

**Louisiana State Employees' Retirement System  
Management Committee Meeting  
June 22, 2023**

The Management Committee of the Louisiana State Employees' Retirement System met on Thursday, June 22, 2023, in the fourth floor Board Room of the Retirement Systems Building located at 8401 United Plaza Boulevard, Baton Rouge, Louisiana.

Judge Will Kleinpeter, Committee Chair, called the meeting to order at 1:43 p.m. Roll was called by Ms. Beth Labello, recording secretary.

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**Members Present:** Mr. Thomas Bickham, Mr. John Broussard (designee of the Treasurer), Mr. Charles Castille, Mr. Byron Decoteau, Ms. Ternisa Hutchinson, Judge William Kleinpeter, Ms. Amy Mathews, Ms. Barbara McManus, and Ms. Shannon Temple

**Members Absent:** Ms. Virginia Burton, Mr. Jay Dardenne, Representative Barry Ivey, and Senator Barrow Peacock

**Staff Present:** Mr. Trey Boudreaux, Chief of Staff; Mr. Travis McIlwain, 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. Morgan Robertson, Counsel; Mr. Steve Stark, Counsel; Mr. Johnathon Sprouse, IT Director; Mr. Ryan Babin, Audit Director; Ms. Mallory Sharp, Public Information Director; Mr. Jonathan Lyle, 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:** Mr. Frank Jobert, RSEA, and Ms. Shelley Johnson, Actuary, Foster & Foster

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

**Public Comments**

There were no public comments.

**Regular Business**

Judge Kleinpeter called for approval of the May 18, 2023, Management Committee minutes. **Ms. McManus moved, seconded by Mr. Bickham, to approve the minutes. With no objection or discussion, the motion carried.**

Ms. Grant provided a LASERS Legislative Scorecard for the 2023 Regular Session. She reviewed the bills that were supported by the LASERS Board of Trustees as follows:

1. SB 18, which reforms the mechanism by which COLAs/PBIs are granted. SB 18 is now Act 184.
2. HB 47, which proposes a constitutional amendment that, if approved by voters on October 14, 2023, would require a minimum of 25% of all nonrecurring state revenue to be applied to the UALs of the state retirement systems beginning FY 24-25. HB 47 is now Act 107.
3. HCR 67, which memorializes congress to review and eliminate the WEP and GPO by supporting H.R. 82 and S. 597 of the 118<sup>th</sup> Congress. HCR 67 was sent to the Secretary of State.

Ms. Grant also discussed SB 201, which provides for meetings of boards and commissions via electronic means. This bill states that if a member of the public with an ADA disability requests to participate in a LASERS meeting, LASERS would be required to comply if LASERS has the capability to allow for electronic participation. Trustees may also request that a meeting be held electronically. Should that be requested, there are certain rules and protocols that must be met, such as posting a notification of the meeting within a certain timeframe. LASERS legal department will meet with pertinent staff and IT personnel to prepare them for potential meetings in the future. This bill is awaiting the governor's signature.

Ms. Grant reviewed the fiscal bills. HB 1 provides for the ordinary operating expenses of state government for FY 23-24. As amended, it appropriates \$125 million out of the state general fund direct toward LASERS IAUL if this line item is not vetoed. If LASERS receives the funds, it will be received in FY 24. Based on recent legislative committee meetings, Mr. Boudreaux stated that the Senate Finance Committee is against the funds going to LASERS, with Senators testifying that LASERS has a plan in place to pay the IAUL off by 2029.

HB 560, now Act 397, appropriates \$349 million towards LASERS IUAL. Mr. Boudreaux stated that the funds should be received by FYE 22-23.

Mr. Boudreaux also referenced mineral revenues of approximately \$29.4 million that will be provided to LASERS in August 2023. Fiscal will accrue these funds in FY23 to be applied to the upcoming actuarial valuation.

Mr. McIlwain provided information received by Ms. Johnson on the fiscal impacts of the resources that LASERS is expected to receive. Including the \$125 million allocated by HB 1, the IAUL mid-year payment would go from \$185 million to \$53 million per year. If the \$125 million is not included, the mid-year payment would go to \$82 million for 2025.

Mr. Castille inquired about the status of HCR 70, which requests the state treasurer and state and statewide retirement systems to report on investment advisors and companies used that discriminate against the fossil fuel industry through Environmental, Social, and Governance "ESG" policies by October 1, 2023. Mr. Beale explained that there were two resolutions regarding the same matter that passed (HCR 70 and HCR 110). In response, LASERS

Investment Department will send a report to the Treasurer that shows their investments in Louisiana-based companies, US companies, and international companies. They also plan to reach out to all the investment managers requesting them to report back to LASERS how they consider ESG policies in their investment decisions. Ms. Grant explained that HCR 110 asks that retirement systems uphold their fiduciary duty when making investment decisions, which is something that LASERS Trustees have already sworn to do. Mr. Beale stated that he expects more legislation on this matter in the future. HCR 70 and HCR 110 have been sent to the Secretary of State.

Judge Kleinpeter announced there were no disability denials this month.

**Mr. Bickham moved, seconded by Ms. McManus, to approve the June 2023 Disability Retirement Report. With no objection or discussion, the motion carried.**

### **New Business**

Mr. McIlwain reviewed the Chief Administrative Officer's comments.

Mr. Boudreaux reviewed the Chief of Staff's comments. He made the Committee aware of an Office of Motor Vehicle security breach, which affected over 6 million people. The breach occurred on software used by the OMV called "MOVEit", which transports electronic documents to other agencies. Upon learning of the data incident, LASERS investigated their third-party vendors to identify any possible breach of members' data. It was found that LASERS data was not impacted by the MOVEit breach. LASERS will post a memo on the homepage of their website to give more information on the breach and additional helpful resources for members to consult. A follow-up call with one of LASERS third-party vendors, who is being bought by a vendor who uses the MOVEit software, is scheduled for next week for further conversation and risk assessment.

Mr. Boudreaux reviewed the Trustee training report and provided a list of educational opportunities for those in need of hours.

Mr. Boudreaux, on behalf of Ms. Cindy Rougeou, reviewed the Executive Director's comments.

### **Other Business**

There was no further business to discuss.

### **Adjournment**

The meeting adjourned at 2:15 p.m.



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