



# LAUSD

UNIFIED

# 2024 NAGDCA

## Art Caple President's Award

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The Los Angeles Unified School District (LAUSD) proudly presents its nomination for the 2024 NAGDCA - Art Caple President's Award. Since the inception of our 457(b) Deferred Compensation Plan in 2006, our journey has been marked by innovation, strategic vision, and a steadfast commitment to the financial well-being of our employees.



# Plan Profile

LAUSD's 457(b) Plan (Plan) emerged from a landscape dominated by complex, costly investment options, and is aimed at providing a high-quality, low-cost alternative that empowers our participants to take control of their financial futures. Over the years, we have implemented a series of strategic initiatives that have significantly enhanced participant outcomes, reflecting our dedication to excellence and continuous improvement.

## KEY ACHIEVEMENTS:

- **Simplified Investment Choices:** We have streamlined our investment lineup, reduced complexity and costs while maintaining robust diversification to meet the diverse needs of our participants.
- **Fee Reduction:** We have successfully reduced total recordkeeping and investment management fees from over 1.00% to just 0.18%, ensuring more of our participants' money works for them.
- **Increased Participation:** Through initiatives like automatic enrollment and the introduction of the Roth 457(b) option, we have seen plan participation soar from zero to over 11,000 active participants.
- **Asset Growth:** Our Plan assets have grown from nothing to over \$500 million, demonstrating the trust and confidence our participants place in our Plan.
- **Financial Wellness Outreach:** Our financial education campaigns have reached thousands of participants, enhancing their financial literacy and retirement readiness.

These accomplishments underscore our commitment to a participant-centric approach, prioritizing the interests and financial goals of our employees in all aspects of plan administration and service delivery. Our innovative strategies and unwavering focus on participant outcomes make us a strong contender for this prestigious award.

We believe our journey, marked by strategic foresight and tangible results, aligns perfectly with the values celebrated by the NAGDCA – Art Caple President's Award. It is our hope that our story inspires others in the public sector to strive for excellence in deferred compensation plan administration, ultimately enhancing the financial security and well-being of all plan participants.

## IN THEIR OWN WORDS

*"Our hope is that you will learn enough from our experience to begin to challenge your employer, union or the financial consultant assigned to your district or employer to do a better job. Another generation of teachers and American workers enrolled in employer-sponsored retirement plans cannot wait. Americans will benefit now from understanding how these savings plans work."*

—Steve Schullo, Member-at-Large, Retirement Investment Advisory Committee

# Simplified Investment Choices

The LAUSD Retirement Investment Advisory Committee (RIAC) was authorized as part of the Board of Education's adoption of the deferred compensation 457(b) Plan in 2006. RIAC was established to advise the Chief Business Officer concerning matters pertaining to the implementation and administration of the LAUSD 457(b) Plan including development of the Investment Policy Statement, due diligence of plan providers, investment selection and ongoing investment monitoring. RIAC also reviews and provides recommendations regarding Plans educational materials distributed to LAUSD employees with the overall objective of providing LAUSD employees with an employer sponsored plan that has competitive investment performance and reasonable fees. RIAC is comprised of representatives of the various labor unions, an appointee for the District's Board of Education, an appointee for the District's Chief Business Officer, the District's Benefits Administration staff, members at large, Voya Financial® as the current recordkeeper TPA, and NFP Retirement as the independent fiduciary consultant.

RIAC meets quarterly to oversee and ensure the 457(b) investment funds are in line with the Investment Policy Statement (IPS). By following the IPS's guidelines the Plan has been able to:

1. Reduce the number of investment funds and complexity for Participants
2. Reduce fund fees/costs
3. Reduce volatility

Most recently, the RIAC recommended to the LAUSD's Chief Business Officer the removal of three actively managed funds with mapping to index funds already in the fund lineup. A Foreign Large Growth fund was mapped to a Foreign Large Blend index fund and the two Large Blend funds were mapped to a Large Blend index fund. These changes were designed to provide less investment volatility, much lower investment and administration fees, and simplify participant investment choice.

