

**Louisiana State Employees' Retirement System
Legislative Committee Meeting
April 26, 2018**

The Legislative Committee of the Louisiana State Employees' Retirement System met on Thursday, April 26, 2018 in the fourth floor conference room of the Retirement Systems Building located at 8401 United Plaza Boulevard, Baton Rouge, Louisiana.

Ms. Virginia Burton, Board Vice Chair, called the meeting to order at 2:51 p.m. Roll was called by Abby Partin, recording secretary.

Members present: Mr. Thomas Bickham, Ms. Virginia Burton, Ms. Beverly Hodges, Ms. Amy Mathews (designee of the Treasurer); Ms. Barbara McManus, Ms. Lori Pierce, Ms. Shannon Templet, Ms. Lorry Trotter

Members absent: Commissioner Jay Dardenne, Ms. Janice Lansing, Judge William Kleinpeter, Senator Barrow Peacock and 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. Artie Fillastre, Chief Fiscal Officer; Ms. Tonja Normand; Public Information Director; Mr. Steve Stark, General Counsel, Mr. Jonathan Drago, Retirement Benefits Assistant Administrator; Ms. Allison LeBlanc, Retirement Benefits Supervisor; Mr. Eric Schoonmaker, IT Deputy Director; Mr. Trey Roche, Special Counsel; Ms. Abby Partin, recording secretary

Also present: Ms. Shelley Johnson, Foster & Foster, Mr. Frank Jobert, RSEA

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

Public Comment

Ms. Burton called for public comment. There were no public comments.

Regular Business

Ms. Burton called for approval of the minutes of the March 23, 2018 Legislative Committee meeting. **Ms. McManus moved, seconded by Ms. Templet, to approve the minutes. With no objection or discussion, the motion carried.**

New Business

Ms. LeBlanc gave a status update on the bills being tracked this session.

HB 11 – Ivey

Position Taken: Neutral

Systems Impacted: State and Statewide

Makes the members of PRSAC, or their designees, fiduciaries of the state and statewide retirement systems while acting in such capacity.

- House Retirement

HB 12 – Ivey

Position Taken: Neutral

Systems Impacted: State and Statewide

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 to the legislature and the House and Senate Committees on Retirement.

- House Retirement – Reported Favorably with Amendments
- House Floor – 2 Floor Amendments Adopted (Technical)
- House Floor – Passed (Y:79/N:0)
- Senate Retirement – Voluntarily Deferred

HB 21 – Ivey

Position Taken: Oppose

Systems Impacted: State and Statewide

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.

- House Retirement

HB 22 – Ivey

Position Taken: Neutral

Systems Impacted: State Systems

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.

- House Retirement

HB 23 – Ivey

Position Taken: Oppose

Systems Impacted: State and Statewide Systems

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

- House Retirement

HB 24 – Ivey**Position Taken: Neutral****Systems Impacted:** State and Statewide Systems

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.

- House Retirement

HB 34 – Pearson**Position Taken: Neutral****Systems Impacted:** State and Statewide Systems

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.

- House Retirement – Reported Favorably
- House Floor – Passed (Y:86/N:0)
- Senate Retirement – Reported Favorably
- Senate Floor – Passed (Y:35/N:0)

HB 37 – Brown**Position Taken: Neutral****Systems Impacted:** LASERS

Provides for a disability benefit equal to 100% of final average compensation for members of the Hazardous Duty, Corrections Primary, Corrections Secondary, Wildlife and Harbor Police plans 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.

- House Retirement – Reported Favorably
- House Floor – Passed (Y:85/N:0)
- Senate Retirement

HB 38 – Hollis**Position Taken: Neutral****Systems Impacted:** State and Statewide

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. COLAS for LASERS members are provided for by law, therefore this formula will not apply LASERS system-generated COLAs.

- House Retirement – Reported Favorably
- House Floor – Passed (Y:97/N:0)
- Senate Retirement – Reported Favorably
- Senate Floor

HB 39 – Ivey**Position Taken: Oppose****Systems Impacted:** State Systems

Creates a new hybrid retirement plan for new hires on or after July 1, 2020.

- House Retirement

HB 42 – Jones**Position Taken: Not Yet Taken****Systems Impacted:** LASERS and ROVERS

Provides for the merger of the Registrars of Voters Employees' Retirement System into the Louisiana State Employees' Retirement System.

