized consistent ESG and DEI due diligence and monitoring across all mandates
- Routinized global proxy voting consistent with LACERA Principles
- Expanded engagements on board diversity, climate, public policy

Aspirations:

- Expanding climate risk analysis to total Fund including private markets
- Implement recently restated Responsible Contractor Policy
- Integrate Global Real Estate Sustainability Benchmark in real assets
- Assume voting rights in OPEB separate account structure
- Amplify progress and leadership in governance and ESG initiatives

2023 Work Plan

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.



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:

- Increased allocation to private equity co-investment program, reducing costs
- Elevated non-economic terms such as capacity rights, revenue sharing, and beneficial rights
- Established dedicated managed accounts with better terms

Aspirations:

- Be “term-makers” as opposed to “term-takers”
- Promote creativity and solutions when tailoring terms
- Further measure and reduce costs across portfolio

2023 Work Plan

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.



LACERA
T.I.D.E.

Objective:

To improve outcomes through comprehensive, total Fund efforts that encourage constructive, inclusive, and equitable talent management at investment partners, industry, and internally

Progress:

- Instituted comprehensive annual updates to the BOI
- Increased insight of manager practices for portfolio evaluation
- Vast increase in manager reporting, DEI focus, and candor
- Expanded industry collaboration and external advocacy
- Expanded allocation opportunities for emerging managers

Aspirations:

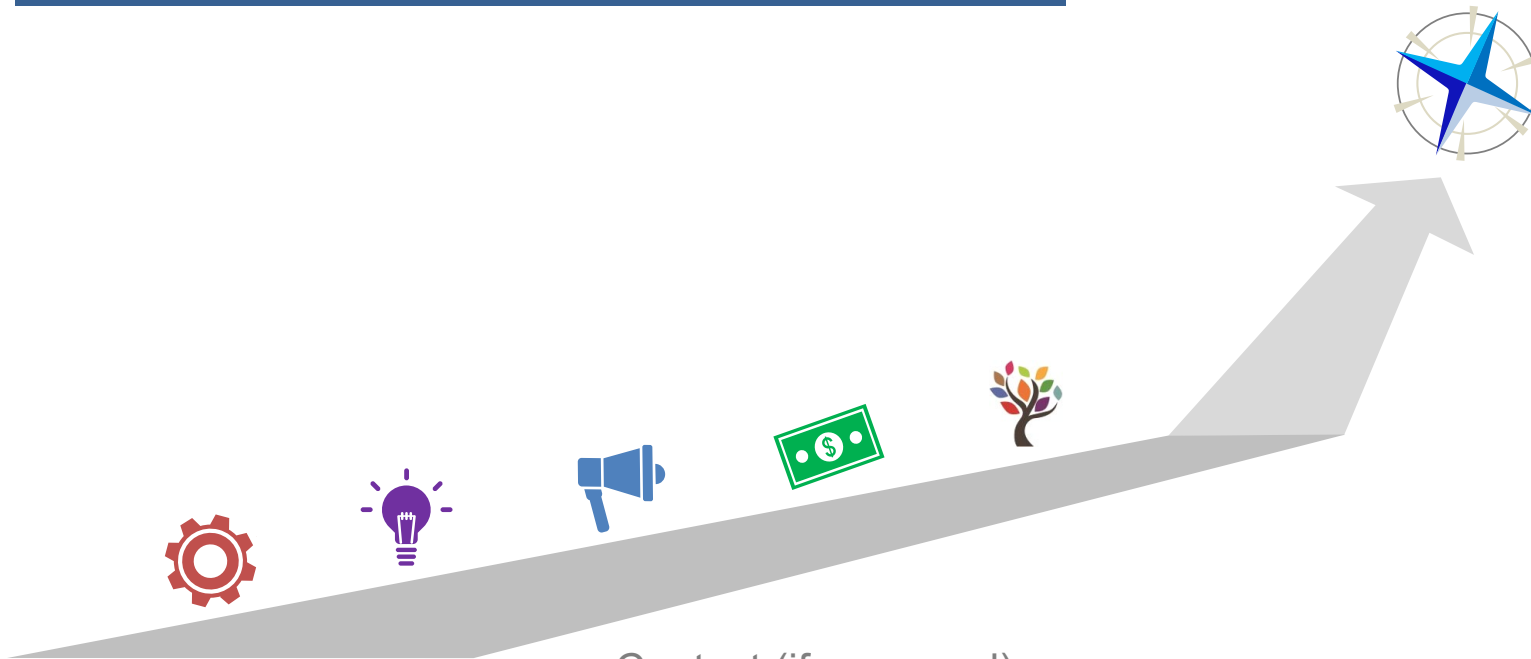
- Constructive influence for manager adoption of leading DEI practices
- Evolve holistically towards inclusion and diversity and equity
- Maximize functional empowerment and engagement of internal team

2023 Work Plan Recommendation

Recommendation:

Approve the 2023 Work Plan and Strategic Initiatives

Execute
Strategic Asset Allocation
Towards Best-In-Class Investor



Context (if approved):

- The Investments Division's 2023 Work Plan and Strategic Initiatives would be a component of LACERA's strategic plan
- The Investments Division may re-evaluate its work plan as circumstances warrant

Appendix



Prospective 2023 Calendar

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

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



2023 Work Plan

1st Quarter Preliminary Monthly Calendar

FEBRUARY 8, 2023	
Board of Investments:	
Category	Subject
Total Fund	OPEB Public Markets Search Minimum Qualifications Recommendation
Growth	Private Equity Investment Recommendation
Committee: (open)	
Category	Subject

MARCH 8, 2023	
Board of Investments:	
Category	Subject
Total Fund	Trust and OPEB Performance Report and Review
Total Fund	General Consultant Trust and OPEB Performance Report
Growth	Private Equity Investment Recommendations
Real Assets	Investment Recommendation
Committee: Equity: Public/Private	
Category	Subject
Growth	Private Equity Performance Report and Review
Growth	Guest Speaker(s)

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



2023 Work Plan

2nd Quarter Preliminary Monthly Calendar

APRIL 12, 2023	
Board of Investments:	
Category	Subject
Total Fund	Annual Securities Lending Income Report
Growth	Private Equity Investment Recommendation
Real Assets	Investment Recommendation
Committee: Corporate Governance	
Category	Subject
Corporate Gov.	Principles Policy Review
Corporate Gov.	Guest Speaker(s)

MAY 10, 2023	
Board of Investments:	
Category	Subject
Total Fund	OPEB Public Markets Search Recommendation
Growth	Private Equity Investment Recommendation
Committee: Credit and Risk Mitigation	
Category	Subject
Credit	Performance Report and Review
Risk Mitigation	Performance Report and Review
Credit	Guest Speaker(s)

JUNE 14, 2023	
Board of Investments:	
Category	Subject
Total Fund	Trust and OPEB Performance Report
Total Fund	General Consultant Trust and OPEB Performance Report
Growth	Private Equity Investment Recommendation
Real Assets	Investment Recommendation
Committee: Real Assets	
Category	Subject
Real Assets	Implementation Update
Real Assets	Guest Speaker(s)
Real Assets	Performance Report and Review

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



2023 Work Plan

3rd Quarter Preliminary Monthly Calendar

JULY 12, 2023	
Board of Investments:	
Category	Subject
Total Fund	Board Offsite (potential)
Total Fund & OPEB	Strategic Asset Allocation Study - Process Overview
Real Assets	Real Estate Findings Update Memo
Growth	Private Equity Investment Recommendation
Credit	Investment Recommendation
Committee: Equity: Public/Private	
Category	Subject
Growth	Global Equity – Review of Active Portfolio

AUGUST 9, 2023	
Board of Investments:	
Category	Subject
Total Fund	Board Offsite (potential)
Real Assets	Real Assets and Real Estate Emerging Manager Program Search Manager Recommendation
Committee: (open)	
Category	Subject

SEPTEMBER 13, 2023	
Board of Investments:	
Category	Subject
Total Fund	Board Offsite (potential)
Total Fund	Trust and OPEB Performance Report and Review
Total Fund	General Consultant Trust and OPEB Performance Report
Growth	Private Equity Portfolio Performance Review
Real Assets	Private Fund Investment Recommendation
Committee: Credit and Risk Mitigation	
Category	Subject
Credit	Structure Review
Risk Mitigation	Structure Review

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



2023 Work Plan

4th Quarter Preliminary Monthly Calendar

OCTOBER 11, 2023

Board of Investments:

Category	Subject
Total Fund & OPEB	Strategic Asset Allocation Study
Total Fund	Fee Attribution Analysis
Growth	Private Equity Investment Recommendation
Real Assets	Investment Recommendation
Real Assets	Responsible Contractor Policy – Compliance Update

Committee: Corporate Governance

Category	Subject
Corporate Gov.	Proxy Voting Results and Trends
Corporate Gov.	Review of Engagement and Stewardship Initiatives

NOVEMBER 8, 2023

Board of Investments:

Category	Subject
Total Fund & OPEB	Strategic Asset Allocation Study
Credit	Asset Category Consultant Search Minimum Qualifications Recommendation
Risk Mitigation	Asset Category Consultant Search Minimum Qualifications Recommendation
Real Assets	Asset Category Consultant Search Minimum Qualifications Recommendation
Real Assets	Investment Recommendation

Committee: Equity: Public/Private

Category	Subject
Growth	Global Equity MSCI Risk Review
Growth	Private Equity Performance Report and Review

DECEMBER 13, 2023

Board of Investments:

Category	Subject
Total Fund & OPEB	Strategic Asset Allocation Study
Total Fund	Trust and OPEB Performance Report
Total Fund	General Consultant Trust and OPEB Performance Report
Total Fund	T.I.D.E. Initiative Update
Total Fund	7514.7 – Investment Fee Update
Other	Actuarial Valuation of Retirement Benefits

Committee: Real Assets

Category	Subject
Real Assets	Structure Review
Real Assets	Guest Speaker(s)

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





FY 2023-2024

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RETIREE HEALTHCARE

BUDGET HIGHLIGHTS

FISCAL YEAR 2023-2024

Mission

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

INTRODUCTION

The Retiree Healthcare Division (RHC) is responsible for administering the Retiree Healthcare Benefits Program (RHCBP) for retired members, survivors, and eligible dependents. This budget request for FY 2023-24 reflects our ongoing commitment to provide the highest level of customer service to our members and eligible dependents. RHC is also responsible for understanding and implementing the many complex changes in federal and state programs such as the Affordable Care Act (ACA), Medicare, and Social Security guidelines as applicable to the RHCBP, in addition to the general healthcare landscape. This budget will provide the division with the support needed to deliver timely quality service to our retired members/survivors and their eligible dependents.

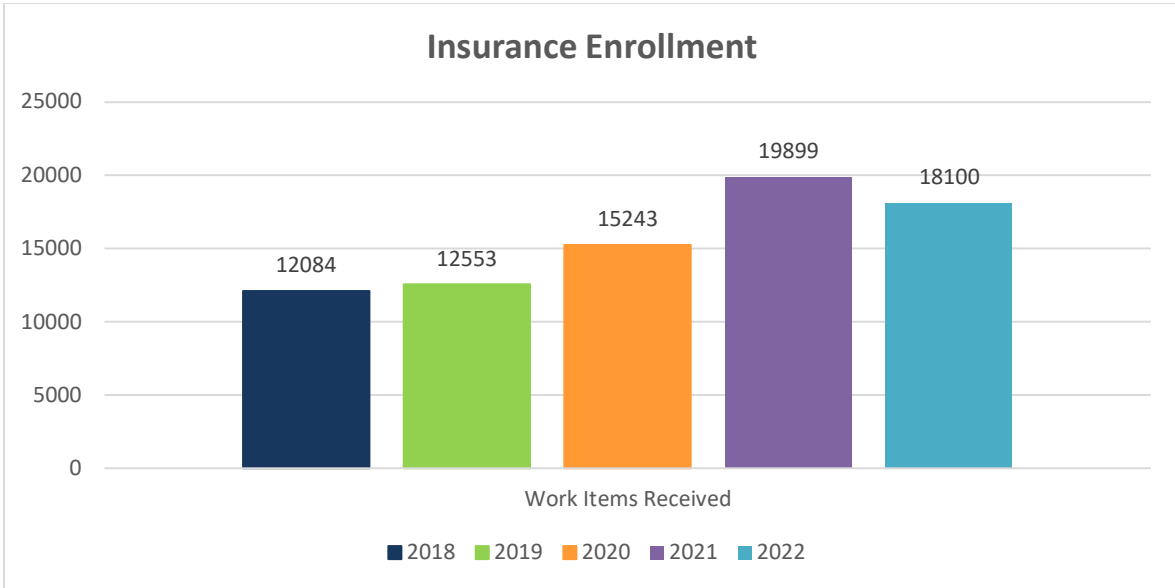
The RHC Division consists of the following units:

- **Operations Unit:**

Assists in planning, assigning, organizing, and managing the work of staff engaged in the research, resolution, and processing of retiree healthcare medical, dental/vision, and MAPD enrollment/change/cancellation forms and explanation of complex retiree healthcare benefits questions from members. Assists in the Medicare Part B premium verification and premium adjustments project. Handles member correspondence as it relates to healthcare eligibility, enrollment, and other

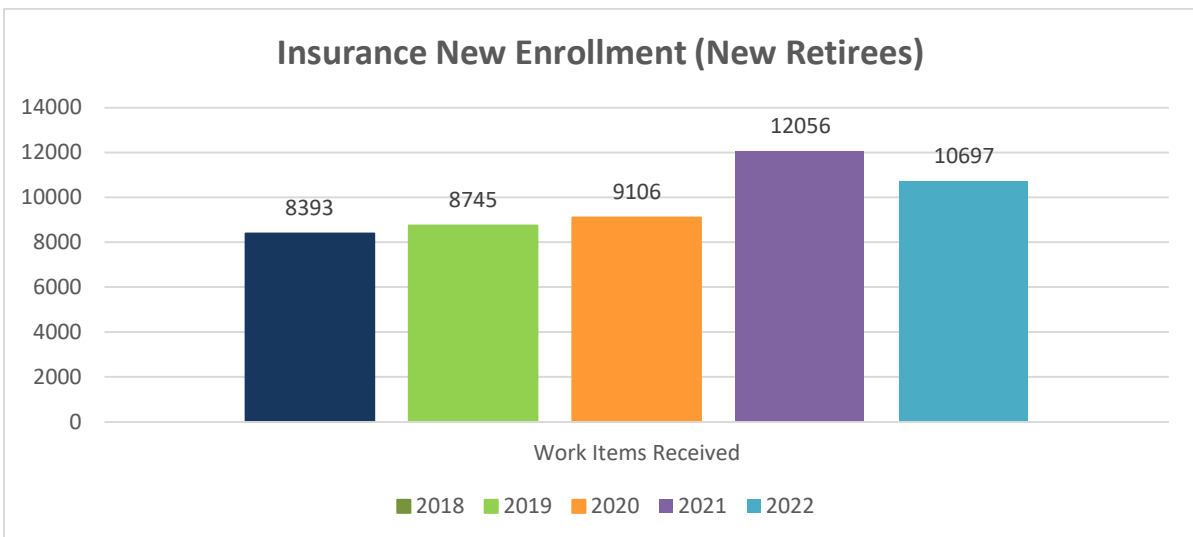
healthcare benefits-related issues.