LAUSD's Chief Business Officer acted on the RIAC's recommendations making the following investment option changes to the Plan effective June 21, 2024:

## Investment Option Mapping Chart

Discontinued Investment Option	Gross Fee (%)*	Net Fee (%)*	Maps To	Replacement Investment Option	Gross Fee (%)*	Net Fee (%)*
American Funds Fundamental Invs R6 (RFNGX)	0.28	0.28	>	Vanguard Institutional Index I (VINIX)	0.04	0.04
American Funds Washington Mutual R6 (RWMGX)	0.27	0.27	>	Vanguard Institutional Index I (VINIX)	0.04	0.04
American Funds Europacific Growth R6 (RERGX)	0.47	0.47	>	Vanguard Developed Markets Index Instl (VTMNX)	0.05	0.05

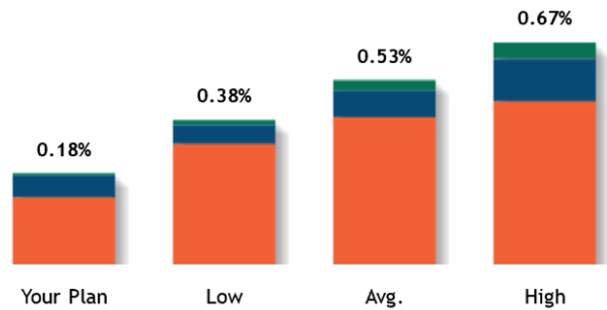
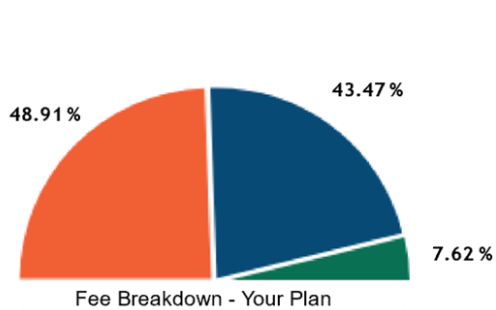
# Fee Reduction

The cost of the Plan's current lineup is 0.18%, much lower than the industry average for a straightforward reason—staff and the advisory committee are invested in the Plan's success. As illustrated here:

## PLAN INFO

Plan:	Los Angeles Unified School District	Universe:	34
Plan Assets:	\$463,489,205	Plan Asset Band:	\$324,440,000 to \$602,540,000
Total Participants:	9,589	Participant Band:	--

Fee Types	Your Plan		Prism™ Low		Prism™ Average		Prism™ High	
Investments	0.09%	\$417,140	0.29%	\$1,344,119	0.39%	\$1,807,608	0.45%	\$2,085,701
Recordkeeping	0.08%	\$370,791	0.07%	\$324,442	0.10%	\$463,489	0.16%	\$741,583
Advisory	0.01%	\$65,000	0.02%	\$92,698	0.04%	\$185,396	0.06%	\$278,094
<b>Total Fees:</b>	<b>0.18%</b>		<b>0.38%</b>		<b>0.53%</b>		<b>0.61%</b>	



Date as of 12/31/2023

# Increased Participation

## AUTOMATIC ENROLLMENT

LAUSD Staff and the RIAC members have worked diligently to promote automatic enrollment and have successfully implemented this feature for three employee groups. Those three employee groups now make up almost half of all active participants. The goal is to convince more groups to adopt automatic enrollment.

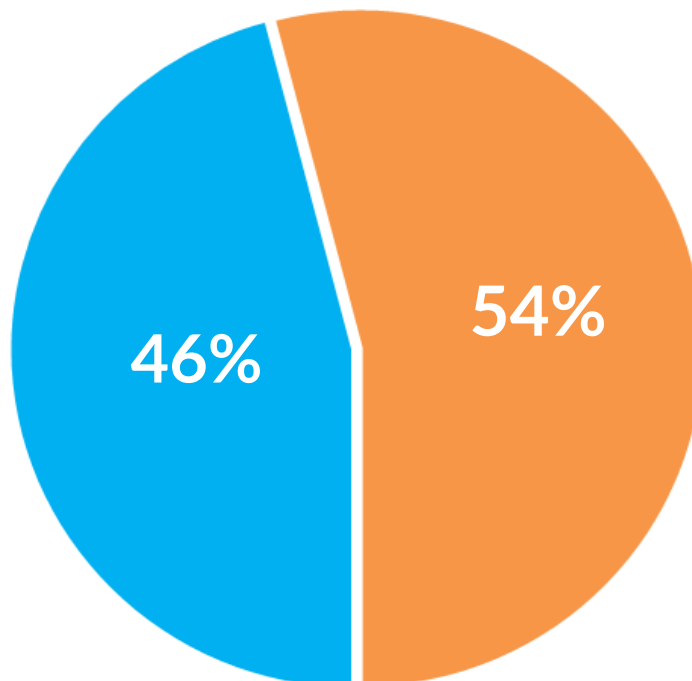
Automatic 457(b) Enrollment entails employee group members to be automatically enrolled into LAUSD's 457(b) Plan at a rate of 4%. All employee group members have the right to change the contribution amount into the Plan or opt-out entirely. For current auto-enrolled employees, the contribution rate shall remain the same.

