

NOTICE OF INTENT

Department of the Treasury Board of Trustees of the Louisiana State Employees' Retirement System

Election to the Board of Trustees (LAC 58:I.405 and 407)

The Department of the Treasury, Board of Trustees of the Louisiana State Employees' Retirement System ("LASERS") proposes to amend LAC 58:I.405 and 407. The rule amendments facilitate which members are to receive an active member ballot and remove a redundancy, so that the single place for event dates is in the general schedule of elections set forth in §401. Further, these rule amendments clarify that the limit of two trustees per department within the executive branch of state government is limited to active trustees and excludes *ex officio* trustees.

Title 58

RETIREMENT

Part I. Louisiana State Employees' Retirement System

Chapter 4. Rules Common to the Election of Both Active and Retired Member Trustees

§405. Election Process

[Formerly §§303.C-I and 503.C-J]

A. Active Members—ballots or election brochures shall be distributed to each active member by the fourth Friday in September. This includes active members who are not deemed by LASERS to be retired before July 1 of the year in which the election is to take place and participants in the DROP program who have not terminated service.

B...

C. There shall be a drawing as set forth in LAC 58:I.401 in the retirement systems building, 8401 United Plaza Boulevard, Baton Rouge, LA, to determine the position each candidate shall have on the ballot or election brochure.

C.-I...

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:511 and R.S. 11:515.
HISTORICAL NOTE: Promulgated by the Department of Treasury, Board of Trustees of the State Employees' Retirement System, LR 22:373 (May 1996), amended LR 23:996, 997

(August 1997), LR 25:1278 (July 1999), LR 26:1490 (July 2000), LR 26:2633 (November 2000), LR 31:946, 947 (April 2005), LR 34:446, 447 (March 2008), LR 37:1616 (June 2011), LR 39:119 (January 2013).

§407. Winning Candidates

[Formerly §§303.B and G, 501.A and 503.H]

A.-B...

C. No department in the executive branch of state government may have more than two active trustees serving on the board at the same time. *Ex Officio* trustees and their designees do not count toward this limit.

D.-F...

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:511 and R.S. 11:515.

HISTORICAL NOTE: Promulgated by the Department of Treasury, Board of Trustees of the State Employees' Retirement System, LR 22:373 (May 1996), amended LR 23:996, 997 (August 1997), LR 25:1278 (July 1999), LR 26:1490 (July 2000), LR 26:2633 (November 2000), LR 31:946, 947 (April 2005), LR 34:446, 447 (March 2008), LR 37:1616 (June 2011), LR 39:119 (January 2013).

Family Impact Statement

The proposed Rule changes are not anticipated to have an impact on family formation, stability or autonomy, as described in R.S. 49:972.

Poverty Impact Statement

The proposed Rule changes are not anticipated to have an impact on poverty as described in R.S. 49:973.

Small Business Statement

The proposed Rule changes are not anticipated to have an adverse impact on small businesses as defined in the Regulatory Flexibility Act.

Provider Impact Statement

The proposed Rule changes are not anticipated to have an impact on providers of services funded by the state as described in HCR 170 of the 2014 Regular Legislative Session

Public Comments

Interested persons may submit written comments on the proposed changes until 4:30 pm, June 26, 2015 to Steve Stark, Board of Trustees for the Louisiana State Employees' Retirement System, P.O. Box 44213, Baton Rouge, LA 70804.



Cindy Rougeou
Executive Director

REPORT ON INTENT TO AMEND RULES
Department of the Treasury
Board of Trustees of the Louisiana State Employees' Retirement System

Election to the Board of Trustees
(LAC 58:I.405 and 407)

The Department of the Treasury, Board of Trustees of the Louisiana State Employees' Retirement System ("LASERS") proposes to amend LAC 58:I.405 and 407. The rule amendments facilitate which members are to receive an active member ballot and remove a redundancy, so that the single place for event dates is in the general schedule of elections set forth in §401. Further, these rule amendments clarify that the limit of two trustees per department within the executive branch of state government is limited to active trustees and excludes *ex officio* trustees. These rule changes comply with and are enabled by La. R.S. 11:515. The intent is to put the rules into place on August 20, 2015.

