

July 23, 2025



REQUEST FOR PROPOSAL

Economic Impact Analysis

Barry W. Lew, Legislative Affairs Officer
626-564-2370/blew@lacera.com
300 NORTH LAKE AVENUE, SUITE 650
PASADENA, CA 91101

TABLE OF CONTENTS

1.	INTRODUCTION	3
2.	SCOPE OF SERVICES	4
3.	MINIMUM QUALIFICATIONS	4
4.	INSTRUCTIONS TO RESPONDENTS	4
5.	NOTICE TO RESPONDENTS REGARDING THE PUBLIC RECORDS ACT AND RALPH M. BROWN ACT	8
6.	DIVERSITY, EQUITY, AND INCLUSION	9
7.	NOTICE TO RESPONDENTS REGARDING LACERA DATA PROTECTION	9
8.	CONTRACT NEGOTIATIONS	10
9.	RESERVATIONS BY LACERA	11

EXHIBITS LIST

EXHIBIT A – PROPOSAL COVER PAGE AND CHECKLIST	14
EXHIBIT B - MINIMUM QUALIFICATIONS CERTIFICATION	15
EXHIBIT D –AGREEMENT FOR SERVICES	17
EXHIBIT E – IT SECURITY CONTROLS	28
EXHIBIT F – INTENT TO RESPOND	29
EXHIBIT G – SELECTION CRITERIA	30
EXHIBIT H – DIVERSITY, EQUITY, AND INCLUSION QUESTIONNAIRE	
EXHIBIT I – BEACON ECONOMICS ECONOMIC IMPACT REPORT AND SAMPLE LEGISLATIVE FACT SHEETS	

**LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
REQUEST FOR PROPOSAL (RFP)
ECONOMIC IMPACT ANALYSIS
JULY 23, 2025**

1. INTRODUCTION

1.1. Purpose of Request

The Los Angeles County Employees Retirement Association (LACERA), a \$79 billion public pension fund, is seeking proposals from qualified firms to provide an economic impact analysis of LACERA's retirement benefits. LACERA invites qualified firms to respond to this RFP (Respondent).

1.2. Background Information

LACERA is a tax-qualified defined benefit public pension fund established to administer retirement, disability, and death benefits for the employees of the County of Los Angeles and other participating agencies pursuant to the County Employees Retirement Law of 1937 (CERL) (California Government Code Section 31450, et seq.), the California Public Employees' Pension Reform Act of 2013 (PEPRA) (California Government Code Section 7522, et seq.), LACERA's Bylaws and Board Policies, and other applicable California law. LACERA also administers the County's medical and dental retiree health benefits program.

LACERA operates as an independent governmental entity separate and distinct from Los Angeles County and the other participating agencies. LACERA has approximately 195,000 members, including 120,000 active members and 75,000 retired members. About 58,000 retired members and survivors take part in the medical and dental retiree healthcare programs. In addition to benefits administration, the fund invests in assets to support payment of the promised pension benefits as well as additional sums to support the retiree healthcare program.

The Respondent(s) selected through this RFP process may be recommended to LACERA's Board of Retirement (BOR). The BOR has responsibility over the administration of pension and healthcare benefits and other fund administrative issues. The BOR comprises four Trustees elected by the general, safety, and retired members, four Trustees appointed by the County's Board of Supervisors, and the sitting County Treasurer and Tax Collector as an ex officio Trustee. The BOR also has two alternate Trustees, one elected by safety members, and one elected by retired members.

The Boards and their trustees have fiduciary duties as defined in Article XVI, Section 17 of the California Constitution and CERL, with duties owed to the plan members and their beneficiaries taking precedence over any other duties.

LACERA is inviting vendors to submit proposals to conduct an economic impact analysis of LACERA's retirement benefits. In 2022, LACERA engaged Beacon Economics to conduct an economic impact analysis of LACERA's pension benefits. The analysis evaluated the effect of the pension benefits within the County of Los Angeles across its five districts and their effect

statewide in California. The analysis also highlighted the generation of fiscal revenues from the pension benefits at the county, state, and federal level.

LACERA also engages with state and federal legislators whose districts are within the County of Los Angeles to increase our presence and visibility with those legislators as well as provide education and information about LACERA's history, organization, and operations.

The purpose of this RFP is to select a consultant to provide an updated economic impact analysis for the Pension Plan portfolio. The scope of work includes an economic impact analysis of the Pension Plan covering the County of Los Angeles and the State of California. It would also include economic impact analyses specific to the County of Los Angeles' supervisorial districts and the state and federal legislative districts within the County of Los Angeles (see attached samples of the Beacon Economics report and legislative fact sheets from CalSTRS).

The full scope of work is detailed in the next section below.

For additional information about LACERA, please refer to LACERA's Annual Financial Report, which is posted on the LACERA website, www.lacera.com.

2. **SCOPE OF SERVICES**

LACERA seeks to hire a consultant to perform the following services and deliverables related to the economic impact of LACERA's pension benefits:

- A. **Economic Impact Analysis.** Consultant shall conduct an analysis that includes the economic, fiscal, and social impacts of LACERA's pension benefits. Consultant shall produce a comprehensive report (see attached Beacon Economics report) that includes but is not limited to the following:

- a. Executive Summary
- b. Glossary
- c. Data
- d. Methodology
- e. Analysis
- f. Economic and fiscal impacts per supervisorial district in the County of Los Angeles
- g. Membership Diversity and Demographic Breakdown
- h. Conclusion

- B. **Legislative Dataset.** Consultant shall conduct economic impact analyses of LACERA retirees who reside in the legislative districts of the California State Legislature (Assembly and Senate) and the U.S. House of Representatives within the County of Los Angeles ("Los Angeles County Delegation"). Consultant shall produce a dataset that would enable LACERA to create legislative fact sheets (see attached examples from CalSTRS) outlining the economic impact of LACERA's retirement benefits within the state and federal legislative districts of the County of Los Angeles. The dataset shall include the following data:

- a. Retirement membership data: retirement member type (member or survivor), retirement type (service or disability), gender, average benefit amount, average retirement age, average service credit
- b. Retirement benefits paid (amount by district and statewide)
- c. Economic impact of retirement benefits paid within district

C. **Presentation of Report.** Consultant shall attend a meeting of the Board of Retirement in-person to present the findings of its economic impact analysis.

3. **MINIMUM QUALIFICATIONS**

All Respondents must clearly show and document in the proposal the following minimum qualifications:

The ideal consultant shall have substantial experience consisting of at least five years in conducting economic impact analyses for public sector agencies.

4. **INSTRUCTIONS TO RESPONDENTS**

4.1. RFP Important Dates

The following table provides a tentative schedule of important dates and deadlines for this RFP. All dates are subject to modification by LACERA without notice.

Event Description	Date
RFP release date	August 8, 2025
Intent to Respond closing date	September 5, 2025
Written questions from Respondents due date	September 12, 2025
LACERA's response to Respondents' questions	September 19, 2025
RFP due date	September 26, 2025
Finalist Interviews (as warranted)	October 2025
Selection Notification (estimate)	November 2025
Commencement of work	Upon contract execution

4.2. Response Requirements and Formatting

Respondents to this RFP must submit the following for delivery no later than **5:00 PM PDT** on **Friday, September 26, 2025**, through the LACERA Vendor Gateway Portal. Registration is required to access the portal and to participate in the bid process.

Respondents must upload the electronic copy of the proposal in PDF or Microsoft Word format via the LACERA Vendor Gateway Portal.

If Respondent requires any confidential information to be exempt from public disclosure, then submissions should also include one **unbound** copy, and one **electronic copy**, each marked “**CONFIDENTIAL**.” The redacted copies should redact all material from the proposal that the Respondent believes in good faith is exempt from disclosure under the California Public Records Act, (California Government Code section 7920.000, et seq., the “Act”). Redactions should appear as blacked out material. Large sections, tables, or entire blank page(s) shall include the word “CONFIDENTIAL” or “PROPRIETARY” inserted. Each Respondent must indicate the basis for each redaction under the Act (defined below) with a citation to the code section and subsection relied upon. LACERA cannot guarantee that redacted information will not be publicly available. Please see the **Section 5** below “*Notice to Respondents Regarding the Public Records Act AND RALPH M. BROWN ACT*” for further information. An electronic copy of both the original and the redacted response in PDF format saved on separate DVDs, each labeled accordingly.

4.2.1. Submittals shall be double-sided with text in at least 10-point font, but no larger than 12-point font limited to 25 pages, including Exhibits. Submittals shall address all RFP sections in the same order presented and be responsive to each section.

All responses to this RFP should follow the outline of the RFP requirements and should fully respond to each section as appropriate and to all questions, if any, in Exhibit C and should contain at a minimum:

4.2.1.1. Cover Letter. A cover letter (1 page) shall be signed by the individual(s) who is (are) authorized to bind the Respondent contractually. The letter shall contain a statement to the effect that the Respondent is not currently under investigation by any regulatory agency, state or federal, for any reason. The letter should identify your firm’s competitive advantage, the specific team that will be working on the LACERA account, and the reasons why the firm should be selected.

4.2.1.2. Minimum Qualifications Certification. You must certify, by completing and signing EXHIBIT B, that your firm meets the minimum qualifications required.

4.2.1.3. Table of Contents. The response must contain a Table of Contents that identifies the major sub-sections of the Questionnaire.

4.2.1.4. Attachments. Optional material such as brochures or company information may be included as an attachment but will not be counted as responsive to this RFP and will not be used in scoring.

4.2.2. All proposals made in response to this RFP must remain open and in effect for a period of not less than 180 days after the submission deadline. Responses to this RFP may be changed or withdrawn in writing if modifications are received prior to the submission deadline. Modification to or withdrawal of a proposal received after the submission deadline will not be considered. Responses received after the specified deadline may be considered for evaluation

solely at the discretion of LACERA. In addition, LACERA reserves the right to request more information or clarifications from Respondents, or to allow corrections of errors or omissions.

4.2.3. Proposals not following these instructions or not including complete information as requested may result in a lower evaluation score or the proposal being declared non-responsive. For each part of the response, restate the RFP item immediately above the response. Pages in the proposal shall be numbered. When asked, please provide details, and state all qualifications or exceptions. All information supplied should be concise and relevant to qualifications.

4.3. Contacts with LACERA Personnel

Contacts with LACERA personnel about this RFP, and all inquiries and requests for information shall be directed to the Point of Contact identified below:

Barry W. Lew
Legislative Affairs Officer
LACERA

Gateway Plaza
300 North Lake Avenue, Suite 650
Pasadena, CA 91101-4199

Email: blew@lacera.com
Phone: 626-564-2370

4.4. Quiet Period

To ensure that prospective Respondents to this RFP have equal access to information about the RFP and communications related to the RFP are consistent and accurate so that the selection process is efficient and fair, a quiet period will be in effect from the date of issuance of this RFP until the selection of one or more Respondents is completed and announced.

This RFP and other relevant information related to the RFP, including addenda, modifications, answers to questions, and other updates, will be available to the public at lacera.com and LACERA Gateway Vendor Portal:

<https://lacera.cobblestone.software/gateway/SolicitationPublicSearch.aspx>

Each Respondent to this RFP will be subject to the same terms and conditions and will receive the same information.

During the quiet period, Respondents are not allowed to communicate with any LACERA staff member or Board member regarding this RFP except through the point of contact named herein. Respondents violating the quiet period may be disqualified at LACERA's discretion.

Respondents who have existing relationships with LACERA must limit their communications between LACERA staff and Board members to the subject of the existing services provided by them.

4.5. Questions relating to this RFP

All questions, inquiries, and requests for additional information concerning this RFP should be received no later than **5:00 PM PDT, Friday, September 12, 2025**, through the 'My Questions/Answers' section of the Opportunity Details page in the LACERA Vendor Gateway Portal. All Questions received, along with their corresponding responses, will be posted in the 'Questions & Answers' Section of the Opportunity Details page in the LACERA Vendor Gateway Portal on or about 5:00 PM PDT, Friday, September 19, 2025.

4.6. RFP Scoring and Selection Criteria

RFPs will be scored according to Exhibit G, *Selection Criteria*. LACERA staff may select Respondents based upon the selection criteria or using a combination of onsite interviews and reference verification.

The highest scoring Respondents may be invited to an interview by LACERA's Board(s). At LACERA's discretion, selected Respondents may be offered the opportunity to present their materials to the Board(s).

4.7. Intent to Respond

If your firm chooses to respond to this RFP, please send the Intent to Respond, Exhibit F, via email to Barry W. Lew, by **5:00 p.m. PDT, Friday, September 5, 2025**. Failure to send your Intent to Respond may disqualify your firm from submitting a response to this RFP.

5. **NOTICE TO RESPONDENTS REGARDING THE PUBLIC RECORDS ACT AND THE RALPH M. BROWN ACT**

The information submitted in response to this RFP will be subject to public disclosure pursuant to the California Public Records Act (California Government Code Section 7920.000, et. seq., the "Act"). The Act provides generally that all records relating to a public agency's business are open to public inspection and copying unless specifically exempted under one of several exemptions set forth in the Act. If a Respondent believes that any portion of its proposal is exempt from public disclosure or discussion under the Act, the Respondent must provide a full explanation and mark such portion "TRADE SECRETS," "CONFIDENTIAL" or "PROPRIETARY," and make it readily separable from the balance of the response. Proposals marked "TRADE SECRETS," "CONFIDENTIAL" or "PROPRIETARY" in their entirety will not be honored, and LACERA will not deny public disclosure of all or any portion of proposals so marked.

By submitting a proposal with material marked "TRADE SECRETS," "CONFIDENTIAL" or "PROPRIETARY," a Respondent represents it has a good faith belief that the material is exempt from disclosure under the Act; however, such designations will not necessarily be conclusive, and a Respondent may be required to justify in writing why such material should not be disclosed by LACERA under the Act. Fee and pricing proposals are not considered "TRADE SECRET," "CONFIDENTIAL" or "PROPRIETARY."

If LACERA receives a request pursuant to the Act for materials that a Respondent has marked "TRADE SECRET," "CONFIDENTIAL" or "PROPRIETARY," and if LACERA agrees that the material requested is not subject to disclosure under the Act, LACERA will deny disclosure of

those materials. LACERA will not be held liable, however, for inadvertent disclosure of such materials, data, and information or for disclosure of such materials if deemed appropriate in LACERA's sole discretion. LACERA retains the right to disclose all information provided by a Respondent.

If LACERA denies public disclosure of any materials designated as "TRADE SECRETS," "CONFIDENTIAL" or "PROPRIETARY," the Respondent agrees to reimburse LACERA for, and to indemnify, defend and hold harmless LACERA, its Boards, officers, fiduciaries, employees, and agents from and against:

1. All claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs, and expenses, including without limitation attorneys' fees, expenses, and court costs of any nature whatsoever (collectively, Claims) arising from or relating to LACERA's non-disclosure of any such designated portions of a proposal; and
2. All Claims arising from or relating to LACERA's public disclosure of any such designated portions of a proposal if LACERA determines disclosure is deemed required by law, or if disclosure is ordered by a court of competent jurisdiction.

If LACERA staff recommends any Respondent to the Boards for hiring, such recommendation, the reasons for the recommendation, and the relevant proposal(s) will appear on a publicly posted agenda and in supporting materials for public meetings of the Boards.

Nothing in this RFP requires LACERA to withhold any documents from production under the Act.

6. DIVERSITY, EQUITY, AND INCLUSION

LACERA values diversity, equity, and inclusion ("DEI"), and believes that effectively accessing and managing diverse talent leads to improved outcomes. LACERA takes a broad view of diversity, inclusive of varied backgrounds including, but not limited to, age, experience, race, ethnicity, sexual orientation, gender identity, disability status, national origin, and culture. LACERA expects its business partners to respect and reflect LACERA's value of DEI.

With respect to diversity, please respond to the questions in Exhibit G (Diversity, Equity, and Inclusion Questionnaire). The response must include:

- Description of diversity policies, practices, and procedures maintained by the firm regarding equal employment opportunity, including the recruitment, development, retention, and promotion of a diverse and inclusive workforce, non-discrimination based on gender, race, ethnicity, sexual orientation, age, disability status, veteran's status, and other legally protected categories, and prohibition of sexual harassment in the workplace. If the Respondent has written policies that address these matters, provide copies along with the response to this RFP.
- The oversight, monitoring, and other compliance processes for implementation and enforcement of the firm's diversity policies, practices, and procedures, including the name of the individual who is responsible for oversight of the firm's method to measure the effectiveness of the policies, and conclusions as to effectiveness.
- Any judicial, regulatory, or other legal findings, formal action, or claims related to equal employment opportunity, workplace discrimination, or sexual harassment during the past ten (10) years

7. NOTICE TO RESPONDENTS REGARDING LACERA DATA PROTECTION

LACERA, its consultants, vendors, and contractors have a duty to protect all LACERA data, including without limitation, information related to members and beneficiaries, finances, systems, and operations.