The three employees groups who are participating in the auto-enrollment provision include:

- AALA (Associated Administrators of Los Angeles)
- LA/OC Trades Council
- District Representatives

Active Plan Participants

■ Auto Enrolled ■ Self Enrolled



# Increased Participation

## ADOPTION OF ROTH 457(B)

Currently the 457(b) Plan is the only LAUSD plan with a Roth option. From December 31, 2019, to December 31, 2023, participation in Roth grew from 0 to 2,026. As of May 31, 2024, Roth participation reached 2,638 and Roth assets were at \$28,154,427.

## Cash Flow Summary

October 1, 2019 to December 31, 2019

LAUSD 457(b) PLAN

### Cash In

Employee Before-tax Contributions	8,673,974.55
Employee After-tax Contributions	0.00
Roth After-tax Contributions	0.00
Rollover Contributions	171,707.61
Employer Contributions	0.00
Loan Repayments	238,260.00
Other	28,559.54

**Total Cash In** **\$9,112,501.70**

## Cash Flow Summary

October 1, 2023 to December 31, 2023

LAUSD 457(b) PLAN

### Cash In

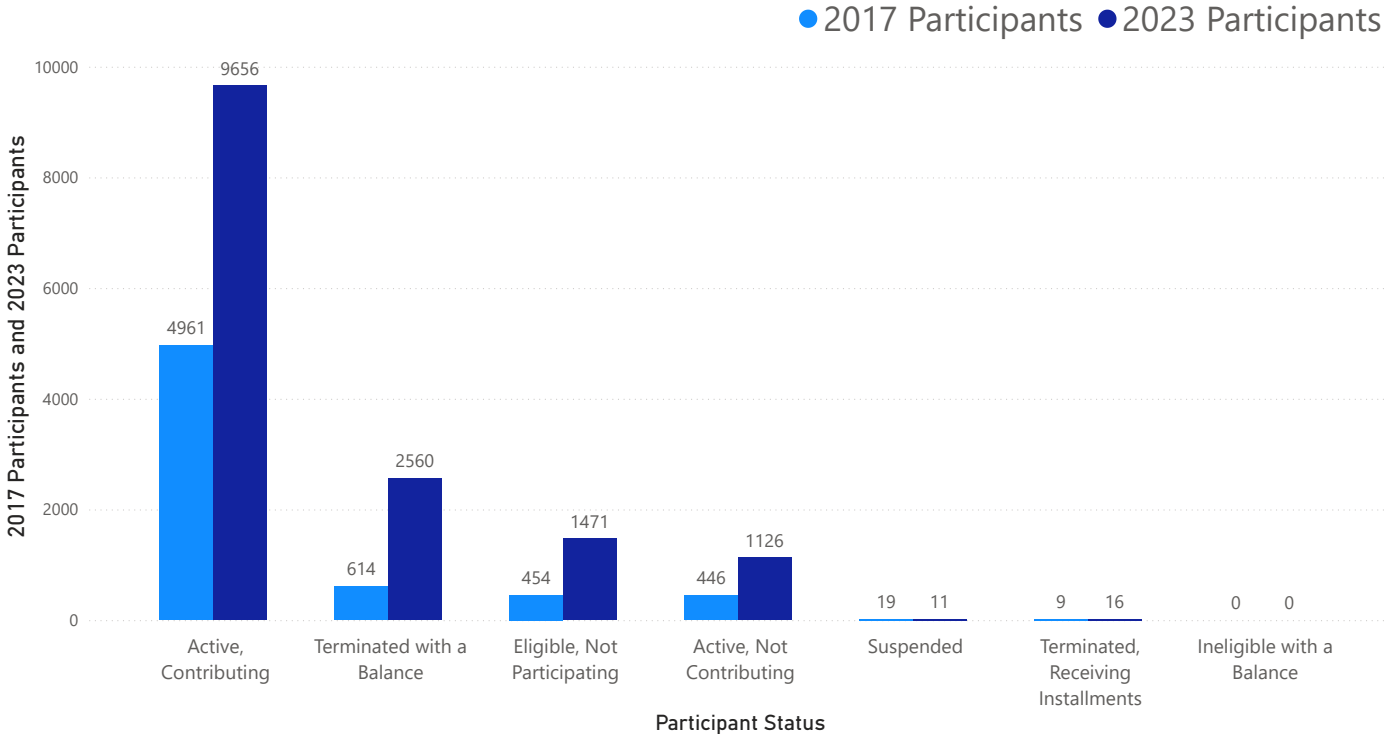
Employee Before-tax Contributions	14,363,212.05
Employee After-tax Contributions	0.00
Roth After-tax Contributions	2,157,924.73
Rollover Contributions	61,300.00
Employer Contributions	0.00
Loan Repayments	450,744.15
Other	13,738.55