Following are charts that show the number of forms received, and completed for years 2018 through 2022 by work object items, not per member:



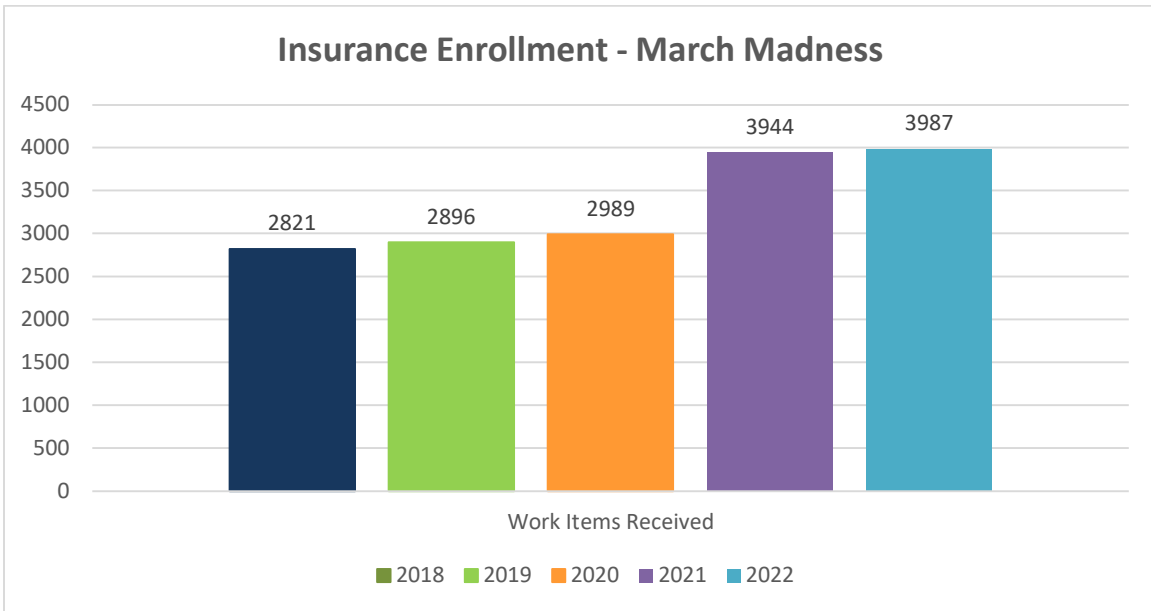
Work Items Received are based on work objects, not per member

	Growth Avg.	% Growth Avg.
2023-2024 Forecast (Insurance Enrollment)	2160	12%



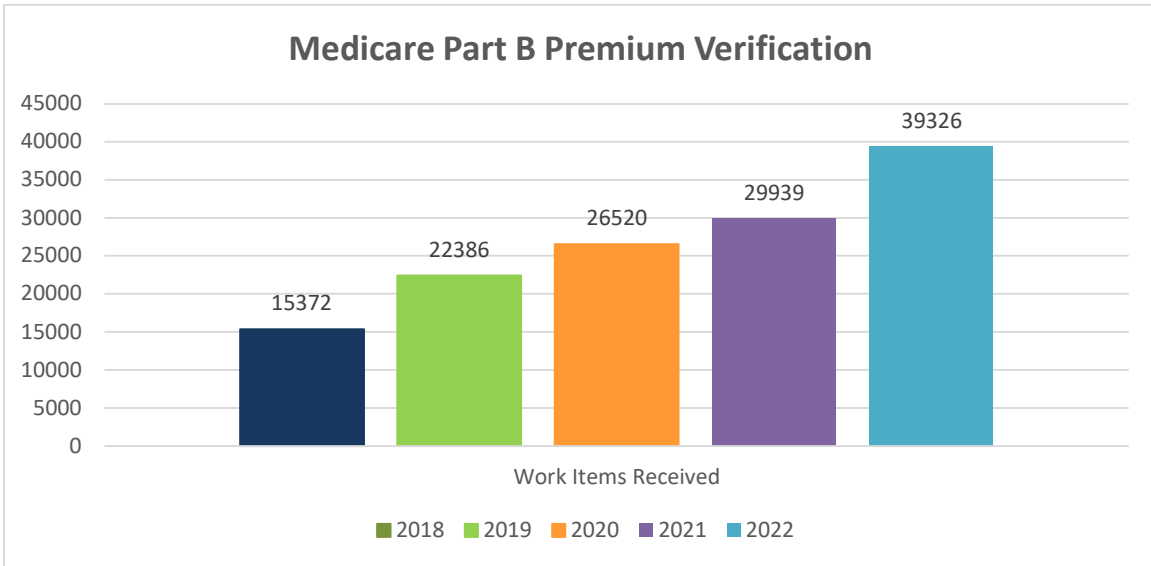
Work Items Received are based on work objects, not per member

	Growth Avg.	% Growth Avg.
2023-2024 Forecast (Insurance New Enrollments (New Retirees))	813	8%



Work Items Received are based on work objects, not per member

	Growth Avg.	% Growth Avg.
2023-2024 Forecast (Insurance Enrollment March Madness)	387	10%



Work Items Received are based on work objects, not per member

	Growth Avg.	% Growth Avg.
2023-2024 Forecast (Part B Verifications)	11,000	27%

*Note that the Part B verification process changed in 2023. Those who qualified had their 2023 Part B reimbursement amount auto-adjusted. This change will have an effect on the overall forecast.

- **Quality Control Unit/Financial Section:**

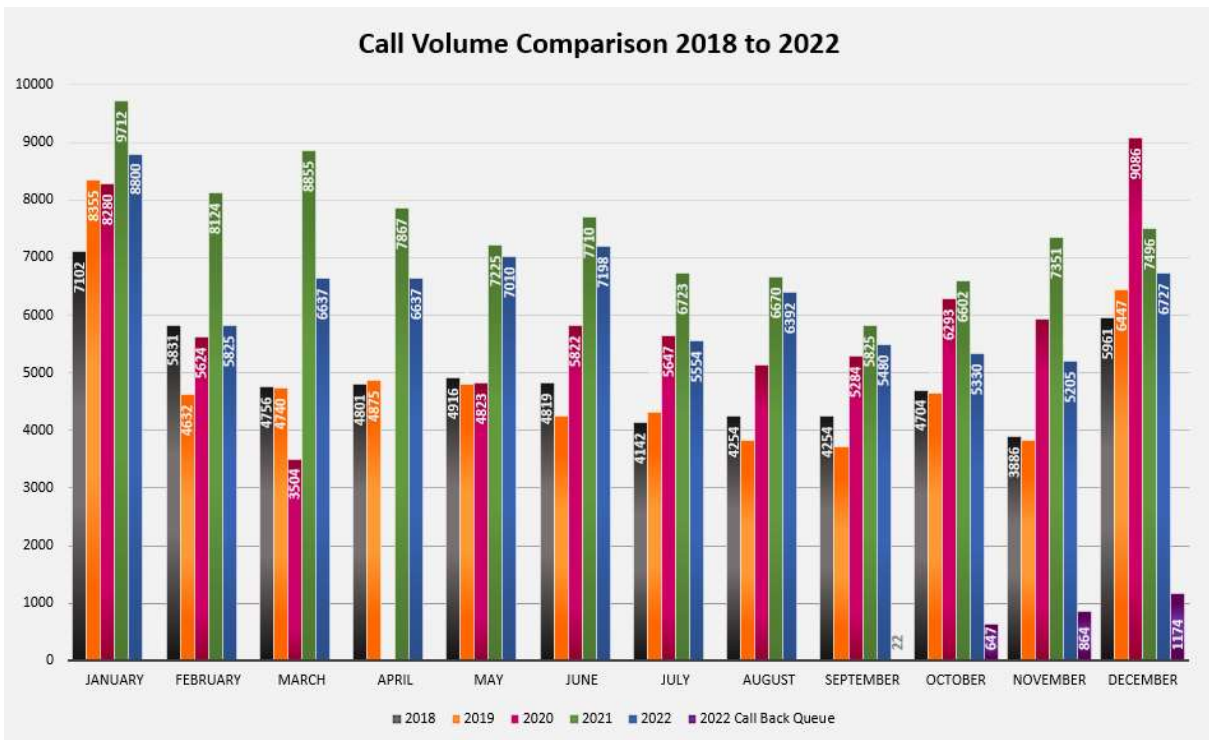
Assists in conducting extensive operational and procedural audits to ensure guidelines are followed by staff. Responsible for quality control. Provides review of retiree healthcare enrollment forms to ensure accuracy and completeness. Engages in the monthly carrier discrepancy reports and auditing of accounts to reflect the accuracy of eligibility, data input, and premium amounts. Conducts monthly call monitoring between members and staff to ensure accurate information is being provided to members during each encounter; conducts quality checks of enrollment forms processed by Operations staff. In addition, they create, process, mail and monitor Age 65 letters. Although this unit is responsible for coordinating with other RHC units, training new staff, and providing refresher classes to existing RHC staff, the applicable divisional unit is responsible for monitoring the training guides to ensure they are updated as needed.

Financial Section

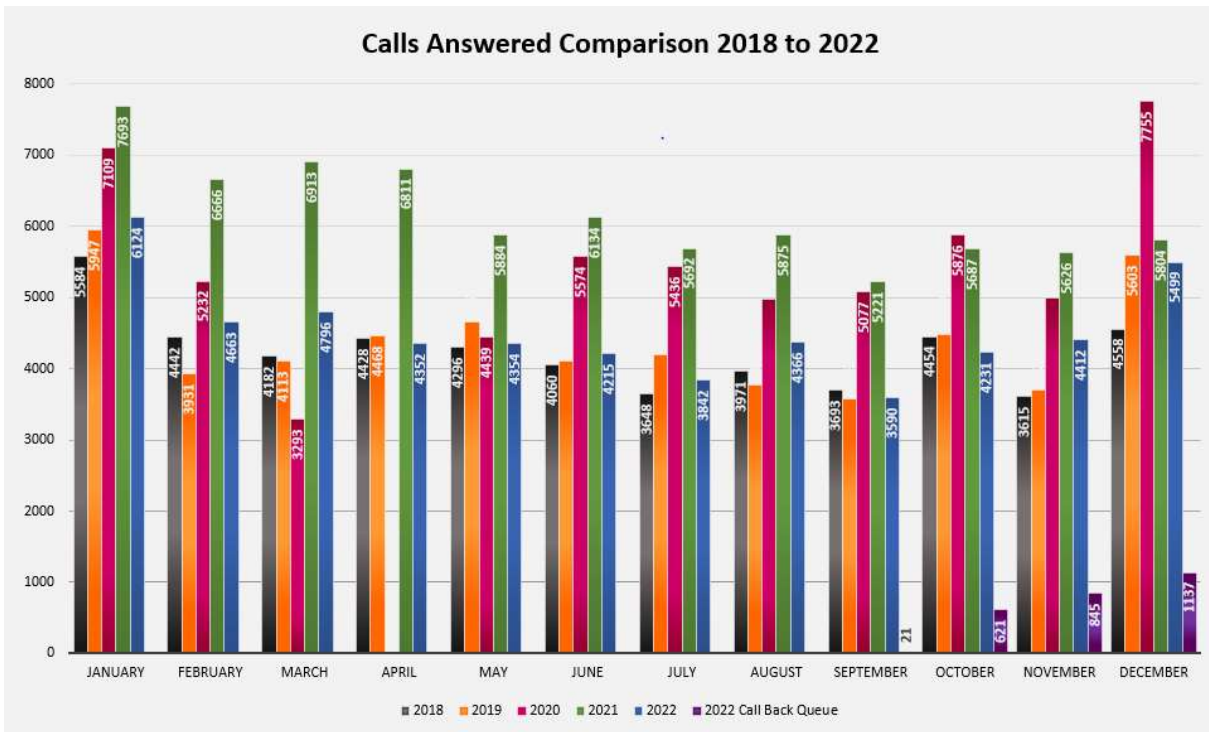
Assists in the processing of billing, non-deductible, and COBRA premium payments. This unit is also responsible in the monthly reconciliation reports to ensure that the monthly healthcare premium payments are made to the health plan carriers timely and accurately, and processing the monthly RHC statistical data report to the Executive Office.

Retiree Healthcare has an Accountant position currently residing within the division, because some knowledge of the healthcare program is needed in order to understand the billing and reconciliation of premiums at month-end. Once the division is fully staffed and staff is trained, we are considering transitioning this item to the Financial Accounting Services Division (FASD) in the future.

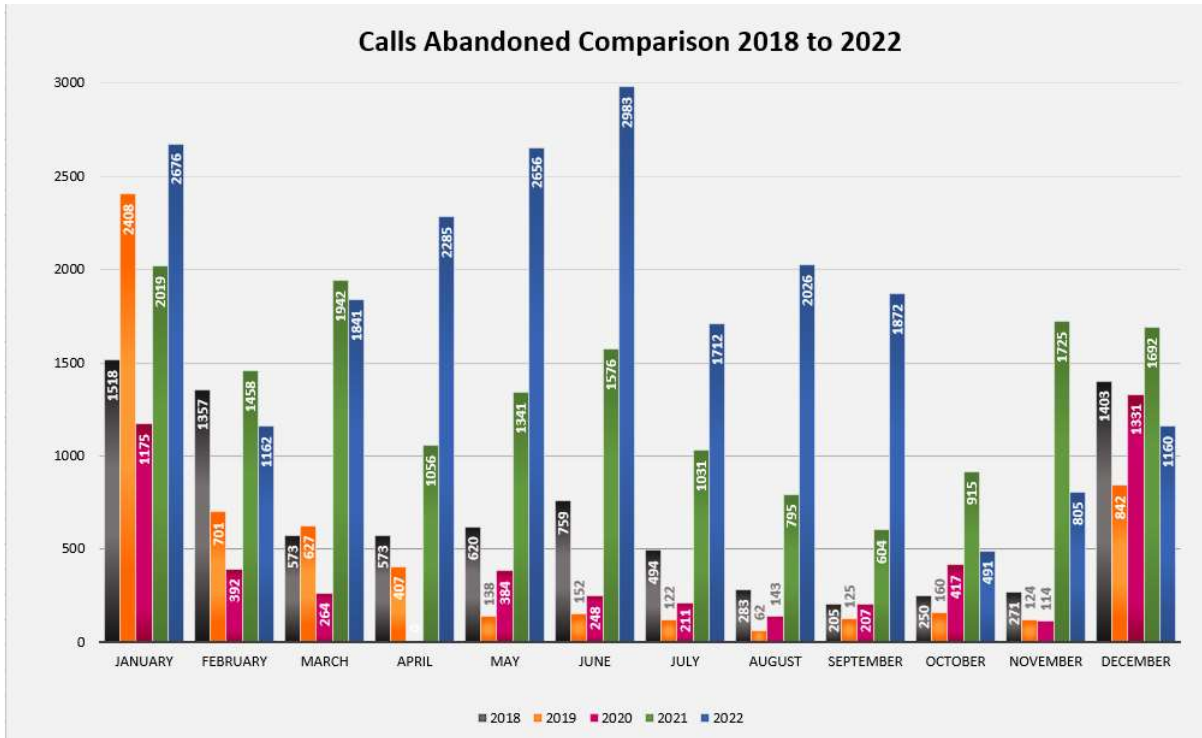
- **RHC Call Center:** Assists members and the organization at large with responding to retiree healthcare benefits-related questions, resolving complex questions regarding the Retiree Healthcare Benefits Program and healthcare enrollment, as well as providing information to management regarding its impact on division operations.



	Growth Avg.	% Growth Avg.
2023-2024 Forecast (Call Volume)	972	4%



	Growth Avg.	% Growth Avg.
2023-2024 Forecast (Calls Answered)	132	1%



	Growth Avg.	% Growth Avg.
2023-2024 Forecast (Calls Abandoned)	6085	54%

RHC Successes:

- Polished and updated the operational procedures for all units of the division
- Achieved an overall single-digit healthcare premium increase during the renewal process
- Improved the Operations enrollment processing triage description for efficiency
- Improved the Part B audit review process by creating a new work queue
- Participated in the implementation of the callback feature of Amazon Connect
- Aligned each divisional unit in accordance with the organizational chart
- Initiated the update of a new interactive enrollment checklist that is simpler and more user-friendly for the processors and Audit team
- Implemented the RHC Call Center training plan and manuals for new hires in the RHC Call Center
- Modified the member submission of the Part B premium verifications for 2023, improving the process
- Hired three Retirement Benefits Specialist (RBS) I County temporary staff for the Call Center. They are going through the RHC training. The addition has helped our Call Center respond to increases in call volume after the Part B mailing and during March Madness season.
- Added sample healthcare enrollments forms to the website to assist members in completing the enrollment forms correctly

- We are collaborating with Communications with the creation of a Medicare video to educate members about Medicare basics and how it works together with the LACERA-administered healthcare program.