The finalist selected through this procurement will have access to sensitive information protected by LACERA's internal policies, State, and Federal law. In such a case, by submitting a proposal, Respondent agrees to subject itself to certain contractual terms designed to protect such information, including without limitation SOC-2 reports (or, in the alternative, a Security Controls Assessment as per Exhibit E) – used when vendor might have access to or use of LACERA systems or information. Respondents shall inform LACERA in their response if they have any limitations to agreeing to such terms. Respondents that do not make reservations shall lose their right to do so at the contracting phase.

8. CONTRACT NEGOTIATIONS

Upon Board approval, staff will enter contract negotiations with the approved Respondent(s). LACERA may end negotiations, at its sole discretion, if it believes a satisfactory agreement cannot be negotiated. LACERA reserves the right to award a contract based upon proposals received; you should not rely upon the opportunity to alter your proposal (e.g., services to be provided, fees, etc.) during contract negotiations.

The final contract must allow LACERA to terminate a) for its convenience, b) if funds are not appropriated for the services to be provided, and c) for default.

The general form of the contract LACERA intends to use for this engagement is attached as **Exhibit D**. By sending a proposal without comment on the general form contract, Respondent agrees to each term in the contract, and will not seek any modifications to the contract. LACERA has the right to change or negotiate contract terms different than those in Exhibit D in our sole discretion.

Respondents are required in their response to identify and explain any exception that it desires to take to any of the terms and conditions of this RFP. In addition, a Respondent will be deemed to have agreed to each clause in the agreement (and not to seek inclusion of additional clauses), unless the Respondent identifies an objection or inclusion, sets forth the basis for the objection or inclusion, and provides substitute language to make the clause acceptable to the Respondent or to address an issue the Respondent feels is not addressed by the agreement in its response to this RFP. If a satisfactory agreement cannot be negotiated with one or more of the firms, LACERA may, at its sole discretion, terminate such negotiations. LACERA, may then, at its option, initiate fee negotiations with another firm, and so on.

At LACERA's discretion the term of the contract entered under this RFP may be terminated at LACERA's convenience at any time.

9. RESERVATIONS BY LACERA

In addition to the other provisions of this RFP, LACERA reserves the right to:

- 9.1. Cancel or modify this RFP, in whole or in part, at any time.
- 9.2. Make such investigation as it deems necessary to determine the Respondent's ability to furnish the required services, and the Respondent agrees to furnish all such information for this purpose as LACERA may request.
- 9.3. Reject the proposal of any Respondent who has failed to comply with the requirements of this RFP, or who is not currently in a position to perform the contract, or who has previously failed to perform similar contracts properly, or in a timely manner or for any other reason in LACERA's sole discretion.
- 9.4. Waive irregularities to negotiate in any manner necessary to best serve the public interest, and to make a whole award, multiple awards, a partial award, or no award.
- 9.5. Award a contract, if at all, to the firm which will provide the best match to the requirements of the RFP and the service needs of LACERA in LACERA's sole discretion, which may not be the proposal offering the lowest fees or achieving the highest score.
- 9.6. Request additional documentation or information from Respondents. Requested information may vary by Respondent. LACERA may ask questions of any Respondent to seek clarification of a proposal or to ensure the Respondent understands the scope of the work or other terms of the RFP.
- 9.7. The right to choose not to enter into an agreement with any of the Respondents to this RFP or negotiate for the services described in this RFP with a party that did not submit a proposal.
- 9.8. Determine the extent, without limitation, to which the services of a successful Respondent are or are not actually utilized.
- 9.9. Defer selection of a winning bidder to a time of LACERA's choosing.
- 9.10. Consider information about a Respondent in addition to the information submitted in the response or interview.
- 9.11. Add terms and conditions during contract negotiations.
- 9.12. The information that a Respondent submits in response to this RFP becomes the exclusive property of LACERA. LACERA will not return any proposal or reimburse proposal preparation expenses.

LACERA shall not be liable for any costs Respondents incur in connection with the preparation or submission of a proposal.

(The rest of this page is left intentionally blank)

EXHIBIT A

PROPOSAL COVER PAGE AND CHECKLIST (TO BE SUBMITTED ON RESPONDENT'S LETTERHEAD)

Respondent Name:

Respondent Address:

By submitting this response, the undersigned hereby affirms and represents that they have reviewed the proposal requirements and have submitted a complete and accurate response to the best of their knowledge. By signing below, I hereby affirm that the Respondent has reviewed the entire RFP and intends to follow all requirements.

Respondent specifically acknowledges the following facts:

1. Respondent has the required technical expertise and has sufficient capacity to provide the services outlined in the RFP.
2. Respondent has no unresolved questions about the RFP and believes that there are no ambiguities in the scope of work.
3. The fee schedule or price proposal sent in response to the RFP is for the entire scope of work and no extra charges or expenses will be paid by LACERA.
4. Respondent has completely disclosed to LACERA all facts bearing upon any possible interests, direct or indirect, that Respondent believes any member of LACERA, or other officer, agent, or employee of LACERA presently has, or will have, in this contract, or in the performance thereof, or in any portion of the profits thereunder.
5. Materials contained in proposals and all correspondence and written questions sent during the RFP process may be subject to disclosure pursuant to the "California Public Records Act (California Government Code Section 7920.000, et. Seq., the "Act").
6. Respondent is not currently under investigation by any state or federal regulatory agency for any reason.
7. The signatory below is authorized to bind the Respondent contractually.

[/s]

EXHIBIT B

MINIMUM QUALIFICATIONS CERTIFICATION (TO BE SUBMITTED ON RESPONDENT'S LETTERHEAD)

All Respondents must sign and return this attachment, along with written evidence of how you meet each qualification. The undersigned hereby certifies that the Respondent submitting this response fulfills the minimum qualifications outlined below, as well as the requirements contained in the RFP.

Minimum Qualifications include:

- Substantial experience consisting of at least five years in conducting economic impact analyses for public sector agencies.

The undersigned hereby certifies that they are an individual authorized to bind the Firm contractually, and said signature authorizes verification of this information.
--

Authorized Signature

Date

Name and Title (please print)

Name of Firm

EXHIBIT D

AGREEMENT FOR SERVICES

THIS IS THE GENERAL FORM AND CONTENT OF THE CONTRACT LACERA INTENDS TO USE. IN SUBMITTING A PROPOSAL WITHOUT COMMENT ON THE CONTRACT, THE BIDDER WILL BE DEEMED TO HAVE AGREED TO EACH CLAUSE IN THE AGREEMENT BELOW (AND TO NOT SEEK ANY MODIFICATIONS TO THE AGREEMENT), UNLESS BIDDER'S PROPOSAL IDENTIFIES AN OBJECTION OR INCLUSION, SETS FORTH THE BASIS FOR THE OBJECTION OR INCLUSION, AND PROVIDES SUBSTITUTE LANGUAGE TO MAKE THE CLAUSE ACCEPTABLE TO BIDDER.

LACERA RESERVES THE UNILATERAL RIGHT IN ITS SOLE DISCRETION TO MAKE CHANGES TO THE CONTRACT PRIOR TO EXECUTION, WHICH CHANGES WILL NOT PROVIDE BIDDER WITH AN OPPORTUNITY TO MAKE FURTHER CHANGES TO THE OTHER TERMS OF THE CONTRACT.

[TEMPLATE AGREEMENT BELOW THE BREAK]

CONTRACT FOR {---Type of Service---

This Contract for {---Type of Service---} ("Contract") is made and entered into by and between Los Angeles County Employees Retirement Association ("LACERA") and {---Company Name---} ("Vendor"), and is effective as of the date shown in Section 5.

Recitals

LACERA seeks the services of a company that offers {---Brief Description of Service---}.

Vendor represents that they offer the {---Contract Title---} that LACERA seeks.

[INSERT ADDITIONAL RECITALS AS NEEDED]

Contract

1. Services to be Provided.

1.1 Vendor agrees to perform the services ("Services") described in the Statement of Work ("Statement of Work") attached to this Contract as Attachment A.

1.2 Vendor agrees to perform the Services at LACERA's offices, and with LACERA's consent, via telephone or email, and when appropriate, at a location of Vendor's choice.

1.3 All writings prepared or furnished by Vendor to LACERA in the performance of this Contract shall be the exclusive property of LACERA and may be used by LACERA, as LACERA deems appropriate.

1.4 Vendor's quality of service will be at least equivalent to that which Vendor provides to other clients it serves in the same capacity. Vendor will be held to the same standard of care, skill, prudence, and diligence that applies to other experts practicing in a like enterprise.

2 Independent Contractor.

2.1 Vendor agrees to perform the Services as an independent contractor and agrees they will be acting at all times as such. Neither party intends, and this Contract may not be construed, to create any relationship of agent, servant, employee, partnership, joint venture, or association between Vendor and LACERA. Vendor is not and will not be deemed to be for any purpose (including, without limitation, Workers' Compensation) an employee of Los Angeles County (the "County"). Vendor is not entitled to any rights, benefits, or privileges of County employees. Vendor is not eligible to participate in any insurance, savings, pension, or deferred compensation offered by LACERA or the County.

2.2 Vendor has no power or authority to assume or create any obligation or responsibility, express or implied, on behalf of LACERA or the County, or to bind LACERA or the County in any way whatsoever.

2.3 Vendor accepts full and complete responsibility for filing all tax returns and paying all taxes, which may be required, or due for payments received from LACERA under this Contract. LACERA will memorialize payments for Vendor's services on a Form 1099.

2.4 Vendor represents and warrants that they comply with all applicable federal, state, and local laws, including without limitation, those laws respecting business licenses, withholding, reporting, and payment of taxes. Vendor further represents and warrants that they will report any income accruing to him from this Contract to the appropriate taxing authorities.

3. LACERA's Project Director.

LACERA's Project Director, or designee, has responsibility for determining whether the Services are performed to LACERA's satisfaction. LACERA's Project Director is {---Project Director---}.

4. Indemnification and Insurance.

4.1 Vendor shall indemnify, defend and save harmless LACERA, its agents, officers and employees from and against any and all liability, damage, suit, cost of suit, or expense, including defense costs and attorney's fees, arising out of or connected with claims for damages of any nature whatsoever arising from or connected with Vendor's operations or its services, including, without limitation, claims for bodily injury, death, personal injury, or property damage, including damage to Vendor's property.

4.2. Without limiting Vendor's obligations to indemnify LACERA, Vendor will provide and maintain at its own expense during the term of this Contract the insurance programs specified in this Contract. Such insurance will be primary and not contributing with any other insurance of self-insurance programs maintained by LACERA, and Vendor agrees to provide and maintain such insurance at its own cost and expense.

4.2.1 Certificate(s) or other evidence of coverage satisfactory to LACERA shall be delivered to prior to commencing services under this Contract and annually thereafter to:

LACERA
Administrative Services, Vendor Management Group
300 N. Lake Avenue, Suite 650
Pasadena, CA 91101-4199
vendormanagement@lacera.com

4.3 Such certificates or other evidence shall:

4.3.1 Specifically identify this Contract.

4.3.2 Clearly evidence all coverage's required in this Contract.

4.3.3. Contain the express condition that LACERA is to be given written notice by mail at least 45 days in advance of cancellation for all policies, or, alternatively, in the event the insurers that otherwise provide satisfactory insurance hereunder do not assume third-party notification provisions, Vendor hereby agrees to notify LACERA at least 45 days in advance of any cancellation of any of the policies provided for herein.

4.3.4 Include copies of the additional insured endorsement to the commercial general liability policy, adding that LACERA, its trustees, officers, and employees as insureds for all activities arising from this Contract.

4.3.5 Self-Insured Retentions must be declared to and approved by the LACERA. LACERA may require Vendor to purchase coverage with no retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention will be satisfied by the named Vendor

4.3.6 LACERA reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

4.4 Insurer Financial Ratings. Insurance is to be provided by an insurance company acceptable to LACERA with an A.M. Best rating of not less than A-, X, unless otherwise approved by LACERA.

4.5 Failure to Maintain Coverage. Vendor's failure Vendor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to LACERA, shall constitute a

material breach of the contract upon which LACERA may immediately terminate or suspend this Contract. LACERA, at its sole option, may obtain damages from Vendor resulting from said breach.

4.6 Compensation for LACERA Costs. In the event that Vendor fails to comply with any of the indemnification or insurance requirements of this Contract, and such failure to comply results in any costs to LACERA, Vendor shall pay full compensation for all costs incurred by LACERA.

4.7 Cooperation Regarding Insurance. LACERA may elect to procure insurance against loss or damage it may sustain in connection with Vendor's performance under this Contract. Vendor will promptly cooperate with any reasonable request for information regarding Vendor which is required to obtain such insurance.

4.8 Survival of Obligations. Vendor's obligations under this Section 4 shall survive expiration or termination of this Contract.

4.9 Commercial General Liability. Vendor shall provide and maintain a Commercial General Liability insurance policy, which names LACERA as additional insured. Such policy shall cover legal liability for bodily injury and property damage arising out of Vendor's business operations and services that Vendor provides pursuant to this Contract. Such policy shall include, without limitation, endorsements for Property Damage, Premises-Operations, Products/Completed Operations, Contractual, and Personal/Advertising Injury with a limit of at least \$3,000,000 per occurrence and an annual aggregate of at least \$3,000,000. If such insurance is written on a Claims Made Form, such insurance shall be endorsed providing an extended reporting period of not less than five (5) years following termination or expiration of this Contract.

4.10 Auto Liability. Vendor shall provide and maintain a comprehensive auto liability insurance policy endorsed for all "owned", "non-owned", and "hired" vehicles, or coverage for any "auto", with a combined single limit of not less than One Million Dollars (\$1,000,000) per accident.

4.11 Workers' Compensation. Vendor shall bear sole responsibility and liability for furnishing Workers' Compensation benefits to Vendor's employees for injuries arising from or connected with any services provided to LACERA under this Contract. Vendor shall provide and maintain a program of Workers' Compensation, in an amount and form to meet all applicable statutory requirements. In all cases, worker's compensation insurance also shall include Employer's Liability Insurance with limits of not less than \$1,000,000, each accident, and \$1,000,000, disease, covering all of Vendor's employees.

4.12 Errors and Omissions. Vendor shall provide and maintain insurance covering liability arising from any error, omission, negligent or wrongful act of the Vendor, its officers, employees, or Agents, with limits of at least \$1,000,000 per claim and an annual aggregate of at least \$2,000,000. The coverage also shall provide an extended one-year reporting period commencing upon termination or cancellation of this Contract.

4.13 Cyber Liability Insurance. Without limiting any of the obligations or liabilities of Vendor, Vendor shall carry and maintain, at its own expense including any applicable deductibles or retention, Cyber Liability insurance with limits of not less than \$2,000,000 for each occurrence and an annual aggregate of \$5,000,000 covering claims involving privacy violations, information theft, damage to or

destruction of electronic information, intentional and/or unintentional release of private information, alteration of electronic information, extortion and network security. The policy coverage shall include, but not be limited to:

4.13.1 Privacy Liability Coverage. This coverage shall include LACERA and its members for breaches of their private information in the case of a data breach.

4.13.2 Notification Costs. This coverage shall cover the costs of notifying third parties and LACERA members potentially affected by a data breach.

4.13.3 Crisis Management. This coverage shall include the costs of managing the public relations outfall from most data breach scenarios.

4.13.4 Credit/Identity Monitoring. This coverage shall include coverage for affected members for at least 24 months or the minimum legally required period, whichever is longer.

4.13.5 Theft and Fraud Coverage. This coverage shall include the costs of theft or destruction of the LACERA's data and theft of funds.

4.13.6 Network and Business Interruption. This coverage shall include any expense due to an intentional interruption of the LACERA's computer systems.

4.13.7 Data Loss and Restoration. This coverage shall include the costs of diagnosing and repairing the cause of the loss and restoring all data.