- House Retirement

HB 43 – Pearson**Position Taken: Not Yet Taken****Systems Impacted:** LASERS and ROVERS

Provides for the merger of the Registrars of Voters Employees' Retirement System into the Louisiana State Employees' Retirement System.

- House Retirement

HB 376 – Leger**Position Taken: Support****Systems Impacted:** LASERS and TRSL

Transfers \$12,261,996 of nonrecurring revenues out of the Fiscal Year 2016-2017 surplus to the unfunded accrued liability of LASERS and TRSL.

- House Appropriations

HB 379 – Henry**Position Taken: Support****Systems Impacted:** LASERS and TRSL

This bill was amended in committee to remove LASERS and TRSL. See HB 874, which appropriates nonrecurring revenues to LASERS and TRSL.

- House Appropriations – Reported Favorably with Amendments; Amendments removed appropriation to LASERS and TRSL. Appropriation now found in HB 874.

HB 701 – Jackson**Position Taken: Not Yet Taken****Systems Impacted:** LASERS

Makes public defenders members of LASERS. Membership includes public defenders employed by or under contract with the Louisiana Public Defender Board, public defenders employed by a district indigent defender program that does not participate in the Parochial Employees' Retirement System of Louisiana, and public defenders under contract with a district indigent defender program.

- House Retirement – Voluntarily Deferred twice when author failed to appear.

HB 874 – Henry**Position Taken: Support****Systems Impacted:** LASERS and TRSL

Supplemental appropriations – appropriates \$3,676,833 to LASERS to be applied to the IUAL.

- House Appropriations – Reported Favorably with Amendments
- House Floor – Scheduled for Floor Debate on 4/30/2018

HB 883 – Leger**Position Taken: Support****Systems Impacted:** LASERS and TRSL

Supplemental appropriations – appropriates \$3,676,833 to LASERS to be applied to the IUAL.

- House Appropriations

SB 3 – Peacock**Position Taken: Neutral****Systems Impacted:** LASERS

Provides for a 100% survivor benefit for Hazardous Duty Plan members killed by an intentional act of violence.

- Senate Retirement – Reported Favorably with Amendments
- Senate Floor – Passed (Y:28/N:0)
- House Retirement – Reported Favorably with Amendments
- House Floor

SB 4 – Peacock**Position Taken: Neutral****Systems Impacted:** State and Statewide

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.

- Senate Retirement – Reported Favorably
- Senate Floor – Passed (Y:29/N:0)
- House Retirement – Scheduled for 4/27/2018 at 9:00 a.m.

SB 10 – Peacock**Position Taken: Neutral****Systems Impacted:** LASERS

Adds firefighters in the Department of Agriculture and Forestry to the Hazardous Duty Plan.

- Senate Retirement – Reported Favorably
- Senate Floor – Passed (Y:36/N:0)
- House Retirement – Reported Favorably
- House Floor

SB 13 – Peacock**Position Taken: Neutral****Systems Impacted:** State and Statewide

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.

- Senate Retirement – Reported Favorably with Amendments
- Senate Floor – Passed (Y:31/N:0)
- House Retirement – Scheduled for 4/27/2018 at 9:00 a.m.

SB 17 – Peacock

Position Taken: Support

Systems Impacted: State and Statewide

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).

- Senate Retirement – Reported Favorably
- Senate Floor – Legislative Bureau Amendments Adopted
- Senate Floor - Passed (Y:31/N:0)
- House Retirement – Reported Favorably
- House Floor

Ms. LeBlanc explained that the Legislative Chair, with notice to the Board Chair, had authorized support of the House bills appropriating funds to the debt and asked for a vote to affirm those positions.

Ms. Templet moved, seconded by Ms. Trotter, to recommend that the Board support House Bills 376, 376, 874 and 883. With no objection or discussion, the motion passed.

Ms. Burton asked staff to look into drafting legislation for a future legislative session which would provide survivor benefits for rank-and-file employees killed by an intentional act of violence.

Ms. Rougeou gave an update on the status of Senate Bill 14. The bill was reported favorably by Senate Retirement and Senate Finance. However, due to the opposition of the Administration, it is not expected that the bill will be called for a vote on the Senate floor.

Other Business

There was no further business to discuss.

Adjournment

The meeting adjourned at 3:20 p.m.