

Louisiana State Police Retirement System (LSPRS)

Program Authorization: Const. Art. 10, Section 29; R.S. 11:1301 et seq.

Agency Description

LSPRS is a qualified pension and retirement plan, established by the Louisiana Legislature in 1938 to provide retirement benefits for Louisiana state police officers and their beneficiaries.

Budget Summary

	<u>Prior Year</u> <u>Actuals</u> <u>FY 18-19</u>	<u>Existing</u> <u>Operating</u> <u>Budget</u> <u>FY 19-20</u>	<u>Proposed</u> <u>Operating</u> <u>Budget</u> <u>FY 20-21</u>	<u>Total</u> <u>Proposed</u> <u>Over/Under</u> <u>Existing</u>
Means of Financing:				
State General Fund by:				
<u>Fees and Self-generated Revenues</u>	\$ 3,223,952	\$ 3,510,500	\$ 3,629,000	\$ 118,500
Total Means of Financing	\$ 3,223,952	\$ 3,510,500	\$ 3,629,000	\$ 118,500
Expenditures & Request:				
Personal Services	\$ 480,699	\$ 513,500	\$ 598,500	\$ 85,000
Operating Expenses	76,047	92,000	96,500	4,500
Professional Services	321,883	299,000	326,500	27,500
Other Charges	-	-	-	-
Acquisitions & Major Repairs	3,524	6,000	7,500	1,500
<u>Investment Management Fees</u>	<u>2,341,799</u>	<u>2,600,000</u>	<u>2,600,000</u>	<u>-</u>
Total Expenditures & Request:	\$ 3,223,952	\$ 3,510,500	\$ 3,629,000	\$ 118,500

Authorized Full-Time Equivalents:

Classified	2	3	3	0
<u>Unclassified</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>0</u>
Total FTEs	4	5	5	0

Source of Funding

Funding for LSPRS' operating budget comes from three (3) sources: employer contributions, employee contributions, and earnings from trust fund investments.

Major Changes from Existing Operating Budget: LSPRS

\$ 3,510,500	FY 19-20 Existing Operating Budget
\$ 85,000	Increase in Personal Services
\$ 3,000	Increase in Travel & Seminars
\$ 1,500	Increase in Other: Equipment rental
\$ 1,000	Increase in Dues & Subscriptions
\$ (4,000)	Decrease in Recruiting
\$ 3,000	Increase in Supplies
\$ 7,000	Increase in Computer Consultant Fess
\$ 18,000	Increase in Legal Fees
\$ 2,500	Increase in Actuarial Fees
\$ 1,500	Increase in Major Acquisitions
\$ 118,500	Total Proposed Adjustments
\$ 3,629,000	FY 20-21 Proposed Operating Budget

Table of Organization: LSPRS
(all are classified positions unless otherwise noted)

<u>Number</u>	<u>Occupational Group</u>	<u>Actual Salary</u>	<u>Average Salary</u>
2	Unclassified - Executive Administrative	\$ 260,800	130,400.00
2	Rate and Financial Analysis	\$ 88,209	44,104.40
1	<u>General Administrative</u>	<u>\$ 26,500</u>	<u>-</u>
5	Total Positions	\$ 375,509	75,101.76

Professional Services: LSPRS

Accounting & Auditing

- \$ 54,000 Licensed Certified Public Accountant to perform all internal accounting functions for LSPRS.
- \$ 14,000 Legislative Auditor or Licensed CPA to perform annual external audit for LSPRS.

Management Consulting

- \$ 130,000 Consultant to assist the Board of Trustees with investment manager monitoring and overall portfolio evaluation and management.
- \$ 27,000 Consultant to provide support for the LSPRS database and network.

Legal

- \$ 50,000 Attorney to provide legal services in conjunction with all system related matters and labor and tax issues as well as specific lawsuits.

Medical

- \$ 4,000 Physician charges - Examination of applicants for disability requirements.

Other Professional Services

- \$ 47,500 System Actuary - G.S.Curran & Company, LTD - Fees for annual valuation of LSPRS, compilation of data needed for valuation of reserves, and data needed at time of legislation.

