

**Louisiana State Employees' Retirement System
Legislative Committee Meeting
March 23, 2018**

The Legislative Committee of the Louisiana State Employees' Retirement System met on Friday, March 23, 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 9:31 a.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), Judge William Kleinpeter, Ms. Janice Lansing, Ms. Barbara McManus, Ms. Lori Pierce, Ms. Shannon Templet, Ms. Lorry Trotter

Members absent: Commissioner Jay Dardenne, Senator Barrow Peacock, 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; Ms. Tricia Gibbons, Retirement Benefits Administrator; Mr. Artie Fillastre, Chief Fiscal Officer; Mr. Ryan Babin, Audit Director; 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. Amanda Celestine, Executive Management Officer; 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

Judge Kleinpeter called for public comment. No public comments were made.

Regular Business

Judge Kleinpeter called for approval of the minutes of the February 22, 2018, Legislative Committee meeting. **Mr. Bickham moved, seconded by Ms. Templet, to approve the minutes. With no objection or discussion, the motion carried.**

New Business

Ms. LeBlanc gave an update on the bills LASERS is tracking for the 2018 Regular Session of the Legislature.

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 – Set for hearing on Thursday, March 29.

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.

- House Retirement – Set for hearing on Thursday, March 29.

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 – Set for hearing on Thursday, March 29.

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 – Set for hearing on Thursday, March 29.

Ms. LeBlanc made the committee aware of a meeting this afternoon with Representative Ivey and the retirement systems to discuss House Bill 23. She stated someone from LASERS Investments staff would attend.

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 – Set for hearing on Thursday, March 29.

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 – Passed 86-0

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

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.

- House Retirement – Reported Favorably
- House – Set for debate on Tuesday, March 27

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

Ms. LeBlanc explained the following three new bills that impact LASERS:

HB 376 – Leger

Position Taken:

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:

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

Ms. Hodges moved, seconded by Ms. McManus, to recommend that the Board support House Bills 376 and 379. With no objection or discussion, the motion passed.

HB 701 – Jackson

Position 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.

Ms. LeBlanc suggested not taking a position on House Bill 701 at this time.

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 – Passed 28-0

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 – Passed 29-0

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 – Scheduled for hearing Monday, March 26

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 – Passed 31-0

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 – Passed 31-0

Ms. LeBlanc stated during the RSEA Tour they had the opportunity to talk to retirees and a few active members about Senate Bill 14 which proposes a new retirement plan for future hires. She went over a list of contacts made with additional stakeholders. And, she stated staff will meet today with the Governor's senior staff to discuss the bill.

Ms. Rougeou gave a presentation on SB 14, which addressed a cost comparison of the current plan and proposed plan, benefit comparisons by LASERS and the actuarial note, benefit comparison with COLAs, and IRS Plan Qualification. She provided a copy of the LASERS response to a negative Facebook post to SB 14. She also distributed a list of questions and answers regarding the proposed new retirement plan.

Other Business

There was no further business to discuss.

Adjournment

The meeting adjourned at 10:23 a.m.