**Total Cash In** **\$17,046,919.48**

# Increased Participation

From the period of December 31, 2017 to December 31, 2023, plan participation increased 121%.

## Participant Status Summary



# Asset Growth

Plan assets have grown noticeably since the startup in 2006. In fact, from December 31, 2017 to December 31, 2023, Plan assets increased by 249% over these 6 years. As of May 31, 2024 assets were \$497,499,837.

## Balances by Investment

As of December 31, 2017

Investment	Investment Balance	Number of Participants	Average Participant	Percentage of Plan Assets
VOYA FIXED FUND II	\$16,029,387.92	2,665	\$6,014.78	12.70%
VANG TOTAL BOND MARKET INDEX	\$2,856,372.91	571	\$5,002.40	2.26%
PIMCO TOTAL RETURN INSTL	\$3,846,977.63	602	\$6,390.33	3.05%
BLACKROCK LIFEPATH 2020	\$5,729,650.75	478	\$11,986.72	4.54%
BLACKROCK LIFEPATH 2030	\$8,214,891.82	751	\$10,938.60	6.51%
BLACKROCK LIFEPATH 2040	\$4,925,690.57	685	\$7,190.79	3.90%
BLACKROCK LIFEPATH 2050	\$2,147,972.26	482	\$4,456.37	1.70%
BLACKROCK LIFEPATH 2060	\$251,681.33	79	\$3,185.84	0.20%
VAN WELLESLEY INCOME ADMIRAL	\$3,466,424.34	466	\$7,438.68	2.75%
VAN WELLINGTON ADMIRAL	\$4,089,497.92	417	\$9,806.95	3.24%
AF FUNDAMENTAL INVESTORS	\$6,187,885.14	540	\$11,459.05	4.90%
AF WASHINGTO MUTUAL	\$4,670,346.98	705	\$6,624.61	3.70%
VANGUARD INSTITUTIONAL INDEX	\$16,757,055.33	1,226	\$13,688.07	13.28%
VANGUARD GROWTH INDEX	\$9,856,379.98	898	\$10,975.92	7.81%
VANGUARD MIDCAP VALUE INDEX	\$10,524,130.03	1,077	\$9,771.71	8.34%
VANGUARD EXTENEDED MARKET INDX	\$10,459,292.33	875	\$11,953.48	8.29%
AMERICAN CENTURY HERITAGE	\$3,124,737.30	551	\$5,671.03	2.48%
AMF EUROPACIFIC GROWTH	\$5,212,361.58	765	\$6,813.54	4.13%
VANGUARD DEVELOPED MARKETS IND	\$4,913,493.67	657	\$7,478.68	3.89%
TD AMERITRADE SDB	\$2,942,885.40	46	\$63,975.77	2.33%
<b>Total Investment Balance:</b>	<b>\$126,207,115.19</b>			

