

## 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 21-22</u>	<u>Existing</u> <u>Operating</u> <u>Budget</u> <u>FY 22-23</u>	<u>Proposed</u> <u>Operating</u> <u>Budget</u> <u>FY 23-24</u>	<u>Total</u> <u>Proposed</u> <u>Over/Under</u> <u>Existing</u>
<b>Means of Financing:</b>				
<b>State General Fund by:</b>				
<u>Fees and Self-generated Revenues</u>	\$ 4,087,187	\$ 4,997,577	\$ 4,567,235	\$ (430,342)
<b>Total Means of Financing</b>	<b>\$ 4,087,187</b>	<b>\$ 4,997,577</b>	<b>\$ 4,567,235</b>	<b>\$ (430,342)</b>
<b>Expenditures &amp; Request:</b>				
Personal Services	\$ 680,821	\$ 820,577	\$ 868,235	\$ 47,658
Operating Expenses	115,869	140,000	153,500	13,500
Professional Services	180,075	210,000	218,500	8,500
Other Charges	-	-	-	-
Acquisitions & Major Repairs	61,292	65,000	65,000	-
<u>Investment Management Fees</u>	<u>3,049,129</u>	<u>3,762,000</u>	<u>3,262,000</u>	<u>(500,000)</u>
<b>Total Expenditures &amp; Request:</b>	<b>\$ 4,087,187</b>	<b>\$ 4,997,577</b>	<b>\$ 4,567,235</b>	<b>\$ (430,342)</b>
<b>Authorized Full-Time Equivalents:</b>				
Unclassified	2	2	2	0
Classified	<u>3</u>	<u>3</u>	<u>3</u>	<u>0</u>
<b>Total Employees</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>0</b>

### 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

<b>\$ 4,997,577</b>	<b>FY 22-23 Existing Operating Budget</b>
\$ 47,658	Increase in Personal Services
\$ 2,500	Increase in Insurance
\$ 10,000	Increase in Maintenance & Repairs
\$ (1,000)	Decrease in Other: Equipment Rental
\$ 1,000	Increase in Dues & Subscriptions
\$ (3,000)	Decrease in Postage
\$ (500)	Increase in Telephone
\$ 2,000	Increase in Miscellaneous
\$ 2,500	Increase in Utilities
\$ 6,000	Increase in Accounting Services
\$ 2,500	Increase in Actuarial Fees
\$ (500,000)	Increase in Investment Manager Fees
<b>\$ (430,342)</b>	<b>Total Proposed Adjustments</b>
<b>\$ 4,567,235</b>	<b>FY 23-24 Existing Operating Budget</b>

**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	\$ 350,000	175,000
2	Rate and Financial Analysis	\$ 125,468	62,734
1	General Administrative	\$ 46,483	46,483
1	Intern	\$ 20,000	20,000
<u>2</u>	<u>WAE</u>	<u>\$ 12,496</u>	<u>6,248</u>
<b>8</b>	<b>Total Positions</b>	<b>\$ 554,447</b>	<b>69,306</b>
	Potential Rewards and Recognition Pursuant to SCS 6.16.11	10,000.00	
	<b>Total Positions and Potential Rewards</b>	<b>\$ 564,447</b>	

**Professional Services: LSPRS**

**Accounting & Auditing**

\$ 66,000 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**

\$ 62,500 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.

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**\$ 218,500 Total Professional Services**

## Acquisitions & Major Repairs: LSPRS

\$ 40,000 Various smaller office acquisitions\*  
\$ 25,000 Update Pension Management Software\*\*

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**\$ 65,000 Total Acquisitions and Major Repairs**

\*New roof for building.

\*\*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.

\$ 600,000 Global Fixed Income Investment Advisors

\$ 50,000 Large Cap Value Equity Investment Advisors

\$ 525,000 Large Cap Growth Equity Investment Advisors

\$ 475,000 Small Cap Growth Equity Investment Advisors

\$ 575,000 Small Cap Value Equity Investment Advisors

\$ 700,000 Alternative Investments

\$ 132,000 Investment Custodial - Global

\$ 75,000 Equity Index Advisors

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**\$ 3,262,000 Total Investment Management Fees**

