

**Louisiana State Employees' Retirement System
Legislative Committee Meeting
February 22, 2018**

The Legislative Committee of the Louisiana State Employees' Retirement System met on Thursday, February 22, 2018 in the fourth floor conference room of the Retirement Systems Building located at 8401 United Plaza Boulevard, Baton Rouge, Louisiana.

Judge William Kleinpeter, Chair of the Committee, called the meeting to order at 1:30 p.m. Roll was called by Abby Partin, recording secretary.

Members present: Mr. Thomas Bickham, Ms. Virginia Burton, Ms. Beverly Hodges, *Senator Barrow Peacock, Judge William Kleinpeter, Ms. Janice Lansing, Ms. Amy Mathews (designee of the Treasurer), Mr. Rick McGimsey (designee of the Commissioner), Ms. Barbara McManus, Ms. Lori Pierce, Ms. Shannon Templet, Ms. Lorry Trotter

Members absent: Representative Kevin Pearson

Staff present: Ms. Cindy Rougeou, Executive Director; Ms. Maris LeBlanc, Deputy Director and Chief Operating Officer; Mr. Trey Boudreaux, Chief Administrative Officer; Ms. Tina Grant, Executive Counsel; Mr. Bobby Beale, Chief Investment Officer; Ms. Tricia Gibbons, Retirement Benefits Administrator; Mr. Artie Fillastre, Chief Fiscal Officer; Ms. Tonja Normand; Public Information Director; Mr. Dan Bowden, IT Director; Mr. Steve Stark, Deputy General Counsel; Mr. Trey Roche, Special Counsel; Ms. Allison LeBlanc, Retirement Benefits Supervisor; Ms. Abby Partin, recording secretary

Also present: Ms. Shelley Johnson, Foster & Foster, Ms. Laura Gail Sullivan, Senate Counsel, Mr. Matt Tessier, TRSL, Mr. Frank Jobert and Mr. Jimmy Anthony, RSEA

A quorum was declared present and the meeting opened for business.

Public Comment

Judge Kleinpeter called for public comment. Ms. LeBlanc introduced Mr. Jimmy Anthony, Director, RSEA and Mr. Matt Tessier, Attorney, Teachers' Retirement System of Louisiana.

Regular Business

Judge Kleinpeter called for approval of the minutes of the December 14, 2017, Legislative Committee meeting. **Ms. Templet moved, seconded by Mr. Bickham, to approve the minutes. With no objection or discussion, the motion carried.**

New Business

Ms. LeBlanc addressed the bills LASERS is tracking for the 2018 Regular Session of the Legislature.

HB 11 (Ivey) Makes the members of the Public Retirement Systems' Actuarial Committee (PRSAC), or their designees, fiduciaries of the state and statewide retirement systems while acting in such capacity.

Ms. Templet moved, seconded by Mr. Bickham, to recommend the Board remain neutral, with comments, on HB 11. With no objection or further discussion, the motion carried.

HB 12 (Ivey) Requires PRSAC, upon approval of a system valuation, to submit the approved valuation to the legislature, along with all additional assumptions and valuations that were submitted. The legislative auditor shall submit a summary of the disparities between the various assumptions and valuations.

Mr. Bickham moved, seconded by Ms. McManus, to recommend the Board remain neutral, with comments on HB 12. With no objection or further discussion, the motion carried.

HB 21 (Ivey) Adds four members to PRSAC – two members of the House of Representatives appointed by the Speaker of the House and two members of the Senate appointed by the President of the Senate.

Ms. Hodges moved, seconded by Ms. McManus, to recommend the Board oppose HB 21. With no objection or further discussion, the motion carried.

HB 22 (Ivey) Sets a minimum employer contribution rate of 20% if the system is less than 100% funded or if the system reaches 100% funded status and the funded ratio later drops below 90%, and creates a funding deposit account.

Ms. Templet moved, seconded by Mr. Bickham, to recommend the Board remain neutral on HB 22. With no objection or further discussion, the motion carried.

HB 23 (Ivey) Provides that no system shall invest more than twenty-five percent of its total portfolio in alternative investments.