5. Term.

The term of this Contract begins on {---Effective Date---} (the "Start Date"), and unless terminated for convenience, ends on the earlier of (i) full performance of the Services by Vendor and acceptance by LACERA or (ii) {---Contract Term Length---} (one to three years) after the Start Date. This Contract automatically renews up to four times for subsequent and successive one year periods under the same terms, conditions, and compensation, unless either party delivers its written request for changes not less than ninety (90) days prior to the end of the then current term of the Contract. Neither party is required to renew or extend this Contract.

6. Non-Exclusive Services.

This Contract is not exclusive. Vendor has the right to perform services for others during the term of this Contract, but Vendor agrees not to engage in any business, work or services of any kind under contract, or otherwise, for any person, organization or agency, which in the opinion of LACERA is detrimental to the interests of LACERA or that would materially interfere with the performance of the Services. Vendor agrees to disclose such information regarding business, work, or services they perform on behalf of any person, organization, or agency as LACERA may reasonably require verifying Vendor's compliance with this Section.

7. Compensation.

LACERA agrees to pay Vendor according to the Fee Schedule attached as Exhibit B for performing the Services. Vendor's expenses are included in the compensation described in Attachment B and therefore Vendor is not entitled to any separate reimbursement for any expenses incurred by it in discharging its duties under this Contract, unless otherwise agreed by LACERA.

8. Invoices.

Vendor agrees to submit invoices to LACERA's Project Director, in arrears, by the tenth day of each calendar month for Services performed during the previous calendar month. Each invoice must (a) describe in detail the Services performed and expenses incurred by Vendor during the invoice period, (b) show the cumulative charges year-to-date (based on a fiscal year beginning July 1) for all Services and expenses, and (c) include such other information as LACERA may reasonably request. Each invoice will be payable within thirty days of receipt by LACERA. If LACERA's Project Director disputes any portion of an invoice, however, LACERA will pay the undisputed portion only and notify Vendor in writing of the disputed portion. Vendor and LACERA agree to act in good faith to resolve such disputes.

9. Contract Not Assignable.

Vendor may not assign any of its rights, duties, or obligations under this Contract without the prior written consent of LACERA, which LACERA may grant or withhold in its sole discretion.

10. Confidentiality.

10.1 Confidential Information. Vendor understands that, during the performance of this Contract, it will have access to confidential and proprietary LACERA information, policies and procedures, benefits, business practices, and technology concerning LACERA's operations, as well as sensitive confidential member information and business critical non-member information (collectively, "Confidential Information"). For clarity, Confidential Information includes all information of any and every kind provided to Vendor, regardless of whether it may previously have been disclosed by LACERA or others in other contexts, in that LACERA needs to know to whom, when, where, and how all of its information has been disseminated and reserves to itself the right to determine to whom, when, where, and how such information is released. Confidential Information further includes all information related in any way to LACERA provided to Vendor.

Confidential Information may be provided to Vendor or generated or stored by Vendor in written, electronic, verbal, and all other forms. Vendor understands and agrees that:

10.1.1 Vendor shall not disclose Confidential Information to any person within its organization except those persons required to perform the services of the Contract.

10.1.2 Vendor shall not disclose Confidential Information to any third party without LACERA's advance written approval.

10.1.3 Vendor's agreement not to disclose Confidential Information includes an agreement not to disclose information even on a no-names basis.

10.1.4 Vendor will use best efforts, including but not limited to the highest level of care Vendor accords to its own most sensitive information and the most sensitive information of its other clients, to secure and maintain the confidential nature of the Confidential Information.

10.1.5 Vendor will not use the Confidential Information for any purpose other than to perform the services required by this Contract. This confidentiality provision will survive the termination of the Contract.

11. Nondiscrimination.

Vendor hereby promises and agrees that it will comply with Subchapter VII of the Civil Rights Act of 1964, 43USC Section 2000e through 2000e (17), to the end that no person shall, on grounds of race, creed, color, sex, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract, or under any project, program or activity supported by this Contract.

Vendor shall take affirmative action to ensure that applicants and employees are treated in an unbiased manner without regard to their race, color, religion, sex, age, ancestry, or national origin, physical or mental handicap, marital status, or political affiliation. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

12. Compliance with Laws.

Vendor shall comply with all applicable Federal, State, and local laws, rules, regulations, ordinances, and directives, and all provisions required to be included in this Contract are incorporated by this reference. Vendor shall indemnify and hold LACERA harmless from any loss, damage or liability resulting from a violation by Vendor of any such laws, rules, regulations, ordinances, and directives.

13. Conflict of Interest.

No officer or employee of LACERA whose position enables him or her to influence the award of this Contract or any competing agreement, and no spouse or economic dependent of such officer or employee shall be employed in any capacity or in any way remunerated by Vendor, or have any direct or indirect financial interest in this Contract or in Vendor.

14. Modifications.

Any modification to this Contract must be in writing, signed by Vendor and LACERA, to be effective.

15. Termination for Default.

Services performed under this Contract may be terminated in whole or in part by LACERA providing to Vendor a written Notice of Default if (1) Vendor fails to perform the services within the time specified in this Contract or any extension approved by LACERA, or (2) Vendor fails to perform any other covenant or condition of this Contract, or (3) Vendor fails to make progress so as to endanger its performance under this Contract.

Vendor shall have ten (10) calendar days from the date of the Notice of Default in which to cure the Default(s), however, in its sole discretion, LACERA may extend this period or authorize a longer period for cure.

Without limitation of any additional rights or remedies to which it may be entitled, if LACERA terminates all or part of the services for Vendor's Default, LACERA, in its sole discretion, may procure replacement services and Vendor shall be liable for all excess costs incurred by LACERA in connection with those replacement services, as determined by LACERA in its sole discretion.

If it is determined that Vendor was not in Default under the provisions of this Contract, or that the Default was excusable, then the rights and obligations of the parties shall be the same as if the Notice of Termination had been issued under Section 16. Termination for Convenience.

16. Termination for Convenience.

Services performed under this Contract may be terminated in whole or in part at any time LACERA or Vendor deems that termination is in its best interest. LACERA or Vendor shall terminate services by delivering a written Termination Notice which specifies the extent to which services are terminated and the effective termination date.

After receiving a Termination Notice under this section, and unless otherwise expressly directed by LACERA, Vendor shall take all necessary steps and shall stop services on the date and to the extent specified in the Termination Notice and shall complete services not so terminated.

17 SOC-2

SOC-2 Report. The Vendor shall have an annual audit performed by an independent audit firm. The audits shall include the Vendor's and any subcontractor's handling of Confidential Information and shall address all areas relating to information technology security and operational processes to provide such security. The audits shall be performed in accordance with the guidance set forth in Reporting on Controls at a Service Organization Relevant to Security, Availability, Processing Integrity, Confidentiality, or Privacy (SOC 2), as published by the American Institute of Certified Public Accountants (AICPA) and as updated from time to time, or according to the most current audit guidance promulgated by the AICPA or similarly recognized professional organization, as agreed to in writing by LACERA. The audit shall assess the security of information technology security and operational process to provide such security as follows:

17.1 The type of audit to be performed in accordance with the Guidance is a SOC 2 Type 2 Audit (referred to as the "SOC 2 Audit" or "SOC 2 Report"). The initial SOC 2 Audit shall be scheduled

and completed within six months of executing the Contract. All subsequent SOC 2 Audits that are arranged after this first audit shall be performed and submitted annually.

17.2 The SOC 2 Audit shall report in writing on the Vendor's and any subcontractor's system(s) and the suitability of the design and operating effectiveness of controls of the information functions and/or processes to meet the requirements of the Contract, including the security requirements.

17.3 The scope of the SOC 2 Report shall include work performed by any subcontractors that provide essential support to the Vendor for the information functions or processes for the services offered to LACERA under the Contract. The Vendor shall ensure the audit includes all subcontractors operating in the performance of the Contract.

17.4 All SOC 2 Audits, including those of the Vendor and any subcontractors, shall be performed at no additional expense to LACERA.

17.5 The Vendor and all relevant subcontractors shall promptly provide a complete copy of the final SOC 2 Report(s) to the Project Director upon completion of each SOC 2 Audit engagement.

17.6 The Vendor shall provide to LACERA, within thirty (30) calendar days of the issuance of each SOC 2 Report, a documented corrective action plan that addresses each audit finding or exception contained in a SOC 2 Report. The corrective action plan shall identify in detail the required remedial action by the Vendor or subcontractor(s) along with the implementation date(s) for each remedial action.

17.7 If the Vendor or any subcontractor fails to obtain an annual SOC 2 Report, LACERA shall have the right to retain an independent audit firm to perform an audit engagement of a SOC 2 Report. The audit will include the information functions and processes utilized or provided by the Vendor and any relevant subcontractor under the Contract. The Vendor and any subcontractor agree to allow the independent audit firm to access its facilities for purposes of conducting this audit engagement. They will provide the necessary support and cooperation to the independent audit firm that is required to perform the audit engagement of the SOC 2 Report. LACERA will invoice the Vendor for the expense of the SOC 2 Report(s), or deduct the cost from future payments to the Vendor.

18. Disaster Recovery & Business Continuity

Vendor will implement and maintain disaster recovery and business continuity procedures that are reasonably designed to recover data processing systems, data communications facilities, information, data and other business related functions of LACERA in a manner and time frame consistent with legal, regulatory, and business requirements applicable to LACERA.

19. Data Breach Verification.

19.1 Vendor shall provide an annual written, signed attestation that to the best of its knowledge, no data breach, hacking, or incidental divulging of any data has occurred, and that no data has been compromised ("Incident"). The attestation shall verify that adequate internal policies and procedures exist to prevent data theft and unauthorized access.

19.2 Vendor shall provide an annual system penetration test in support of the attestation made above. Vendor shall provide the results of penetration tests to LACERA.

19.3 Vendor at its own cost, shall comply with California Civil Code § 1798.29(e) and California Civ. Code § 1798.82(f). In the event of a security breach of more than 500 records, the Vendor shall electronically submit a single sample copy of that security breach notification, excluding any personally identifiable information, to the Attorney General.

19.4 Vendor at its own cost, shall notify any California resident whose unencrypted personal information, as defined, was acquired, or reasonably believed to have been acquired, by an unauthorized person as required by California Civil Code §1798.29(a) and California Civ. Code §1798.82(a).

19.5 Notwithstanding the legal notification requirements in the preceding paragraphs, Vendor will immediately, which means no more than 48 hours after discovery, notify LACERA upon its discovery of any Incident whether such Incident includes LACERA data or not. Such notice shall include the nature and extent of the breach, the type of data compromised, and a summary of mitigation taken.

20. Entire Contract and Severability.

This document (including Attachments A and B) constitutes the final, complete, and exclusive statement of the terms of the Contract between LACERA and Vendor for the services to be performed and supersedes all prior and contemporaneous understandings or Contracts of the parties. The provisions of this Contract are severable, and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions or parts thereof shall nevertheless be binding and enforceable and the invalid, illegal or unenforceable provision shall be replaced by a mutually acceptable valid, legal and enforceable provision which comes closest to the intent of the parties.

21. Governing Law and Venue.

21.1 This Contract shall be governed by, and construed and enforced in accordance with, the laws of the State of California without regard to principles of conflicts of laws.

21.2 Any party bringing a legal action or proceeding against any other party arising out of or relating to this Contract or the transactions it contemplates (whether in contract, tort, equity, or otherwise), shall bring the legal action or proceeding in either the United States District Court or in any court of the State of California sitting in Los Angeles County.

21.3 Each party to this Contract consents to the exclusive personal and subject matter jurisdiction of any United States District Court sitting in the County of Los Angeles and any court of the State of California sitting in the County of Los Angeles, and their appellate courts for the purpose of all legal actions and proceedings arising out of or relating to this Contract or the transactions it contemplates, including all claims of any nature or type, whether in contract, tort, statutory, equitable, legal, or otherwise.

22. Attorney's Fees.

In the event of litigation between the parties concerning this Contract, the prevailing party shall be entitled to recover reasonable costs and expenses incurred therein, including without limitation attorney's fees. These expenses shall be in addition to any other relief to which the prevailing party may be entitled and shall be included in and as part of the judgment or decision rendered in such proceeding.

23. Interpretation.

Vendor acknowledges they have been given the opportunity to have counsel of their own choosing to participate fully and equally in the review and negotiation of this Contract. The language in all parts of this Contract shall be construed in all cases according to its fair meaning, and not strictly for or against any party hereto. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Contract.

24. Waiver.

No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Contract shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right or remedy shall be deemed a waiver of any other breach, failure, right or remedy, whether or not similar, or preceding or subsequent, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

Remainder of Page Intentionally Left Blank

EXHIBIT E

IT SECURITY CONTROLS

ALL RESPONDENTS SHALL PROVIDE A COPY OF THEIR LATEST SECURITY COMPLIANCE CERTIFICATION REPORT. ACCEPTABLE COMPLIANCE CERTIFICATION REPORTS ARE SOC2, OR ISO 27001, OR HIPAA.

ADDITIONALLY, IF SELECTED THROUGH THIS RFP PROCESS, RESPONDENT SHALL COMMIT TO PROVIDE FUTURE CERTIFICATION REPORTS AND AN ANNUAL WRITTEN, SIGNED ATTESTATION FOR ANNUAL VENDOR SECURITY POSTURE ASSESSMENT.

THE SELECTED RESPONDENT SHALL PROVIDE A SIGNED ATTESTATION THAT, TO THE BEST OF ITS KNOWLEDGE, NO DATA BREACH, HACKING, OR INCIDENTAL DIVULGING OF ANY DATA HAS OCCURRED, THAT NO DATA HAS BEEN COMPROMISED ("INCIDENT"), AND THAT ADEQUATE INTERNAL POLICIES AND PROCEDURES EXIST TO PREVENT DATA THEFT AND UNAUTHORIZED ACCESS.

IF RESPONDENTS HAVE NOT COMPLETED ANY OF THE ABOVE COMPLIANCE REPORTS, THEY MUST COMPLETE AND SIGN THE VENDOR DATA SECURITY QUESTIONNAIRE DOCUMENT IN ORDER TO ASSESS THEIR SECURITY POSTURE AND SUITABILITY OF THE DESIGN AND OPERATING EFFECTIVENESS OF CONTROLS, INFORMATION FUNCTIONS, AND PROCESSES.

[VENDOR DATA SECURITY QUESTIONNAIRE ON NEXT PAGE]



Attachment E

LA CERA

VENDOR QUESTIONNAIRE

1. GENERAL INFORMATION

Name of Vendor: [Click or tap here to enter text.](#)

Vendor is a(an): ☐ Individual ☐ Corporation ☐ Partnership ☐ Other [Click or tap here to enter text.](#)

2. SAFEGAURDS ON LACERA CONFIDENTIAL INFORMATION

- a) Does / will the vendor hold LACERA Confidential or LACERA member PII information? ☐ Yes ☐ No
If yes, please provide details. Response: [Click or tap here to enter text.](#)
-
- b) Is LACERA information physically or virtually segregated from the vendor and its vendor's other clients? ☐ Yes ☐ No
If yes, please provide details. Response: [Click or tap here to enter text.](#)
-
- c) Provide brief description on the type of connection (encryption and authentication) for information exchange between LACERA and the vendor organization. Response: [Click or tap here to enter text.](#)
-
- d) Is LACERA information encrypted at rest? ☐ Yes ☐ No
-
- e) Describe the teams within vendor's organization that have access to the LACERA information:
Response: [Click or tap here to enter text.](#)
-
- f) Are vendor's production and test/development areas separated? ☐ Yes ☐ No
If yes, please provide brief details. Response: [Click or tap here to enter text.](#)
-

3. VENDOR Security and INCIDENT RESPONSE PROGRAM

- a) Provide documentation on vendor Information Security Policy and Incident Response programs.
Response: [Click or tap here to enter text.](#)
-
- b) Provide confirmation and/or attestation to a 72-hour breach notification.
Response: [Click or tap here to enter text.](#)
-
- c) Vendor agrees to a periodic review for compliance to LACERA policies and security requirements.
Response: [Click or tap here to enter text.](#)
-

4. VENDOR PENETRATION TEST AND SOC2 REPORTS

- a) Has the vendor completed a Penetration test? ☐ Yes ☐ No
Provide summary report of the latest Penetration Test. Response: [Click or tap here to enter text.](#)
-
- b) Has the vendor completed an Independent Service Auditors compliance exam such as SOC 2? ☐ Yes ☐ No
If yes, please provide the latest audit report and proceed to the last section of this questionnaire sign and date the document.
Response: [Click or tap here to enter text.](#)

If compliance report has not been completed, please proceed to the next sections.

