

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 20-21</u>	<u>Existing</u> <u>Operating</u> <u>Budget</u> <u>FY 21-22</u>	<u>Proposed</u> <u>Operating</u> <u>Budget</u> <u>FY 22-23</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>	\$ 3,843,313	\$ 4,123,658	\$ 4,997,577	\$ 873,919
Total Means of Financing	\$ 3,843,313	\$ 4,123,658	\$ 4,997,577	\$ 873,919
Expenditures & Request:				
Personal Services	\$ 643,721	\$ 816,158	\$ 820,577	\$ 4,419
Operating Expenses	102,220	107,000	140,000	33,000
Professional Services	163,391	203,000	210,000	7,000
Other Charges	-	-	-	-
Acquisitions & Major Repairs	28,080	67,500	65,000	(2,500)
<u>Investment Management Fees</u>	<u>2,905,901</u>	<u>2,930,000</u>	<u>3,762,000</u>	<u>832,000</u>
Total Expenditures & Request:	\$ 3,843,313	\$ 4,123,658	\$ 4,997,577	\$ 873,919
Authorized Full-Time Equivalents:				
Unclassified	2	2	2	0
Classified	<u>3</u>	<u>3</u>	<u>3</u>	<u>0</u>
Total Employees	5	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

\$ 4,123,658	FY 21-22 Existing Operating Budget
\$ 4,419	Increase in Personal Services
\$ 10,000	Increase in Travel, Seminars & Meetings
\$ 12,500	Increase in Insurance
\$ 5,000	Increase in Maintenance & Repairs
\$ 500	Increase in Telephone
\$ 5,000	Increase in Supplies
\$ 2,000	Increase in Auditing Fees
\$ -	Increase in Computer Consultant Fess
\$ 5,000	Increase in Actuarial Fees
\$ (2,500)	Decrease in Major Acquisitions
\$ 32,000	Increase in Investment Consultant
\$ 800,000	Increase in Investment Manager Fees
\$ 873,919	Total Proposed Adjustments
\$ 4,997,577	FY 22-23 Existing Operating Budget

AMENDED AS OF 12/15/21

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

<u>Number</u>	<u>Occupational Group</u>	<u>Proposed Salary</u>	<u>Average Salary</u>
2	Unclassified - Executive Administrative	\$ 320,000	160,000
2	Rate and Financial Analysis	\$ 119,000	59,500
1	General Administrative	\$ 39,520	39,520
1	Intern	\$ 20,000	20,000
3	<u>WAE</u>	\$ 45,776	15,259
9	Total Positions	\$ 544,296	60,477
	Potential Rewards and Recognition Pursuant to SCS 6.16.11	10,000.00	
	Total Positions and Potential Rewards	\$ 554,296	

Professional Services: LSPRS

Accounting & Auditing

\$ 60,000 Licensed Certified Public Accountant to perform all internal accounting functions for LSPRS.

\$ 16,000 Legislative Auditor or Licensed CPA to perform annual external audit for LSPRS.

Computer Consultant Fees

\$ 30,000 Consultant to provide support for the LSPRS database and network.

Legal

\$ 40,000 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

\$ 60,000 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.

\$ 210,000 Total Professional Services

Acquisitions & Major Repairs: LSPRS

\$ 20,000 Various smaller office acquisitions*

\$ 45,000 Update Pension Management Software**

\$ 65,000 Total Acquisitions and Major Repairs

*Programming and integration of computer calculation software for retirement estimates.

**Reprogramming of the current pension management system is needed to support contemporary functionality, interfaces, user drive report writers, while addressing cyber security needs, including but not limited to MFA.

Investment Management Fees: LSPRS

\$ 130,000 Consultant to assist the Board of Trustees with investment manager monitoring and overall portfolio evaluation and management.

