

**Louisiana State Employees' Retirement System
Legislative Committee Meeting
April 22, 2016**

The Legislative Committee of the Louisiana State Employees' Retirement System met on Friday, April 22, 2016, 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 9:30 a.m. Roll was called by Abby Partin, recording secretary.

Members present: Mr. Thomas Bickham, Ms. Virginia Burton, Ms. Beverly Hodges, Ms. Janice Lansing, Judge William Kleinpeter, *Mr. Rick McGimsey (designee of the Commissioner), Ms. Kelli Rogers (designee of the Treasurer), Ms. Kathy Singleton, Ms. Shannon Templet, Ms. Lorry Trotter

Members absent: Ms. Lori Pierce, 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; Ms. Tonja Normand; Public Information Director; Mr. Trey Roche, Attorney; Mr. Eric Schoonmaker, IT Deputy Director; Ms. Abby Partin, recording secretary

Also present: Ms. Shelley Johnson, Foster & Foster, Mr. Charles Hall, Hall Actuarial, Mr. Frank Jobert and Dr. Arlette Rodrigue, RSEA

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

Public Comment

Judge Kleinpeter called for public comment. There were no public comments.

Regular Business

Judge Kleinpeter called for approval of the minutes of the March 17, 2016, Legislative Committee meeting. **Ms. Templet moved, seconded by Ms. Lansing, to approve the minutes. With no objection or discussion, the motion carried.**

New Business

Ms. LeBlanc gave a status report on the bills of the Regular Session.

SB 5 (Peacock) Includes noninvestment related administrative expenses in calculating the required employer contribution rate. **Passed the Senate. 38-0.**

HB 14 (Pearson) As amended, replaces the Chairman of the House Retirement Committee with a member of the House Retirement Committee appointed by the Speaker of the House of Representatives on each state and statewide retirement board. **Ms. Hodges moved, seconded by Mr. Bickham, to recommend that the Board remain neutral on HB 14, as amended. With no objection or discussion, the motion carried.**

HB 917 (Ivey) Removes the authority of the Board of Trustees to invest system assets, establish asset allocations, and set actuarial assumed rates of return. Creates the Consolidated State Investment Committee to make investment decisions for all State retirement systems. **Ms. Templet moved, seconded by Ms. Trotter, to recommend that the Board oppose HB 917. With no objection or further discussion, the motion carried.**

SB 18 (Peacock) As amended: Clarifies provisions created in Act 399 of 2014; reduces the amortization period for actuarial gains and losses from 30 years to 20 years once the system is 70% funded (rather than 85% funded); and provides for the reamortization of schedules of gains and losses for the 2019-2020 fiscal year and every fifth fiscal year thereafter. **Passed the Senate.**

SB 2 (Peacock) Authorizes a COLA of up to 1.5 percent (based on the amount of funds available in the Experience Account) for LASERS retirees and beneficiaries, contingent upon the passage of **SBs 5 and 18. Passed the Senate.**

HB 32 (Jones) As amended, authorizes a COLA of up to 1.5 percent (based on the amount of funds available in the Experience Account) for LASERS retirees and beneficiaries. **Ms. Templet moved, seconded by Ms. Lansing, to recommend that the Board support HB 32, as amended. With no objection or further discussion, the motion carried.** Ms. Rougeou stated that Representative Jones was very gracious and went the extra mile to address LASERS concerns in amending this bill.

*Mr. McGimsey arrived at 9:47 a.m.

HB 621 (Ivey) Legislative Auditor shall have access to books, records, documents, and accounts that are held by an entity that provides actuarial or investment services to a retirement system. **Watching closely due to concerns regarding proprietary data.**

HB 1092 (Ivey) State retirement systems shall use a uniform inflation assumption adopted by PRSAC in their annual actuarial valuations. **Ms. Templet moved, seconded by Ms. Hodges, to recommend that the Board oppose HB 1092. With no objection or further discussion, the motion carried.**

SB 14 (Morrish) Adds employees of the Chenier Plain Coastal Restoration and Protection Authority to LASERS. **Passed the Senate.**

SB 15 (Mills) Adds employees of the Iberia Parish Levee, Hurricane and Conservation District to LASERS. **Passed the Senate.**

HB 422 (Amedee) Creates the Payment Towards State Debt Fund, which is to be funded by grants, donations and legislative appropriations. At least 10% of the monies in the fund shall be appropriated annually to LASERS and TRSL (split proportionally based on each system's IUAL balance) to be applied to the IUAL. **Failed to pass the House.**

HB 45, 46, 49 & 50 (Ivey) The bills, which were considered by the House Retirement Committee on April 21, would create a hybrid plan for new hires and change constitutional protections. Ms. LeBlanc stated Keith Brainard, from NASRA, provided testimony about the benefits comparison study he prepared for LASERS. Robert Klausner spoke regarding legal and constitutional issues. The Reason Foundation provided testimony in support of a hybrid retirement plan. She also stated there was lively discussion and a number of witness cards submitted in opposition to the bills. **Voluntarily deferred by Representative Ivey.**

HB 78 (Pearson) Requires the executive director of each of the state and statement wide retirement systems to fill annual personal financial disclosure statements. **Passed the House.**

HB 1093 (Ivey) Requires the Legislative Auditor to prepare, at least every five years, comparative summaries of each system's actuarial assumptions and funded ratio and the auditor's finding as to the appropriateness of each system's assumptions. **Ms. Hodges moved, seconded by Ms. Templet, to recommend the board remain neutral on HB 1093. With no objection or discussion, the motion carried.**

Other Business

There was no additional business to discuss.

Adjournment

The meeting adjourned at 9:53 a.m.