5. EMAIL SECURITY CONTROLS

If the answer to any question in this section is "No", please provide additional details in the "Additional Comments" section.

a) Do you tag external emails to alert employees that the message originated from outside the organization? ☐Yes ☐No

b) Do you pre-screen emails for potentially malicious attachments and links? ☐Yes ☐No

If "Yes", complete the following:

Provide your email security provider. Response: [Click or tap here to enter text.](#)

Do you have the capability to automatically detonate and evaluate attachments in a sandbox to determine if they are malicious. ☐Yes ☐No

c) Have you implemented any of the following to protect against phishing messages? (check all that apply):

☐Sender Policy Framework (SPF)

☐DomainKeys Identified Mail (DKIM)

☐Domain-based Message Authentication, Reporting & Conformance (DMARC)

☐None of the above

d) Can your users access email through a web application or a non-corporate device? ☐Yes ☐No

If "Yes", do you enforce Multi-Factor Authentication (MFA)? ☐Yes ☐No

e) Do you use Office 365 in your organization? ☐Yes ☐No

If "Yes", do you use the Office 365 Advanced Threat Protection add-on? ☐Yes ☐No

ADDITIONAL COMMENTS (Use this space to explain any "No" answers in the above section and/or to list other relevant IT security measures you are utilizing that are not listed here.)

Response: [Click or tap here to enter text.](#)

6. INTERNAL SECURITY

If the answer to any question in this section is "No", please provide additional details in the "Additional Comments" section.

a) Do you use a cloud provider to store data or host applications? ☐Yes ☐No

If "Yes", provide the name of the cloud provider. Response: [Click or tap here to enter text.](#)

b) Do you use MFA to secure all cloud provider services that you utilize (e.g. Microsoft Azure)? ☐Yes ☐No

c) Do you encrypt all sensitive and confidential information? ☐Yes ☐No

If "No", are the following compensating controls in place:

1. Segregation of servers that store sensitive and confidential information? ☐Yes ☐No

2. Access control with role-based assignments? ☐Yes ☐No

d) Do you allow remote access to your network? ☐Yes ☐No

If "Yes", do you use MFA to secure all remote access to your network? ☐Yes ☐No

e) Do you use a next-generation antivirus (NGAV) product to protect all endpoints across your enterprise? ☐Yes ☐No

If "Yes", provide name of your NGAV provider. Response: [Click or tap here to enter text.](#)

f) Do you use an endpoint detection and response (EDR) tool that includes monitoring and logging? ☐Yes ☐No

If "Yes", provide name of your EDR provider. Response: [Click or tap here to enter text.](#)

g) Do you manage privileged accounts using privileged account management software (PAM) ☐Yes ☐No

If "Yes", provide name of your PAM provider. Response: [Click or tap here to enter text.](#)

h) Do you roll out a hardened baseline configuration across servers, laptops, desktops? ☐Yes ☐No

- i) Do you record and track all software and hardware assets deployed across your organization? ☐Yes ☐No
-
- j) How frequently do you install critical and high severity patches across your enterprise? ☐Yes ☐No
-
- k) Do you use a protective DNS service (PDNS) to block access to known malicious websites? ☐Yes ☐No
-
- l) Do you implement PowerShell best practices as outlined by Microsoft? ☐Yes ☐No
-
- m) Do you utilize a Security Information and Event Management system (SIEM)? ☐Yes ☐No
-
- n) Do you utilize a Security Operations Center (SOC)? ☐Yes ☐No
If "Yes", complete the following:
Is your SOC monitored 24 hours a day, 7 days a week? ☐Yes ☐No
If your SOC is outsourced, provide name of your SOC provider. Response: [Click or tap here to enter text.](#)
-

ADDITIONAL COMMENTS (Use this space to explain any "No" answers in the above section and/or to list other relevant IT security measures you are utilizing that are not listed here.)

Response: [Click or tap here to enter text.](#)

7. PHISHING CONTROLS

- a) Do all employees at your company complete mandatory cybersecurity training? ☐Yes ☐No
If "Yes", does such training include phishing simulation? ☐Yes ☐No
-

8. BACKUP AND RECOVERY

If the answer to any question in this section is "No", please provide additional details in the "Additional Comments" section.

Do you use a data backup solution? ☐Yes ☐No

If "Yes":

- a) Which best describes your data backup solution?
☐Backups are kept locally but separate from your network (offline/air-gapped backup solution).
☐Backups are kept in a dedicated cloud backup service.
☐You use a cloud-syncing service (e.g. Dropbox, OneDrive, SharePoint, Google Drive).
-
- b) Check all that apply:
☐Your backups are encrypted
☐You have immutable backups
☐Your backups are secured with different access credentials from other administrator credentials
☐You utilize MFA for both internal and external access to your backups
☐You have tested the successful restoration and recovery of key server configurations and data from backups
☐You are able to test the integrity of backups prior to restoration to ensure that they are free of malware
-
- c) Estimated amount of time it will take to restore essential functions using backups in the event of a widespread malware or ransomware attack within your network.
☐0-24 hours ☐1-3 days ☐4-6 days ☐1 week or longer
-
- d) Has the vendor completed Disaster Recovery testing? ☐Yes ☐No
If yes, please provide RTO/RPO objectives (Return Time or Return Point Objectives).
Response: [Click or tap here to enter text.](#)
-

ADDITIONAL COMMENTS (Use this space to explain any "No" answers in the above section and/or to list other relevant IT security measures you are utilizing that are not listed here.)

Response: [Click or tap here to enter text.](#)

9. INCIDENTS

- a) Has the vendor received any complaints or written demands or been a **subject in litigation** involving matters of privacy injury, breach of private information, network security, defamation, content infringement, identity theft, denial of service attacks, computer virus infections, theft of information, damage to third party networks or the ability of third parties to rely on the vendor's network? ☐Yes ☐No
-
- b) Has the vendor been the subject of any government action, investigation, or other proceedings regarding any alleged violation of privacy law or regulation? ☐Yes ☐No
-
- c) Has the vendor notified customers, clients or any third party of any security breach or privacy breach? ☐Yes ☐No
-

ADDITIONAL COMMENTS (Use this space to explain any "No" answers in the above section and/or to list other relevant IT security measures you are utilizing that are not listed here.)

Response: [Click or tap here to enter text.](#)

CERTIFICATION, CONSENT AND SIGNATURE

The vendor has read the foregoing and understands that completion of this questionnaire does not bind LACERA to procure vendor's products or services. I hereby declare that, after inquiry, the above statements and particulars are true, and I have not suppressed or misstated any material fact.

Print or Type Vendor's Name: [Click or tap here to enter text.](#)

Title of Signee: [Click or tap here to enter text.](#)

Signature of Signee: [Click or tap here to enter text.](#)

Date signed: [Click or tap here to enter text.](#)

EXHIBIT F
INTENT TO RESPOND

Intent to Respond.

If you choose to respond to this RFP, please send this form to blew@lacera.com via email no later than **5:00 p.m. PT, Friday, September 5, 2025**. Failure to send your Intent to Respond may disqualify your firm from submitting a proposal.

LACERA's responses to written requests for clarification or other information will be provided to all Respondents that have submitted an Intent to Respond.

To:	Barry W. Lew	From:	
Co.:	LACERA – Executive Office	Title:	
Phone:	626-564-2370	Co.:	
Email:	blew@lacera.com	Phone:	
Re:	Intent to Respond	Email:	
		Date:	

Our firm intends to submit a response for LACERA's RFP for economic impact analysis.

Please send inquiries to the following contact:

Name: _____

Title: _____

Company: _____

Mailing Address: _____

Telephone: _____

Facsimile: _____

Email Address: _____

EXHIBIT G
SELECTION CRITERIA

The selection criteria below and the weighting schedule of the evaluation factors is a guide only and does not bind or limit LACERA in any way in its selection of vendor(s).

An evaluation committee will review, evaluate, and rank all responsive proposals by the evaluation criteria described below. LACERA may invite the highest ranked Respondents for presentations and interviews at which time each will have a limited amount of time to further describe their experience and qualifications, and to answer questions.

LACERA will evaluate proposals based upon the proven ability of the Respondent to satisfy the requirements in an efficient, cost-effective manner, considering quality of service. LACERA will evaluate responses against the following criteria and factors.

LACERA will consider the criteria, without a specific weighting, unless noted below. The balancing of the factors is in LACERA's sole discretion. LACERA reserves the right to consider factors other than those listed in making its choice.

	CRITERIA
1	Adherence to RFP instructions
2	Professional capability, demonstrated competence, and specialized experience
3	Experience and education of key personnel
4	Nature and quality of completed services for other clients
5	Work plan and methodology
6	Diversity and inclusion efforts within firm
7	Proposed agreement terms and price proposal

EXHIBIT H

DIVERSITY, EQUITY, AND INCLUSION QUESTIONNAIRE

LACERA Due Diligence Regarding Diversity, Equity, and Inclusion

LACERA values **diversity, equity, and inclusion (“DEI”)**, and believes that effectively accessing and managing diverse talent leads to improved outcomes. LACERA takes a broad view of diversity, inclusive of varied backgrounds including, but not limited to, age, experience, race, ethnicity, sexual orientation, gender, gender identity, disability status, national origin, and culture. LACERA expects consultants, vendors, and other third-party providers to respect and reflect LACERA’s value of DEI. LACERA’s ongoing monitoring of third-party service providers incorporates an assessment of vendors’ commitment to, adherence with, and track record of accessing and retaining diverse and inclusive workforces.

SECTION I

COMPANY BACKGROUND

1. Name of your Business
2. Name of person completing this survey
3. Your email address
4. Is your business public or private?
 - a) ☐ Public
 - b) ☐ Private
5. How many full-time employees are at your business?
 - a) ☐ 1
 - b) ☐ 2-4
 - c) ☐ 5-9
 - d) ☐ 10-19
 - e) ☐ 20-49
 - f) ☐ 50-99
 - g) ☐ 100-249
 - h) ☐ 250-499
 - i) ☐ 500-1,499
 - j) ☐ 1,500-4,999
 - k) ☐ 5,000 or more
6. Which of the following best describes the industry your business is in?

- a) ☐ Advertising & Marketing
- b) ☐ Architecture, Construction, Design, & Engineering
- c) ☐ Consulting & Professional Services
- d) ☐ Education
- e) ☐ Entertainment, Sports & Leisure
- f) ☐ Finance & Financial Services
- g) ☐ Government
- h) ☐ Healthcare & Pharmaceuticals
- i) ☐ Hospitality, Hotels & Tourism
- j) ☐ Insurance
- k) ☐ Manufacturing
- l) ☐ Market Research & Other Research
- m) ☐ Non-Profit & Charities
- n) ☐ Retail & Consumer Packaged Goods
- o) ☐ Technology & IT
- p) ☐ Transportation & Delivery
- q) ☐ Utilities, Energy, and Extraction
- r) ☐ Other (please specify)

7. Does your business identify as one of the following diverse supplier classifications?

- a) ☐ No
- b) ☐ Women Business Enterprise (WBE)
- c) ☐ Minority Business Enterprise (MBE)
- d) ☐ Small Business
- e) ☐ Disadvantage Business Enterprise (DBE)
- f) ☐ Veteran-owned Small Business (VOSB)
- g) ☐ Service-Disabled Veteran-owned Small Business (SDVOSB)
- h) ☐ LGBTQ-Owned
- i) ☐ HubZone Small Business
- j) ☐ 8(a) Small Business
- k) ☐ None of the above
- l) ☐ Other (please describe)

8. Please select any of the following certifications your organization has signed or certifications you have received. (Select all that apply.)

- a) ☐ National Minority Supplier Development Council (NMSDC)
- b) ☐ Women's Business Enterprise National Council (WBENC)
- c) ☐ National Gay & Lesbian Chamber of Commerce (NGLCC)
- d) ☐ United States Hispanic Chamber of Commerce (USHCC)

- e) ☐ Asian Pacific American Chamber of Commerce (APAAC)
- f) ☐ Native American Chamber of Commerce (NACC)
- g) ☐ Vets First Certification Program (for veteran-owned small businesses)
- h) ☐ U.S. Business Leadership Network (USBLN, for disabled-owned small businesses)
- i) ☐ None of the above
- j) ☐ Other (please describe)

9. If you answered yes to question 8, please provide LACERA with a copy of the certifications for each diverse supplier classification.

SECTION II

DEI IN THE WORKPLACE

Policy

1. Describe your business's approach to diversity, equity, and inclusion ("DEI") in the workplace and its relation to your strategic objectives.

2. Does your business have a written policy (or policies) addressing workplace DEI ("Policy")? A Policy defines the business's commitment, policies, and practices regarding equal employment opportunity, including the recruitment, development, retention, and promotion of a diverse and inclusive workforce and non-discrimination based on gender, race, ethnicity, sexual orientation, gender identity, age, veteran's status, and other legally protected categories. A Policy (or policies) may be a standalone document or part of a larger business document.

- a) ☐ Yes
- b) ☐ No

If yes, please provide a copy of your business's Policy.

3. Does your Policy address sexual harassment in the workplace?

- a) ☐ Yes
- b) ☐ No

If not, please explain.

4. If your business does not have a written DEI policy, do you commit to promptly adopting and providing a copy of a Policy, if your business is awarded a contract with LACERA?

- a) ☐ Yes
- b) ☐ No

Oversight

1. Who is responsible for overseeing the Policy's implementation? Please provide the name and title. What processes are employed to implement and enforce the business's Policy?
2. Who is responsible for overseeing compliance with the Policy? Please provide the name and title. What processes are employed to promote compliance with the Policy?
3. What oversight, if any, does your business's board and/or executive team exercise regarding the business's DEI policy and efforts?
4. What data, trends, or analysis does the business's board or executive committee receive regarding the business's effectiveness in adhering to DEI policies, objectives, and compliance?
5. Under what circumstances would an allegation of non-compliance with the Policy prompt notification and/or consideration by the business's board or executive committee?

Track Record

1. Has your business been subject to any judicial, regulatory, or other legal findings, formal action, or claims related to equal employment opportunity, workplace discrimination, or sexual harassment during the past twelve years?

- a) ☐ Yes
- b) ☐ No

Please describe.

2. Please identify the number of confidential settlements and/or non-disclosure agreements related to workplace discrimination and/or sexual harassment entered into by your business during the past twelve years. Please describe the nature of each settlement within the terms of the confidential settlement.

Objectives and Compliance Strategies

1. Does your business integrate DEI into executives' performance reviews and/or incentive pay objectives?

- a) ☐ Yes
- b) ☐ No

Please describe.

2. Does your business conduct pay disparity analyses to discern any disparities by gender, race, ethnicity, or other attributes of diversity?

- a) ☐ Yes
- b) ☐ No

Please describe or explain why not.

3. Does your business have a clawback or recoupment policy in place by which workplace misconduct, such as sexual harassment, may trigger the recoupment of incentive pay, awards, bonuses, or other compensation?

a) ☐ Yes

b) ☐ No

4. Does your business provide paid family leave provisions?

a) ☐ Yes

b) ☐ No

If yes, please describe.

5. Please explain any other incentives or risk mitigation strategies your business employs to promote compliance with your DEI policies.

6. How does your business promote an accessible workplace for employees with disabilities?

7. Please describe any DEI objectives or goals your business has.

8. Describe any affiliations or leadership positions related to DEI in the services industry with which your business is involved.

SECTION III

DEI DEMOGRAPHICS AND ATTRIBUTES

1. LACERA seeks to understand the track record of vendors in accessing and retaining talent inclusive of diverse backgrounds.

We invite all businesses to provide the demographics and diversity attributes of their leadership (such as boards or executive committees) and professionals, consistent with applicable laws, regulations, and privacy considerations in the markets in which they operate.

Please complete the attached DEI Demographic worksheet by entering the number of employees for each category (not the percentage of employees). Blank cells will be interpreted as having a value of zero.

Job Categories:

- Board of directors, and CEO, CFO & COO: This row includes all members of the business/organization's governing board (or executive committee), as well as CEO, CFO, COO, or equivalent positions.