\$ 500,000 Global Fixed Income Investment Advisors

\$ 20,000 Large Cap Value Equity Investment Advisors

\$ 500,000 Large Cap Growth Equity Investment Advisors

\$ 500,000 Small Cap Growth Equity Investment Advisors

\$ 600,000 Small Cap Value Equity Investment Advisors

\$ 500,000 Alternative Investments

\$ 120,000 Investment Custodial - Global

\$ 60,000 Equity Index Advisors

\$ 2,930,000 Total Investment Management Fees

Performance Information: LSPRS

	<u>Actual at</u> <u>6/30/2020</u>	<u>Actual at</u> <u>6/30/2021</u>	<u>Projected at</u> <u>6/30/2022</u>
Membership Census			
1) Retirees	1,268	1,295	1,295
2) Actives	1,029	951	951
3) DROP	n/ap	n/ap	n/ap
Annual Benefits	\$ 59,283,228	\$ 64,716,051	n/av
Asset Valuation	\$891,750,736	\$1,159,337,587	n/av
Experience Account	\$ 2,195,198	\$ 9,497,110	n/av
Investment Yield			
Market Value	1.15%	32.10%	n/av
Actuarial Value	5.56%	11.38%	n/av
Unfunded Accrued Liability*	\$ 324,114,494	\$ 295,150,724	n/av
Funded Ratio	74.16%	77.54%	n/av
Employee Contribution Rate	8.5%	8.5%	8.5%
Employee Contribution Rate - New Hires after 12/31/2010	9.5%	9.5%	9.5%
Employer Contribution Rate**			
Normal Cost	Normal Cost	Normal Cost	Normal Cost
<u>UAL</u>	<u>32.1%</u>	<u>38.5%</u>	<u>42.0%</u>
Total	52.4%	58.8%	58.8%

* UAL cannot be accurately predicted into future periods.

** Employer Contribution Rate set by Public 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 20-21</u>	<u>Existing</u> <u>Operating</u> <u>Budget</u> <u>FY 21-22</u>	<u>Proposed</u> <u>Operating</u> <u>Budget</u> <u>FY 22-23</u>	<u>Total</u> <u>Proposed</u> <u>Over/Under</u> <u>Existing</u>
Salaries - Regular	\$ 413,424	\$ 464,193	\$ 488,520	\$ 24,327
Other Compensation	\$ 27,584	\$ 105,776	\$ 65,776	\$ (40,000)
Board per diem & travel	1,728	3,500	3,500	\$ -
<u>Salaries - Related Benefits</u>	<u>\$ 200,985</u>	<u>242,689</u>	<u>262,781</u>	<u>\$ 20,092</u>
TOTAL PERSONAL SERVICES	\$ 643,721	\$ 816,158	\$ 820,577	\$ 4,419
Travel & Seminars	\$ 482	15,000	25,000	\$ 10,000
Insurance	\$ 4,543	5,000	17,500	\$ 12,500
Maintenance & Repairs	\$ 40,210	25,000	30,000	\$ 5,000
Other: Equipment Rental	\$ 6,838	8,000	8,000	\$ -
Dues & Subscriptions	\$ 4,499	6,500	6,500	\$ -
Postage	\$ 14,598	18,000	18,000	\$ -
Telephone	\$ 2,829	2,500	3,000	\$ 500
Miscellaneous	\$ 1,671	2,000	2,000	\$ -
Supplies	\$ 17,309	15,000	20,000	\$ 5,000
<u>Utilities</u>	<u>\$ 9,241</u>	<u>10,000</u>	<u>10,000</u>	<u>\$ -</u>
TOTAL OPERATING EXPENSES	\$ 102,220	\$ 107,000	\$ 140,000	\$ 33,000
Accounting Services	\$ 55,500	60,000	60,000	\$ -
Auditing Fees	\$ 10,250	14,000	16,000	\$ 2,000
Computer Consultant Fees	\$ 21,959	30,000	30,000	\$ -
Legal Fees	\$ 27,883	40,000	40,000	\$ -
Medical Examinations	\$ 399	4,000	4,000	\$ -
<u>Actuarial Fees</u>	<u>\$ 47,400</u>	<u>55,000</u>	<u>60,000</u>	<u>\$ 5,000</u>
TOTAL PROFESSIONAL SERVICES	\$ 163,391	\$ 203,000	\$ 210,000	\$ 7,000
<u>Major Acquisitions</u>	<u>\$ 28,080</u>	<u>\$ 67,500</u>	<u>\$ 65,000</u>	<u>\$ (2,500)</u>
TOTAL ACQUISITIONS	\$ 28,080	\$ 67,500	\$ 65,000	\$ (2,500)
Investment Consultant	\$ 120,000	130,000	130,000	\$ -
Custodial Fees	\$ 104,909	\$ 100,000	\$ 132,000	\$ 32,000
<u>Investment Manager Fees</u>	<u>\$ 2,680,992</u>	<u>\$ 2,700,000</u>	<u>\$ 3,500,000</u>	<u>\$ 800,000</u>
TOTAL INVESTMENT MGMT FEES	\$ 2,905,901	\$ 2,930,000	\$ 3,762,000	\$ 832,000
TOTAL OPERATING BUDGET	\$ 3,843,313	\$ 4,123,658	\$ 4,997,577	\$ 873,919
		\$ 1,193,658	\$ 1,235,577	
		<u>Change from prior year budget:</u>		
		Operating	3.51%	
		Investment Management	28.40%	
		Total	21.19%	