

## 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>
<b>Means of Financing:</b>				
<b>State General Fund by:</b>				
<u>Fees and Self-generated Revenues</u>	\$ 3,223,952	\$ 3,510,500	\$ 3,629,000	\$ 118,500
<b>Total Means of Financing</b>	<b>\$ 3,223,952</b>	<b>\$ 3,510,500</b>	<b>\$ 3,629,000</b>	<b>\$ 118,500</b>

### 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>
<b>Total Expenditures &amp; Request:</b>	<b>\$ 3,223,952</b>	<b>\$ 3,510,500</b>	<b>\$ 3,629,000</b>	<b>\$ 118,500</b>

### Authorized Full-Time Equivalents:

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

**Approved by the Joint Legislative  
Committee on the Budget**

DATE: 5-26-2018

**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 Fees
\$ 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	<b>FY 20-21 Proposed Operating Budget</b>

Approved by the Joint Legislative  
Committee on the Budget

DATE: 5-26-20 18

**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>
<b>5</b>	<b>Total Positions</b>	<b>\$ 375,509</b>	<b>75,101.76</b>

**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**

Approved by the Joint Legislative  
Committee on the Budget

DATE: 5-24-20 19

**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**

Approved by the Joint Legislative  
Committee on the Budget

DATE: 5-24-2019

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

Approved by the Joint Legislative  
Committee on the Budget

DATE: 5-26-2019

**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	\$ -
Salaries - Related Benefits	\$ 136,564	170,000	202,500	\$ 32,500
<b>TOTAL PERSONAL SERVICES</b>	<b>\$ 480,699</b>	<b>\$ 513,500</b>	<b>\$ 598,500</b>	<b>\$ 85,000</b>
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
Utilities	\$ 7,276	10,000	10,000	\$ -
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 76,047</b>	<b>\$ 92,000</b>	<b>\$ 96,500</b>	<b>\$ 4,500</b>
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	\$ -
Actuarial Fees	\$ 47,779	45,000	47,500	\$ 2,500
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>\$ 321,883</b>	<b>\$ 299,000</b>	<b>\$ 326,500</b>	<b>\$ 27,500</b>
<u>Major Acquisitions</u>	\$ 3,524	\$ 6,000	\$ 7,500	\$ 1,500
<b>TOTAL ACQUISITIONS</b>	<b>\$ 3,524</b>	<b>\$ 6,000</b>	<b>\$ 7,500</b>	<b>\$ 1,500</b>
Custodial Fees	\$ 87,231	\$ 100,000	\$ 100,000	\$ -
Investment Manager Fees	\$ 2,254,568	\$ 2,500,000	\$ 2,500,000	\$ -
<b>TOTAL INVESTMENT MGMT FEES</b>	<b>\$ 2,341,799</b>	<b>\$ 2,600,000</b>	<b>\$ 2,600,000</b>	<b>\$ -</b>
<b>TOTAL OPERATING BUDGET</b>	<b>\$ 3,223,952</b>	<b>\$ 3,510,500</b>	<b>\$ 3,629,000</b>	<b>\$ 118,500</b>

Approved by the Joint Legislative  
Committee on the Budget

DATE: 5-26-2019