RHC Challenges:

- Members are unable to submit electronic enrollment forms; paper enrollments are still being submitted to the health plan carriers.
- Call volume increases during Part B verification mailing and March Madness; non-Call Center staff are needed to assist with the incoming calls

Goals:

- As part of the organization's focused efforts to provide a great member experience, RHC is partnering with the Systems Division to automate the Medicare Part B premium verification process.
- Dependent Database Audit: We intend to issue a Request for Information (RFI) this fiscal year.
- Electronic submission of enrollment forms: Staff is partnering with the Systems Division for this project.

RHC is also working to:

- Implement a new seminar for members becoming Medicare eligible, in partnership with Member Services Division
- Create an annual Supplemental Retiree Healthcare Newsletter that focuses solely on healthcare and health-related topics
- Find ways to expedite healthcare enrollments and the Part B Medicare verification process by applying for a data exchange agreement with the Social Security Administration

STAFFING

We have a total of 37 budgeted positions. No new positions are requested.

Temporary Agency Staff

We are not asking to budget for temporary agency staff this fiscal year.

120-Day Return-to-Work Position

The 120-day retiree will continue to work on that basis as an advisor to the Retiree Healthcare Division, which she developed. With experience at developing programs on the County CEO side as well as having been LACERA's former Healthcare Director, she is instrumental in providing clarity and background on the intent behind ordinance language that supports LACERA's administration of the healthcare program for L.A. County. In addition, and most importantly, she diligently arranges introductions with the

CEOs and presidents of various health plans that LACERA conducts business with as they are made available. The healthcare industry is and continues to become more complex. Coupled with the unique program that LACERA administers, the 120-day retiree advisor is and has been a resource to executive management, LACERA's healthcare consultants, and the Board of Retirement. This handoff of knowledge and relationships is vital to understanding both the intent behind the County ordinance and methods that would be allowable while remaining compliant.

Overtime

Overtime is being requested to manage the workload related to the high volume of enrollment forms received from March Madness, processing of Medicare Part B premium verifications, and for any unanticipated special projects and special mailings that regularly occur. The total overtime amount being requested for this fiscal year is \$134,900.

SERVICES AND SUPPLIES

Professional and Specialized Services: Audits

We have budgeted \$806,500 to cover the cost of conducting the following program audits for this fiscal year:

Cav Mac OPEB Triennial Audit:	\$348,000
Milliman's OPEB Triennial Experience Study and Valuation:	\$458,500

Internal Audit is adding the OPEB Triennial Audit as it relates to the RHCBP for this fiscal year, and Cav Mac will be performing the audits. Internal Audit is also adding the OPEB Triennial Experience Study and Valuation to be performed by Milliman as it relates to the RHCBP. This is a concerted effort that is coordinated through the Financial Accounting Services Division (FASD) and Internal Audit but supported by the Retiree Healthcare administrative budget as it is OPEB-related.

FUNDING AND OPERATING EXPENSES

The RHCBP's operating expenses must be funded by the program, and its operations cannot be subsidized by the trust funds used to operate the retirement benefit trust. The administrative fee covers administrative expenses, including consulting services, vendor fees, and the cost of administering the RHCBP. As such, 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 2022, the Board of Retirement approved a \$2 increase to the administrative fee from \$8 to \$10 per member, per plan, per month. However, actual administrative expenditures for FY 2022-2023 remained just below \$8.00. Given the current balance and projected expenditures, there is no compelling reason to increase the fee above \$8 in FY 2023-2024 and staff recommends reducing the fee back to \$8.00 . Below is a chart of administrative fee amounts from 1999 to present:

Time Period	Administrative Fee Amount
July 1, 2023 – June 30, 2024	\$8.00
July 1, 2022 – June 30, 2023	\$10.00
July 1, 2016 – June 30, 2022	\$8.00
July 1, 2013 – June 30, 2016	\$5.00
July 1, 2005 – June 30, 2013	\$3.00
July 1, 2000 – June 30, 2005	\$3.20
July 1, 1999 – June 30, 2000	\$2.50

The chart below shows the RHC administrative revenue and expenses for the last 10 years

RHC ADMIN REVENUE AND EXPENSES FOR THE LAST 10 YEARS			
	Admin Revenue	Admin Expenses	Over/(Under)
FYE 2022	\$ 10,710,527	\$ 9,236,963	\$ 1,473,564
FYE 2021	\$ 10,245,895	\$ 8,099,102	\$ 2,146,793
FYE 2020	\$ 10,076,876	\$ 6,828,067	\$ 3,248,809
FYE 2019	\$ 9,823,062	\$ 6,118,267	\$ 3,704,794
FYE 2018	\$ 9,559,745	\$ 5,681,953	\$ 3,877,792
FYE 2017	\$ 9,631,327	\$ 5,326,190	\$ 4,305,137
FYE 2016	\$ 5,984,986	\$ 5,279,617	\$ 705,369
FYE 2015	\$ 5,578,149	\$ 5,424,333	\$ 153,816
FYE 2014	\$ 5,466,487	\$ 5,006,498	\$ 459,989
FYE 2013	\$ 3,351,652	\$ 4,597,261	\$ (1,245,609)

Note: Admin fee increased from \$8 to \$10.

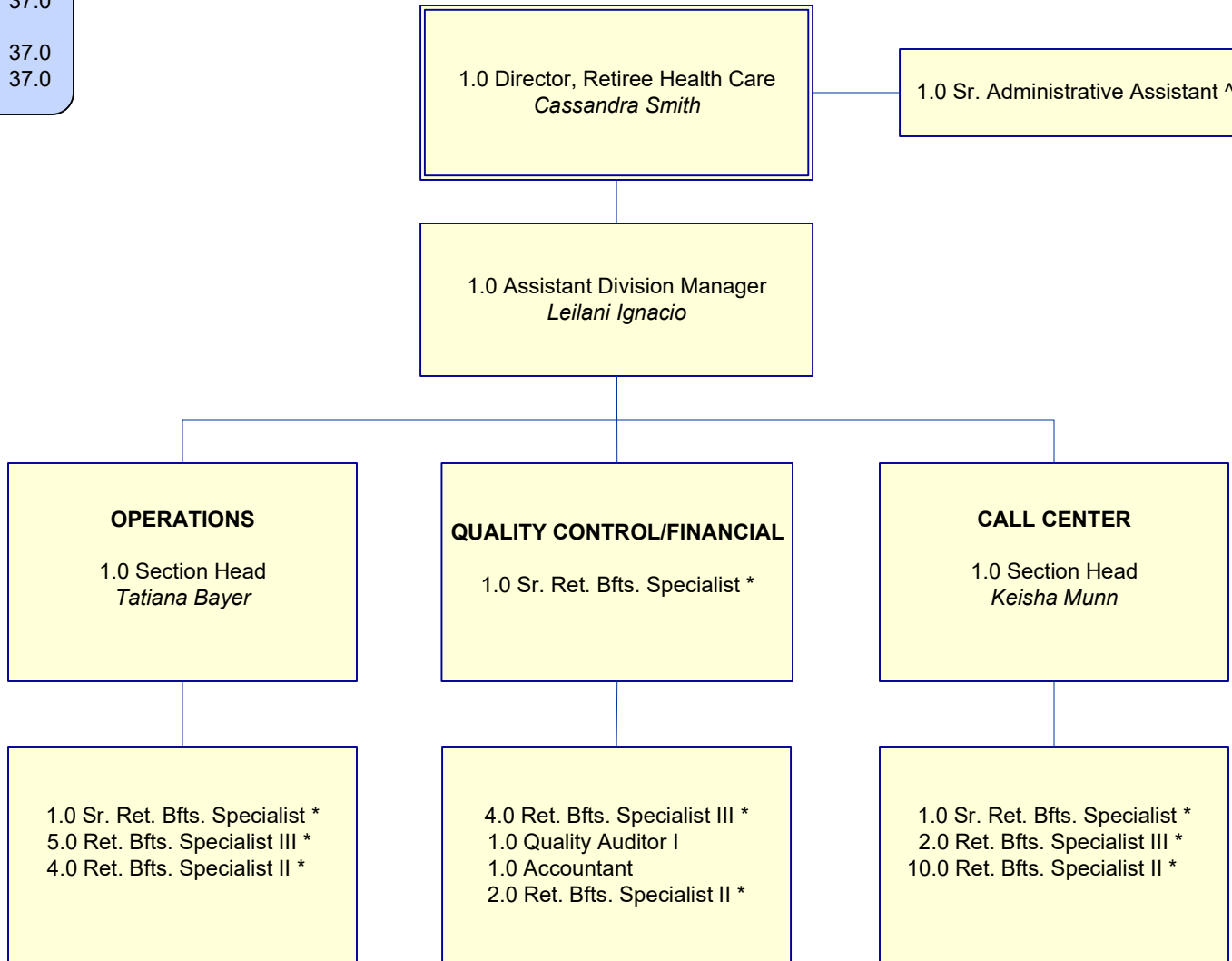
Note: Admin fee increased from \$5 to \$8.

RETIREE HEALTH CARE BENEFITS PROGRAM

FISCAL YEAR 2023-2024

2022-2023 Bud. Pos.: 37.0
 2022-2023 Hiring Plan: 37.0

2023-2024 Bud. Pos.: 37.0
 2023-2024 Hiring Plan: 37.0



* Classification study for the position requested.

^ Position upgrade from Senior Secretary to Senior Administrative Assistant (Board of Supervisors approved on October 18, 2022).

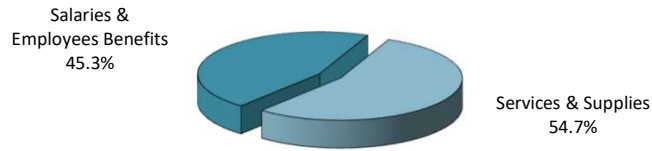
RETIREE HEALTHCARE BENEFITS PROGRAM

FISCAL YEAR 2023-2024

BUDGET SUMMARY

	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET		
	PROPOSED BUDGET 2023-2024	YTD		OVER/(UNDER)		\$ CHANGE	% CHANGE	
		BUDGET	(01-31-23)	PROJECTION	BUDGET			% CHANGE
Salaries & Employees Benefits	\$5,752,106	\$5,172,923	\$2,639,419	\$5,039,100	(\$133,823)	-2.6%	\$579,183	11.2%
Services & Supplies	6,933,333	6,140,699	3,192,506	5,682,600	(458,099)	-7.5%	792,634	12.9%
OPERATING BUDGET	\$12,685,439	\$11,313,623	\$5,831,925	\$10,721,700	(\$591,923)	-5.2%	\$1,371,816	12.1%

2023 - 2024 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

RETIREE HEALTHCARE BENEFITS PROGRAM
FISCAL YEAR 2023-2024
SALARIES AND EMPLOYEE BENEFITS SUMMARY

	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE		
Total LACERA Salaries	\$3,349,841	\$3,006,805	\$1,633,592	\$3,131,400	\$124,595	4.1%	\$343,036	11.4%
Total Agency Temp Salaries	0	149,800	99,650	149,800	0	0.0%	(149,800)	-100.0%
Employee Benefits (Variable)	2,129,974	1,775,266	766,815	1,550,700	(224,566)	-12.6%	354,708	20.0%
OPEB Contribution	118,991	100,853	38,716	71,500	(29,353)	-29.1%	18,138	18.0%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	134,900	121,800	94,568	121,800	0	0.0%	13,100	10.8%
Bilingual Bonus	4,800	4,800	1,950	3,700	(1,100)	-22.9%	0	0.0%
Sick Leave Buyback	10,000	10,000	4,128	10,200	200	2.0%	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	\$5,752,106	\$5,172,923	\$2,639,419	\$5,039,100	(\$133,823)	-2.6%	\$579,183	11.2%
Salary Differential	-	-	-	-	-		-	
TOTAL S&EB	\$5,752,106	\$5,172,923	\$2,639,419	\$5,039,100	(\$133,823)	-2.6%	\$579,183	11.2%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/23, with the exception of Agency Temp Salaries, which are as of 01/31/23.

LACERA
FISCAL YEAR 2023-2024
SALARIES

RETIREE HEALTHCARE BENEFITS PROGRAM

2023-2024 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT			
00793A	DIRECTOR, RETIREE HEALTHCARE	1	LS14	18,636	223,635			
00771A	ASSISTANT DIVISION MANAGER	1	LS10	14,811	177,734			
00772A	SECTION HEAD	2	LS9	19,129	229,544			
01312A	SENIOR RETIREMENT BENEFITS SPECIALIST	3	104A	25,776	309,312			
01311A	RETIREMENT BENEFITS SPECIALIST III	11	98G	82,885	994,619			
00415A	ACCOUNTANT	1	95G	7,531	90,375			
00439A	SENIOR ADMINISTRATIVE ASSISTANT	1	93A	6,840	82,080			
01310A	RETIREMENT BENEFITS SPECIALIST II	9	92A	50,409	604,912			
POSITIONS		29			2,712,212			
VACANT POSITIONS		# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
00796A	QUALITY AUDITOR I	1	98C	6,003	72,034			36,017
01310A	RETIREMENT BENEFITS SPECIALIST II	7	92A	5,076	60,912	426,384		
						426,384	0	36,017
POSITIONS		8			462,401			
TOTAL POSITIONS		37						
GROSS SALARIES					3,174,613			
ANTICIPATED MOU SALARY INCREASE**					47,619			
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE					48,575			
BONUS					0			
120-DAY RETIREE(S)		1				79,035		
TOTAL SALARIES					3,349,841			

MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/23.
 Represented/Non-Represented positions are shown at actual salaries as of 01/01/23.
 Represented positions shown in blue.
 Vacancies are shown at the 1st Step.
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.5% to anticipate a 3% MOU increase as of 01/01/24.

RETIREE HEALTHCARE BENEFITS PROGRAM

BUDGET REQUEST INFORMATION

**AGENCY TEMPORARY STAFFING
HISTORY OF EXPENDITURES**

DIVISION	FYE 2021		FYE 2022		FYE 2023		FYE 2024
	Budget	Actual	Budget	Actual	Budget	Projection	Budget
Retiree Healthcare	\$308,000	\$290,409	\$511,700	\$251,294	\$149,800	\$149,800	\$0
GRAND TOTAL	\$308,000	\$290,409	\$511,700	\$251,294	\$149,800	\$149,800	\$0

*All amounts rounded to the nearest dollar.

RETIREE HEALTHCARE BENEFITS PROGRAM

BUDGET REQUEST INFORMATION

**OVERTIME
HISTORY OF EXPENDITURES**

DIVISION	FYE 2021		FYE 2022		FYE 2023		FYE 2024
	Budget	Actual	Budget	Actual	Budget	Projection	Budget
Retiree Healthcare	\$115,600	\$118,314	\$118,500	\$121,935	\$121,800	\$121,800	\$134,900
GRAND TOTAL	\$115,600	\$118,314	\$118,500	\$121,935	\$121,800	\$121,800	\$134,900

*All amounts rounded to the nearest dollar.

