



**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
FY 2019-20 Proposed Budget Summary**

<b>BUDGET CATEGORY</b>	<b>PRIOR YEAR ACTUAL 2017-18</b>	<b>EXISTING BUDGET 2018-19</b>	<b>PROPOSED BUDGET 2019-20</b>	<b>PROPOSED OVER/ UNDER EXISTING</b>	<b>% Chg</b>
<b>PERSONNEL SERVICES</b>					
<b>Salary and Compensation</b>					
Regular	\$ 2,052,542	\$ 2,136,432	\$ 2,130,057	\$ (6,375)	-0.3%
Overtime/Temporary	-	2,000	-	(2,000)	-100%
Termination Pay	-	60,000	60,611	611	1%
Student Labor	6,567	7,805	-	(7,805)	-100%
Board Compensation	6,300	7,350	7,350	-	0%
Related Benefits	1,115,820	1,128,126	1,141,209	13,083	1%
<b>TOTAL PERSONNEL SERVICES</b>	<b>3,181,229</b>	<b>3,341,713</b>	<b>3,339,227</b>	<b>(2,486)</b>	<b>-0.1%</b>
<b># of Positions</b>	<b>33</b>	<b>31</b>	<b>30</b>	<b>(1)</b>	<b>-3%</b>
<b>TRAVEL EXPENSES</b>	<b>59,143</b>	<b>81,890</b>	<b>81,482</b>	<b>(408)</b>	<b>-0.5%</b>
<b>OPERATING SERVICES</b>					
Advertising	27	500	530	30	6%
Printing	100,663	107,000	105,000	(2,000)	-2%
Insurance	36,300	36,500	37,500	1,000	3%
Automotive Repairs	224	1,000	1,000	-	0%
Equipment/Software Maintenance	89,573	98,679	87,708	(10,971)	-11%
Rental	15,445	15,350	12,350	(3,000)	-20%
Dues	9,404	9,270	9,984	714	8%
Subscriptions	32,760	31,167	30,987	(180)	-1%
Postage	22,012	45,000	35,200	(9,800)	-22%
Telephone & Internet	34,910	36,500	36,480	(20)	0%
Bank Charges	2,158	2,500	2,500	-	0%
Imaging	1,039	1,600	1,600	-	0%
Legal	1,823	2,700	2,700	-	0%
Educational	12,260	8,704	13,344	4,640	53%
Employee Hiring Cost	27	500	590	90	18%
Miscellaneous	1,229	1,400	250	(1,150)	-82%
Computer Software	778	17,000	1,500	(15,500)	-91%
Employee Benefits	3,494	5,500	4,500	(1,000)	0%
Inter-agency Transfers - Civil Service	9,879	11,000	11,000	-	0%
Property Maintenance	207,330	235,060	215,724	(19,336)	-8%
Supplies	16,494	20,060	19,810	(250)	-1%
<b>Total Operating Services</b>	<b>597,830</b>	<b>686,990</b>	<b>630,257</b>	<b>(56,733)</b>	<b>-8%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>656,973</b>	<b>768,880</b>	<b>711,739</b>	<b>(57,141)</b>	<b>-7%</b>
<b>PROFESSIONAL SERVICES</b>					
Accounting & Auditing	70,875	70,690	74,250	3,560	5%
Medical	11,975	12,500	25,000	12,500	100%
Actuarial	135,940	91,800	101,200	9,400	10%
Investigations	3,754	5,600	4,000	(1,600)	-29%
Legal	16,479	70,000	50,000	(20,000)	-29%
Elections-Southwest	-	12,000	12,000	-	0%
Information Technology Consulting	4,535	45,000	40,000	(5,000)	-11%
Newsletter Publishing	4,350	4,500	4,500	-	0%
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>247,908</b>	<b>312,090</b>	<b>310,950</b>	<b>(1,140)</b>	<b>-0.4%</b>
<b>ACQUISITIONS/MAJOR REPAIRS</b>	<b>273,512</b>	<b>99,573</b>	<b>141,250</b>	<b>41,677</b>	<b>42%</b>
<b>TOTAL ADMINSTRATIVE EXPENSES</b>	<b>4,359,622</b>	<b>4,522,256</b>	<b>4,503,166</b>	<b>(19,090)</b>	<b>0%</b>
<b>INVESTMENT EXPENSES</b>	<b>5,973,279</b>	<b>7,200,000</b>	<b>7,200,000</b>	<b>-</b>	<b>0%</b>
<b>TOTAL LSERS OPERATING BUDGET</b>	<b>\$ 10,332,901</b>	<b>\$ 11,722,256</b>	<b>\$ 11,703,166</b>	<b>\$ (19,090)</b>	<b>-0.16%</b>