- Managers: All professionals who have a role in decision-making that affects all areas of business operations.
- Supervisors: All professionals who have a role to work alongside employees to ensure that they perform tasks that align with the goals managers set.
- Support Staff: All professionals who have a role in supporting the business functions, such as marketing, client service, operations, accounting, IT, and legal.
- If an employee is both, a member of the board of directors or occupies the position of CEO, CFO, or COO, as well as serves as a member of the staff, the individual may be counted in both rows.

The categories have the same definitions as the diversity categories used by the United States Equal Employment Commission (EEOC) in its Employer Report EEO-1.

See www.eeoc.gov/employers/eeo1survey/index.cfm for further information.

2. Is your business willing to provide the business's workforce composition in a similar format on a periodic basis, if awarded a contract with LACERA?

- a) ☐ Yes
b) ☐ No

EXHIBIT I

BEACON ECONOMICS ECONOMIC IMPACT STUDY

SAMPLE LEGISLATIVE FACT SHEETS

Economic, Fiscal, and Social Impacts of LACERA Pensioners

September 2022



About Beacon Economics

Founded in 2007, Beacon Economics, an LLC and certified Small Business Enterprise with the state of California, is an independent research and consulting firm dedicated to delivering accurate, insightful, and objectively based economic analysis. Employing unique proprietary models, vast databases, and sophisticated data processing, the company's specialized practice areas include sustainable growth and development, real estate market analysis, economic forecasting, industry analysis, economic policy analysis, and economic impact studies. Beacon Economics equips its clients with the data and analysis they need to understand the significance of on-the-ground realities and to make informed business and policy decisions.

Practice Areas

Economic, Fiscal, and Social Impact Analysis

Regional and Sub-Regional Analysis

Economic and Revenue Forecasting

Housing, Land Use, and Real Estate Advisory

Sustainable Growth and Development

Litigation Support and Expert Testimony

Project Advisors

Christopher Thornberg, PhD, Founding Partner

Project Team

Mazen Bou Zeineddine, Manager, Economic, Fiscal and Social Impact Analysis

Samuel Maury-Holmes, Senior Research Associate, Economic, Fiscal, and Social Impact Analysis

Johnathan Cahill, Research Associate, Economic, Fiscal, and Social Impact Analysis

Expertise in Economic Impact Analysis

Since 2011, Beacon Economics has conducted multiple comprehensive analyses that have provided reliable and quantifiable data on the economic impact of various industries and organizations, including universities and higher education institutions such as USC, UCLA, Cal State Pomona, and Loyola Marymount. Analyses evaluate major economic impacts associated with these entities and their fiscal impact on national, state, and local governments. They also incorporate a comprehensive assessment of the social and qualitative impacts associated with these institutions. By combining sampling methods, financial data, surveys, and other available economic resources with current frameworks for studying economic impacts, Beacon Economics estimates the amount of economic activity generated in the local and broader economy by calculating the spending of entities and other participants in the affected region.

For More Information About This Report Or Beacon Economics, Contact:

Sherif Hanna, Managing Partner.

424.646.4656 | sherif@beaconecon.com

Victoria Pike Bond, Director of Marketing and Communications

415.457.6030 | victoria@beaconecon.com

www.beaconecon.com

Key Economic Terms

Term	Definition
Direct Effect	The output of goods or services resulting from immediate spending by LACERA pensioners. These expenditures are spent on household spending categories, including housing, food, finance, retail, transportation and entertainment.
Indirect Effect	The additional output of goods or services generated by supply chain interactions. For example, when a pensioner spends money on groceries, that grocery store will go to a wholesaler and purchase additional goods, thereby generating an indirect impact.
Induced Effect	As businesses increase productivity from the direct and indirect effects, their payroll expenditures grow through more hiring or increased salaries. As a result, household spending expands. These new personal market transactions, generating additional outputs of goods and/or services, are the induced effect.
Secondary Effect	Sum of indirect and induced effects.

Total Impact	The sum of the direct, indirect, and induced effects.
Employment	The number of jobs supported through spending by LACERA pensioners, including direct, indirect and induced effects.
Labor Income	The value of all forms of employment income paid for all types of impacts, including health benefits, bonuses, etc.
Output	The total value of production generated through project spending, including the value of intermediate inputs: the goods and services used in the production of equipment, raw materials, energy, and other production inputs.
Tax Revenue	Money collected to support federal, state, and local governments.
Defined Benefit Plan	A retirement plan sponsored by the employer where the retiree is paid out a fixed amount that is calculated by several factors including salary and length of employment.
Defined Contribution Plan	A retirement plan that involves the employee and potentially the employer where contributions are made from the employees' paycheck towards an investment account that funds the retirement plan. These plans include programs such as the 401(k) or 403(b).

Executive Summary

The Los Angeles County Employees Retirement Association (LACERA or “the Agency”) is an independent government agency managing retirement funds primarily for Los Angeles County employees. Established in 1938 to oversee a pension trust designated for eligible county workers, the agency has since grown substantially in both importance and value — becoming a multi-billion-dollar fund and serving thousands of county employees. Contributions toward the plan are made by the employer and the employee, which is then administered by LACERA. Given the complex nature of financial investment strategies, LACERA established the Board of Investments in 1971 to prioritize diversification and ensure long-term strategic goals are met. LACERA’s retirement plans are all *defined benefit plans*, a retirement option providing a specific, fixed, pre-established payment amount once the individual retires. Defined benefit plans (DB pensions) provide significant impacts across the communities they serve. A 2021 study of nationwide DB pensions found that pensioners generated roughly \$1.3 trillion in economic output and supported approximately 7 million jobs across the United States¹.

Pensioners under LACERA provide significant value to the local economy. Most of these pensioners dedicated their careers towards public service for Los Angeles County, and now continue to benefit the economy by spending a majority of their income in and around the county. As of 2022, there were just under 73,400 LACERA pensioners receiving benefits nationwide – of which slightly over 60,500 resided in California. The majority of California-based LACERA pensioners live in the Los Angeles County area, with approximately 42,300 pensioners or 70% of the statewide total retirees, who spend approximately \$2.0 billion (after tax deductions) annually. This study examines the economic and fiscal impact of Los Angeles County retirees’ household spending utilizing an input-output model to assess what contributions LACERA pensioners make toward the local economy through supporting jobs, wages, and generating economic output. It is important to note that this analysis does not capture the full breadth impact of LACERA as an organization. The agency spends well over \$100 million annually for operational expenditures including employee

1 <https://www.nirsonline.org/2021/01/pension-spending-supports-1-3-trillion-in-output-6-9-million-jobs-192-billion-in-tax-revenue-across-u-s-economy/>

salaries and benefits, services, and supplies. These expenditures in and of themselves have considerable impacts on the economy – however, for the purposes of this report, the economic, fiscal and social impact analysis will be concentrated on the benefits provided from pensioner and household spending. The *Social Impact* section of the report highlights non-quantitative benefits associated with LACERA. Pensioners often make significant contributions toward charities, philanthropic organizations, and much more — and LACERA pensioners are no exception. Pensions such as LACERA are important to public agencies because they help attract and retain top talent, across all public services. As a result, the importance of pension funds such as LACERA is substantial. The social impact section highlights the benefits pensioners provide to their community, as well as how their spending helps at-risk industries.

Key Facts

- LACERA's pensioners generate approximately \$2.7 billion in economic output annually across Los Angeles County, supporting approximately 23,643 jobs and generating roughly \$819.4 million in labor income. Statewide, LACERA's total annual impacts are over \$2.9 billion, supporting 24,931 jobs and generating \$917.4 million in labor income.
- LACERA's pensions ripple throughout the Los Angeles County region. Of the \$2.7 billion in annual economic output, approximately \$586.9 million was generated in District 1, \$497.3 million in District 2, \$435.6 million in District 3, \$529.2 million in District 4, and \$606.3 million in District 5.
- In addition to the economic benefits, LACERA's pensions generate massive fiscal revenues annually for various government agencies. Statewide, a total of \$388.5 million is generated in fiscal revenue annually from pensioner spending, with \$172.8 million in state and local taxes and \$215.7 million in federal revenues. Los Angeles County absorbs the bulk of this fiscal revenue generated, with \$154.3 million in state and local revenue and \$185.3 million in federal funds for a total of \$339.7 million in fiscal revenues.
- Across the five districts, annual fiscal impacts varied, with the most collected from District 5 at a total of \$83.2 million in tax revenue, followed by District 1 at \$71.3 million, District 4 at \$67.7 million, District 2 generated \$58.9 million and District 3 collected \$57.4million in fiscal revenues.

Methodology

To analyze the total economic and fiscal impacts of LACERA's pensioners, Beacon Economics assessed annualized aggregated pension data across all of the association's retirees currently receiving pensions. The analysis was concentrated primarily across seven geographies: California, Los Angeles County, and the five Los Angeles County Board of Supervisor districts. Pension data was collected from LACERA by supervisorial district estimating monthly benefits per retiree, which was then converted to annual terms for the input-output model. Before tax, the total estimated annual pensions were roughly \$2.4 billion, and approximately \$2.0 billion after tax deductions. Pensions by district varied, as did the total number of retirees. Figure A below highlights total pensioners and pension amount by district:

Figure A: Share of Pensioners and Pensions by District, Los Angeles County

District	Number of Pensioners	Share of Total Pensioners	Total Pension Amount* (\$, Mil.)	Share of Total Pension
District 1	9,159	21.6%	514.2	21.8%
District 2	8,872	21.0%	427.2	18.1%
District 3	4,243	10.0%	257.8	10.9%
District 4	9,206	21.8%	535.3	22.7%
District 5	10,492	24.8%	624.7	26.5%
Unknown District	336	0.8%	1.5	0.1%
Total	42,308	-----	2,360.6	-----

Source: LACERA; analysis by Beacon Economics.

*Note: Total pension amount represented in Figure A is prior to tax deductions.

Beacon Economics uses IMPLAN (Impact Analysis for Planning), a state-of-the-art input-output modeling system that estimates how certain expenditures correlate and affect other industries in the economy to generate the total economic and fiscal impact. This study assumes changes in spending can result in a direct, indirect, and induced effect. The indirect and induced effects are often also known as “ripple” or “multiplier” effects, and in combination are referred to as “secondary” impacts. The initial direct expenditures lead to sequential spending in the respective economy. Together, the direct, indirect, and induced effects add up to the total impact.

This study estimates how household spending will ripple through the economy and impact various industries across the local and broader regions. For example, when a pensioner receives their monthly check, a portion of that will be spent on housing, food, entertainment, retail, and other goods and services. These expenditures are considered the **direct effect**. Subsequent business-to-business transactions and supply chain spending will fall under the **indirect effect**. Finally, household spending from workers that are supported through industries in the direct and indirect expenditures will create the **induced effect**. Total economic impact is considered the sum of direct, indirect, and induced effects. The following metrics were used to report the impacts of LACERA’s pensioners:

- **Employment** represents the number (headcount) of part-time, full-time, and temporary jobs supported through household spending by LACERA pensioners. Jobs “supported” includes jobs generated and existing jobs that have been supported by household spending.
- **Labor income** represents the value of all employment income generated through LACERA’s pensioner spending, including fringe benefits such as health care, retirement, etc.
- **Output** refers to the total value of production generated by household spending, including the value of intermediate inputs (goods and services used in the production of equipment, raw materials, energy, and other production inputs).

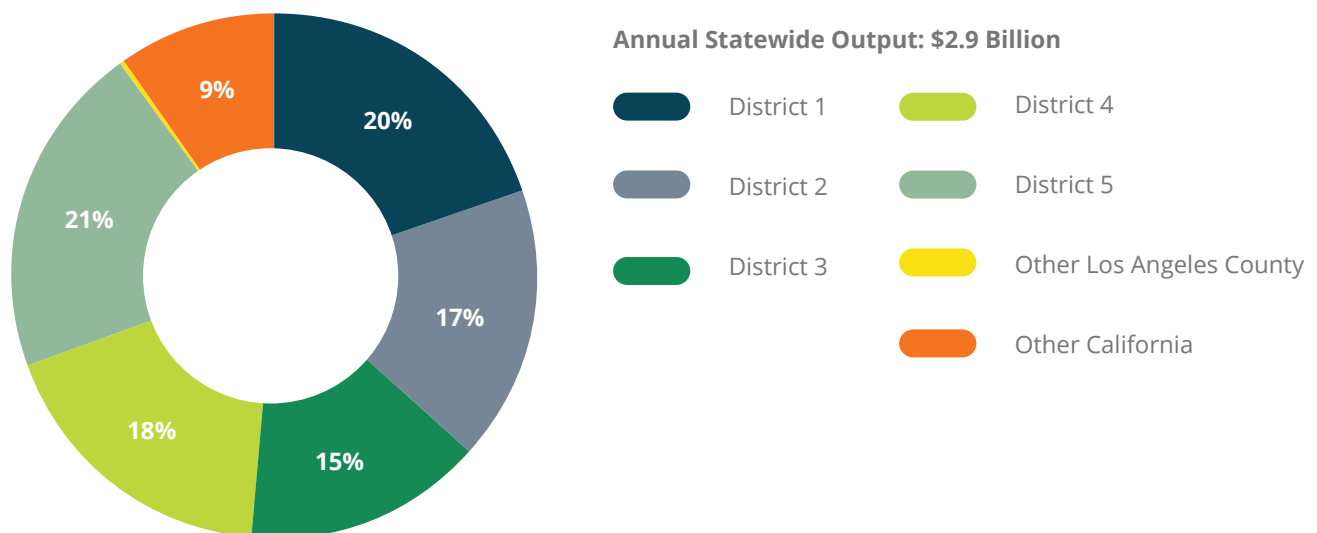
For more information on the IMPLAN MRIO (Multi-Regional Input-Output) analysis modeling system, please see the Appendix.

Economic and Fiscal Impacts

Statewide and County Economic Impacts

The money pensioners receive monthly will mostly be spent in the local community. Aside from taxes, fees, and other transactional items that don't generate further economic impact, most monies will remain and circulate around Los Angeles County. Annually, approximately \$2.7 billion is generated in economic output from household spending by LACERA retiree pensioners. Statewide, the impacts are slightly larger due to the fact that the rest of California will absorb any "leakages" not accounted for on the county level (money not spent within Los Angeles County and absorbed in other local economies).

Figure 1: Share of Economic Impacts from LACERA Pensioners by Region

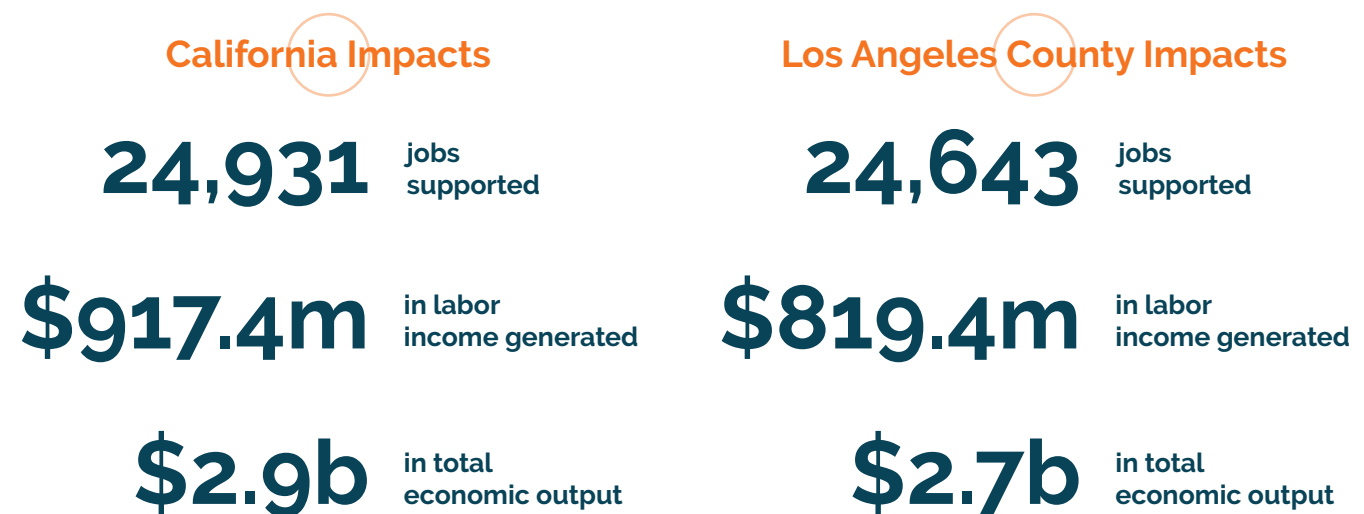


Source: IMPLAN; analysis by Beacon Economics.