## Balances by Investment

As of December 31, 2023

Investment	Investment Balance	Number of Participants	Average Participant	Percentage of Plan Assets
VOYA FIXED FUND II	\$43,090,515.86	2,559	\$16,838.81	9.77%
VANG TOTAL BOND MARKET INDEX	\$7,657,664.72	1,175	\$6,517.16	1.74%
PIMCO TOTAL RETURN INSTL	\$4,658,298.05	800	\$5,822.87	1.06%
BLACKROCK LIFEPATH RETIREMENT	\$12,836,043.63	869	\$14,771.05	2.91%
BLACKROCK LIFEPATH 2030	\$46,711,939.97	2,109	\$22,148.86	10.59%
BLACKROCK LIFEPATH 2040	\$57,099,553.55	2,975	\$19,193.13	12.94%
BLACKROCK LIFEPATH 2050	\$33,490,289.32	2,448	\$13,680.67	7.59%
BLACKROCK LIFEPATH 2060	\$11,113,586.04	1,149	\$9,672.40	2.52%
VAN WELLESLEY INCOME ADMIRAL	\$9,003,368.66	808	\$11,142.78	2.04%
VAN WELLINGTON ADMIRAL	\$12,501,494.52	808	\$15,472.15	2.83%
AF FUNDAMENTAL INVESTORS	\$11,958,667.48	835	\$14,321.76	2.71%
AF WASHINGTO MUTUAL	\$10,795,477.73	951	\$11,351.71	2.45%
VANGUARD INSTITUTIONAL INDEX	\$53,615,062.15	2,111	\$25,397.95	12.15%
VANGUARD GROWTH INDEX	\$54,289,754.11	2,136	\$25,416.55	12.31%
VANGUARD MIDCAP VALUE INDEX	\$19,237,879.51	1,509	\$12,748.76	4.36%
VANGUARD EXTENDED MARKET INDEX	\$24,859,300.06	1,557	\$15,966.15	5.64%
AMF EUROPACIFIC GROWTH	\$7,385,100.03	962	\$7,676.82	1.67%
VANGUARD DEVELOPED MARKETS IND	\$10,001,234.16	1,026	\$9,747.79	2.27%
CHARLES SCHWAB PCRA	\$10,842,589.90	105	\$103,262.76	2.46%
<b>Total Investment Balance:</b>	<b>\$441,147,819.45</b>			



# Financial Wellness Outreach

## 2024 PLAN SURVEY

### RESEARCH OBJECTIVES

Voya launched a survey among LAUSD 457(b) Plan participants with the objective of using results to enhance future education initiatives and/or service offerings and ensure plan services meet participant savings needs.

The research objectives were to:

- Evaluate participant experience with plan services (e.g., satisfaction, ease of use, etc.)
- Better understand participant needs (e.g., education / retirement planning topics)
- Offer an opportunity to schedule a meeting with a local Voya representative to discuss plan(s)/account

### METHODOLOGY & FIELDWORK DATES

A total of 394 LAUSD 457(b) plan participants responded to an 8-minute online survey. Respondents self-reported their plan status (e.g., enrolled / contributing, etc.).

Currently enrolled or actively contributing: n=329

Not currently enrolled nor actively contributing: n=65

Requested meeting with local Voya representative: n=102

Several efforts were made to achieve the maximum survey response which consisted of two waves of fieldwork and reminders.

- Wave One (January 10th – February 6th) included an email invitation and two follow-up reminders.
- Wave Two (March 14th – April 22nd) included a postcard mailer with a QR code.

LAUSD Deferred Compensation 457(b) Plan [To view this e-mail on the web, click here.](#)

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**We'd love to hear from you!**

Please take three to five minutes to tell us what you think.

LAUSD Deferred Compensation 457(b) Plan Survey

Voya Financial, regularly reviews the LAUSD Deferred Compensation 457(b) Plan to help ensure the services provided meet the needs of plan participants.

We value your feedback and invite you to take this brief survey. Please click on the link below to take the survey today!

[Click here to take the survey](#)

Your responses and information will be kept completely confidential and used solely for the purpose of evaluating the effectiveness of products and services and survey follow-up if requested. Completing a survey does not obligate you to participate in the Los Angeles Unified School District's (LAUSD) 457(b) Deferred Compensation Plan.

For Plan information visit [laUSD.org/457b](http://laUSD.org/457b).

Thank you.

**VOYA**  
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## SURVEY COMMUNICATIONS

LAUSD Deferred Compensation 457(b) Plan Survey

Your responses and information will be kept completely confidential and used solely for the purpose of evaluating the effectiveness of products and services and survey follow-up if requested. Completing a survey does not obligate you to participate in the Los Angeles Unified School District's (LAUSD) 457(b) Deferred Compensation Plan.

For Plan information visit [laUSD.org/457b](http://laUSD.org/457b).

Take the survey by scanning the QR code.

**VOYA**  
FINANCIAL

PLAN  
INVEST  
PROTECT

**Important: response requested**  
**LAUSD 457(b) Plan Survey**

We'd love to hear from you! Please take three to five minutes to tell us what you think.

Recently, Voya Financial, invited you to participate in a short survey to tell us what you think about the Los Angeles Unified School District's (LAUSD) 457(b) Deferred Compensation Plan. If you have already responded, we thank you for your time! If you have not, there is still time to share your feedback. Just scan the QR Code to access the survey.