RETIREE HEALTHCARE BENEFITS PROGRAM

BUDGET REQUEST INFORMATION

**VACANT POSITIONS
SUMMARY**

Division	Budgeted Positions FY 2022-2023	Vacancy (as of 03/31/23)	%	Budgeted Positions FY 2023-2024	Vacancy	%
Retiree Healthcare	37	8	22%	37	8	22%
TOTAL	37	8	22%	37	8	22%

RETIREE HEALTHCARE BENEFITS PROGRAM

FISCAL YEAR 2023-2024

SERVICES & SUPPLIES ACCOUNT SUMMARY

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022-2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET	
		YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE
		BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE		
TRANSPORTATION & TRAVEL	\$24,700	\$24,700	\$14,882	\$18,100	(\$6,600)	-26.7%	\$0	0.0%
POSTAGE	300,000	300,000	25,010	300,000	0	0.0%	0	0.0%
OFFICE SUPPLIES & EQUIPMENT	5,000	4,500	836	4,300	(200)	-4.4%	500	11.1%
OPERATIONAL COSTS	5,006,533	4,540,999	2,648,416	4,107,300	(433,699)	-9.6%	465,534	10.3%
PROFESSIONAL AND SPECIALIZED SERVICES	1,556,500	1,229,400	490,781	1,220,300	(9,100)	-0.7%	327,100	26.6%
BANK SERVICES	21,500	21,500	11,160	21,000	(500)	-2.3%	0	0.0%
EDUCATIONAL EXPENSES	18,800	19,300	1,421	11,300	(8,000)	-41.5%	(500)	-2.6%
MISCELLANEOUS	300	300	0	300	0	0.0%	0	0.0%
TOTAL	\$6,933,333	\$6,140,699	\$3,192,506	\$5,682,600	(\$458,099)	-7.5%	\$792,634	12.9%

*All amounts rounded to the nearest dollar.

RETIREE HEALTH CARE BENEFITS PROGRAM

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2022		FYE 2023		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	\$2,814,534	\$2,471,718	\$3,006,805	\$3,131,400	\$3,349,841
Total Agency Temp Salaries	511,700	251,294	149,800	149,800	0
Employee Benefits (Variable)	1,728,430	1,240,912	1,775,266	1,550,700	2,129,974
Employee Benefits (Other)	0	0	0	0	0
OPEB Contribution	82,573	65,490	100,853	71,500	118,991
OPEB Contribution (Budget Surplus)	0	82,573	0	0	0
Stipends	0	0	0	0	0
Overtime	118,500	121,935	121,800	121,800	134,900
Bilingual Bonus	3,600	2,900	4,800	3,700	4,800
Sick Leave Buyback	10,000	9,274	10,000	10,200	10,000
Rideshare Allowance	3,600	0	3,600	0	3,600
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Transportation & Travel	28,500	6,169	24,700	18,100	24,700
Postage	300,000	266,316	300,000	300,000	300,000
Office Supplies & Equipment	6,000	335	4,500	4,300	5,000
Building Costs	4,532,792	3,568,648	4,540,999	4,107,300	5,006,533
Professional & Specialized Services	1,209,800	1,119,868	1,229,400	1,220,300	1,556,500
Bank Services	21,500	20,650	21,500	21,000	21,500
Educational Expenses	19,300	8,880	19,300	11,300	18,800
Miscellaneous	300	0	300	300	300
TOTAL OPERATING BUDGET	\$11,391,128	\$9,236,963	\$11,313,623	\$10,721,700	\$12,685,439

*All amounts rounded to the nearest dollar.



FY 2023-2024

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Other Post-Employment Benefits (OPEB) Trust

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OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST

BUDGET HIGHLIGHTS

FISCAL YEAR 2023-2024

Mission

Produce, Protect, and Provide the Promised Benefits

INTRODUCTION

The County of Los Angeles (“County”) established the OPEB Trust for the purpose of pre-funding the Retiree Healthcare Benefits Program (“OPEB Program”). The OPEB Trust serves as a funding tool for the participating employers to hold and invest assets used to pay OPEB Program benefits, such as medical, dental and vision. LACERA’s Board of Investments is responsible for exercising oversight of the investment management for both the Retirement Fund and the OPEB Trust.

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

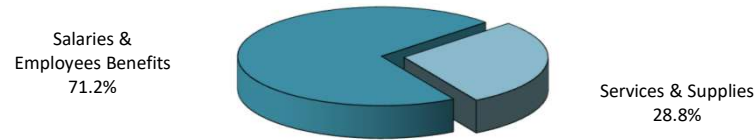
At the close of each fiscal year, the actual costs are reconciled with the budget costs. Variances are either credited or debited to each allocated entity to ensure that each OPEB Trust is appropriately capturing the true operating costs.

OPEB TRUST COST ALLOCATION

FISCAL YEAR 2023-2024

PROPOSED BUDGET 2023-2024	CURRENT YEAR 2022 - 2023			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2022-2023 BUDGET		
	YTD			OVER/(UNDER)		\$ CHANGE	% CHANGE	
	BUDGET	(01-31-23)	PROJECTION	BUDGET	% CHANGE			
Salaries & Employees Benefits	\$521,881	\$481,543	\$280,900	\$452,651	(\$28,893)	-6.0%	\$40,338	8.4%
Services & Supplies	\$210,788	190,304	111,011	178,886	(11,418)	-6.0%	20,484	10.8%
OPERATING BUDGET	\$732,669	\$671,847	391,911	631,536	(40,311)	-6.0%	\$60,822	9.1%

2023 - 2024 PROPOSED BUDGET





April 14, 2023

TO: Each Trustee,
Board of Retirement
Board of Investments

FROM: Carly Ntoya, Ph.D. *CN*
Director Human Resources

FOR: April 27, 2023 Joint Organizational Governance Committee

SUBJECT: Document Processing Assistant and Staff Assistant Study Classification and Compensation Changes

RECOMMENDATION

It is recommended that the proposed classification and compensation changes be approved for implementation:

- Title change, description revision, and salary change for the Document Processing Coordinator, LACERA classification;
- Title change and description revision to update the Document Processing Assistant, LACERA classification;
- Title change, description revision and salary change for the Disability Retirement Support Specialist I, LACERA classification;
- Description revision to update the Staff Assistant I, LACERA and Staff Assistant II, LACERA class specifications; and
- Delete the Disability Retirement Support Specialist II, LACERA classification because it is obsolete.

SUMMARY OF PROPOSED CLASSIFICATION AND COMPENSATION CHANGES

Current Classification Title	Current Salary Schedule	Proposed Classification Title	Proposed Salary Schedule
Disability Retirement Support Specialist I, LACERA	96C NMO	Disability Retirement Support Specialist, LACERA	94L NMO
Document Processing Coordinator, LACERA	86B NMO	Document Processing Supervisor, LACERA	88C NMO
Document Processing Assistant, LACERA	83B NMO	Document Processing Specialist, LACERA	No Change
Staff Assistant II, LACERA	94L NMO	No Change	No Change
Staff Assistant I, LACERA	87L NMO	No Change	No Change

*Note: LACERA Compensation effective 1/1/2023. Proposed compensation will be adjusted based on future MOU Agreements.

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The recommended titles and salary ranges serve to bring LACERA's classes closer to compensation levels currently offered by the market while preserving LACERA's current pay differential practice to ensure appropriate internal equity.

The authority to implement proposed title changes and proposed salary adjustments for the above classifications rest jointly with the Board of Retirement and Board of Investments. Such authority is provided in the California Government Code Sections 31522.1, 31522.2, and 31522.4, and will require the Board of Supervisors to amend the Salary Ordinance.

EXECUTIVE SUMMARY

Background

In June 2019, LACERA Human Resources (HR) engaged Koff & Associates (Koff) to conduct a classification and compensation study of LACERA's document processing and staff assistant positions. The study was precipitated by:

- the Side Letter Agreement with SEIU, dated February 14, 2019, to conduct a classification and compensation study of LACERA represented Document Processing Assistant, LACERA and Staff Assistant II, LACERA positions;
- the goal to ensure that class descriptions reflect current assignments, programs, responsibilities, and technology; and
- the desire to update LACERA's classification plan that will support LACERA's business and operational needs for the foreseeable future.

As part of the study, Koff reviewed the class specifications and compared the salary levels of LACERA's document processing and staff assistant positions to a diverse peer group consistent with past studies, which included California-based public pension funds, Los Angeles County (LA County), and the private sector.

The Study included eighteen (18) positions in four (4) existing classifications. All four (4) classifications are represented by SEIU.

1. Document Processing Coordinator, LACERA
2. Document Processing Assistant, LACERA
3. Staff Assistant II, LACERA
4. Staff Assistant I, LACERA

CLASSIFICATION AND COMPENSATION STUDY

Classification Recommendations

Civil Service Rule 5.01 requires that a class specification be developed and maintained for each class in the classification service to meet the needs of the service for the allocation of new positions and the reallocation of existing positions. A fundamental principle in classification is that the class specification should describe and define the nature and scope of responsibilities,

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work activities, qualifications, and other level defining characteristics of the class so that it is properly classified within the classification structure.

Classes, and jobs within them, evolve for many reasons and under many influences. A classification may undergo gradual growth that results in additional or changed duties and responsibilities and thereby require a corresponding class specification be amended or a position be reclassified to a new or existing classification. To keep current, a class specification should be reviewed when significant duties and level of responsibilities change.

Koff based its comparative analysis on essential job functions, level of responsibility, and reporting relationships. Koff recommendations for reclassification to new titles are generally aligned within the current series of the studied positions. Koff created new classifications and made revisions to current classification titles and specifications to more accurately reflect current duties and responsibilities performed, based on detailed interviews and Position Description Questionnaires (PDQ) completed by study participants and their supervisors. In December 2019, the newly created classifications were reviewed by LACERA supervisors and managers to ensure relevance.

The existing Document Processing Coordinator, LACERA class specification has been revised from a lead position to add full supervisory responsibilities over a Document Processing team. In addition, the Physical Class for Document Processing Assistant, LACERA has been revised to Moderate to accurately reflect daily lifting of 10-15 pounds, with occasional lifting of up to 25 pounds. Current incumbents will be grandfathered into the existing Light Physical Class.

Based on the study findings and organizational changes since completion of the study, the following are recommended:

- Title Change and revision to two existing classifications:
 - Document Processing Assistant, LACERA to Document Processing Specialist, LACERA
 - Document Processing Coordinator, LACERA to Document Processing Supervisor, LACERA
- Revision to the Disability Retirement Support Specialist I, LACERA; Staff Assistant II, LACERA; and Staff Assistant I, LACERA class specifications

Proposed Class Specification revisions are shown as **Attachment A**.

HR generally agrees with implementing Koff's recommendations for reclassification to new titles; however, there are two instances in which it would be benefit LACERA to deviate:

- The study found two (2) Staff Assistant II, LACERA positions in the Disability Retirement Services Division performing specialized clerical work at the lower-level of Senior Typist Clerk, LACERA. LACERA intends to budget at the level of Disability Retirement Support Specialist I, LACERA, to allow for growth as Disability Retirement Services Division

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foresees the need for work performed at this more specialized level. Current incumbents will be assigned work commensurate with their payroll titles.

- One (1) budgeted Staff Assistant II, LACERA position allocated to Disability Retirement Services Division, found to be performing at the level of Disability Retirement Support Specialist I, LACERA, was vacated by the previous study participant and has since been filled at the level of Staff Assistant II, LACERA. The incumbent currently performs duties at the level Staff Assistant II, LACERA. Therefore, HR recommends no change to this budgeted position.

Recommended reclassification changes for implementation per position are shown in **Attachment B**.

In addition, it was found that the existing classification of Disability Retirement Support Specialist II, LACERA, a Unit Head position, is obsolete. The classification has not been used since April 2015, there are no incumbents, and it was not included with the study. Due to changes in organizational structure, the studied positions found to be performing at the level of Disability Retirement Specialist I, LACERA positions currently report to individual teams supervised by Senior Disability Retirement Specialists. There is no longer a centralized Disability Retirement Support Unit and there are no Disability Retirement Support Specialist II, LACERA positions budgeted. Therefore, it is recommended to delete the Disability Retirement Support Specialist II, LACERA classification and revise the title for Disability Retirement Support Specialist I, LACERA to Disability Retirement Support Specialist, LACERA.

LACERA Existing Classification Title Map to Proposed New Classification Titles,
Bargaining Unit, and FLSA Exempt Status

<u>Current Classification Title</u>	<u>New Classification Title</u>	<u>BU</u>	<u>FLSA Exempt?</u>
Disability Retirement Support Specialist I, LACERA	Disability Retirement Support Specialist, LACERA	850	No
Document Processing Coordinator, LACERA	Document Processing Supervisor, LACERA	851	No
Document Processing Assistant, LACERA	Document Processing Specialist, LACERA	850	No
Staff Assistant II, LACERA	No Change	850	No
Staff Assistant I, LACERA	No Change	850	No

Compensation Recommendations

LACERA recommends aligning the compensation for the studied positions to market rates while taking into consideration internal equity and sufficient salary differentials between positions.

In reviewing the 2019 Koff market data, adjusted to add 2020-2023 cost of living increases, it was found that existing compensation levels for the Disability Retirement Support Specialist I, LACERA; Staff Assistant II, LACERA; Staff Assistant I; LACERA, and the proposed Document

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Processing Specialist, LACERA are generally higher than the market and LA County comparable classifications identified by Koff. LACERA generally does not reduce salaries assigned to classifications based solely on market data. Therefore, no salary changes are recommended for these classifications.

For the proposed Document Processing Supervisor, LACERA, HR recommends the standard 15% supervisor: subordinate salary differential for performing both administrative and technical supervision.

Revisions were made to the Disability Retirement Support Specialist I, LACERA class specification that reduce the complexity and scope of the position which should be considered. HR recommends reducing the compensation for Disability Retirement Support Specialist, LACERA to align with the current Staff Assistant II, LACERA compensation. Current incumbents found to be performing at the level can be administratively reassigned to the Disability Retirement Support Specialist, LACERA title and there will be no change in compensation.

Based on the information reviewed, HR recommends:

- Salary increase for proposed Document Processing Supervisor, LACERA based on LACERA's current pay differential practice for non-MAPP positions to ensure appropriate internal equity, typically between 7 ½ to 15%. A 15% salary differential with the subordinate Document Processing Specialist, LACERA is appropriate.
- Salary decrease for Disability Retirement Support Specialist, LACERA to align with the current compensation for Staff Assistant II, LACERA.
- No change in the salary for Staff Assistant I, LACERA; Staff Assistant II, LACERA; and the proposed Document Processing Specialist, LACERA because reducing the compensation will negatively impact current incumbents and existing LACERA salary relationships.

Salary Recommendation Summary

<u>Item</u>	<u>Classification Title</u>	<u>Current Sal Sch</u>	<u>Current Sal Max</u>	<u>Proposed Sal Sch</u>	<u>Proposed Sal Max</u>	<u>% Change</u>
0790	Disability Retirement Support Specialist, LACERA	96C NMO	\$7,662.18	94L NMO	\$7,401.91	-3.52%
0472	Document Processing Supervisor, LACERA	86B NMO	\$5,827.55	88C NMO	\$6,167.73	5.84%
0471	Document Processing Specialist, LACERA	83B NMO	\$5,372.36		No Change	
0427	Staff Assistant II, LACERA	94L NMO	\$7,401.91		No Change	
0426	Staff Assistant I, LACERA	87L NMO	\$6,122.09		No Change	

*Note: LACERA Compensation effective 1/1/2023. Proposed compensation will be adjusted based on future MOU Agreements.

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Implementation and Budget Impact

After commencement of the study, two positions were added to the LACERA organization through the budget process and were not evaluated.

- In FY 2019-20, One (1) budgeted Staff Assistant II, LACERA position was allocated to the Quality Assurance and Metrics Division. No changes are recommended to this position.
- In FY 2022–23, One (1) budgeted Document Processing Coordinator, LACERA position was allocated to the Document Processing Center. The position is currently vacant and the Division intends to utilize the position as a supervisor. It is recommended to include the position with the recommended changes for the Document Processing Coordinator, LACERA classification.