Note: "Other Los Angeles County" denotes the remaining zip codes within the county not absorbed by any of the districts. "Other California" denotes all other California counties, excluding Los Angeles County.

Total economic output generated statewide from LACERA pensioner spending amounts to roughly \$2.9 billion across California, supporting 24,931 jobs and generating \$917.4 million in labor income across a variety of industries. Much of these impacts are absorbed across five of Los Angeles County's supervisorial districts, accounting for roughly 90% of total impacts. The remaining counties in California (all statewide counties excluding Los Angeles County) account for 9.5% of the economic impacts generated, and the rest is distributed to zip codes within Los Angeles County that are not absorbed by any of the supervisorial districts (0.004% of total impacts or \$12.8 million).

Figure 2: Total Annual Economic Impact of LACERA Pensioners Across California and Los Angeles County



Source: IMPLAN; analysis by Beacon Economics.

Los Angeles County accounts for the bulk of statewide impacts (roughly 91%), which is unsurprising since most retirees live and spend their money in the region, and the fact Los Angeles County's economy is so large that it likely absorbs most of the supply chain and employee spending. The largest industries supported directly by LACERA pensioners in terms of employment are Transportation, Personal Services, Amusement and Recreation, Physicians, and Food and Beverage Stores. In total, over 18,000 jobs (mixture of part-time, seasonal, and full-time workers) are supported between these five industries across the county.

Figure 3: LACERA Pensioners' Economic Impact by Impact Type, Los Angeles County

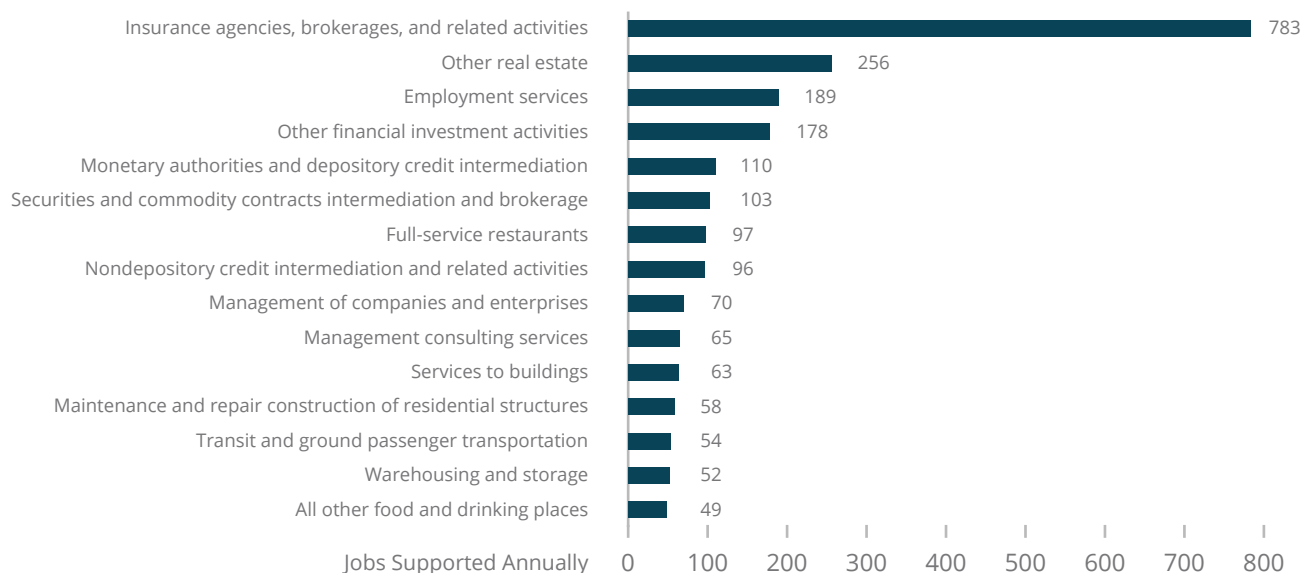
Impact Type	Employment	Labor Income (\$, Mil.)	Output (\$, Mil.)
Direct	20,122	546.0	1,858.5
Indirect	3,061	245.6	726.7
Induced	459	27.7	83.0
Total	23,643	\$819.4 million	\$2.67 billion

Source: IMPLAN; analysis by Beacon Economics.

Note: Totals may not be exact due to rounding.

A majority of LACERA pensioners' economic impact comes from direct spending. For example, a pensioner may use a portion of monthly pension for rent, or groceries, or something else. Approximately 70% of total economic output generated is through pensioners' direct spending. Nonetheless, secondary impacts play a considerable role in generating economic output across the county. Roughly \$810 million is generated in economic output through secondary spending, with most supported by indirect spending. Given the nature of spending categories from the average household (housing, food, retail, finance, entertainment, etc.), a lot of these industries require significant business-to-business transactions and supply chains to operate. For example, a grocery store that a pensioner regularly visits will take a portion of that money to restock goods. As such, it is unsurprising that almost \$727 million is generated annually across Los Angeles County in indirect spending. These impacts ripple through various industries of the economy. In total, the 15 largest industries supported by LACERA pensioners in terms of employment from secondary impacts account for over 2,200 jobs, or just over 9% of total jobs supported by the pensioners across the county.

Figure 4: Top 15 Industries Employed through LACERA Pensioners Support from Secondary Impacts (Los Angeles County)



Source: IMPLAN; analysis by Beacon Economics.

District Level Impacts

LACERA pensioners' impact across Los Angeles County varies depending on the supervisorial district. This is due to the number of pensioners per district, size of the district's economy, and where the spending is likely to occur. The five supervisorial districts absorb much of Los Angeles County's total LACERA pensioner impact, with 23,607 jobs supported across five districts and \$2.7 billion in total economic output.

Figure 5: LACERA Pensioners' Total Economic Impact by Supervisorial District, Los Angeles County²

District	Employment	Labor Income (\$)	Output (\$)
District 1	5,287	180,638,596	586,884,143
District 2	4,391	149,363,038	497,289,530
District 3	3,245	137,771,581	435,616,384
District 4	4,960	162,105,791	529,225,489
District 5	5,724	185,336,886	606,318,480
Total	23,607	\$815,215,892	\$2,655,334,026

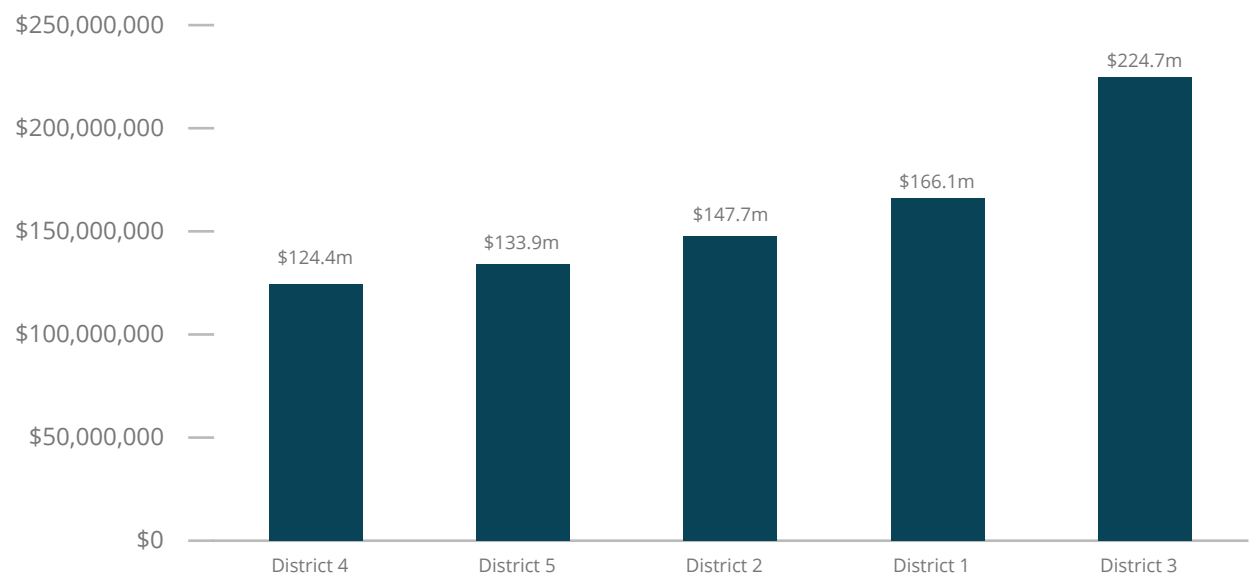
Source: IMPLAN; analysis by Beacon Economics.

Note: Totals may not be exact due to rounding.

The largest economic impact generated by LACERA pensioners is in District 5 at \$606.3 million, followed by District 1 (\$586.9 million), District 4 (\$529.2 million), District 2 (\$497.3 million), and District 3 (\$435.6 million). Employment from pensioner-household expenditures ranges from 3,245 jobs supported by impacts generated across District 3 to over 5,720 jobs from impacts generated by District 5.

2 For more information on economic and fiscal impacts by supervisorial districts by impact type, please see figures A.1-A.5 in the Appendix.

Figure 6: Total Economic Output from Secondary Impacts by Supervisorial District, Los Angeles County



Source: IMPLAN; analysis by Beacon Economics.

When it comes to sub-regional impact analysis, geographies differ in terms of how the ripple effect will generate further economic output. For example, District 5 has the largest economic impact of any supervisorial district by LACERA pensioners. However, most of the impact is generated by direct spending, with District 5 having the second-lowest secondary impact, albeit still significant at \$133.9 million. Conversely, District 3’s economic impacts are the lowest of any supervisorial districts at \$435.6 million; however, secondary impacts play a key role in the output generated. More than half of District 3’s total economic output is generated through supply chain interactions and household spending at \$224.7 million.

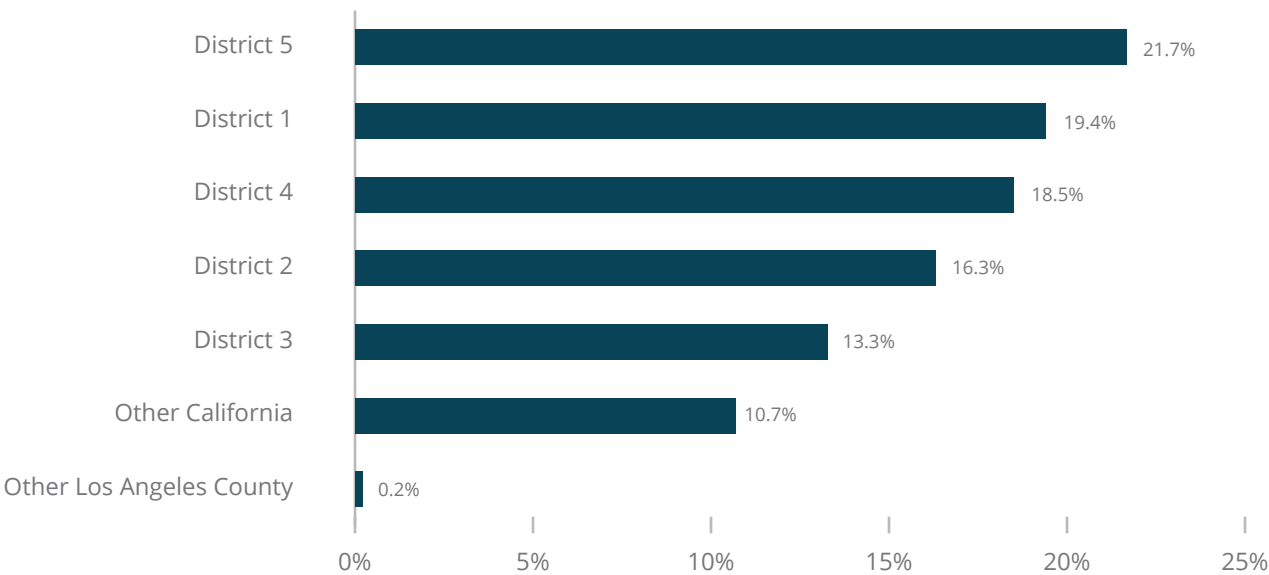
Household spending by district mirrors total-county impacts in terms of where the expenditures are likely to occur. The top five largest impacts by industry across districts are (on average) in Insurance, Housing (owner and tenant-occupied), Transportation, Physicians, and Personal Services. Insurance receives a huge economic benefit mainly from **indirect** impacts, as a result of supply-chain and business-to-business transactions. As households spend significant money on various establishments (groceries, restaurants, recreation, etc.), firms in these respective sectors and down the supply-chain pay substantial sums in labor compensation that also includes insurance benefits. Conversely, Housing had the largest **direct** impact – as households normally spend significant portions of their incomes on housing payments, whether it be rent (including assisted or senior housing, mortgages, or maintenance and repairs. Between the five aforementioned industries, approximately \$1.8 billion is generated in economic impact alone across the five districts. Other industries deeply benefiting from LACERA pensioners include Food and Beverage stores (groceries and food and drinking places such as restaurants, bars, etc.), which experience over \$82 million a year in economic output collected between the five districts, and Amusement and Recreation (\$96.2 million generated in economic output across five districts).



Fiscal Impacts

Given the significant economic impacts generated by LACERA’s pensioners, a substantial portion of fiscal revenue is collected by state, local, and federal agencies impact. Statewide, tax revenue collected by LACERA pensioners’ economic activities totaled \$388.5 million, with \$172.8 million in state and local revenues and \$215.7 million in federal tax revenues. Los Angeles County absorbed most of the fiscal revenues generated, with \$339.7 million in total revenues, \$154.3 million in state and local taxes, and \$185.3 million in federal revenues.

Figure 7: Share of State and Local Impacts from LACERA Pensioners by Region



Source: IMPLAN; analysis by Beacon Economics.

As can be seen from Figure 7, much of the state and local impacts generated are collected from the five supervisorial districts in Los Angeles County. Between the five districts, around 89% of state and local impacts are generated there, with Other California (all other counties in California excluding Los Angeles County) accounting for the bulk of remaining fiscal revenues as a result of supply chain and induced impacts.

Figure 8: Annual Fiscal Impacts by Tax Type, Los Angeles County

Tax Type	State and Local (\$, Mil.)	Federal (\$, Mil.)	Total (\$, Mil.)
Corporate Profits Tax	10.9	24.3	35.2
Income Tax	23.8	61.2	85.0
Other	11.2	9.3	20.4
Property Tax	46.1	-	46.1
Sales Tax	58.2	-	58.2
Social Insurance Tax	4.2	90.5	94.7
Total	\$154.3 million	\$185.3 million	\$339.7 million

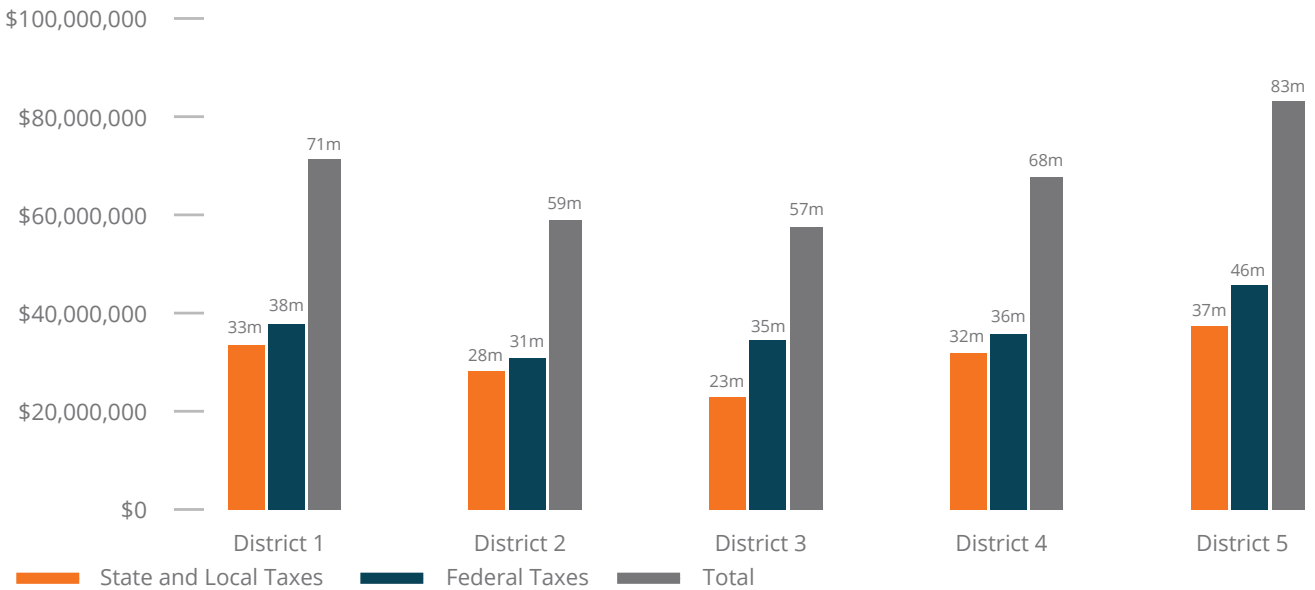
Source: IMPLAN; analysis by Beacon Economics.