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**VOYA**  
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PROTECT

Voya Financial  
Attn: LAUSD 457(b) Deferred Compensation Plan  
P.O. Box 389  
Hartford, CT 06141

# Financial Wellness Outreach

Comments from active plan participants indicate overall 457(b) Plan satisfaction is influenced by positive service interactions (e.g., easy to work with), investment-related areas (e.g., range/choice, performance), and user-friendly technology.

## Reasons for Overall Satisfaction with LAUSD's 457(b) Plan (Open Ended Comments) (Asked of Plan Participants – currently enrolled or contributing)



**Satisfaction Themes**  
The majority of respondents (89%) report being satisfied.  
(# of mentions)

## Plan Participants: In Their Own Words

“Easy to access and make changes.”

“Good communication from Voya.”

“I like the amount of information I receive.”

“Low cost, easy to navigate and informative.”

“I can customize my investment choices.”

“Plenty of funds to choose from, easy on-line access to account.”

“Funds have done well, accessible information and can change allocations conveniently.”

“The website is easy to navigate. I am able to view my plan through the app. It was easy to enroll and I’m able to pick the funds that I like.”

“Easy to use website, good tools.”

“Website is user friendly! Everything is very clear and I can do what I need on line.”

“ I like how easy it was to set up and that I can monitor my retirement savings easily through the app.”

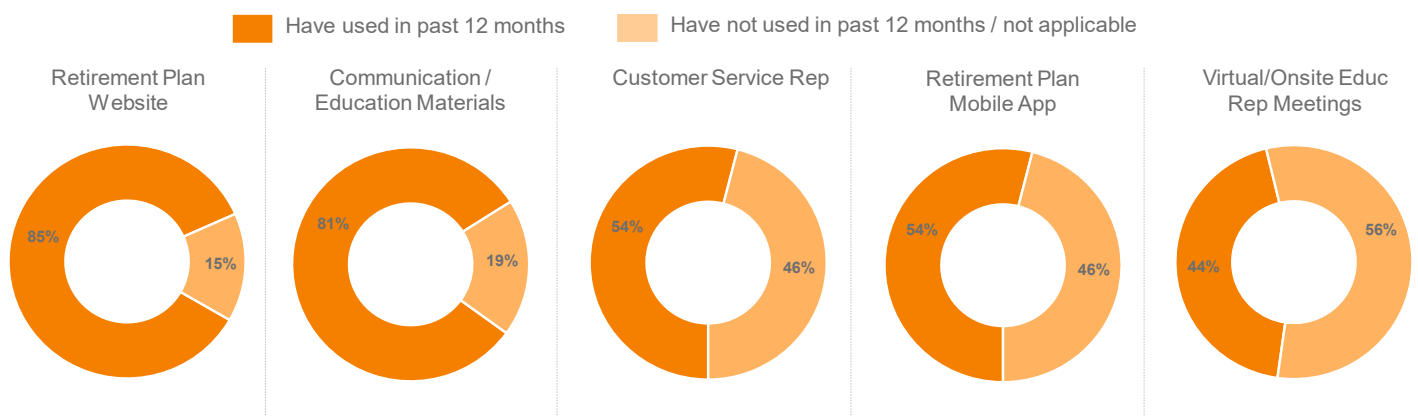
“I like the orange money feature which shows me an estimate of my retirement goal and allows me to add other funds that I’m saving to factor into my 457 plan.”

# Financial Wellness Outreach

Usage of Voya’s key plan services and support channels varies slightly with plan website and communication / education materials garnering the highest engagement among 457(b) plan participants. Results also highlight the opportunity to continue to drive use of plan services (e.g., website, education materials) which improve plan familiarity and confidence.

## Usage of Voya’s Key Plan Service and Support Channels

Respondent Self-Reported Usage  
(Asked of Plan Participants - Currently Enrolled or Contributing)



Those who report recent usage of the Retirement Plan Website and Communication / Education Materials are:

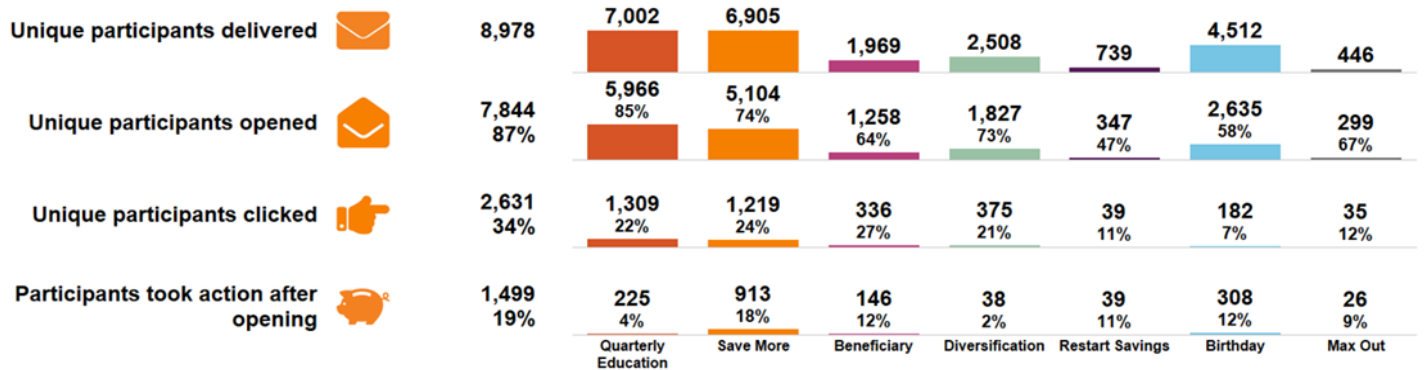
- More Familiar with the 457(b) plan
- More Confident in steps they are taking will help meet future financial needs

	Key Action Items	Action Plans
1	<ul style="list-style-type: none"> <li>○ An openness and need for guidance on key life and retirement planning decisions indicates an opportunity to increase 457(b) plan familiarity and participation.</li> </ul>	<ul style="list-style-type: none"> <li>○ 457(b) Enrollment Campaign with video</li> <li>○ “Meet Your Rep” campaign to increase awareness and engagement with local Voya representatives (e.g., video for website, email campaign)</li> <li>○ Additional educational presentations</li> </ul>
2	<ul style="list-style-type: none"> <li>○ Positive impact of plan services on familiarity and retirement planning confidence indicates the importance of strengthening efforts to drive further engagement and usage of 457(b) plan services, information, and tools.</li> </ul>	<ul style="list-style-type: none"> <li>○ E-delivery and website registration campaign</li> <li>○ Greater promotion of current Voya programs and plan services (e.g., retiree checklist, emergency savings, etc.)</li> <li>○ In conjunction with LAUSD, assess interest in additional plan services and solutions.</li> </ul>
3	<ul style="list-style-type: none"> <li>○ Interest in educational topics and retirement plan services illustrate opportunities to target and tailor outreach strategies across key employee segments.</li> </ul>	<ul style="list-style-type: none"> <li>○ Work with current local Voya representative to create campaigns to further promote educational resources.</li> </ul>

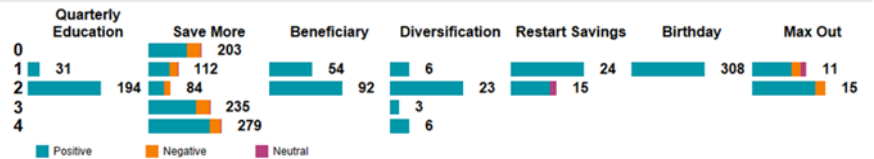
# Financial Wellness Outreach

## ONGOING CAMPAIGNS

Personalized Financial Wellness Messaging has reached out to about **9,000** participants. Of those, **87%** engaged with personalized financial wellness emails.



### Action details: total actions after email open



### Potential financial impact: (those who changed deferral rate, excludes deferral amt)

- Save More** \$244,099 of additional contributions per year. (313 participants increased their savings rate by 0.9% on average)
- Restart Savings** \$158,349 of additional contributions per year. (7 participants increased their savings rate by 24.4% on average)
- Max Out** \$34,132 of additional contributions per year. (6 participants increased their savings rate by 6.3% on average)

Data is cumulative as of: 06/17/2024

### Quarterly Education

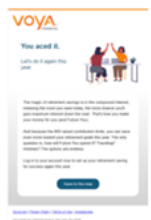
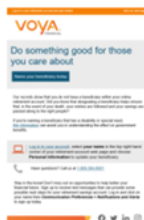
### Save More & Restart Savings

### Beneficiary

### Diversification

### Birthday

### Max Out



225 completed a financial wellness assessment

945 saved more or restarted their contributions

146 named a beneficiary

38 diversified their account

308 participants logged into their account

26 participants maxed out their savings

Data is cumulative as of: 06/17/2024

# Financial Wellness Outreach

## CAMPAIGN COMMUNICATIONS

Do something good for yourself



Enroll in the LAUSD 457(b) Plan

Plan ahead for the retirement you deserve—  
Consider enrolling today.