Based on the study findings and organizational changes since completion of the study, the following is the budget impact of the below recommended changes:

- Salary change for three (3) budgeted Document Processing Coordinator, LACERA positions being retitled to Document Processing Supervisor, LACERA.
- No Salary change for eleven (11) budgeted Document Processing Assistant, LACERA positions being retitled to Document Processing Specialist, LACERA.
- No Salary change for six (6) budgeted Staff Assistant II, LACERA positions being reclassified to the Disability Retirement Support Specialist I, LACERA
- No budget impact related to the following:
 - No change to one (1) budgeted Staff Assistant I, LACERA position allocated to Communications Division
 - No change to one (1) budgeted Staff Assistant II, LACERA position allocated to the Disability Retirement Services Division
 - No change to one (1) budgeted Staff Assistant I, LACERA position allocated to Systems Division
 - No change to one (1) budgeted Staff Assistant II, LACERA position allocated to the Quality Assurance Division.
 - Deletion of the Disability Retirement Support Specialist II, LACERA classification as there are no budgeted positions.

Implementation of the study findings as recommended will result in an annual budget increase of \$18,982,04

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No. of Pos.	Budgeted Position Title	SALARY (1/1/23)			Proposed Position Title	PROPOSED SALARY			TOTAL ANNUAL TOTAL BUDGET IMPACT
		Sch	Max Salary	Annual		Sch	Max Salary	Annual	w/Benefits @ 55%
6	Staff Assistant II	94L NMO	\$7,401.91	\$88,822.92	Disability Retirement Support Spec	94L NMO	\$7,401.91	\$88,822.92	0
3	Document Processing Coord	86B NMO	\$5,827.55	\$69,930.60	Document Processing Supervisor	88C NMO	\$6,167.73	\$74,012.76	\$18,982.04
TOTAL									\$18,982.04

Organizational Charts for Administrative Services and Disability Retirement Services Divisions showing proposed reclassifications are shown in **Attachment C**.

PROCEDURE FOR ESTABLISHING CLASSIFICATIONS AND PAY RANGES

LACERA provides SEIU Local 721 (SEIU) notice and consultation regarding new classifications of which the primary duties are derived from represented classifications. The LACERA classifications currently addressed are represented; therefore, Local 721 was notified of our intended changes on November 29, 2022.

LACERA met with SEIU and study participants on December 22, 2023, January 30, 2023, and March 6, 2023.

SEIU provided verbal concurrence on classification and compensation changes proposed for Disability Retirement Support Specialist I, LACERA; Document Processing Coordinator, LACERA; Staff Assistant I, LACERA; and Staff Assistant II, LACERA, and deletion of the Disability Retirement Support Specialist II, LACERA, at the meeting on December 22, 2023. SEIU did not provide concurrence for Document Processing Assistant, LACERA.

On January 30, 2023, SEIU proposed a 10% salary increase for the Document Processing Assistant, LACERA; however, market data does not support the request. Proposed revisions to the class specification for Document Processing Assistant, LACERA were not addressed in the memo.

On February 28, 2023, HR responded to the proposal advising SEIU that the current Memorandum of Understanding (MOU) for Blue Collar Unit 850, Article 6.1 – Renegotiation states, “...in the event either party hereto desires to negotiate the provisions of a successor MOU, such party shall serve upon the other its written request to commence negotiations as well as its initial written proposal for such successor MOU, during the month of June of the last year of this MOU.” Based on the MOU, the proposed salary change submitted by SEIU for the Document Processing Assistant, LACERA, cannot be considered at this time because negotiations are currently closed and there is no provision to reopen for a successor agreement

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until June 2024. Therefore, no salary change is recommended for the Document Processing Assistant, LACERA classification. In addition, HR requested from SEIU a written response on concurrence to the proposed classification and compensation changes for all of the classifications within ten (10) days of the letter. If an agreement was not provided, HR will note their response as we move forward.

On March 1, 2023, HR followed up with SEIU via e-mail for written concurrence on the proposed changes to Disability Retirement Support Specialist I, LACERA; Document Processing Coordinator, LACERA; Staff Assistant I, LACERA; and Staff Assistant II, LACERA.

On April 3, 2023, SEIU provided a written response to LACERA acknowledging there is no language in the current MOU to re-open negotiations; however, a salary increases of 5% for Document Processing Assistant, LACERA was still proposed. Proposed changes to the Document Processing Assistant, LACERA class specification were not requested. Therefore, it appears that SEIU does not concur with the recommended salary (No Change) for Document Processing Specialist, LACERA; however, they do not disagree with the title or description revision. SEIU did not address classification and compensation changes for Disability Retirement Support Specialist I, LACERA; Document Processing Coordinator, LACERA; Staff Assistant I, LACERA; or Staff Assistant II, LACERA, or deletion of the Disability Retirement Support Specialist II, LACERA in the response.

On April 14, 2023, SEIU provided a written concurrence for the classification and compensation changes for the Document Processing Supervisor, LACERA and the Disability Retirement Support Specialist I, LACERA. Therefore, it is recommended that LACERA move forward with implementing the classification and compensation changes for Disability Retirement Support Specialist I, LACERA; Document Processing Coordinator, LACERA; including the deletion of the Disability Retirement Support Specialist II, LACERA. Title and compensation changes require Los Angeles County Board of Supervisors (BOS) approval for implementation.

SEIU did not provide concurrence for proposed changes to the Document Processing Assistant, LACERA; Staff Assistant I, LACERA; and Staff Assistant II, LACERA. However, LACERA has responsibility for maintaining an accurate and current description of the duties and responsibilities performed, and SEIU concurrence is required when the terms and conditions of employment have changed. No salary changes were proposed for these classes. The proposed revisions serve only to clarify and accurately describe the duties performed. Therefore, it is recommended that LACERA move forward with implementing the revised title and job descriptions for Document Processing Assistant, LACERA; Staff Assistant I, LACERA; and Staff Assistant II, LACERA and submit these changes for the BOS. Title changes require BOS approval for revision of the County ordinance. Changes to the narrative in the class specifications do not require approval from LACERA Boards or the BOS. Description revisions require CEO approval and will apply to all of the classifications studied.

Reclassifications are approved internally by the CEO and implemented through the budget process, and will apply to Staff Assistant II, LACERA positions identified for reclassification to Disability Retirement Support Specialist, LACERA.

Changes to classification titles and salary require LACERA Boards and County BOS approval due to revision in LACERA ordinance, and will apply to the following:

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- Disability Retirement Support Specialist I, LACERA (Title and Salary Change)
- Disability Retirement Support Specialist II, LACERA (Deletion from the Ordinance)
- Document Processing Coordinator, LACERA (Title and Salary Change)
- Document Processing Assistant, LACERA (Title Change)

HR staff members, with the LACERA Legal Office's oversight, will prepare and submit an ordinance amending Sections 6.28.050 and 6.127.010 of LACERA's Salary Code to the Los Angeles County Counsel's Office and the BOS for adoption.

RECOMMENDATION

That the JOGC recommend the proposed classification and compensation changes to the Boards for adoption.

- Title change, description revision, and salary change for the Document Processing Coordinator, LACERA classification;
- Title change and description revision to update the Document Processing Assistant, LACERA classification;
- Title change, description revision and salary change for the Disability Retirement Support Specialist I, LACERA;
- Description revision to update the Staff Assistant I, LACERA and Staff Assistant II, LACERA class specifications; and
- Deletion of the Disability Retirement Support Specialist II, LACERA classification because it is obsolete.

Reviewed and Approved:



Santos H. Kreimann

cc: Steven P. Rice
Luis Lugo
Laura Guglielmo
JJ Popowich

Attachments

CLASSIFICATION TITLE: Disability Retirement Support Specialist-I, LACERA

ITEM NO: 0790

DEFINITION:

Provides administrative support to managers, supervisors, disability retirement specialists, investigators and legal staff in reviewing, researching, locating and obtaining, and maintaining pertinent records from County of Los Angeles employees, County of Los Angeles departments, other entities and the courts, applicable to the processing of disability retirement claims and appeals under general supervision infor the Los Angeles County Employees Retirement Association (LACERA).

POSITION INFORMATION:

Positions allocable to this class under the general supervision of a Disability Retirement Specialist Supervisor, are assigned in—to LACERA's Disability Retirement Services ~~Investigation~~ Division. This is a fully qualified journey-level classification, which is responsible for independently performing specialized duties in support of division operations. Positions at this level receive only occasional instruction or assistance as new or unusual situations arise and are fully aware of the operating procedures and policies of the work unit. Incumbents must exercise initiative and independent judgment within defined LACERA policies and procedures.

Incumbents review application documents, research, locate and obtain employment, medical, workers' compensation and other records required by disability ~~investigators~~ retirement specialists, staff and attorneys for the timely processing of disability claims and administrative appeal cases. Work requires knowledge of medical terminology and methods for obtaining discoverable records applicable to the processing of disability retirement claims. Incumbents must be proficient in prioritizing a high volume of requests to complete work within time standards. ~~Incumbents must exercise initiative and independent judgment within defined LACERA policies and procedures.~~

EXAMPLES OF ESSENTIAL JOB FUNCTIONS:

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

Intakes, reviews, and processes disability retirement applications; ensures applications are complete and members meet minimum eligibility requirements for disability benefits; guides members throughout the process via telephone, e-mail, in-person, and through written correspondence; advises members regarding documents received and/or missing; obtains authorization from members to access confidential records; provides

guidance to departments applying for disability retirement benefits on behalf of their employees.

Researches and locates employment, medical, workers' compensation, legal, and other pertinent records applicable to a member's disability retirement application or appeal, as directed; arranges for copy service vendor to obtain requested records from outside entities; contacts and obtains records from other County departments and medical providers as needed; ensures all records ordered have been received; verifies records are accurate, complete, and apply to the individual whose claim is being processed; follows up to expedite the acquisition of records; notifies supervisors of delays, other issues, and potential need for subpoenas to obtain records.

Reviews, sorts, indexes, organizes, and maintains files of records received; copies, mails, and distributes letters and records to applicants, applicant attorneys, disability litigation staff, and others as required.

Receives and processes member appeals for disability retirement benefits which have been denied by the Board of Retirement; guides members through the disability appeals process via telephone, e-mail, in-person, and through written correspondence; responds to questions and concerns raised by applicants and others throughout the disability retirement application and appeals processes; ensures deadlines are met throughout the process.

Prepares administrative record related to applicant's disability; schedules medical examinations with applicants and medical providers as required.

Assigns a referee to oversee appeals processes; provides records to referees including exhibits, transcripts, affidavits, reports, and medical records; scans all records and provides to the Board and other parties as required.

Prepares correspondence including transcript memos, Board decision letters, declarations, appeal agendas, appeal transmittals, affidavits, medical request and supplemental request letters, and medical appointment letters; prepares documents and packets for Retirement Board; ensures reports and other information submitted is accurate, complete, and timely; edits and generates final reports to be submitted to the Board; copies and distributes reports and packets as needed.

Maintains electronic records and statistics of applications received, appeals received, records ordered, records received, status of assignments, applications processed, appeals processed, medical appointments scheduled, demographics of applicants, and other relevant information as directed.

Processes invoices from panel physicians and third-party copy vendor; checks medical fee schedules to ensure medical bills are charged correctly; adjusts invoices as necessary; seeks approval for invoices; submits invoices for payment. ~~Performs Internet and other research to locate sources of records required for processing disability retirement claims and administrative appeal cases; verifies that records apply to the individual whose claim is being processed; locates employment, medical, workers' compensation and court records applicable to the case; arranges for copy service vendors to obtain requested records from outside entities; obtains records from other County departments.~~

~~Utilizes specialized software to track task requests and document status and completion of assignments; follows up with entities to expedite the acquisition of records; notifies supervisors of delays, other problems and potential need for subpoenas to obtain records.~~

~~Obtains sub-rosa and other discoverable information through private entities and carriers.~~

Performs special projects; prepares specialized ad hoc reports.

May handle a small disability retirement case load; interview applicants and witnesses; write evaluation reports; refer applicants to panel physicians; and make recommendations to the Board of Retirement.

May be required to perform other related duties as assigned.

REQUIREMENTS:

~~One (1) year of experience at the level of Staff Assistant II, LACERA maintaining medical and other records and data required for disability retirement processing~~

~~-OR-~~

Three (3) years of experience at the level of Senior Typist Clerk, LACERA or higher that provides experience in maintaining records related to and/or processing workers' compensation, insurance, retirement or related claims ~~or a class at a higher level that provides the requisite experience.~~

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

PHYSICAL CLASS II -- Light physical effort which may include occasional light lifting to a 10 pound limit, and occasional bending, walking, stooping or squatting. Incumbents sit for extended periods of time. Work is performed in an office environment in a controlled climate

CLASSIFICATION TITLE: Disability Retirement Support Specialist, LACERA

ITEM NO: 0790

DEFINITION:

Provides administrative support to managers, supervisors, disability retirement specialists, and legal staff in reviewing, researching, locating, obtaining, and maintaining pertinent records from County of Los Angeles employees, County of Los Angeles departments, other entities and the courts, applicable to the processing of disability retirement claims and appeals for the Los Angeles County Employees Retirement Association (LACERA).

POSITION INFORMATION:

Positions allocable to this class, under the general supervision of a Disability Retirement Specialist Supervisor, are assigned to LACERA's Disability Retirement Services Division. This is a fully qualified journey-level classification, which is responsible for independently performing specialized duties in support of division operations. Positions at this level receive only occasional instruction or assistance as new or unusual situations arise and are fully aware of the operating procedures and policies of the work unit. Incumbents must exercise initiative and independent judgment within defined LACERA policies and procedures.

Incumbents review application documents, research, locate and obtain employment, medical, workers' compensation and other records required by disability retirement specialists, staff and attorneys for the timely processing of disability claims and administrative appeal cases. Work requires knowledge of medical terminology and methods for obtaining discoverable records applicable to the processing of disability retirement claims. Incumbents must be proficient in prioritizing a high volume of requests to complete work within time standards.

EXAMPLES OF ESSENTIAL JOB FUNCTIONS:

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

Intakes, reviews, and processes disability retirement applications; ensures applications are complete and members meet minimum eligibility requirements for disability benefits; guides members throughout the process via telephone, e-mail, in-person, and through written correspondence; advises members regarding documents received and/or missing; obtains authorization from members to access confidential records; provides guidance to departments applying for disability retirement benefits on behalf of their employees.

Researches and locates employment, medical, workers' compensation, legal, and other pertinent records applicable to a member's disability retirement application or appeal, as directed; arranges for copy service vendor to obtain requested records from outside entities; contacts and obtains records from other County departments and medical

providers as needed; ensures all records ordered have been received; verifies records are accurate, complete, and apply to the individual whose claim is being processed; follows up to expedite the acquisition of records; notifies supervisors of delays, other issues, and potential need for subpoenas to obtain records.

Reviews, sorts, indexes, organizes, and maintains files of records received; copies, mails, and distributes letters and records to applicants, applicant attorneys, disability litigation staff, and others as required.

Receives and processes member appeals for disability retirement benefits which have been denied by the Board of Retirement; guides members through the disability appeals process via telephone, e-mail, in-person, and through written correspondence; responds to questions and concerns raised by applicants and others throughout the disability retirement application and appeals processes; ensures deadlines are met throughout the process.

Prepares administrative record related to applicant's disability; schedules medical examinations with applicants and medical providers as required.

Assigns a referee to oversee appeals processes; provides records to referees including exhibits, transcripts, affidavits, reports, and medical records; scans all records and provides to the Board and other parties as required.

Prepares correspondence including transcript memos, Board decision letters, declarations, appeal agendas, appeal transmittals, affidavits, medical request and supplemental request letters, and medical appointment letters; prepares documents and packets for Retirement Board; ensures reports and other information submitted is accurate, complete, and timely; edits and generates final reports to be submitted to the Board; copies and distributes reports and packets as needed.

Maintains electronic records and statistics of applications received, appeals received, records ordered, records received, status of assignments, applications processed, appeals processed, medical appointments scheduled, demographics of applicants, and other relevant information as directed.