Note: Totals may not be exact due to rounding.

The largest sources of spending across Los Angeles County for state and local tax revenues comes from sales tax, with approximately \$58.2 million collected annually in tax revenues based on the fiscal impact from LACERA pensioners. This is unsurprising given that a significant portion of pensioners' income will be spent on taxable items, whether for groceries, retail, entertainment, or other personal services. These funds are significant to the local community because a certain portion of sales tax goes toward important social programs, including health, transportation, social services, and the county's general fund. Another significant source of revenue for state and local taxes is property taxes, with LACERA pensioners' economic activities generating around \$46.1 million. A significant portion of these revenues go toward schools, public local services (including parks, libraries, amenities), and much more. For federal revenues, the largest sources across the county were social insurance tax (\$90.5 million) and income tax (\$61.2 million), which come from taxes pensioners pay to the government, as well as any income tax or withholdings that employees of industries supported by LACERA pensioners pay.

Figure 9: Total Fiscal Impacts by Supervisorial Districts

Source: IMPLAN; analysis by Beacon Economics.



Across the five supervisorial districts, annual fiscal impacts range depending on the magnitude of economic impact generated per region. Nonetheless, given the significant economic output generated across all five regions, the fiscal impacts are substantial. Unsurprisingly, District 5 collected the largest amount of fiscal revenue, given that the largest economic impact occurred in that region and the district experienced one of the largest direct spendings. In total, District 5 generated \$83.2 million in fiscal impact (approximately 24.4% of Los Angeles County's total fiscal impact from LACERA pensioners), with \$37.4 million in state and local taxes and \$45.8 million in federal revenues. The second largest fiscal impact was from District 1, with \$71.3 million in total fiscal revenues (\$33.5 million in state and local taxes and \$37.8 million in federal taxes). This is followed by District 4, with a total of \$68.7 million in fiscal revenues; and lastly, District 2 and 3, with \$58.9 million and \$57.4 million in fiscal revenues respectively.

Social Impacts

Importance of Defined Benefits Retirement Plans

The importance of retirement funds such as LACERA is substantial to a local economy. As stated in the *Economic and Fiscal Impacts* section, pensioners play a key role in generating billions across Los Angeles County, supporting various industries and helping ensure thousands of jobs are supported annually. LACERA is one of thousands of defined benefit plans (DB pensions) offered to public employees across the United States. Approximately 83% of full-time working state and local government employees participate in a defined benefit plan. Total financial assets across state and local government-employed DB pension funds were over \$5 trillion as of 2021³.

Defined benefit plans offer security to retirees that defined contribution plans cannot. Once an employee enrolls in a defined benefit plan, they are able to assess the monthly income they will receive in retirement through a formula estimating length of work, average salary, and a percentage set by law. Conversely, defined contribution plans are funded by employers and the employee (through programs such as a 401k), but there is no guarantee how much money an individual could receive. Because the funds are received through investments, they could be significantly lower at the individual's retirement due to market volatility or economic downturn. Furthermore, funds could be exhausted as opposed to a guaranteed monthly income that is appropriated through a DB pension. Not only does this mean there is assurance for the retiree to receive money, it also means there will be a guarantee that money will be circulated in the economy from defined benefit pensioners. Furthermore, DB pensions have been shown to accumulate more in retirement funds compared to defined contribution plans. In a study by the Center for Retirement Research, defined benefit plans outperformed defined contributions by 0.7% every year.⁴

3 <https://publicplansdata.org/quick-facts/national/>

4 https://crr.bc.edu/wp-content/uploads/2015/12/IB_15-211.pdf

Since DB pensions offer assured monthly income to retirees, as well as an average higher return than defined contribution plans, there is great value that defined benefit plans bring to pensioners — and the economy as a whole. Furthermore, some DB pension plans, such as LACERA's, offer excellent healthcare benefits to their retirees, that help alleviate significant medical costs as well. As a result, since a substantial portion of a retiree's money is going to be circulated around the local economy, the benefit of maintaining defined benefit plans is the positive economic impact generated in the economy at large.



Pensioners' Support to the Economy

The magnitude of impact that pensioners have on the economy is not a fixed assumption. While LACERA's retirees were estimated to generate \$2.7 billion in economic output in Los Angeles County, this is likely to change in the future. Not only is this true for LACERA but most public retirement funds, and even defined contribution plans as well. The United States' population is aging. For context, in 2020 an estimated 56.1 million people were aged 65 or older. By 2030, that number is projected to be 73.1 million. Population forecasts by the U.S. Census show that by 2030, one in five Americans will be in retirement age⁵. Given declining birth rates and static migration trends, this indicates retirement spending will be an important economic variable as retirees' consumption will be more important to the economy as a whole.

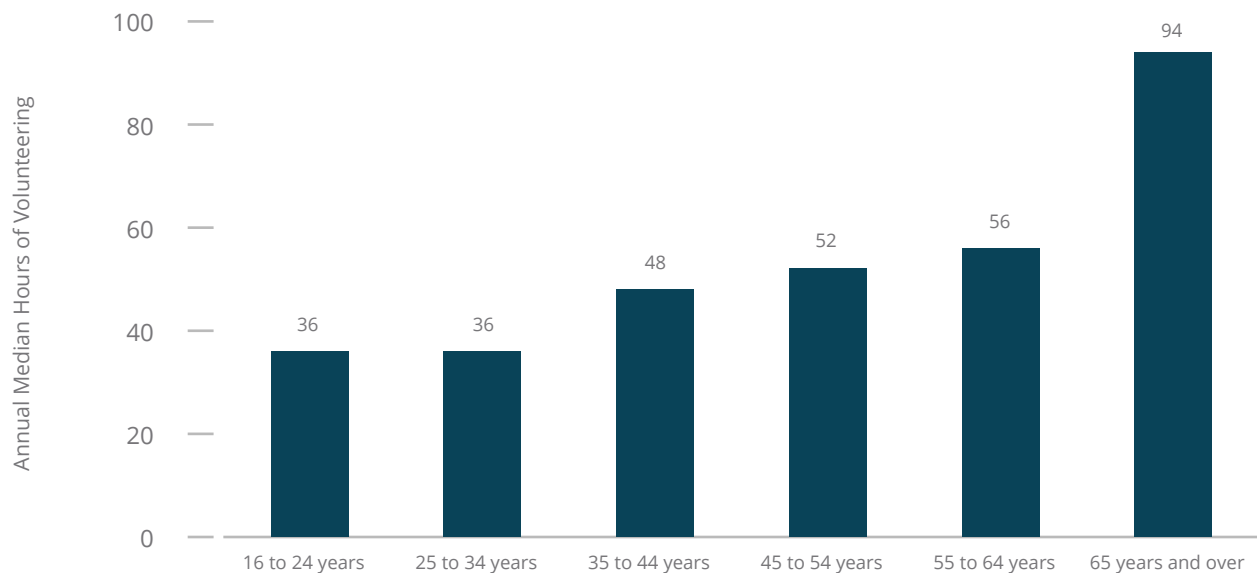
As seen in the *Economic and Fiscal Impacts* section, there are a variety of industries significantly benefiting from LACERA pensioner spending across Los Angeles County. The true value of this spending comes during times of economic downturn or hardship. For example, Food and Beverage establishments greatly suffered throughout the COVID-19 pandemic and previously during the Great Recession. While employment took considerable time to recover from the latter, Los Angeles County's labor market has yet to recover completely from the pandemic-induced decline in jobs for Food Services and Drinking Places. The importance of LACERA-type pensioners to the economy is this: with a guaranteed monthly income following retirement, spending patterns do not have to be significantly altered since a household can anticipate what their monthly income will be. Since defined benefit plans will not change based on what the retired monthly income figure was calculated at, households should expect a constant stream of revenue. While there might be fluctuations in hard economic times (families tend to save more in recessions), pensioners are less likely to be worried since their income is not based on employment. This means retirees, especially those aged 65 - 75, are more likely to spend their money going out to eat than individuals who have been laid off or those who are concerned about a job layoff during economic hardships.

5 <https://www.census.gov/content/dam/Census/library/publications/2020/demo/p25-1144.pdf>

Volunteering and Charitable Contributions

Another key benefit of retirees, and specifically those who receive guaranteed pensions, is they are likely to spend a portion of their time and/or money on volunteering and charitable contributions — specifically early-on in retirement.

Figure 10: Median Hours of Volunteering by Age



Source: Bureau of Labor Statistics; analysis by Beacon Economics.

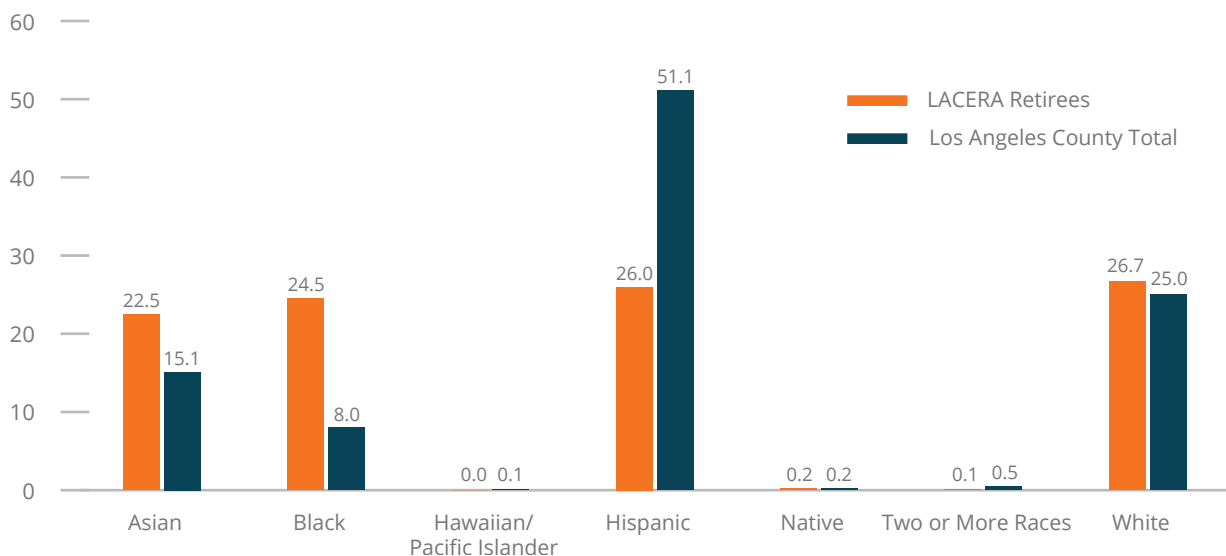
Retirees play a key role in volunteering toward various organizations. According to the Bureau of Labor Statistics (BLS), individuals aged 65 and over devote 94 hours in annual median hours of volunteering. Comparatively, the annual median for the total population is 52 hours, meaning individuals in retirement age are almost twice as likely to volunteer compared to any other population group. Retirees are involved with important community groups, with the most common volunteering occurring in religious organizations, social and community service groups, educational and youth services, and hospitals or health organizations.

LACERA Member Diversity and Demographic Breakdown

Racial/Ethnic Diversity

The ethnic and racial composition of LACERA's pensioners is highly diverse, especially in comparison to the population of Los Angeles County overall. Historically marginalized groups compose significant segments of LACERA's retiree membership. As is the case with Los Angeles County's total population, Hispanic pensioners make up the largest share of LACERA's retirees at 26%. This is lower than Los Angeles County's Hispanic population (51.1%), however, that is due to the fact that other groups comprise significant shares of LACERA's pensioners. For example, Black or African Americans make up 8.0% of Los Angeles County's total population. Among LACERA's pensioners, however, Black retirees comprise 24.5% of the total – the third largest group and only slightly behind White and Hispanic pensioners. Asian retirees also comprise a larger share of LACERA's pensioners compared to the population of Los Angeles County – making up 22.5% of retirees compared to 15.1% of the County's total population.

Figure 11: LACERA Pensioners, Ethnic and Racial Composition

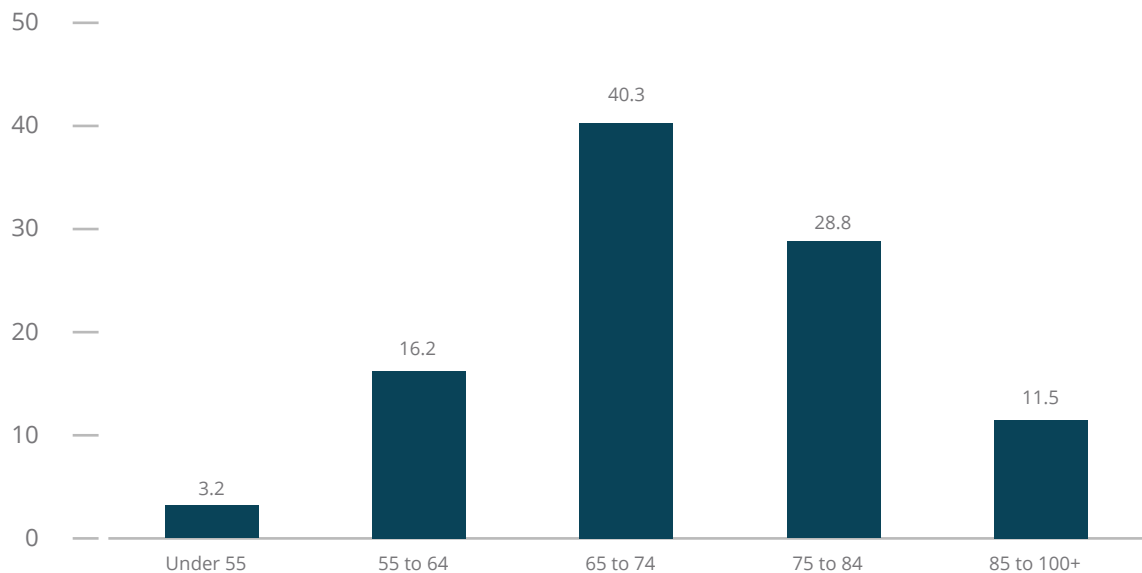


Source: LACERA, 2020 American Community Survey Public Use Microdata Survey; analysis by Beacon Economics

Age Group Analysis

LACERA pensioners represent various age groups. The average and median age of a LACERA pensioner is 72. The largest group of retirees are between the ages of 65 and 74, making up 40% of total pensioners. Unsurprisingly, the smallest share of retirees is the group under age 55, at 3.2%. Higher age groups, specifically retirees between 85 to over 100, represent more than 10% of total LACERA pensioners.