\$ 326,500 Total Professional Services

Acquisitions & Major Repairs: LSPRS

\$ 7,500 Various smaller office acquisitions

\$ 7,500 Total Acquisitions and Major Repairs

Investment Management Fees: LSPRS

\$ 550,000 Global Fixed Income Investment Advisors

\$ 425,000 Large Cap Value Equity Investment Advisors

\$ 350,000 Large Cap Growth Equity Investment Advisors

\$ 375,000 Small Cap Growth Equity Investment Advisors

\$ 325,000 Small Cap Value Equity Investment Advisors

\$ 375,000 Alternative Investments

\$ 100,000 Investment Custodial - Global

\$ 100,000 Equity Index Advisors

\$ 2,600,000 Total Investment Management Fees

Performance Information: LSPRS

	<u>Actual at</u> <u>6/30/2018</u>	<u>Actual at</u> <u>6/30/2019</u>	<u>Projected at</u> <u>6/30/2020</u>
Membership Census			
1) Retirees	1,155	1,129	1,033
2) Actives	1,071	1,174	1,239
3) DROP	-	-	-
Annual Benefits	\$ 43,286,212	\$ 47,329,769	\$ 54,960,399
Asset Valuation	\$ 774,664,801	\$ 848,456,307	\$ 893,350,033
Experience Account	\$ 5,260,562	\$ 1,957,062	\$ 2,079,574
Investment Yield			
Market Value	14.62%	9.40%	4.12%
Actuarial Value	8.23%	8.22%	6.26%
Unfunded Accrued Liability*	\$ 287,782,158	\$ 292,799,239	\$ 310,622,407
Funded Ratio	72.91%	74.34%	74.19%
Employee Contribution Rate	8.500%	8.500%	8.500%
Employee Contribution Rate - New Hires after 12/31/2010	9.50%	9.50%	9.50%
Employer Contribution Rate**			
Normal Cost	26.43%	26.43%	26.43%
<u>UAL</u>	<u>17.57%</u>	<u>20.47%</u>	<u>25.97%</u>
Total	44.0%	46.9%	52.4%

* UAL cannot be accurately predicted into future periods.

** Employer Contribution Rate set by Public Employees' Retirement Systems Actuarial Committee

n/ap = not applicable

n/av = not yet available

Budget Summary (LSPRS):

	<u>Prior Year</u> <u>Actuals</u> <u>FY 18-19</u>	<u>Existing</u> <u>Operating</u> <u>Budget</u> <u>FY 19-20</u>	<u>Proposed</u> <u>Operating</u> <u>Budget</u> <u>FY 20-21</u>	<u>Total</u> <u>Proposed</u> <u>Over/Under</u> <u>Existing</u>
Salaries - Regular	\$ 341,893	\$ 340,000	\$ 392,500	\$ 52,500
Board per diem & travel	\$ 2,242	3,500	3,500	\$ -
<u>Salaries - Related Benefits</u>	<u>\$ 136,564</u>	<u>170,000</u>	<u>202,500</u>	<u>\$ 32,500</u>
TOTAL PERSONAL SERVICES	\$ 480,699	\$ 513,500	\$ 598,500	\$ 85,000
Travel & Seminars	\$ 8,816	12,000	15,000	\$ 3,000
Insurance	\$ 4,113	5,000	5,000	\$ -
Maintenance & Repairs	\$ 18,592	20,000	20,000	\$ -
Other: Equipment Rental	\$ 7,568	6,500	8,000	\$ 1,500
Dues & Subscriptions	\$ 877	2,000	3,000	\$ 1,000
Postage	\$ 14,074	18,000	18,000	\$ -
Telephone	\$ 2,695	2,500	2,500	\$ -
Recruiting	\$ 1,162	4,000	-	\$ (4,000)
Miscellaneous	\$ 2,923	2,000	2,000	\$ -
Supplies	\$ 7,951	10,000	13,000	\$ 3,000
<u>Utilities</u>	<u>\$ 7,276</u>	<u>10,000</u>	<u>10,000</u>	<u>\$ -</u>
TOTAL OPERATING EXPENSES	\$ 76,047	\$ 92,000	\$ 96,500	\$ 4,500
Accounting Services	\$ 51,000	54,000	54,000	\$ -
Auditing Fees	\$ 9,935	14,000	14,000	\$ -
Investment Consultant	\$ 120,000	130,000	130,000	\$ -
Computer Consultant Fees	\$ 18,183	20,000	27,000	\$ 7,000
Legal Fees	\$ 73,172	32,000	50,000	\$ 18,000
Medical Examinations	\$ 1,814	4,000	4,000	\$ -
<u>Actuarial Fees</u>	<u>\$ 47,779</u>	<u>45,000</u>	<u>47,500</u>	<u>\$ 2,500</u>
TOTAL PROFESSIONAL SERVICES	\$ 321,883	\$ 299,000	\$ 326,500	\$ 27,500
<u>Major Acquisitions</u>	<u>\$ 3,524</u>	<u>\$ 6,000</u>	<u>\$ 7,500</u>	<u>\$ 1,500</u>
TOTAL ACQUISITIONS	\$ 3,524	\$ 6,000	\$ 7,500	\$ 1,500
Custodial Fees	\$ 87,231	\$ 100,000	\$ 100,000	\$ -
<u>Investment Manager Fees</u>	<u>\$ 2,254,568</u>	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>	<u>\$ -</u>
TOTAL INVESTMENT MGMT FEES	\$ 2,341,799	\$ 2,600,000	\$ 2,600,000	\$ -
TOTAL OPERATING BUDGET	\$ 3,223,952	\$ 3,510,500	\$ 3,629,000	\$ 118,500