
October 5, 2023

To the Editor,

As voters prepare for the statewide election on October 14, we at LASERS, TRSL, LSERS, and LSPRS want to provide information about Constitutional Amendment 3 that will be on the ballot. This amendment proposes changes to the Louisiana Constitution, and we want to ensure that our members and all voters have a clear understanding of its potential impact.

LASERS and TRSL are the two largest state public retirement systems, providing benefits to state employees, public school teachers, and higher education employees. In 2011, a constitutional amendment was passed that required 10% of the state's nonrecurring revenue to be appropriated to LASERS and TRSL as additional debt payments on each system's initial unfunded accrued liability (IUAL). The IUAL represents the debt that existed for each system as of June 30, 1988, due in part to past lawmakers granting benefits without sufficient funding. The 2011 constitutional amendment is set to expire in 2029 when the IUAL is scheduled to be paid off.

While amortization schedules have been created for each system, recognizing the 2029 IUAL payoff deadline, there remain other amortization schedules for each system that must be paid off over the next 20 to 30 years.

Constitutional Amendment 3 proposes increasing the amount of nonrecurring revenue to be appropriated from 10% to 25%, adding the other two state systems, the Louisiana School Employees' Retirement System (LSERS) and the Louisiana State Police Retirement System (LSPRS), as recipients of the surplus funds. It would also expand the application of the surplus dollars from just the IUAL to include the UAL. This change would begin in the 2024-25 budget year that starts on July 1, 2024.

The Boards of each state system have historically supported additional payments to the UAL and supported Act 107 of the 2023 Legislative Session, which proposed this constitutional amendment. This amendment would strengthen our retirement systems and lower the state's long-term financial burden. Spending more one-time money on outstanding state pension liabilities would both reduce the amount the state must pay annually for retirement debt and benefit the state's financial position. This would result in future money in the state's budget being available for other important priorities, such as health care, education, infrastructure, and coastal restoration.

Louisiana has been a leader in meaningful pension reform for years, and these reforms are working. They are projected to have long-term savings of billions of dollars for the state. We are proud that Louisiana and more recent legislative actions have made retirement sustainable for our members, and we remain committed to ensuring the viability of our retirement systems through thoughtful and measured action.



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