Processes invoices from panel physicians and third-party copy vendor; checks medical fee schedules to ensure medical bills are charged correctly; adjusts invoices as necessary; seeks approval for invoices; submits invoices for payment.

Performs special projects; prepares specialized ad hoc reports.

May handle a small disability retirement case load; interview applicants and witnesses; write evaluation reports; refer applicants to panel physicians; and make recommendations to the Board of Retirement.

May be required to perform other related duties as assigned.

REQUIREMENTS:

Three (3) years of experience at the level of Senior Typist Clerk, LACERA or higher

maintaining records related to and/or processing workers' compensation, insurance, retirement or related claims.

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

PHYSICAL CLASS II - Light physical effort which may include occasional light lifting to a 10 pound limit, and occasional bending, walking, stooping or squatting. Incumbents sit for extended periods of time. Work is performed in an office environment in a controlled climate

LAST UPDATE: 11/22/2022

CLASSIFICATION TITLE: Document Processing ~~Assistant~~Specialist, LACERA

ITEM NO: 0471

DEFINITION:

Provides administrative support with responsibility for the electronic imaging of member and business records; processes incoming mail; sorts, categorizes, creates, scans, and indexes batches of documents; reviews documents and images to ensure quality; and assembles and prepares system-generated letters and member correspondence for mailing ~~Performs document scanning/imaging and indexing of member retirement documents~~ for the Los Angeles County Employee Retirement Association (LACERA).

POSITION INFORMATION:

Positions allocable to this class, under the general supervision of a Document Processing Supervisor, are assigned to LACERA's Document Processing Center. This is a fully qualified journey-level classification in the Document Processing series which is responsible for independently performing specialized duties in support of division operations. Positions at this level are distinguished by the performance of the full range of duties as assigned, working independently, and exercising judgment and initiative within defined LACERA and Document Processing Center policies and procedures. Incumbents receive only occasional instruction or assistance as new or unusual situations arise and are fully aware of the operating procedures and policies of the work unit. This class is distinguished from the Document Processing Supervisor in that the latter is the full supervisory-level class in the series responsible for organizing, assigning, supervising, and reviewing the work of assigned staff involved in document processing operations.

Document Processing Specialists prepare, analyze, scan, and index all incoming documents from members, survivors, dependents, beneficiaries, legal counsel, third parties, and other LACERA divisions. This includes assigning relevant document coding and analyzing documents to ensure type, accuracy, and authenticity. Incumbents may assist in providing on the job training to less experienced staff. Work requires a thorough knowledge of document management systems, document entry processes, document codes, related equipment, standards, procedures, and quality control. Incumbents rely on experience and judgement to accurately identify documents, assign appropriate coding, and scan and index records and must be proficient in prioritizing a high volume of requests to complete work within time standards. ~~Positions allocable to this classification perform document imaging/scanning and indexing duties under the general lead of a Document Processing Coordinator, LACERA. Incumbents work independently and must have a thorough knowledge of scanning and imaging systems, document codes, equipment, standards, procedures, and quality control. Positions must exercise sound judgment and resolve problems related to the scanning and indexing of documents.~~

EXAMPLES OF ESSENTIAL JOB FUNCTIONS:

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

Prepares batches of member documents received from members, survivors, dependents, beneficiaries, legal counsel, third parties, and other LACERA divisions; reviews documents to ensure appropriate information is present; determines which action needs to be taken for each document; queries document management system to verify member information and imaging procedures to verify appropriate stamps and codes to be utilized; assigns appropriate document stamps and bar codes to each document; mails pertinent records back to sender after processing; prepares documents for scanning, scans documents into specialized computer system, and assists with the quality control of documents.

Scans documents into specialized document management system; ensures documents align to a specific member; determines document quality and completeness by using specialized document capture software to ensure accuracy, quality of image, and document type; sets up, calibrates, adjusts, operates, and performs routine cleaning and maintenance of scanning/imaging equipment; operates multiple scanning machines simultaneously as needed.

Reviews and indexes electronic, imaged member documents and business records to ensure document quality, scanning accuracy, and indexing conformance to accepted standards through the utilization of document capture software; checks dates received and scanned of each document and revises electronic records as needed; ensures proper codes and stamps were used during document preparation phase; uploads indexed documents to centralized document management system; routes documents to other departments when additional action is required.

computerized, imaged documents to ensure accuracy and conformance to accepted standards through the utilization of specialized computer software. Runs summary reports for indexing and batching control purposes; verifies accuracy and provides additional analysis as necessary; provides information and makes suggestions regarding the development of standards and procedures for processing, scanning, and indexing of documents and records.

Queries centralized document management system to access and retrieve member records and files.

Receives, sorts, categorizes, processes, and distributes incoming mail; prepares correspondence for batch mailing; makes copies of documents; assembles and prepares system-generated member correspondence for mailing.

Sets up, adjusts, operates, and performs routine cleaning and maintenance of scanning/imaging equipment.

Provides information in the development of standards and procedures relating to the batching, scanning, and indexing of documents and records.

Operates other office equipment, computer, photocopier, and facsimile.

May retrieve and access file records as requested. Transports boxes containing member documents, copy center and mailroom supplies.

May assist in providing on-the-job training to less experienced staff and provide assistance in mail services operations.

May be required to process daily bank deposits; verify deposit amounts for checks made payable to LACERA; identify proper endorsements and signatures; calculate deposit balances; and ensure balances match total deposits.

May participate in testing new software applications and systems.

May perform other related duties as required.

REQUIREMENTS:

TRAINING AND EXPERIENCE:

OPTION 1:

Six months' experience utilizing computer applications AND One (1) year of experience as an Intermediate Clerk, LACERA or higher operating scanning/imaging equipment, operating scanning/imaging equipment in a production business or public entity OR

OPTION 2:

Eighteen (18) months clerical experience, with a least six-twelve (12) months' of responsible experience operating scanning/imaging equipment.

LICENSE:

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

PHYSICAL CLASS III – Moderate: Standing or walking most of the time, with bending, stooping, squatting, twisting, reaching, working on irregular surfaces, occasional lifting over 25 pounds, and frequent lifting of 10-25 pounds.

CLASSIFICATION TITLE: Document Processing Specialist, LACERA

ITEM NO: 0471

DEFINITION:

Provides administrative support with responsibility for the electronic imaging of member and business records; processes incoming mail; sorts, categorizes, creates, scans, and indexes batches of documents; reviews documents and images to ensure quality; and assembles and prepares system-generated letters and member correspondence for mailing for the Los Angeles County Employee Retirement Association (LACERA).

POSITION INFORMATION:

Positions allocable to this class, under the general supervision of a Document Processing Supervisor, are assigned to LACERA's Document Processing Center. This is a fully qualified journey-level classification in the Document Processing series which is responsible for independently performing specialized duties in support of division operations. Positions at this level are distinguished by the performance of the full range of duties as assigned, working independently, and exercising judgment and initiative within defined LACERA and Document Processing Center policies and procedures. Incumbents receive only occasional instruction or assistance as new or unusual situations arise and are fully aware of the operating procedures and policies of the work unit. This class is distinguished from the Document Processing Supervisor in that the latter is the full supervisory-level class in the series responsible for organizing, assigning, supervising, and reviewing the work of assigned staff involved in document processing operations.

Document Processing Specialists prepare, analyze, scan, and index all incoming documents from members, survivors, dependents, beneficiaries, legal counsel, third parties, and other LACERA divisions. This includes assigning relevant document coding and analyzing documents to ensure type, accuracy, and authenticity. Incumbents may assist in providing on the job training to less experienced staff. Work requires a thorough knowledge of document management systems, document entry processes, document codes, related equipment, standards, procedures, and quality control. Incumbents rely on experience and judgement to accurately identify documents, assign appropriate coding, and scan and index records and must be proficient in prioritizing a high volume of requests to complete work within time standards.

EXAMPLES OF ESSENTIAL JOB FUNCTIONS:

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

Prepares batches of documents received from members, survivors, dependents, beneficiaries, legal counsel, third parties, and other LACERA divisions; reviews documents to ensure appropriate information is present; determines which action needs to be taken for each document; queries document management system to verify member information and imaging procedures to verify appropriate stamps and codes to be utilized; assigns appropriate document

stamps and bar codes to each document; mails pertinent records back to sender after processing; prepares documents for scanning.

Scans documents into specialized document management system; ensures documents align to a specific member; determines document quality and completeness by using specialized document capture software to ensure accuracy, quality of image, and document type; sets up, calibrates, adjusts, operates, and performs routine cleaning and maintenance of scanning/imaging equipment; operates multiple scanning machines simultaneously as needed.

Reviews and indexes electronic, imaged member documents and business records to ensure document quality, scanning accuracy, and indexing conformance to accepted standards through the utilization of document capture software; checks dates received and scanned of each document and revises electronic records as needed; ensures proper codes and stamps were used during document preparation phase; uploads indexed documents to centralized document management system; routes documents to other departments when additional action is required.

Runs summary reports for indexing and batching control purposes; verifies accuracy and provides additional analysis as necessary; provides information and makes suggestions regarding the development of standards and procedures for processing, scanning, and indexing of documents and records.

Queries centralized document management system to access and retrieve member records and files.

Receives, sorts, categorizes, processes, and distributes incoming mail; prepares correspondence for batch mailing; makes copies of documents; assembles and prepares system-generated member correspondence for mailing.

Transports boxes containing member documents, copy center and mailroom supplies.

May assist in providing on-the-job training to less experienced staff.

May be required to process daily bank deposits; verify deposit amounts for checks made payable to LACERA; identify proper endorsements and signatures; calculate deposit balances; and ensure balances match total deposits.

May participate in testing new software applications and systems.

May perform other related duties as required.

REQUIREMENTS:

TRAINING AND EXPERIENCE:

OPTION 1:

One (1) year of experience as an Intermediate Clerk, LACERA or higher operating scanning/imaging equipment.

OPTION 2:

Eighteen (18) months clerical experience, with a least twelve (12) months of responsible experience operating scanning/imaging equipment.

LICENSE:

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

PHYSICAL CLASS III – Moderate: Standing or walking most of the time, with bending, stooping, squatting, twisting, reaching, working on irregular surfaces, occasional lifting over 25 pounds, and frequent lifting of 10-25 pounds.

CLASSIFICATION TITLE: Document Processing ~~Coordinator~~Supervisor, LACERA

ITEM NO: 0472

DEFINITION:

~~Coordinates~~Supervises the activities of staff engaged in the processing and imaging of member documents and business records; and ensures standard procedures and performance expectations are met for retirement documents at the Los Angeles County Employees Retirement Association (LACERA).

POSITION INFORMATION:

Positions allocable to this classification, under the supervision of an ~~Administrative Officer~~Supervising Administrative Assistant II, LACERA, are assigned in LACERA's Document Processing Center. This is the full supervisory-level classification in the Document Processing series that exercises independent judgment on diverse and specialized document processing, scanning, and indexing functions with accountability and ongoing decision-making responsibilities associated with the work.

~~Document Processing Supervisors plan, delegate, oversee, organize, prioritize, supervise, train, and evaluate the work of staff engaged in the processing, scanning, indexing, and mailing of member documents and business records to ensure accuracy, timeliness, and quality of all documents received. Work requires a thorough knowledge of document management systems, document capture software, document entry processes, document codes, related equipment, standards, procedures, and quality control. Incumbents must exercise initiative and independent judgment within defined LACERA and Document Processing Center policies and procedures. Incumbents must have a knowledge of the principles of supervision, supervisory policies, and practices, and be proficient in prioritizing a high volume of requests to complete work within time standards. provides general lead direction, plans, assigns, and trains staff responsible for document scanning/imaging and indexing and mail services duties. Incumbents work independently and require a thorough knowledge of scanning and imaging systems and equipment, standards, policies and procedures, quality control relating to the scanning and imaging of documents, and all aspects of mail service procedures and policies. Positions must exercise sound judgment and resolve problems related to document imaging/scanning duties and mail services, which include policy and procedural changes.~~

EXAMPLES OF ESSENTIAL JOB FUNCTIONS:

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

Plans, delegates, oversees, prioritizes, organizes, supervises, train, and reviews the work of document processing staff; trains staff in work procedures; recommends rotation of staff between assignments; evaluates staff performance; counsels staff and effectively recommends initial disciplinary action; assists in selection and promotion.

Provides on-the-job and formalized training to assigned staff regarding how to prepare, analyze, scan, and index member documents and business records, and how to properly utilize office equipment and software applications; develops training plans; implements training procedures and standards; maintains training records; provides feedback to management regarding each trainee's job performance.

Participates in the development of goals, objectives, policies, and procedures for assigned services and programs; recommends and implements policies and procedures including standard operating procedures for assigned operations.

Monitors activities of the document processing unit; identifies opportunities for improving service delivery and streamlining procedures; provides recommendations concerning process changes; reviews recommendations with appropriate management staff; implements improvements.

Processes daily bank deposits; receives, processes, and verifies dollar amount of checks received from vendors, members, trustees, government agencies, and other third parties; identifies proper endorsements and signatures; codes checks as appropriate; ensures allocation to correct accounts; coordinates with other departments for special handling of checks; maintains appropriate records; calculates deposit balances; ensures balances match total deposits.

Verifies and processes daily LACERA warrants for mailings in accordance with established security procedures; uses specialized software to verify, process, and maintain check database; sorts, assembles, and prepares checks for mailing.

Performs quality assurance by effectively determining document quality and completeness by using specialized computer software to ensure accuracy, quality of image, and document type; corrects and documents errors for training and procedural improvements; ensures all documents received are legible and are processed and indexed accurately and in a timely fashion.

Runs summary reports, verifies accuracy, and provides additional analysis as necessary.

Answers and responds to phone calls and email requests from members as necessary.

May be required to perform other related duties as assigned.

~~Provides general lead direction, plans, assigns, trains, and determines work priorities for staff responsible for document scanning/imaging of member records, and the incoming and outgoing mail processes.~~

~~Performs routine quality assurance audits of imaging/scanning operations and mail services procedures.~~

~~Monitors and reviews the work of staff to ensure compliance with processing guidelines and deadlines.~~

~~Develops, revises, and instructs staff on procedures, policies, and quality control standards.~~

~~Prepares statistical reports related to workload and workflow processes.~~

~~Performs related work as required.~~

REQUIREMENTS:

TRAINING AND EXPERIENCE:

OPTION 1:

Three (3) year's responsible experience at the level of Document Processing Specialist, LACERA.

OPTION 2:

Completion of twelve (12) semester units in business administration, public administration, or related coursework from an accredited college or university -and- two (2) years of responsible experience in researching records, processing documents, and scanning and indexing documents. in document processing and mail services, one year of experience that must have been operating imaging and scanning equipment

LICENSE:

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

PHYSICAL CLASS II – Light: Light physical effort with light lifting to 10 pounds, some bending, stooping or squatting, and considerable walking.

CLASSIFICATION TITLE: Document Processing Supervisor, LACERA

ITEM NO: 0472

DEFINITION:

Supervises the activities of staff engaged in the processing and imaging of member documents and business records; and ensures standard procedures and performance expectations are met for the Los Angeles County Employees Retirement Association (LACERA).

POSITION INFORMATION:

Positions allocable to this classification, under the supervision of a Supervising Administrative Assistant II, LACERA, are assigned in LACERA's Document Processing Center. This is the full supervisory-level classification in the Document Processing series that exercises independent judgment on diverse and specialized document processing, scanning, and indexing functions with accountability and ongoing decision-making responsibilities associated with the work.

Document Processing Supervisors plan, delegate, oversee, organize, prioritize, supervise, train, and evaluate the work of staff engaged in the processing, scanning, indexing, and mailing of member documents and business records to ensure accuracy, timeliness, and quality of all documents received. Work requires a thorough knowledge of document management systems, document capture software, document entry processes, document codes, related equipment, standards, procedures, and quality control. Incumbents must exercise initiative and independent judgment within defined LACERA and Document Processing Center policies and procedures. Incumbents must have a knowledge of the principles of supervision, supervisory policies, and practices, and be proficient in prioritizing a high volume of requests to complete work within time standards.