Figure 12: Share of LACERA Pensioners by Age Group

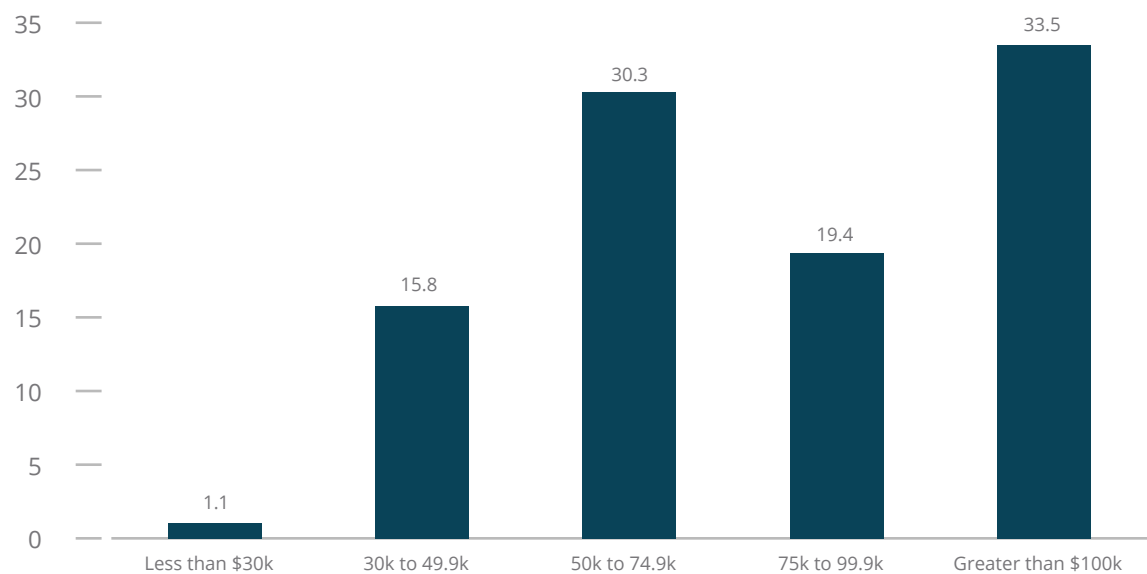


Source: LACERA; analysis by Beacon Economics.

Salary Analysis for Active Members

The annual average salary for LACERA active members as of 2022 has topped \$90,000. Between 2012 and 2022, the annual average salary amongst active members grew by 39% – an increase of approximately \$25,000. The year-over-year average increase for LACERA active members has been approximately 3.4% since 2012.

Figure 13: Share of Active LACERA Members by Salary Group



Source. LACERA; analysis by Beacon Economics.

As of 2022, most of LACERA’s active members earn more than \$75,000 annually. In fact, over 33% of LACERA’s active members earn more than \$100,000 per year, the largest share of any LACERA income group. This falls in line with Los Angeles County’s overall population/income estimates, where approximately 38.7% of the County’s residents report annual incomes greater than \$100,000. The second largest share of LACERA members earn annual salaries of between \$50,000 and \$75,000, making up 19% of active members. Only 1% of LACERA’s active members earn below \$30,000 annually. Comparatively, approximately 24.5% of Los Angeles County residents report incomes below \$35,000.

Conclusion

The importance of LACERA's pensioners to the Los Angeles County economy is substantial, with thousands of pensioners injecting money monthly into the local economy and helping dozens of industries. In total, LACERA pensioners generated \$2.9 billion in economic output across California, of which \$2.7 billion remained in Los Angeles County and helped support 23,643 regional jobs.

Given the significant economic activity generated by LACERA's pensioners from various forms of spending, there is substantial fiscal revenue collected annually as well. Approximately \$388.5 million is generated in total tax revenue statewide, of which \$339.7 million is collected in Los Angeles County alone. Around \$154.3 million is collected in state and local taxes across Los Angeles County alone, which help fund several social programs and provides funding for key services across the community.



LACERA pensioners' impact across Los Angeles County ripples through the five supervisorial districts. The following summarizes the economic and fiscal impacts generated in each district:

District 1: Approximately \$586.9 million is generated in economic output by LACERA pensioners, supporting 5,287 jobs and generating over \$180.6 million in labor income. Total tax revenue collected reached \$71.3 million, with \$33.5 million in state and local taxes and \$37.8 million in federal tax revenues.

District 2: Roughly \$497.3 million is generated in economic output by LACERA pensioners, supporting 4,391 jobs and generating roughly \$149.4 million in labor income. Total tax revenue in District 2 reached \$58.9 million, with \$28.2 million in state and local taxes and roughly \$30.8 million in federal tax revenues.

District 3: Approximately \$435.6 million is generated in economic output by LACERA pensioners, supporting 3,245 jobs and \$137.8 million generated in labor income. Furthermore, \$57.4 million was collected in total tax revenue, including \$22.9 million in state and local taxes and \$34.5 million in federal tax revenues.

District 4: Roughly \$529.2 million is generated in economic output by LACERA pensioners, supporting 4,960 jobs and generating \$162.1 million in labor income. Total tax revenue collected amounted to \$67.7 million, with \$32 million in state and local taxes and \$35.8 million in federal tax revenues.

District 5: Approximately \$606.3 million is generated in economic output by LACERA pensioners, helping support 5,724 jobs and generating \$185.3 million in labor income. Roughly \$83.2 million was collected in total tax revenue, with \$37.4 million in state and local taxes and \$45.7 million in federal tax revenues.

Appendix

Summary of Results

Figure A.1: Economic Output by District, by Impact Type (\$, Millions)

Impact Type	District 1	District 2	District 3	District 4	District 5
Direct	420.8	349.6	210.9	404.8	472.4
Indirect	150.7	131.9	204.6	110.0	116.9
Induced	15.4	15.7	20.0	14.4	17.0
Total	586.9	497.3	435.6	529.2	606.3

Source: IMPLAN; analysis by Beacon Economics.

Figure A.2: Employment Supported by District by Impact Type

Impact Type	District 1	District 2	District 3	District 4	District 5
Direct	4,562	3,781	2,282	4,377	5,120
Indirect	641	529	848	503	505
Induced	84	80	114	80	99
Total	5,287	4,391	3,245	4,960	5,724

Source: IMPLAN; analysis by Beacon Economics.

Figure A.3: Labor Income by District, by Impact Type (\$, Millions)

Impact Type	District 1	District 2	District 3	District 4	District 5
Direct	123.2	102.9	61.8	119.2	138.8
Indirect	52.3	41.6	68.9	38.2	40.7
Induced	5.1	4.9	7.0	4.8	5.9
Total	180.6	149.4	137.8	162.1	185.3

Source: IMPLAN; analysis by Beacon Economics.

Figure A.4: State & Local Fiscal Impacts by District by Tax Source (\$, Millions)

Tax Source	District 1	District 2	District 3	District 4	District 5
Corporate Profits Tax	2.5	1.8	1.4	2.4	2.7
Income Tax	4.0	3.7	5.5	4.0	6.5
Other	2.5	2.1	1.5	2.4	2.6
Property Tax	10.4	8.8	6.1	9.9	10.9
Sales Tax	13.2	11.1	7.7	12.4	13.7
Social Insurance Tax	0.9	0.7	0.7	0.9	1.0
Total	33.5	28.2	22.9	32.0	37.4

Source: IMPLAN; analysis by Beacon Economics.

Figure A.5: Federal Fiscal Impacts by District by Tax Source (\$, Millions)

Tax Source	District 1	District 2	District 3	District 4	District 5
Corporate Profits Tax	5.7	4.0	3.1	5.4	6.1
Income Tax	9.8	9.3	15.2	9.8	16.8
Other	2.1	1.8	1.2	2.0	2.2
Social Insurance Tax	20.3	15.7	15.0	18.5	20.7
Total	37.8	30.8	34.5	35.8	45.7

Source: IMPLAN; analysis by Beacon Economics.

IMPLAN

Multi-Regional Input-Output Methodology and IMPLAN

This report is based on an economic analysis technique known as Multi-Regional Input-Output (MRIO) analysis, which is a means of examining inter-industry relationships across several regions. A MRIO analysis builds on the standard Input-Output (I-O) analysis by expanding effects from monetary market transactions beyond a single region and helps capture leakages in other regions. In a MRIO analysis, the direct effect in one region triggers indirect and induced effects in others. The results of the analysis reveal the effects of a change in one or several economic activities on an entire economy, as well as the economic interdependence of regions.

IMPLAN expands on the traditional I-O approach to include transactions among industries and institutions, and among institutions themselves, thereby capturing all monetary market transactions in a given period. This specific report uses the IMPLAN web model. For more information on the IMPLAN modeling process, visit IMPLAN.com.

Although IMPLAN provides an excellent framework for conducting impact analysis, Beacon Economics takes extra precautions to ensure model results are valid, employing decades of experience to tailor the model to the unique demands of each economic impact analysis the firm conducts. Procedures and assumptions are thoroughly and systematically inspected for validity and individual project appropriateness before any analysis is performed.



Economic, Fiscal, and Social Impacts of LACERA Pensioners

September 2022

Assembly District 41

CalSTRS Members and Benefit Recipients Snapshot 2023–24

As of June 30, 2024

CALSTRS®

CalSTRS membership includes California public school educators from prekindergarten through community college.

Membership	Male	Female	Total
Active membership	2,441	6,319	8,760
Inactive membership	873	2,047	2,920
Retired	1,658	4,234	5,892
Disabled	21	81	102
Survivor benefit recipients	33	45	78
Option beneficiaries	181	373	554
Total	5,207	13,099	18,306

Amount CalSTRS paid to retired members	
AD 41	\$389.91 million
Statewide	\$14.26 billion

Amount employers paid to active members	
AD 41	\$922.34 million
Statewide	\$40.90 billion

Active membership characteristics

Members earning CalSTRS service credit

Members	AD 41	Statewide
Male	2,441 (27%)	112,639 (27%)
Female	6,319 (73%)	297,309 (73%)

Average full-time salary for active members

The compensation paid to members of the same class of employees for services rendered on a full-time basis.

Members	AD 41	Statewide
All active	\$105,285/year	\$99,756/year
Male	\$106,685/year	\$101,234/year
Female	\$104,744/year	\$99,202/year

Average age at membership date

Members	AD 41	Statewide
All active	30.2 years	30.2 years
Male	31.2 years	31.2 years
Female	29.8 years	29.8 years

Average age of active members

Members	AD 41	Statewide
All active	46.7 years	46.1 years
Male	47.8 years	47.2 years
Female	46.3 years	45.7 years

Average service credit for active members

The period of time in years for which a member earned creditable compensation and made contributions to the CalSTRS Defined Benefit Program.

Members	AD 41	Statewide
All active	14.2 years	13.6 years
Male	14.5 years	14.1 years
Female	14.1 years	13.4 years

Retired membership characteristics

Average service retirement benefit

The benefit provided through the CalSTRS Defined Benefit Program based on the formula set in law:

service credit × age factor × final compensation

Members	AD 41	Statewide
All retired	\$5,514/month	\$5,006/month
Male	\$5,981/month	\$5,439/month
Female	\$5,331/month	\$4,829/month

Average service credit earned

Members	AD 41	Statewide
All retired	27.0 years	26.1 years
Male	28.4 years	27.6 years
Female	26.5 years	25.4 years

Average age at retirement

Members	AD 41	Statewide
All retired	62.2 years	62.0 years
Male	62.5 years	62.2 years
Female	62.1 years	62.0 years

Economic impact of benefits paid

Total jobs supported
1,778

Total income and wages earned
\$96,309,615

Economic impact data is from benefits paid between July 1, 2022, and June 30, 2023.

Scan the QR code to visit [CalSTRS.com/reports-and-studies](https://calstrs.com/reports-and-studies) for more information.



Senate District 25

CalSTRS Members and Benefit Recipients Snapshot 2023–24

As of June 30, 2024

CALSTRS®

CalSTRS membership includes California public school educators from prekindergarten through community college.

Membership	Male	Female	Total
Active membership	3,850	9,444	13,294
Inactive membership	1,412	3,131	4,543
Retired	2,337	6,024	8,361
Disabled	40	91	131
Survivor benefit recipients	44	55	99
Option beneficiaries	246	530	776
Total	7,929	19,275	27,204

Amount CalSTRS paid to retired members	
SD 25	\$546.18 million
Statewide	\$14.26 billion

Amount employers paid to active members	
SD 25	\$1.37 billion
Statewide	\$40.90 billion

Active membership characteristics

Members earning CalSTRS service credit

Members	SD 25	Statewide
Male	3,850 (28%)	112,639 (27%)
Female	9,444 (72%)	297,309 (73%)

Average full-time salary for active members

The compensation paid to members of the same class of employees for services rendered on a full-time basis.

Members	SD 25	Statewide
All active	\$103,010/year	\$99,756/year
Male	\$103,225/year	\$101,234/year
Female	\$102,922/year	\$99,202/year

Average age at membership date

Members	SD 25	Statewide
All active	30.2 years	30.2 years
Male	31.2 years	31.2 years
Female	29.7 years	29.8 years

Average age of active members

Members	SD 25	Statewide
All active	47.6 years	46.1 years
Male	48.8 years	47.2 years
Female	47.1 years	45.7 years

Average service credit for active members

The period of time in years for which a member earned creditable compensation and made contributions to the CalSTRS Defined Benefit Program.

Members	SD 25	Statewide
All active	15.2 years	13.6 years
Male	15.6 years	14.1 years
Female	15.0 years	13.4 years

Retired membership characteristics

Average service retirement benefit

The benefit provided through the CalSTRS Defined Benefit Program based on the formula set in law:

service credit × age factor × final compensation

Members	SD 25	Statewide
All retired	\$5,443/month	\$5,006/month
Male	\$5,830/month	\$5,439/month
Female	\$5,293/month	\$4,829/month

Average service credit earned

Members	SD 25	Statewide
All retired	27.3 years	26.1 years
Male	28.7 years	27.6 years
Female	26.7 years	25.4 years

Average age at retirement

Members	SD 25	Statewide
All retired	62.3 years	62.0 years
Male	62.7 years	62.2 years
Female	62.2 years	62.0 years

Economic impact of benefits paid

Total jobs supported
2,790

Total income and wages earned
\$162,769,443

Economic impact data is from benefits paid between July 1, 2022, and June 30, 2023.

Scan the QR code to visit [CalSTRS.com/reports-and-studies](https://calstrs.com/reports-and-studies) for more information.



Congressional District 28

CalSTRS Members and Benefit Recipients Snapshot 2023–24

As of June 30, 2024

CALSTRS®

CalSTRS membership includes California public school educators from prekindergarten through community college.

Membership	Male	Female	Total
Active membership	3,080	7,424	10,504
Inactive membership	1,133	2,481	3,614
Retired	1,991	5,080	7,071
Disabled	30	80	110
Survivor benefit recipients	39	46	85
Option beneficiaries	217	449	666
Total	6,490	15,560	22,050

Amount CalSTRS paid to retired members	
CD 28	\$467.14 million
Statewide	\$14.26 billion

Amount employers paid to active members	
CD 28	\$1.09 billion
Statewide	\$40.90 billion

Active membership characteristics

Members earning CalSTRS service credit

Members	CD 28	Statewide
Male	3,080 (29%)	112,639 (27%)
Female	7,424 (71%)	297,309 (73%)

Average full-time salary for active members

The compensation paid to members of the same class of employees for services rendered on a full-time basis.

Members	CD 28	Statewide
All active	\$103,974/year	\$99,756/year
Male	\$104,268/year	\$101,234/year
Female	\$103,852/year	\$99,202/year

Average age at membership date

Members	CD 28	Statewide
All active	30.0 years	30.2 years
Male	31.0 years	31.2 years
Female	29.6 years	29.8 years

Average age of active members

Members	CD 28	Statewide
All active	47.1 years	46.1 years
Male	48.2 years	47.2 years
Female	46.6 years	45.7 years

Average service credit for active members

The period of time in years for which a member earned creditable compensation and made contributions to the CalSTRS Defined Benefit Program.

Members	CD 28	Statewide
All active	14.8 years	13.6 years
Male	15.2 years	14.1 years
Female	14.7 years	13.4 years

Retired membership characteristics

Average service retirement benefit

The benefit provided through the CalSTRS Defined Benefit Program based on the formula set in law:

service credit × age factor × final compensation

Members	CD 28	Statewide
All retired	\$5,504/month	\$5,006/month
Male	\$5,923/month	\$5,439/month
Female	\$5,340/month	\$4,829/month

Average service credit earned

Members	CD 28	Statewide
All retired	27.2 years	26.1 years
Male	28.5 years	27.6 years
Female	26.7 years	25.4 years

Average age at retirement

Members	CD 28	Statewide
All retired	62.3 years	62.0 years
Male	62.6 years	62.2 years
Female	62.2 years	62.0 years

Economic impact of benefits paid

Total jobs supported
2,183

Total income and wages earned
\$127,689,617

Economic impact data is from benefits paid between July 1, 2022, and June 30, 2023.

Scan the QR code to visit [CalSTRS.com/reports-and-studies](https://calstrs.com/reports-and-studies) for more information.

