

**Louisiana State Employees Retirement System
Legislative Committee Meeting
May 18, 2023**

The Legislative Committee of the Louisiana State Employees Retirement System met on Thursday, May 18, 2023, in the fourth floor Board Room of the Retirement Systems Building located at 8401 United Plaza Boulevard, Baton Rouge, Louisiana.

Mr. Charles Castille, Committee Chair, called the meeting to order at 2:41 p.m. Roll was called by Ms. Beth Labello, recording secretary.

Members present: Mr. Thomas Bickham, Ms. Virginia Burton, Mr. Charles Castille, Mr. Byron Decoteau, Ms. Ternisa Hutchinson, Ms. Amy Mathews, Mr. Rick McGimsey (designee of the Commissioner), Ms. Barbara McManus, and Ms. Shannon Templet

Members absent: Senator Barrow Peacock, Judge William Kleinpeter, Representative Barry Ivey, and Treasurer John Schroder

Staff present: Ms. Cindy Rougeou, Executive Director; Mr. Trey Boudreaux, Chief of Staff; Ms. Tina Grant, Executive Counsel; Mr. Travis McIlwain, Chief Administrative Officer; Mr. Bobby Beale, Chief Investment Officer; Ms. Tricia Gibbons, Retirement Benefits Administrator; Mr. Ryan Babin, Audit Director; Mr. Johnathon Sprouse, IT Director; Mr. Artie Fillastre, Chief Financial Officer; Mr. Steve Stark, Deputy General Counsel; Ms. Morgan Robertson, Attorney; Ms. Mallory Sharp, Public Information Director; Ms. Megan Jones, Retirement Benefit Supervisor; Mr. Osama Amous, IT Technical Support Specialist; Mr. Logan Davis, IT Technical Support Analyst; Ms. Amanda Celestine, Executive Management Officer; and Ms. Beth Labello, recording secretary

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

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

Public Comment

Mr. Castille called for public comment. There were no public comments.

Regular Business

Mr. Castille called for approval of the minutes of the April 27, 2023, Legislative Committee meeting. **Ms. McManus moved, seconded by Mr. Bickham, to approve the minutes. With no objection or discussion, the motion carried.**

New Business

The executive staff provided status updates on the bills being tracked by LASERS in the 2023 legislative session.

Ms. Grant provided a status update on HB 47, HCR 67, and HCR 110.

HB 47 – Nelson

Systems Impacted: State

Constitutional Amendment

Proposes a constitutional amendment that, if approved by voters on Oct. 14, 2023, would require a minimum of 25% of all nonrecurring state revenues to be applied to the UALs of the state systems beginning in FY 24-25.

- House Appropriations – Reported Favorably
- House Civil Law – Reported Favorably
- House Floor – Failed to Pass (Y:63/N:30) - Motion to reconsider pending.

HCR 67 – Johnson

Memorializes Congress to review and eliminate the WEP and GPO by supporting H.R. 82 and S. 597 of the 118th Congress.

- House Retirement – Reported Favorably
- House Floor – Passed (Y:99/N:0)

Ms. McManus moved, seconded by Mr. Bickham, to support HCR 67 by Rep. Johnson. With no objection or discussion, the motion carried.

Ms. Grant announced that SB 201, which would allow for Boards & Commissions' meetings to be conducted electronically, was heard in the House and Governmental Affairs Committee, was amended, and then voluntarily deferred.

Ms. Grant presented HCR 110 as a new legislative item that LASERS is tracking.

HCR 110 – Miguez

Requests the state public retirement systems to uphold their fiduciary duty when making financial decisions and to avoid ESG investing.

- House Retirement – Reported Favorably

Mr. Boudreaux provided a status update on HCR 70.

HCR 70 – Beullieu

Requests the state treasurer and state and statewide retirement systems to report on investment advisors and companies used by the treasurer and the systems that discriminate against the fossil fuel industry through ESG policies by October 1, 2023.

- House Retirement – Reported Favorably

- House Floor – Amended and Passed (Y:96/N:0)

Ms. Rougeou stated that the House and the Senate cannot agree on how to spend the surplus dollars and excess revenues in the state's budget. Part of that discussion is how much to allocate to pay off state retirement debt. This issue is in HB 1, HB 550, and HB 560. She stated that the information LASERS has provided has been consistent throughout the session. There are reasons to pay more towards the debt of the retirement systems, and there are reasons to not pay more towards the debt. She wants the Board to understand the ramifications of both options.

Mr. McIlwain provided a status update on HB 1, HB 550, and HB 560.

HB 1 – Zeringue

Provides for the ordinary operating expenses of state government for FY 23-24. It appropriates \$185.2 million out of the state general fund by Statutory Dedications out of the 2024 LASERS IUAL Payment Fund.

- House Appropriations – Reported Favorably as Amended
- House Floor – Amended and Passed (Y:72/N:33)
- Referred to Senate Finance

HB 550 – Zeringue

Provides for the transfer, deposit, and use of monies among state funds. It creates the 2024 IUAL Payment Fund and provides for the transfer of money appropriated in HB 1 to the LASERS IUAL.

- House Appropriations – Reported Favorably as Amended
- House Floor – Amended and Passed (Y:71/N:32)
- Referred to Senate Finance

HB 560 – Zeringue

Makes supplemental appropriations for Fiscal Year 2022-2023 – allocates an additional \$23.4 million (amended to \$270 million) to LASERS to apply to the balance of the UAL.

- House Appropriations – Reported Favorably as Amended
- House Floor – Amended and Passed (Y:74/N:30)
- Referred to Senate Finance

The House version of the fiscal package would provide \$455 million to LASERS for the IUAL debt. There are two distinct mechanisms by which the funds would be applied to LASERS. Of the \$455 million, \$185.2 million would be provided as a one-time payment in HB 1. \$270 million of surplus funds would be applied to the debt pursuant to HB 560. LASERS has provided the House & Senate data on the fiscal implications of paying off the debt and not paying off the debt.

Ms. Rougeou provided a status update on SB 18. She stated that Senator Peacock voted against the bill on the Senate Floor over concerns he had, such as the permanency of the bill and constitutional requirements. She stated that Joel Robideaux, former chair of House Retirement, appeared before the Senate and House Retirement Committees and he spoke heavily in favor of the bill. Representative Bacala agreed to handle the bill on the House Floor.

SB 18 – Price & Cortez

Systems Impacted: State

Reforms the mechanism by which COLAs/PBIs are granted.

- Senate Retirement – Reported Favorably as Amended
- Senate Finance – Reported Favorably as Amended
- Senate Floor – Passed (Y:37/N:1)
- House Retirement – Reported Favorably
- House Appropriations – Set for hearing on 5/22/23

Other Business

There was no further business to discuss.

Adjournment

The meeting adjourned at 3:03 p.m.