#### Reasons to enroll

- **Your future self will thank you**
  - The LAUSD 457(b) Plan gives you an additional resource to have the potential income you need in retirement.
- **Contribution taxation flexibility**
  - Choice of pre-tax contributions, Roth after-tax contributions, or a combination of the two.
- **Investment choice**
  - A comprehensive investment lineup, including easy-to-use Target Retirement Funds, and a Self Directed Brokerage Account option.
- **Dedicated representatives are here to help**
  - Local Voya representatives available to help review your retirement strategy and the LAUSD 457(b) Plan.

To get started, contact your local  
Voya representative today.

- Dan Garcia at 714-231-5858, [dan.garcia@voya.com](mailto:dan.garcia@voya.com)
  - Angela O'Donnell at 909-283-7558, [angela.odonnell@voya.com](mailto:angela.odonnell@voya.com)
- Visit [457b.lausd.net](http://457b.lausd.net) for more information.



LAUSD 457(b) Deferred Compensation Plan

To view this email on the web, [click here.](#)

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### Annual contribution limits for 2024



#### Save More Today!

If you're contributing less than the maximum you're eligible to contribute, now is the perfect time to consider an increase. Even small increases (for example, an additional 1% or 2% per pay period) can have a significant impact on your account balance over time.

To change your contribution rate take one of the following steps:

- **Online:** Log into your account via [LAUSD.org/457b](http://LAUSD.org/457b) and select Contributions & Savings > Manage Contributions > Update My Contributions and choose your contribution percentage.
- **Phone:** Speak to a Customer Service Associate at 844-525-2873. Our hours of operation are Monday-Friday from 8:00 a.m. to 6:00 p.m. Pacific Standard Time (except on New York Stock Exchange holidays).

[Log in to save more](#)

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Good news. You are  
enrolled in the Plan  
automatically.



LAUSD 457(b) Plan

### Welcome to the LAUSD 457(b) Deferred Compensation Plan

Your bargaining unit has chosen automatic Plan enrollment for their members.

They have elected an employee contribution amount of 4% of your eligible compensation. You can choose to make pre-tax and/or Roth after-tax contributions to your account. You can also choose your own investments from a diverse array of options. You don't have to do anything. You will be automatically enrolled and you have a 90-day withdrawal period if you choose to opt out of this plan.

#### 5 benefits of enrolling in the Plan:

1. Save automatically
2. Lower your taxable income
3. Portable savings
4. Choose from a comprehensive investment lineup
5. Dedicated representatives

Local Voya representatives available to help review your retirement strategy and the LAUSD 457(b) Plan.

For more information, contact your  
local Voya representative today.

- Dan Garcia at 714-231-5858, [dan.garcia@voya.com](mailto:dan.garcia@voya.com)
  - Angela O'Donnell at 909-283-7558, [angela.odonnell@voya.com](mailto:angela.odonnell@voya.com)
- Visit [457b.lausd.net](http://457b.lausd.net) for more information.



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# Take Aways

From our humble beginnings as a startup plan in 2006 to our present status, we have tirelessly worked to enhance the financial well-being of our employees. We've introduced automatic enrollment, simplified investment options, implemented a Roth option, and have a robust financial education resources. Our mission remains steadfast: to increase participation, streamline investing, lower fees, and ensure LAUSD employees are well-prepared for a prosperous financial future.

## Plan Highlights:

- **Participation Growth:** Expanded from zero to 11,164 participants from 2006 to 2024.
- **Asset Growth:** Boosted plan assets from nothing to \$512,204,345 within the same period.
- **Fee Reduction:** Successfully decreased total recordkeeping and investment management fees from over 1.00% in 2006 to just 0.18% in 2024.
- **Financial Wellness Outreach:** Delivered personal financial wellness messages to about 9,000 participants between November 2017 and June 2024.
- **High Satisfaction Rates:** Achieved an impressive 89% satisfaction rate in the 2024 Plan Survey.

Our journey illustrates a commitment to continuous improvement and innovation, ensuring that LAUSD employees have the tools and support they need for a secure financial future. This award would not only recognize our past achievements but also inspire us to reach even greater heights in the years to come.