

House Committee on Retirement

Minutes of Meeting
2014 Regular Session
March 20, 2014

I. CALL TO ORDER

Representative J. Kevin Pearson, chairman of the House Committee on Retirement, called the meeting to order at 9:48 a.m. in Room 4, in the State Capitol in Baton Rouge, Louisiana. The secretary called the roll.

II. ROLL CALL

MEMBERS PRESENT:

Representative J. Kevin Pearson, Chairman
Representative Nick Lorusso, Vice Chair
Representative Frank A. Hoffmann
Representative Paul Hollis
Representative Barry Ivey
Representative Sam Jones
Representative Jack Montoucet
Representative Edward J. Price
Representative H. Eugene Reynolds
Representative Kirk Talbot

MEMBERS ABSENT:

None

STAFF MEMBERS PRESENT:

Stephanie Little, Committee Attorney
Shawn O'Brien, Committee Secretary
Cheryl Forrest, Sergeant at Arms
Catherine Collins, Sergeant at Arms
Aaron Jackson, Sergeant at Arms
Vanessa Forrest, Sergeant at Arms
Joyce Trotter, Sergeant at Arms
Danielle Broussard, Committee Clerk

ADDITIONAL ATTENDEES PRESENT:

Paul Richmond, Actuarial Services Manager,
Office of the Legislative Auditor

III. DISCUSSION OF LEGISLATION

House Bill No. 25 by Representative Talbot

Representative Talbot presented House Bill No. 25, which provides relative to membership in the Louisiana State Employees' Retirement System (LASERS) and the Teachers' Retirement System of Louisiana (TRSL), prohibiting membership in either system for new hires of certain private employers.

Ms. Courtney Baker, LABI, 1331 Creek Valley, Baton Rouge, LA, 225-937-7373, submitted a card in support of the bill.

Mr. Shane Riddle, Louisiana Association of Educators (LAE), 8322 One Calais Ave., Baton Rouge, LA 70809, 225-343-9243; and Ms. Mary Patricia Wray, Louisiana Federation of Teachers (LFT), 9623 Brookline Ave., Baton Rouge, LA, testified in opposition to the bill.

Mr. Mike Myers, Red River United, 1726 Line Ave., Shreveport, LA 71101, 318-424-4579; and Mr. Ed Parker, AFSCME, 429 Government St., Baton Rouge, LA 225-927-2800, submitted witness cards in opposition to the bill.

Representative Hoffmann offered a set of amendments that would authorize the president of the LAE to be a member of TRSL under specified circumstances.

Ms. Maureen H. Westgard, Director, TRSL, 8401 United Plaza Blvd., Baton Rouge, LA 70804, 225-925-6454, provided information on the bill and the proposed amendments.

Representative Hoffmann offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 9 yeas and 0 nays. Representatives Lorusso, Hoffmann, Hollis, Ivey, Jones, Montoucet, Price, Reynolds, and Talbot voted yea.

Representative Hoffmann offered a motion to report House Bill No. 25 with amendments, to which Representative Jones objected. A roll call vote was taken and House Bill No. 25 was reported with amendments by a vote of 6 yeas and 3 nays. Representatives Lorusso, Hoffmann, Hollis, Ivey, Reynolds, and Talbot voted yea. Representatives Jones, Montoucet, and Price voted nay.

House Bill No. 45 by Representative Seabaugh

Representative Seabaugh presented House Bill No. 45, which provides relative to membership in state retirement systems for certain new hires.

There was no discussion on the bill.

Representative Talbot offered a motion to voluntarily defer action on House Bill No. 45. Without objection, action on House Bill No. 45 was voluntarily deferred by a vote of 9 yeas and 0 nays. Representatives Lorusso, Hoffmann, Hollis, Ivey, Jones, Montoucet, Price, Reynolds, and Talbot voted yea.

House Bill No. 42 by Representative Pearson

Representative Pearson presented House Bill No. 42, which provides for application of remaining funds in the La. School Employees' Retirement System's (LSERS) experience account, after payment of a permanent benefit increase to eligible retirees and beneficiaries, to specified debt of the system.

Ms. Courtney Baker, LABI, 1331 Creek Valley, Baton Rouge, LA, 225-937-7373, submitted a card in support of the bill.

Mr. Charles Hall, actuary, and Mr. Charles Bujol, executive director, LSERS, 8660 United Plaza Blvd., Baton Rouge, LA, 225-928-7866, provided information on the bill.

Ms. Mary Patricia Wray, Louisiana Federation of Teachers, 9623 Brookline Ave., Baton Rouge, LA 70809, testified in opposition to the bill.

Mr. Shane Riddle, Louisiana Association of Educators (LAE), 8322 One Calais Ave., Baton Rouge, LA 70809, 225-343-9243; Ms. Deborah Meaux, LAE, Mr. Mike Myers, Red River United, 1726 Line Ave., Shreveport, LA 71101, 318-424-4579; and Mr. Ed Parker, AFSCME, 429 Government St., Baton Rouge, LA, 225-927-2800, submitted witness cards in opposition to the bill.

Representative Ivey offered a motion to report House Bill No. 42 favorably, to which Representative Jones objected. A roll call vote was taken and House Bill No. 42 was reported favorably by a vote of 6 yeas and 1 nays. Representatives Lorusso, Hoffmann, Ivey, Price, Reynolds, and Talbot voted yea. Representative Jones voted nay.