EXAMPLES OF ESSENTIAL JOB FUNCTIONS:

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

Plans, delegates, oversees, prioritizes, organizes, supervises, train, and reviews the work of document processing staff; trains staff in work procedures; recommends rotation of staff between assignments; evaluates staff performance; counsels staff and effectively recommends initial disciplinary action; assists in selection and promotion.

Provides on-the-job and formalized training to assigned staff regarding how to prepare, analyze, scan, and index member documents and business records, and how to properly utilize office equipment and software applications; develops training plans; implements training procedures and standards; maintains training records; provides feedback to management regarding each trainee's job performance.

Participates in the development of goals, objectives, policies, and procedures for assigned services and programs; recommends and implements policies and procedures including standard operating procedures for assigned operations.

Monitors activities of the document processing unit; identifies opportunities for improving service delivery and streamlining procedures; provides recommendations concerning process changes; reviews recommendations with appropriate management staff; implements improvements.

Processes daily bank deposits; receives, processes, and verifies dollar amount of checks received from vendors, members, trustees, government agencies, and other third parties; identifies proper endorsements and signatures; codes checks as appropriate; ensures allocation to correct accounts; coordinates with other departments for special handling of checks; maintains appropriate records; calculates deposit balances; ensures balances match total deposits.

Verifies and processes daily LACERA warrants for mailings in accordance with established security procedures; uses specialized software to verify, process, and maintain check database; sorts, assembles, and prepares checks for mailing.

Performs quality assurance by effectively determining document quality and completeness by using specialized computer software to ensure accuracy, quality of image, and document type; corrects and documents errors for training and procedural improvements; ensures all documents received are legible and are processed and indexed accurately and in a timely fashion.

Runs summary reports, verifies accuracy, and provides additional analysis as necessary.

Answers and responds to phone calls and email requests from members as necessary.

May be required to perform other related duties as assigned.

REQUIREMENTS:

TRAINING AND EXPERIENCE:

OPTION 1:

Three (3) years responsible experience at the level of Document Processing Specialist, LACERA.

OPTION 2:

Completion of twelve (12) semester units in business administration, public administration, or related coursework from an accredited college or university -and- two (2) years of responsible experience in researching records, processing documents, and scanning and indexing documents.

LICENSE:

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

PHYSICAL CLASS II – Light: Light physical effort with light lifting to 10 pounds, some bending, stooping or squatting, and considerable walking.

LAST UPDATE: ~~7/10/2020~~5/24/2021

CLASSIFICATION TITLE: Staff Assistant I, LACERA

ITEM NO: 0426

DEFINITION:

Provides administrative support to assigned division with ~~Has~~ responsibility for ~~the housekeeping and record-keeping functions,~~ ~~and conducts~~ provides administrative studies of internal operations and procedures as an assistant to the manager of a line operation in the Los Angeles County Employees Retirement Association (LACERA).

POSITION INFORMATION:

Positions allocable to this class work under supervision and are assigned in multiple LACERA divisions. Incumbents work for managers of line organizations and perform assignments, which are heavily oriented toward coordination and liaison activities related to administrative, technical and fiscal support~~clerical supervision, procurement, procedures,~~ report preparation and records maintenance, ~~and~~ intradepartmental services. This is a fully qualify journey-level class responsible for independently performing administrative duties in support of department and division operations. Positions at this level receive only occasional instruction or assistance as new or unusual situations arise and are fully aware of operating procedures and policies of the work unit.

Incumbents provide administrative support to management and staff related to departmental programs, projects, and services, including analyzing and making recommendations for the solution of problems of organization, procedure, program, budget or personnel. ~~the consequences~~ Consequences of action are generally restricted to the operating unit/division served. ~~Incumbents function independently within general guidelines.~~ Incumbents must have a working knowledge of personal computer operations, records maintenance, and general office operations.

The Staff Assistant, LACERA series is distinguished from the Administrative Assistant, LACERA series in that the latter provides a broad array of routine and non-routine office support to management, supervisors, and staff to ensure the division is organized, provides good customer service, and runs smoothly.

The Staff Assistant, LACERA series is distinguished from the Clerk, LACERA and Typist-Clerk, LACERA series in that the latter perform primarily clerical duties requiring highly specialized knowledge of a particular function, with or without skilled typing.

EXAMPLES OF ESSENTIAL JOB FUNCTIONS:

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

Provides administrative, programmatic, and technical support for assigned division in the daily management of operations.

Maintains accurate and detailed databases, files, and records; verifies accuracy of information; researches discrepancies; records information; ensures compliance with established records retention schedules.

Performs a variety of administrative office support duties such as maintaining, sorting, and distributing mail; processes reimbursements and vendor invoices; schedules and coordinates meetings, conferences, and trainings; coordinates travel arrangements; orders and maintains office and other related supplies.

Performs various accounting and financial support work such as determining and calculating required fees; processes, reconciles, and verifies receipts and credit card statements; processes purchase orders, payment requests, and invoices.

Analyzes and makes recommendations to the unit manager for the resolution of problems of work procedures, procurement, programs, and space allocation; may participate in the implementation of changes resulting from recommendations.

Coordinates and resolves problems between the unit served and housekeeping, payroll, personnel, and reproduction services.

Performs special projects; prepares specialized ad hoc reports.

~~Analyzes and makes recommendations to the unit manager for the resolution of problems of work procedure and space allocation; and may participate in the implementation of changes resulting from recommendations. Prepares reports and projections of workload and staffing for the manager of the unit.~~

~~Coordinates and resolves problems between the unit served and housekeeping, payroll, personnel, and reproduction services. Has responsibility for evaluating, ordering maintaining, loaning, and inventorying supplies and equipment, and for resolving procurement problems with procurement services.~~

~~May supervise clerical personnel with responsibility for assigning and reviewing work, orientation, training, development and evaluation of work performance.~~

May be required to perform other duties as assigned.

REQUIREMENTS:

OPTION 1: One (1) year's year of experience in either (1) a staff capacity analyzing and making recommendations for the solution of problems of organization, procedure, program, budget or personnel, or.

OPTION 2: One (1) year of experience in (2) a highly responsible administrative/secretarial capacity performing routine and occasionally complex assignments in support of an office,.

OPTION 3: One (1) year of experience in or (3) a responsible supervisory clerical capacity.

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

PHYSICAL CLASS II - Light physical effort which may include occasional light lifting to a 10 pound limit, and occasional bending, walking, stooping or squatting. Incumbents sit for extended periods of time. Work is performed in an office environment in a controlled climate

DRAFT

CLASSIFICATION TITLE: Staff Assistant I, LACERA

ITEM NO: 0426

DEFINITION:

Provides administrative support to assigned division with responsibility for recordkeeping functions; provides administrative studies of internal operations and procedures as an assistant to the manager of a line operation in the Los Angeles County Employees Retirement Association (LACERA).

POSITION INFORMATION:

Positions allocable to this class work under supervision and are assigned in multiple LACERA divisions. Incumbents work for managers of line organizations and perform assignments, which are heavily oriented toward coordination and liaison activities related to administrative, technical and fiscal support; report preparation and records maintenance; and intradepartmental services. This is a fully qualified journey-level class responsible for independently performing administrative duties in support of department and division operations. Positions at this level receive only occasional instruction or assistance as new or unusual situations arise and are fully aware of operating procedures and policies of the work unit.

Incumbents provide administrative support to management and staff related to departmental programs, projects, and services, including analyzing and making recommendations for the solution of problems of organization, procedure, program, budget or personnel. Consequences of action are generally restricted to the division served. Incumbents must have a working knowledge of personal computer operations, records maintenance, and general office operations.

The Staff Assistant, LACERA series is distinguished from the Administrative Assistant, LACERA series in that the latter provides a broad array of routine and non-routine office support to management, supervisors, and staff to ensure the division is organized, provides good customer service, and runs smoothly.

The Staff Assistant, LACERA series is distinguished from the Clerk, LACERA and Typist-Clerk, LACERA series in that the latter perform primarily clerical duties requiring highly specialized knowledge of a particular function, with or without skilled typing.

EXAMPLES OF ESSENTIAL JOB FUNCTIONS:

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

Provides administrative, programmatic, and technical support for assigned division in the daily management of operations.

Maintains accurate and detailed databases, files, and records; verifies accuracy of information; researches discrepancies; records information; ensures compliance with established records retention schedules.

Performs a variety of administrative office support duties such as maintaining, sorting, and distributing mail; processes reimbursements and vendor invoices; schedules and coordinates meetings, conferences, and trainings; coordinates travel arrangements; orders and maintains office and other related supplies.

Performs various accounting and financial support work such as determining and calculating required fees; processes, reconciles, and verifies receipts and credit card statements; processes purchase orders, payment requests, and invoices.

Analyzes and makes recommendations to the unit manager for the resolution of problems of work procedures, procurement, programs, and space allocation; may participate in the implementation of changes resulting from recommendations.

Coordinates and resolves problems between the unit served and housekeeping, payroll, personnel, and reproduction services.

Performs special projects; prepares specialized ad hoc reports.

May be required to perform other duties as assigned.

REQUIREMENTS:

OPTION 1: One (1) year of experience in a staff capacity analyzing and making recommendations for the solution of problems of organization, procedure, program, budget or personnel.

OPTION 2: One (1) year of experience in a highly responsible administrative capacity performing routine and occasionally complex assignments in support of an office.

OPTION 3: One (1) year of experience in a responsible supervisory clerical capacity.

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

PHYSICAL CLASS II - Light physical effort which may include occasional light lifting to a 10 pound limit, and occasional bending, walking, stooping or squatting. Incumbents sit for extended periods of time. Work is performed in an office environment in a controlled climate



LAST UPDATE: 5/24/2021

CLASSIFICATION TITLE: Staff Assistant II, LACERA

ITEM NO: 0426

DEFINITION:

Provides administrative support to Assists the manager of a major assigned division for the Los Angeles County Employees Retirement Association (LACERA) by with responsibility for analyzing and making recommendations for the solution of a variety of complex problems of organization, budget, procedures, systems, program, general management and human resources as an assistant to the manager of a major line operation in the Los Angeles County Employees Retirement Association (LACERA).

POSITION INFORMATION:

Positions allocable to this class function as an assistant to managers of major line divisions analyzing and making recommendations for the solution of a variety of administrative problems having relatively significant consequences in terms of cost and effectiveness or member service in the division. Incumbents work independently within established guidelines and procedures with latitude on the means required to complete a task. Incumbents must have a working knowledge of general office procedures, personal computer operations, and general records maintenance. Positions at this level receive only occasional instruction or assistance as new or unusual situations arise and participate in the development and improvement of operating procedures and policies of the work unit.

Incumbents provide administrative support to management and staff related to departmental programs, projects, and services, including analyzing and making recommendations for the solution of complex problems of organization, procedure, program, budget or personnel. Consequences of action are generally restricted to the division served. Incumbents must have a working knowledge of personal computer operations, records maintenance, and general office operations.

The Staff Assistant, LACERA series is distinguished from the Administrative Assistant, LACERA series in that the latter provides a broad array of routine and non-routine office support to management, supervisors, and staff to ensure the division is organized, provides good customer service, and runs smoothly.

The Staff Assistant, LACERA series is distinguished from the Clerk, LACERA and Typist-Clerk, LACERA series in that the latter perform primarily clerical duties requiring highly specialized knowledge of a particular function, with or without skilled typing.

EXAMPLES OF ESSENTIAL JOB FUNCTIONS:

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

Prepares justification for division ~~or bureau salaries and employee benefit~~budget, including personnel, fixed assets, services and supplies ~~budgets~~.

Analyzes and makes recommendations on organizational problems or work procedures in the division and may participate in the implementation of changes resulting from the studies.

Participates in the divisional human resources program by assisting the manager in the recruitment, selection, and placement of qualified employees; and providing interpretation, advice and guidance to line managers on all aspects of personnel administration.

~~Collects and analyzes data, and makes recommendations on the purchase, replacement, renting operation and repair of motor vehicles.~~

Collects and researches data for ~~selected items of equipment~~ or external consultants, and writes requests for proposals, scopes of work, and/or equipment specifications.

Provides administrative, programmatic, and technical support for assigned division in the daily management of operations.

Maintains accurate and detailed databases, files, metrics, and records; verifies accuracy of information; researches discrepancies; records information; ensures compliance with established records retention schedules.

Performs special projects and studies; prepares specialized ad hoc reports.

Performs a variety of administrative office support duties such as maintaining, sorting, and distributing mail; processes reimbursements and vendor invoices; schedules and coordinates meetings, conferences, and trainings; coordinates travel arrangements; orders and maintains office and other related supplies.

Coordinates and resolves problems between the division served and housekeeping, payroll, personnel, and reproduction services.

Performs various accounting and financial support work such as determining and calculating required fees; processes, reconciles, and verifies receipts and credit card statements; processes purchase orders, payment requests, and invoices.

May ~~supervise direct~~ a small clerical staff in the preparation and maintenance of administrative reports and records.

May be required to perform other duties as assigned.

REQUIREMENTS:

OPTION 1: Two (2) years' experience in a general administrative staff or specialized staff capacity analyzing and making recommendations for the solution of problems of organization, systems and procedure, program, facility planning, budget or personnel.

~~-OR-~~

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OPTION 2: ~~One~~ Two (12) years' experience as an Administrative Services Analyst I, LACERA or Assistant I, LACERA ~~ora~~ Staff Assistant I, LACERA.

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

PHYSICAL CLASS II - Light physical effort which may include occasional light lifting to a 10 pound limit, and occasional bending, walking, stooping or squatting. Incumbents sit for extended periods of time. Work is performed in an office environment in a controlled climate

CLASSIFICATION TITLE: Staff Assistant II, LACERA

ITEM NO: 0426

DEFINITION:

Provides administrative support to assigned division with responsibility for analyzing and making recommendations for the solution of a variety of complex problems of organization, budget, procedures, systems, program, general management and human resources as an assistant to the manager of a major line operation in the Los Angeles County Employees Retirement Association (LACERA).

POSITION INFORMATION:

Positions allocable to this class function as an assistant to managers of major line divisions analyzing and making recommendations for the solution of a variety of administrative problems having relatively significant consequences in terms of cost and effectiveness or member service in the division. Incumbents work independently within established guidelines and procedures with latitude on the means required to complete a task. Incumbents must have a working knowledge of general office procedures, personal computer operations, and general records maintenance. Positions at this level receive only occasional instruction or assistance as new or unusual situations arise and participate in the development and improvement of operating procedures and policies of the work unit.

Incumbents provide administrative support to management and staff related to departmental programs, projects, and services, including analyzing and making recommendations for the solution of complex problems of organization, procedure, program, budget or personnel. Consequences of action are generally restricted to the division served. Incumbents must have a working knowledge of personal computer operations, records maintenance, and general office operations.

The Staff Assistant, LACERA series is distinguished from the Administrative Assistant, LACERA series in that the latter provides a broad array of routine and non-routine office support to management, supervisors, and staff to ensure the division is organized, provides good customer service, and runs smoothly.

The Staff Assistant, LACERA series is distinguished from the Clerk, LACERA and Typist-Clerk, LACERA series in that the latter perform primarily clerical duties requiring highly specialized knowledge of a particular function, with or without skilled typing.

EXAMPLES OF ESSENTIAL JOB FUNCTIONS:

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

Prepares justification for division budget, including personnel, fixed assets, services and supplies.

Analyzes and makes recommendations on organizational problems or work procedures in the division and may participate in the implementation of changes resulting from the studies.

Participates in the divisional human resources program by assisting the manager in the recruitment, selection, and placement of qualified employees; and providing interpretation, advice and guidance to line managers on all aspects of personnel administration.