Cindy Rougeou
Executive Director

RETIREMENT

3. Monday following second Tuesday in July: a drawing shall be held to determine candidate positions on a ballot;

4. fourth Friday in September: the final day that information on candidates and ballots may be mailed;

5. fourth Friday in October: all ballots or electronic votes must be received by the close of business (4:30 p.m. Central time). No faxed ballots shall be accepted;

6. Wednesday following fourth Friday in October: all ballots and electronic votes shall be tallied and verified by this date;

7. regular November meeting: the board shall be presented with the certified ballot count, and if it is accepted, shall authorize publication of results;

8. January following election: newly elected members receive orientation; oaths shall be taken prior to the regular January meeting.

C. In order to facilitate the election process, in the event of a disaster or emergency declared by executive order or proclamation of the governor, the executive director may change the election schedule. Such a schedule change shall be in effect for a single election cycle only, after which the schedule shall return to that set forth in Subsection B of this Section.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:511 and R.S. 11:515.

HISTORICAL NOTE: Promulgated by the Department of Treasury, Board of Trustees of the State Employees' Retirement System, LR 22:373 (May 1996), amended LR 23:996, 997 (August 1997), LR 25:1278 (July 1999), LR 26:2633 (November 2000), LR 33:1151 (June 2007), LR 34:446, 447 (March 2008), LR 37:1615 (June 2011), LR 39:119 (January 2013).

§403. Receipt of Nominating Petitions

A. Signed nominating petitions will be accepted if received by facsimile or emailed by the date nominations are closed so long as original nominating petitions are received by 4:30 p.m. central time on the first Friday following the close of nominations. If originals are not received by that deadline, the person in whose name they are submitted shall not be qualified as a candidate.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11: 511 and R.S. 11:515.

HISTORICAL NOTE: Promulgated by the Department of Treasury, Board of Trustees of the State Employees' Retirement System, LR 37:1616 (June 2011).

§405. Election Process

[Formerly §§303.C-I and 503.C-J]

A. Active Members. Ballots or election brochures shall be distributed to each active member by the fourth Friday in September. This includes active members appearing on the June monthly retirement reports and participants in the DROP program who have not terminated service.

B. Retired Members. Ballots or election brochures shall be distributed to each retired member by the fourth Friday in September. A member who is deemed by LASERS to be

retired before July 1 of the year in which the election is to take place shall be considered a retired member for the purposes of this Section.

C. There shall be a drawing at 11 a.m. central time on the Friday following the second Tuesday in July, in the retirement systems building, 8401 United Plaza Boulevard, Baton Rouge, LA, to determine the position each candidate shall have on the ballot or election brochure. All candidates may attend or send a representative to the drawing.

D. Each active member may vote for three candidates.

E. Each retiree may vote for two candidates during the election when two retiree members are up for election, but may only vote for one candidate during the election where only one retiree member is up for election. If electronic voting methods are utilized, members shall follow the instructions on the election brochure for registering their votes.

F. If electronic voting methods are utilized, members shall follow the instructions on the election brochure for registering their votes. Votes shall be confidential. Ballots or electronic votes received after the close of business on the fourth Friday in October (4:30 p.m. central time) shall be rejected. Ballots must be returned to the address set forth in the instructions on the election brochure.

G. Votes shall be tallied in accordance with the general schedule of elections.

H. The executive director shall submit a written report of the election results to the board of trustees no later than the regular November meeting of the board of trustees.

I. Upon receipt of the results of the election, the board of trustees shall timely promulgate the election and notify the successful candidates of their election and the secretary of state, so as to allow the candidates sufficient time to take and file the oath of office with the Secretary of State within the time specified by law.

AUTHORITY NOTE: Promulgated in accordance with R.S.11:511 and R.S. 11:515.