## Performance Information: LSPRS

	<u>Actual at</u> <u>6/30/2021</u>	<u>Actual at</u> <u>6/30/2022</u>	<u>Projected at</u> <u>6/30/2023</u>
<b>Membership Census</b>			
1) Retirees	1,295	1,355	1,355
2) Actives	951	914	914
3) DROP	n/ap	n/ap	n/ap
<b>Annual Benefits</b>	\$ 64,716,051	\$ 72,704,372	n/av
<b>Asset Valuation</b>	\$1,159,337,587	\$997,876,785	n/av
<b>Experience Account</b>	\$ 9,497,110	\$ -	n/av
<b>Investment Yield</b>			
Market Value	32.10%	-12.37%	n/av
Actuarial Value	11.38%	6.76%	n/av
<b>Unfunded Accrued Liability*</b>	\$ 295,150,724	\$ 302,965,699	n/av
<b>Funded Ratio</b>	77.54%	77.91%	n/av
<b>Employee Contribution Rate</b>	8.5%	8.5%	8.5%
<b>Employee Contribution Rate - New Hires after 12/31/2010</b>	9.5%	9.5%	9.5%
<b>Employer Contribution Rate**</b>			
Normal Cost	Normal Cost	Normal Cost	Normal Cost
<u>UAL*</u>	<u>38.5%</u>	<u>42.0%</u>	<u>n/av</u>
Total	58.8%	58.8%	62.9%

\* 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 21-22</u>	<u>Existing</u> <u>Operating</u> <u>Budget</u> <u>FY 22-23</u>	<u>Proposed</u> <u>Operating</u> <u>Budget</u> <u>FY 23-24</u>	<u>Total</u> <u>Proposed</u> <u>Over/Under</u> <u>Existing</u>
Salaries - Regular	\$ 429,081	\$ 513,480	\$ 531,951	\$ 18,471
Other Compensation	\$ 25,242	\$ 40,816	\$ 32,496	\$ (8,320)
Board per diem & travel	2,972	3,500	4,500	\$ 1,000
<u>Salaries - Related Benefits</u>	<u>\$ 223,526</u>	<u>262,781</u>	<u>299,288</u>	<u>\$ 36,507</u>
<b>TOTAL PERSONAL SERVICES</b>	<b>\$ 680,821</b>	<b>\$ 820,577</b>	<b>\$ 868,235</b>	<b>\$ 47,658</b>
Travel & Seminars	\$ 13,522	25,000	25,000	\$ -
Insurance	\$ 17,225	17,500	20,000	\$ 2,500
Maintenance & Repairs	\$ 33,588	30,000	40,000	\$ 10,000
Other: Equipment Rental	\$ 5,634	8,000	7,000	\$ (1,000)
Dues & Subscriptions	\$ 6,742	6,500	7,500	\$ 1,000
Postage	\$ 11,322	18,000	15,000	\$ (3,000)
Telephone	\$ 3,169	3,000	2,500	\$ (500)
Miscellaneous	\$ 5,778	2,000	4,000	\$ 2,000
Supplies	\$ 10,344	20,000	20,000	\$ -
<u>Utilities</u>	<u>\$ 8,545</u>	<u>10,000</u>	<u>12,500</u>	<u>\$ 2,500</u>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 115,869</b>	<b>\$ 140,000</b>	<b>\$ 153,500</b>	<b>\$ 13,500</b>
Accounting Services	\$ 60,000	60,000	66,000	\$ 6,000
Auditing Fees	\$ 10,250	16,000	16,000	\$ -
Computer Consultant Fees	\$ 22,367	30,000	30,000	\$ -
Legal Fees	\$ 31,094	40,000	40,000	\$ -
Medical Examinations	\$ 1,364	4,000	4,000	\$ -
<u>Actuarial Fees</u>	<u>\$ 55,000</u>	<u>60,000</u>	<u>62,500</u>	<u>\$ 2,500</u>
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>\$ 180,075</b>	<b>\$ 210,000</b>	<b>\$ 218,500</b>	<b>\$ 8,500</b>
<u>Major Acquisitions</u>	<u>\$ 61,292</u>	<u>\$ 65,000</u>	<u>\$ 65,000</u>	<u>\$ -</u>
<b>TOTAL ACQUISITIONS</b>	<b>\$ 61,292</b>	<b>\$ 65,000</b>	<b>\$ 65,000</b>	<b>\$ -</b>
Investment Consultant	\$ 120,000	130,000	130,000	\$ -
Custodial Fees	\$ 114,867	\$ 132,000	\$ 132,000	\$ -
<u>Investment Manager Fees</u>	<u>\$ 2,814,263</u>	<u>\$ 3,500,000</u>	<u>\$ 3,000,000</u>	<u>\$ (500,000)</u>
<b>TOTAL INVESTMENT MGMT FEES</b>	<b>\$ 3,049,129</b>	<b>\$ 3,762,000</b>	<b>\$ 3,262,000</b>	<b>\$ (500,000)</b>
<b>TOTAL OPERATING BUDGET</b>	<b>\$ 4,087,187</b>	<b>\$ 4,997,577</b>	<b>\$ 4,567,235</b>	<b>\$ (430,342)</b>

Change from prior year budget:

Operating	<b>5.64%</b>
Investment Management	<b>-13.29%</b>
Total	<b>-8.61%</b>