## Louisiana School Employees' Retirement System (LSERS)

Program Authorization: Const. Art. 10, Section 29; R.S. 11:1101 et seq.

### Agency Description

LSERS is a public retirement system for non-instructional personnel of the Louisiana public school system and began full operation on July 1, 1947.

### Budget Summary

	<u>Prior</u> <u>Year</u> <u>Actual</u> <u>FY 17-18</u>	<u>Existing</u> <u>Operating</u> <u>Budget</u> <u>FY 18-19</u>	<u>Proposed</u> <u>Operating</u> <u>Budget</u> <u>FY 19-20</u>	<u>Total</u> <u>Proposed</u> <u>Over/Under</u> <u>Existing</u>	<u>%</u> <u>Change</u>
<b>Means of Finance:</b>					
<b>State General Fund by:</b>					
Fees and Self-generated Revenues	\$ 10,332,901	\$ 11,722,256	\$ 11,703,166	\$ (19,090)	-0.16%
<b>Total Means of Finance</b>	<b>\$ 10,332,901</b>	<b>\$ 11,722,256</b>	<b>\$ 11,703,166</b>	<b>\$ (19,090)</b>	<b>-0.16%</b>
<b>Expenditures &amp; Request:</b>					
Personnel Services	\$ 3,181,229	\$ 3,341,713	\$ 3,339,227	\$ (2,486)	0%
Operating Expenses	656,973	768,880	711,739	(57,141)	-7%
Professional Services	247,908	312,090	310,950	(1,140)	-0.37%
Acquisitions & Major Repairs	273,512	99,573	141,250	41,677	42%
<u>Investment Management Fees</u>	<u>5,973,279</u>	<u>7,200,000</u>	<u>7,200,000</u>	<u>-</u>	<u>0%</u>
<b>Total Expenditures &amp; Request:</b>	<b>\$ 10,332,901</b>	<b>\$ 11,722,256</b>	<b>\$ 11,703,166</b>	<b>\$ (19,090)</b>	<b>-0.16%</b>
<b>Authorized Full-Time Equivalents:</b>					
Classified	29	27	26	(1)	-7%
<u>Unclassified</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>-</u>	<u>0%</u>
<b>Total FTEs</b>	<b>33</b>	<b>31</b>	<b>30</b>	<b>(1)</b>	<b>-6%</b>

## Major Changes from Existing Operating Budget: LSERS

<b>\$ 11,722,256</b>	<b>FY 18-19 Existing Operating Budget</b>
(15,569)	Salary and Compensation
49,755	LSERS Employer Contribution Rate Adjustment
(30,620)	LASERS Employer Contribution Rate Adjustment
1,917	FICA, Medicare Tax, and Unemployment Ins.
(171)	Group Insurance - Life
(7,798)	Group Insurance - Health
(408)	Travel
(56,733.00)	Operating Services (excluding Travel)
(1,140)	Professional Services
41,677	Acquisitions/Major Repair
-	Investment Expenses
<b>\$ (19,090)</b>	<b>Total Proposed Adjustments</b>
<b>\$ 11,703,166</b>	<b>FY 19-20 Proposed Operating Budget</b>