HISTORICAL NOTE: Promulgated by the Department of Treasury, Board of Trustees of the State Employees' Retirement System, LR 22:373 (May 1996), amended LR 23:996, 997 (August 1997), LR 25:1278 (July 1999), LR 26:1490 (July 2000), LR 26:2633 (November 2000), LR 31:946, 947 (April 2005), LR 34:446, 447 (March 2008), LR 37:1616 (June 2011), LR 39:119 (January 2013).

§407. Winning Candidates

[Formerly §§303.B and G, 501.A and 503.H]

A.1. Active Members. The three candidates who receive the most votes shall be declared successful candidates and presented to the board.

2. Retired Members. Beginning in 1995 and continuing thereafter every four years, the two retired member candidates who receive the most votes shall be declared successful candidates and presented to the board. Beginning in 1997 and continuing thereafter every four years, the retired member candidate who receives the most

votes shall be declared the successful candidate and presented to the board.

B. Ties affecting elected positions shall be decided by a coin toss held by the executive director in the presence of the candidates affected or the representative they designate.

C. No department in the executive branch of state government may have more than two trustees serving on the board at the same time.

D. If, after the conclusion of the nomination process, the number of candidates does not exceed or is fewer than the number of open positions for which election is being held, no election shall be held for those positions, and those candidates that are nominated and are qualified shall be deemed successful candidates and presented to the board.

1. Active Member Trustees' Elections. Any remaining open positions shall be filled in accordance with Title 58, Part I, Chapter 3, §305 of the *Louisiana Administrative Code*.

2. Retired Member Trustees' Elections. Any remaining open positions shall be filled in accordance with Title 58, Part I, Chapter 5, §505 of the *Louisiana Administrative Code*.

E. Subsection D shall apply to both active member trustee elections and retired member trustee elections.

F. For all relevant purposes, those candidates elected under Subsection D shall be considered to have received the maximum number of votes possible.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:511 and R.S. 11:515.

HISTORICAL NOTE: Promulgated by the Department of Treasury, Board of Trustees of the State Employees' Retirement System, LR 22:373 (May 1996), amended LR 23:996, 997 (August 1997), LR 25:1278 (July 1999), LR 26:1490 (July 2000), LR 26:2633 (November 2000), LR 31:946, 947 (April 2005), LR 34:446, 447 (March 2008), LR 37:1616 (June 2011), LR 39:119 (January 2013).

§409. Candidates Withdrawing Prior to Election

A. A candidate may withdraw his candidacy at any time. If he withdraws prior to the deadline for voting, all votes cast for him shall not be counted.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:511 and R.S. 11:515.

HISTORICAL NOTE: Promulgated by the Department of Treasury, Board of Trustees of the State Employees' Retirement System, LR 37:1616 (June 2011).

§411. No Solicitation **[Formerly §303.J and §503.K]**

A. Candidates for election to the LASERS board of trustees shall not solicit employees of LASERS to participate in their campaigns, and LASERS' employees cannot participate, or give assistance to any member who is running for election or re-election to the board. Candidates shall not solicit or have contact with any vendor or employee of a vendor who is providing LASERS with products or services related to elections of the LASERS board of

trustees. LASERS employees are free to sign nominating petitions.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:511 and R.S. 11:515.

HISTORICAL NOTE: Promulgated by the Department of Treasury, Board of Trustees of the State Employees' Retirement System, LR 22:373 (May 1996), amended LR 23:996, 997 (August 1997), LR 25:1278 (July 1999), LR 26:1490 (July 2000), LR 26:2633 (November 2000), LR 31:946, 947 (April 2005), LR 34:446, 447 (March 2008), LR 37:1616 (June 2011).

Chapter 5. Election of Retired Member Trustees

§501. Eligible Candidates **[Formerly §503.A]**

A. A candidate for a position of retired member trustee on the board of trustees must be a retired member of the system who has been on retired status (not including retired status under the Deferred Retirement Option Plan) by the date on which nominations close.

B. A rehired retiree who selected either Option 1 or Option 3 of R.S. 11:416 or Option 1, Option 3 or Option 4 of R.S. 11:416.1 is eligible to run as a candidate for a position of retired member trustee on the board of trustees.