Collects and researches data for equipment or external consultants, and writes requests for proposals, scopes of work, and/or equipment specifications.

Provides administrative, programmatic, and technical support for assigned division in the daily management of operations.

Maintains accurate and detailed databases, files, metrics, and records; verifies accuracy of information; researches discrepancies; records information; ensures compliance with established records retention schedules.

Performs special projects and studies; prepares specialized ad hoc reports.

Performs a variety of administrative office support duties such as maintaining, sorting, and distributing mail; processes reimbursements and vendor invoices; schedules and coordinates meetings, conferences, and trainings; coordinates travel arrangements; orders and maintains office and other related supplies.

Coordinates and resolves problems between the division served and housekeeping, payroll, personnel, and reproduction services.

Performs various accounting and financial support work such as determining and calculating required fees; processes, reconciles, and verifies receipts and credit card statements; processes purchase orders, payment requests, and invoices. May direct a small clerical staff in the preparation and maintenance of administrative reports and records.

May be required to perform other duties as assigned.

REQUIREMENTS:

OPTION 1: Two (2) years' experience in a general administrative staff or specialized staff capacity analyzing and making recommendations for the solution of problems of organization, systems and procedure, program, facility planning, budget or personnel.

OPTION 2: Two (2) years' experience as an Administrative Services Analyst I, LACERA or Staff Assistant I, LACERA.

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

PHYSICAL CLASS II - Light physical effort which may include occasional light lifting to a 10 pound limit, and occasional bending, walking, stooping or squatting. Incumbents sit for extended periods of time. Work is performed in an office environment in a controlled climate

DRAFT

Division/Department	Current Classification Title	Recommended Classification Title	Action	Comments
Administrative Services	Document Processing Coordinator	Document Processing Supervisor	Reclassification	This is the full supervisory level classification in the DP series.
Administrative Services	Document Processing Coordinator	Document Processing Supervisor	Reclassification	This is the full supervisory level classification in the DP series.
Administrative Services	Document Processing Assistant	Document Processing Specialist	Reclassification	The journey level in this series and requires 12-18 months of experience. Recommend underfilling with a lower level clerical classification for training/experience. May assist with training less experienced staff.
Administrative Services	Document Processing Assistant	Document Processing Specialist	Reclassification	The journey level in this series and requires 12-18 months of experience. Recommend underfilling with a lower level clerical classification for training/experience. May assist with training less experienced staff.
Administrative Services	Document Processing Assistant	Document Processing Specialist	Reclassification	The journey level in this series and requires 12-18 months of experience. Recommend underfilling with a lower level clerical classification for training/experience. May assist with training less experienced staff.
Administrative Services	Document Processing Assistant	Document Processing Specialist	Reclassification	The journey level in this series and requires 12-18 months of experience. Recommend underfilling with a lower level clerical classification for training/experience. May assist with training less experienced staff.
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Administrative Services	Document Processing Assistant	Document Processing Specialist	Reclassification	The journey level in this series and requires 12-18 months of experience. Recommend underfilling with a lower level clerical classification for training/experience. May assist with training less experienced staff.
Administrative Services	Document Processing Assistant	Document Processing Specialist	Reclassification	The journey level in this series and requires 12-18 months of experience. Recommend underfilling with a lower level clerical classification for training/experience. May assist with training less experienced staff.
Administrative Services	Document Processing Assistant	Document Processing Specialist	Reclassification	The journey level in this series and requires 12-18 months of experience. Recommend underfilling with a lower level clerical classification for training/experience. May assist with training less experienced staff.
Systems	Staff Assistant I	Staff Assistant I	No Change	Appropriate title
Communications	Staff Assistant I	Staff Assistant I	No Change	Appropriate title
Disability Retirement	Staff Assistant II	Disability Retirement Support Specialist I (Budget at the level of Staff Assistant II)	No Change	Study participant is no longer with LACERA. Current incumbent performs Staff Assistant II work.
Disability Retirement	Staff Assistant II	Disability Retirement Support Specialist I	Reclassification	Incumbents are performing most of the duties of LACERA's current "Disability Retirement Support Specialist I" level classification.
Disability Retirement	Staff Assistant II	Disability Retirement Support Specialist I	Reclassification	Incumbents are performing most of the duties of LACERA's current "Disability Retirement Support Specialist I" level classification.

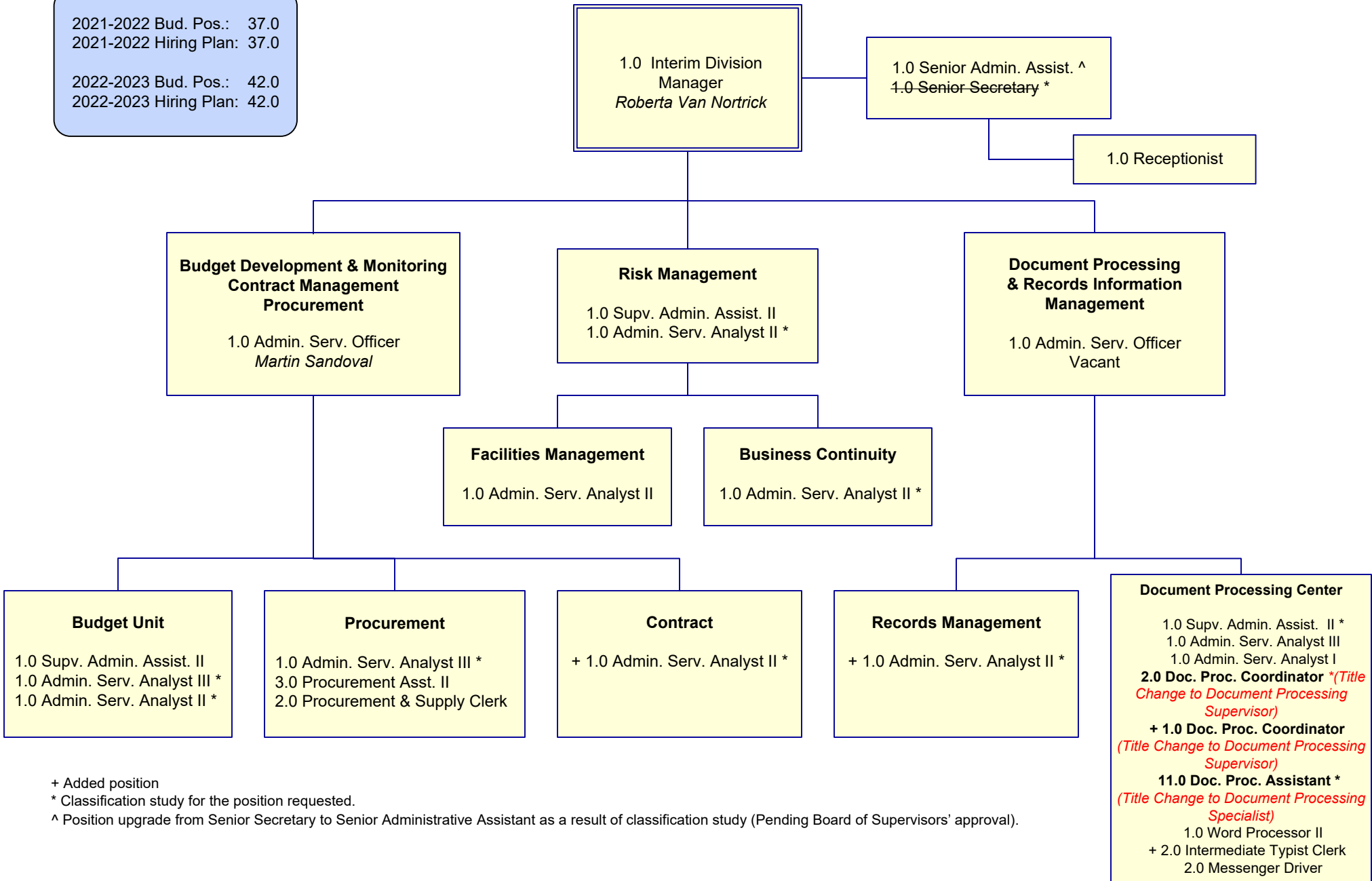
LACERA Allocation Listing 10 18 21

Division/Department	Current Classification Title	Recommended Classification Title	Action	Comments
Disability Retirement	Staff Assistant II	Disability Retirement Support Specialist I	Reclassification	Incumbents are performing most of the duties of LACERA's current "Disability Retirement Support Specialist I" level classification.
Disability Retirement	Staff Assistant II	Senior Typist Clerk (Budget at the level of Disability Retirement Support Specialist I)	Reclassification	Incumbent does not handle many of the duties as her colleagues allocated to the Disability Retirement Support Specialist I class; primarily not ordering medical, Workers' Comp, employment, and other records for disability retirement determinations.
Disability Retirement	Staff Assistant II	Senior Typist Clerk (Budget at the level of Disability Retirement Support Specialist I)	Reclassification	Incumbent does not handle many of the duties as her colleagues allocated to the Disability Retirement Support Specialist I class; types numerous letters and address labels; mails and e-mails documents and packets; answers calls and e-mails; maintains file folders and tracks files. Study participant is no longer with LACERA. Position is vacant.
Disability Retirement	Staff Assistant II	Disability Retirement Support Specialist I	Reclassification	Incumbent is temporarily performing Senior Typist-Clerk work due to accomodation.

ADMINISTRATIVE SERVICES DIVISION

FISCAL YEAR 2022-2023

2021-2022 Bud. Pos.: 37.0
 2021-2022 Hiring Plan: 37.0
 2022-2023 Bud. Pos.: 42.0
 2022-2023 Hiring Plan: 42.0



+ Added position

* Classification study for the position requested.

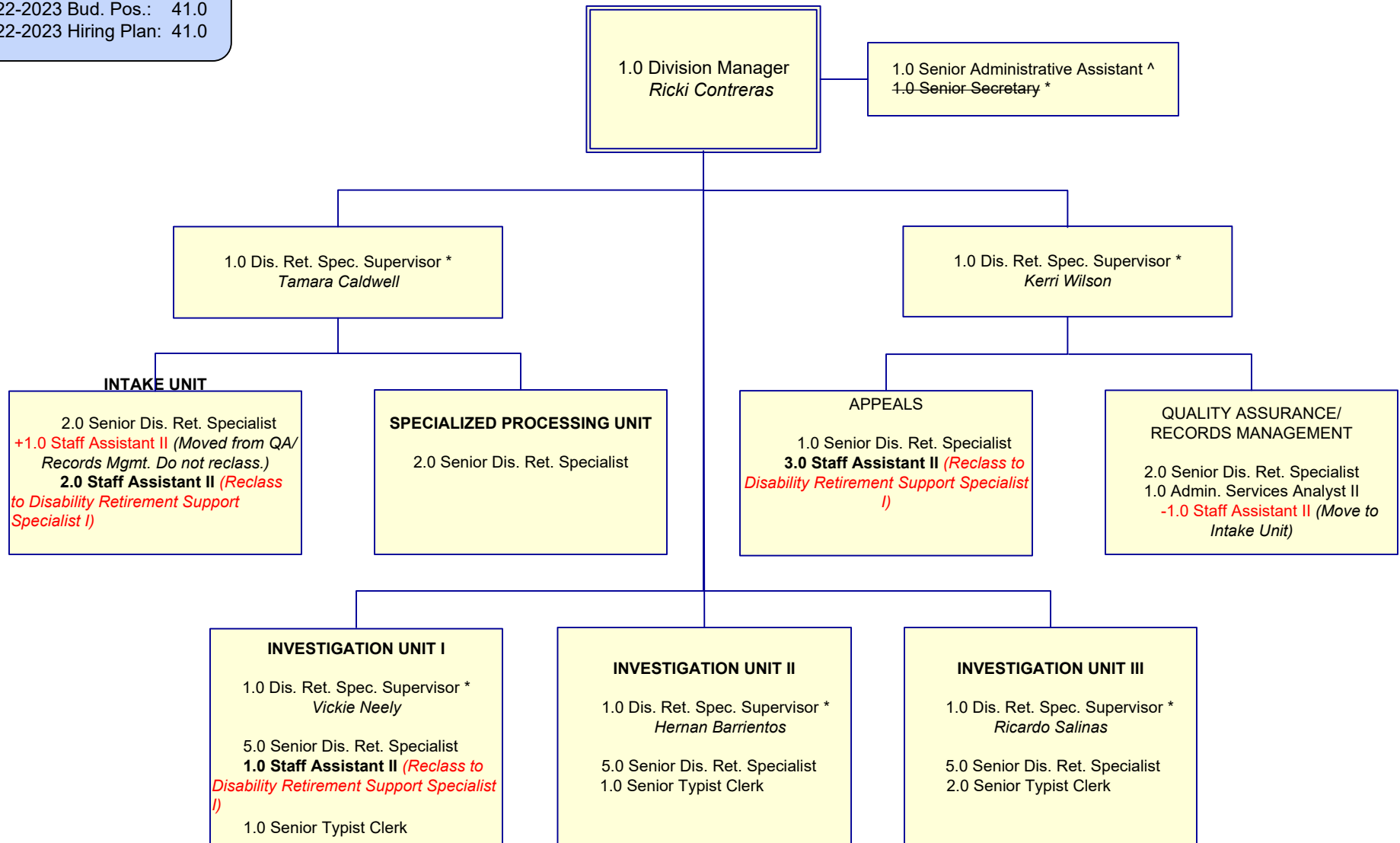
^ Position upgrade from Senior Secretary to Senior Administrative Assistant as a result of classification study (Pending Board of Supervisors' approval).

DISABILITY RETIREMENT

FISCAL YEAR 2022-2023

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

2022-2023 Bud. Pos.: 41.0
2022-2023 Hiring Plan: 41.0



* Classification and/or compensation study requested.

^ Position upgrade from Senior Secretary to Senior Administrative Assistant as a result of classification study (Pending Board of Supervisors' approval).

April 19, 2023

TO: Each Trustee,
Joint Organizational Governance Committee

FROM: Santos H. Kreimann *SHK*
Chief Executive Officer

FOR: April 27, 2023 Joint Organizational Governance Committee Meeting

SUBJECT: 2023 Joint Organizational Governance Committee Proposed Meeting Calendar and Agenda Items

RECOMMENDATION

That the Joint Organizational Governance Committee (JOGC) schedule the 2023 calendar year meetings and review and provide input on and additions to the proposed agenda items.

DISCUSSION

In addition to the April meeting, the JOGC is scheduled to meet three additional times in calendar year 2023. A draft of the 2023 schedule of topics for your review is provided below.

Staff would like the Committee’s input on any additional topics and/or educational sessions that can be added to the remaining meetings for 2023. In addition to these items, the committee will hold closed sessions meetings as needed on matters within the JOGC’s scope under its Charter. The Charter provides for meetings in February to elect officers (which will be done at the April meeting this year), in April for budget review, and such further meetings as needed with the concurrence of the Board Chairs or the JOGC committee Chair.

Month	Potential Meeting Dates to Consider	Item Description
	Thursday, April 27, 2023 at 8 a.m.	FY 23-24 Proposed Preliminary Budget for Discussion, Timeline and Direction; Budget Policy; and Classification Study Review
August 2023	Wed., 8/16, Thurs., 8/17, Wed., 8/23, Thurs., 8/24	Information Systems Acceptable Use and Mobile Device Policies for Trustees
November 2023	Thurs., 11/2, Wed., 11/15, Thurs., 11/16	FY 23-24 Mid-Year Budget Adjustment
December 2024	Thurs., 12/7, Fri., 12/8,	FY 22-23 Final Budget Control Report

Re: 2023 Joint Organizational Governance Committee Planning
April 19, 2023
Page 2 of 2

Staff looks forward to the Committee's discussion and agenda input at the JOGC meeting on Thursday, April 27, 2023 at 8 a.m.

SK:bn