## Table of Organization: LSERS

*(all are classified positions unless otherwise noted)*

<u>Number</u>	<u>Occupational Group</u>	<u>Budgeted Salary</u>	<u>Average Salary</u>
2	Unclassified - Executive Administrative	\$ 315,336	\$ 157,668
1	Unclassified - Legal Counsel	\$ 113,484	\$ 113,484
1	Unclassified - Chief Investment Officer	\$ 124,848	\$ 124,848
1	Executive Management Officer	\$ 76,193	\$ 76,193
6	Accounting and Auditing	\$ 339,387	\$ 56,565
7	Retirement Benefits	\$ 410,911	\$ 58,702
4	General Administrative	\$ 197,414	\$ 49,354
1	Human Resources	\$ 70,320	\$ 70,320
5	Information Technology	\$ 362,397	\$ 72,479
2	Buildings/Maintenance	\$ 119,766	\$ 59,883
<b><u>30</u></b>	<b>Total Positions</b>	<b><u>\$2,130,057</u></b>	<b><u>\$ 71,002</u></b>

### Professional Services: LSERS

#### Accounting & Auditing

\$ 74,250      Audit LSERS' records and financial statements

#### Medical

\$ 25,000      Examinations, evaluation, re-exams of disabled retirees

#### Legal

\$ 50,000      Litigation and tax-related matters

#### Other Professional Services

\$ 101,200      Fees for annual actuarial valuation  
 12,000      LSERS Board of Trustee elections  
 40,000      IT Consultant  
 4,500      Newsletter Publishing  
 4,000      Investigations on benefits made after death

**\$ 310,950**      **Total Professional Services**

## Acquisitions & Major Repairs: LSERS

### Acquisitions

\$	19,750	Office Furniture & Equipment Replacement as needed
	22,000	Computer Equipment Upgrades
	34,000	Cybersecurity Software

### Major Repair

	7,000	Smoke Detectors
	58,500	Building Interior/Exterior Renovations

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<b>\$</b>	<b>141,250</b>	<b>Total Acquisitions and Major Repairs</b>
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## Investment Management Fees: LSERS

\$	210,000	Custodian Bank - BNY Mellon
	190,000	Investment Consultant
	2,876,278	Equity Managers
	1,367,225	Fixed Income Managers
	2,556,496	Alternative Managers

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<b>\$</b>	<b>7,200,000</b>	<b>Total Investment Management Fees</b>
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## Performance Information: LSERS

	<u>Actual at</u> <u>6/30/2017</u>	<u>Actual</u> <u>6/30/2018</u>	<u>Projected at</u> <u>6/30/2019</u>
<b>Membership Census</b>			
1) Retirees	13,354	13,482	
2) Actives	12,055	12,033	
3) DROP	622	631	
4) Terminated Vested	311	339	
5) Terminated Due a Refund	4,268	4,475	
 <b>Annual Benefits</b>	 167,428,812	 171,928,421	
 <b>Asset Valuation</b>	 1,900,329,127	 1,949,906,654	
 <b>Experience Account</b>	 \$ 4,562,632	 \$ 4,911,217	
<b>Investment Yield</b>			
Market Value	14.14%	6.41%	
Actuarial Value	8.47%	7.64%	
 <b>Unfunded Accrued Liability*</b>	 \$ 662,303,876	 \$ 664,343,734	 n/av
 <b>Funded Ratio</b>	 74.16%	 74.59%	 n/av
 <b>Employee Contribution Rate **</b>	 7.5% / 8%	 7.5% / 8%	 7.5% / 8%
 <b>Employer Contribution Rate***</b>	 <u><b>FY 2017-18</b></u>	 <u><b>FY 2018-19</b></u>	 <u><b>FY 2019-20</b></u>
UAL	18.7%	19.4%	21.6%
Normal Cost	8.9%	8.6%	7.8%
Total	27.6%	28.0%	29.4%

*n/av = not yet available*

*\* UAL cannot be accurately predicted into future periods.*

*\*\* New members on/after 7/1/2010 contribute 8%*

*\*\*\* Employer Contribution Rate set by Public*