C. A participant in the Deferred Retirement Option Plan who has not yet terminated state service and who is still employed by the state is not eligible to run for board election as a retired member candidate.

D. A disability retiree who has returned to work under either R.S. 11:224 or R.S. 11:225 is not eligible to run as a retired member candidate for election to the board of trustees.

AUTHORITY NOTE: Promulgated in accordance with R.S. 11:511 and R.S. 11:515.

HISTORICAL NOTE: Promulgated by the Department of Treasury, Board of Trustees of the State Employees' Retirement System, LR 22:373 (May 1996), amended LR 23:997 (August 1997), LR 25:1278 (July 1999), LR 26:1490 (July 2000), LR 26:2633 (November 2000), LR 31:947 (April 2005), LR 34:447 (March 2008), LR 37:1617 (June 2011).

§503. Nomination Process

A. The board of trustees shall accept the name and final four digits of the Social Security number of every candidate nominated by petition of 25 or more retired members of the system and shall place the name of such candidates on the ballot, provided each such candidate meets the requirements for trustee. Those retired members signing the petition shall also supply the final four digits of their Social Security number. When returning the nominating petition, the candidate should include his qualifications, platform and photograph for inclusion in the election brochure circulated by LASERS.

B. The printed name of those persons signing the nominating petition must be legible for purposes of verification. Unverifiable signatories shall not count toward the required total of 25 and may disqualify the petition.

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES**

Person

Preparing

Statement: Steve Stark

Dept: LASERS

Phone: 922-0398

Office: Legal Division

Return

Address: 8401 United Plaza Blvd.

Rule

Title: Election to the Board of

Trustees

Baton Rouge LA 70806

Date Rule

Takes Effect: August 20, 2015

SUMMARY

(Use complete sentences)

In accordance with Section 953 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. THE FOLLOWING STATEMENTS SUMMARIZE ATTACHED WORKSHEETS, I THROUGH IV AND WILL BE PUBLISHED IN THE LOUISIANA REGISTER WITH THE PROPOSED AGENCY RULE.

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The proposed rule change will have no impact on state or local government expenditures. The proposed rule change makes several technical changes. The rule change clarifies voting eligibility for active members as those who are not retired before July 1 of the election year. The rule change removes the date of the drawing for positions on the election ballot since that is mentioned in the rule regarding the general schedule of elections. Finally, the rule change clarifies that there is a limit of two active trustees per department within the executive branch and excludes ex-officio trustees.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)


There will be no effect on revenue collections of state or local governmental units as a result of the proposed rule change.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS (Summary)

The proposed rule change may affect candidates for election to the LASERS board of trustees as a result of clarifying that a department within the executive branch may have no more than two active trustees serving on the board. This would exclude ex-officio members.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule change will have no effect on competition or employment.


Signature of Agency Head or Designee

Cindy Rougeou, Executive Director

Typed Name and Title of Agency Head or Designee

- 7 - 15
Date of Signature


Legislative Fiscal Officer or Designee

5/7/15
Date of Signature

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES**

The following information is required in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriate legislative oversight subcommittee in its deliberation on the proposed rule.

- A. Provide a brief summary of the content of the rule (if proposed for adoption, or repeal) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the notice of intent and a copy of the rule proposed for initial adoption or repeal (or, in the case of a rule change, copies of both the current and proposed rules with amended portions indicated).

- *LASERS proposes to modify LAC 58:I.405 & 407 governing election to the LASERS board of trustees. The changes may be summarized as follows:*
- *Replaces outdated language describing active members eligible to vote with a description that facilitates who is to receive an active member ballot. The rule will essentially reflect the inverse of those eligible to vote in the retiree trustee election, as those persons not retired before July 1st of the year of the election.*
 - *Instead of stating that member ballots are to be distributed to each member appearing on the June Retiree Master List, the rule will now specify that those deemed by LASERS as retired before July 1st of the year of the election are to receive retired member ballots.*
 - *Removes a redundancy regarding the date of the drawing for positions on the election ballot brochures, so that the single place for all election event dates is in the general schedule of elections set forth in LAC 58:I.401.*
 - *Clarifies that the limit of two trustees per department within the executive branch of state government is limited to active trustees and excludes ex officio trustees.*

- B. Summarize the circumstances, which require this action. If the Action is required by federal regulation, attach a copy of the applicable regulation.