Ms. Templet moved, seconded by Ms. Trotter, to recommend the Board oppose HB 23. With no objection or further discussion, the motion carried.

HB 24 (Ivey) Requires actuaries for the systems and for the legislative auditor to use uniform reporting standards, as prescribed by PRSAC, in presenting discount rates and assumed rates of return to the Committee.

Ms. Hodges moved, seconded by Ms. McManus, to recommend the Board remain neutral on HB 24. With no objection or further discussion, the motion carried.

HB 34 (Pearson) Requires a state or statewide retirement system with investments in international markets to allocate a portion of their investments to a terror-free fund, rather than a terror-free index fund.

Ms. Templet moved, seconded by Ms. Trotter, to recommend the Board remain neutral on HB 34. With no objection or further discussion, the motion carried.

HB 37 (Brown) Provides for a disability benefit equal to 100% of final average compensation for members of the Hazardous Duty Plan who are totally and permanently disabled in the line of duty by an intentional act of violence. Provides a 3% permanent benefit increase every other year.

Ms. McManus moved, seconded by Mr. Bickham, to recommend the Board remain neutral on HB 37. With no objection or further discussion, the motion carried.

HB 38 (Hollis) Provides for the formula for the distribution of COLAs in instances where the legislature or the system does not specify the terms of the COLA.

Ms. Templet moved, seconded by Mr. Bickham, to recommend the Board remain neutral on HB 38. With no objection or further discussion, the motion carried.

HB 39 (Ivey) Creates a new hybrid retirement plan for new hires on or after July 1, 2020.

Ms. McManus moved, seconded by Mr. Bickham, to recommend the Board oppose HB 39. With no objection or further discussion, the motion carried.

* Senator Peacock arrived at 1:42 pm.

HB 42 (Jones) and **HB 43** (Pearson) Provide for the merger of the Registrars of Voters Employees' Retirement System into the Louisiana State Employees' Retirement System.

Ms. McManus moved, seconded by Ms. Templet, to recommend the Board take no position, pending amendments, on HBs 42 & 43. With no objection or further discussion, the motion carried.

SB 3 (Peacock) Provides for a 100% survivor benefit for Hazardous Duty Plan members killed by an intentional act of violence.

Ms. Templet moved, seconded by Mr. Bickham, to recommend the Board remain neutral on SB 3. With no objection or further discussion, the motion carried.

SB 4 (Peacock) Provides relative to the employment of actuaries and prohibits an actuary from performing duties that require the exercise of supervision or discretionary control over the administration or management of a retirement system.

Ms. McManus moved, seconded by Mr. Bickham, to recommend the Board remain neutral on SB 4. With no objection or further discussion, the motion carried.

SB 10 (Peacock) Adds firefighters in the Department of Agriculture and Forestry to the Hazardous Duty Plan.

Ms. Templet moved, seconded by Ms. McManus, to recommend the Board remain neutral on SB 10. With no objection or further discussion, the motion carried.

SB 13 (Peacock) Provides that the chair and vice chair of PRSAC shall rotate between the Speaker of the House of Representatives, or his designee, and the President of the Senate, or his designee, biennially.

Ms. McManus moved, seconded by Mr. Bickham, to recommend the Board remain neutral on SB 13. With no objection or further discussion, the motion carried.

SB 17 (Peacock) Updates certain provisions related to the purchase of military service to comply with federal law, including the Uniformed Services Employment and Reemployment Rights Act (USERRA).

Ms. McManus moved, seconded by Ms. Templet, to recommend the Board support SB 17. With no objection or further discussion, the motion carried.

SB 14 (Peacock) Provides for a new retirement plan for rank-and-file members whose first employment making them eligible for membership in LASERS occurs on or after January 1, 2020.

Significant discussion about the details of the bill ensued.

Ms. McManus moved, seconded by Ms. Templet, to recommend the Board support SB 14. With no objection or further discussion, the motion carried.

Ms. LeBlanc went over a list of steps being implemented to communicate with the various stakeholders of the proposed new plan.

Ms. Johnson gave an educational presentation on the cost of implementing **SB 14**, the proposed new rank-and-file plan.

Other Business

There was no further business to discuss.

Adjournment

The meeting adjourned at 3:05 p.m.