LASERS staff saw an opportunity to further fine-tune the rules as currently written.

- C. Compliance with Act 11 of the 1986 First Extraordinary Session

- (1) Will the proposed rule change result in any increase in the expenditure of funds? If so, specify amount and source of funding.

- *No.*

- (2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase?

(a) _____ Yes. If yes, attach documentation.

(b) _____ NO. If no, provide justification as to why this rule change should be published at this time

FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET

I. A. COSTS OR SAVINGS TO STATE AGENCIES RESULTING FROM THE ACTION PROPOSED

1.	What is the anticipated increase (decrease) in costs to implement the proposed action?		
COSTS	FY 15	FY 16	FY 17
Personal Services			
Operating Expenses			
Professional Services			
Other Charges			
Equipment			
Major Repairs & Constr.	0	0	0
TOTAL			
POSITIONS (#)	0	0	0

2. Provide a narrative explanation of the costs or savings shown in "A.1.", including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.
- The proposed rule amendments have no anticipated implementation cost other than the cost of publishing them in the State Register.
3. Sources of funding for implementing the proposed rule or rule change.

SOURCE	FY 15	FY 16	FY 17
State General Fund			
Agency Self-Generated			
Dedicated			
Federal Funds			
Other (Specify)			
TOTAL	0	0	0

4. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?
- Yes.

B. COST OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THE ACTION PROPOSED

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustments in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.
- No impact is expected on local governmental units.
2. Indicate the sources of funding of the local government unit which will be affected by these costs or savings.
- Since no impact is expected, no sources of funding have been identified.

FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET

II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENT UNITS

A. What increase (decrease) in revenues can be anticipated from the proposed action?

- *No effect on revenue collections to state or local governmental units is anticipated to result from the implementation of these rule changes.*

REVENUE INCREASE/DECREASE	FY 15	FY 16	FY 17
State General Fund			
Agency Self-Generated			
Dedicated Funds*			
Federal Funds			
Local Funds			
TOTAL	<i>0</i>	<i>0</i>	<i>0</i>

*Specify the particular fund being impacted

B. Provide a narrative explanation of each increase or decrease in revenues shown in "A." Describe all data, assumptions, and methods used in calculating these increases or decreases.

FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET

II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENTAL UNITS

A. What increase (decrease) in revenues can be anticipated from the proposed action?

REVENUE INCREASE/DECREASE	FY 15	FY 16	FY 17
State General Fund			
Agency Self-Generated			
Dedicated Funds*			
Federal Funds			
Local Funds			
TOTAL			

*Specify the particular fund being impacted.

B. Provide a narrative explanation of each increase or decrease in revenues shown in "A." Describe all data, assumptions, and methods used in calculating these increases or decreases.

- N/A

FISCAL AND ECONOMIC IMPACT STATEMENT

WORKSHEET

III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS

- A. What persons or non-governmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effect on costs, including workload adjustments and additional paperwork (number of new forms, additional documentation, etc.), they may have to incur as a result of the proposed action.

- *Persons running for election to the LASERS board of trustees shall be affected.*

- B. Also provide an estimate and a narrative description of any impact on receipts and/or income resulting from this rule or rule change to these groups.

- *The proposed rule changes will have no foreseeable impact on receipts or income to any persons or non-governmental groups affected.*

IV. EFFECTS ON COMPETITION AND EMPLOYMENT

Identify and provide estimates of the impact of the proposed action on competition and employment in the public and private sectors. Include a summary of any data, assumptions and methods used in making these estimates.

- *No effect on competition or employment in the public or private sectors is anticipated to result from the proposed rule changes.*