House Bill No. 40 by Representative Pearson

Representative Pearson presented House Bill No. 40, which provides for application of remaining funds in the La. State Employees' Retirement System (LASERS) experience account, after payment of a permanent benefit increase to eligible retirees and beneficiaries, to specified debt of the system.

Ms. Courtney Baker, LABI, 1331 Creek Valley, Baton Rouge, LA, 225-937-7373, submitted a card in support of the bill.

Ms. Mary Patricia Wray, Louisiana Federation of Teachers (LFT), 9623 Brookline Ave., Baton Rouge, LA 70809, testified in opposition to the bill.

Mr. Frank L. Jobert, Jr., Retired State Employees Assn., 9412 Common Street, Suite 7, Baton Rouge, LA 70809, 225-930-0961, said in opposition to the legislation that it would break a promise to retirees made in 2009.

Mr. Shane Riddle, Louisiana Association of Educators, 8322 One Calais Ave., Baton Rouge, LA 70809, 225-343-9243; Mr. Mike Myers, Red River United, 1726 Line Ave., Shreveport, LA 71101, 318-424-4579; Ms. Deborah Meaux, La. Assn. of Educators; Mr. Mike Myers, Red River United, 1726 Line Ave., Shreveport, LA 71101, 318-424-4579; and Mr. Ed Parker, AFSCME, 429 Government St., Baton Rouge, LA, 225-927-2800, submitted witness cards in opposition to the bill.

Ms. Cindy Rougeou, LASERS, 8401 United Plaza Blvd., Baton Rouge, LA 225-922-0604, informed the committee that the LASERS Board opposes the bill and that there are more effective ways to continue to pay down debt than periodically sweeping the experience account, which was established in law to pay COLAs.

Ms. Maris LeBlanc, LASERS, 8401 United Plaza Blvd., Baton Rouge, LA, 225-922-2644, provided information on past Social Security and LASERS COLAs in response to a member's question.

Ms. Shelley Johnson, LASERS, 8401 United Plaza Blvd., Baton Rouge, LA, 225-922-2644 was available to provide information.

Representative Jones offered an amendment to require that excess from the experience account not be swept but that any earnings realized from the funds that would have been swept be applied toward the IUAL.

Representative Jones offered a motion to adopt the proposed amendments, to which Representative Pearson objected. A roll call vote was taken and by a vote of 5 yeas and 5 nays, the motion failed to pass. Representatives Hoffmann, Jones, Montoucet, Price, and Reynolds voted yea. Representatives Pearson, Lorusso, Hollis, Ivey, and Talbot voted nay.

Representative Pearson offered a motion to report House Bill No. 40 favorably, to which Representative Jones objected. A roll call vote was taken and by a vote of 5 yeas and 5 nays, the motion failed to pass. Representatives Pearson, Lorusso, Hollis, Ivey, and Talbot voted yea. Representatives Hoffmann, Jones, Montoucet, Price, and Reynolds voted nay.

There was no final action taken on the bill.

House Bill No. 86 by Representative Ivey

Representative Ivey presented House Bill No. 86, which provides for application of a portion of state retirement system investment returns to system debt and increases the threshold that must be met prior to funding state retirement system experience accounts.

Representative Ivey offered a set of amendments to slightly change the proposed thresholds for monies to go into the experience accounts, which varies among the systems, to impact the systems more equally based on each of their rates of return, and to change the effective date.

Representative Ivey offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 8 yeas and 0 nays. Representatives Hoffmann, Hollis, Ivey, Jones, Montoucet, Price, Reynolds, and Talbot voted yea.

Representative Ivey offered a set of amendments that would, for the Louisiana State Employees Retirement System (LASERS) and Teachers Retirement System of Louisiana (TRSL), require continued application of interest credits to oldest debt once OAB and EAAB are paid off; and, for all systems, remove interest credits from experience account and apply that amount to the old est debt. The amendment would require any funds remaining in the experience account after a COLA is granted to be used to pay off debts created by monies being credited to the experience account.

Representative Ivey offered a motion to adopt the proposed amendments, to which Representative Price objected. A roll call vote was taken and by a vote of 3 yeas and 5 nays, the motion failed to pass. Representatives Hollis, Ivey, and Talbot voted yea. Representatives Hoffmann, Jones, Montoucet, Price, and Reynolds voted nay.

Ms. Maureen H. Westgard, Director, TRSL, 8401 United Plaza Blvd., Baton Rouge, LA 70804, 225-925-6454, informed the committee of the opposition by the TRSL board to the bill.

Ms. Cindy Rougeou, LASERS, 8401 United Plaza Blvd., Baton Rouge, LA, 225-922-0604, provided information on the bill.

Mr. Charles Bujol, executive director, LSERS, 8660 United Plaza Blvd., Baton Rouge, LA, 225-928-7866, explained the opposition of his board to the bill.

Mr. Trey Roche, LASERS, 8401 United Plaza Blvd, Baton Rouge, LA 70809, 225-925-7218, and Mr. Charles Hall, actuary, LSERS, 8660 United Plaza Blvd., Baton Rouge, LA, 225-928-7866, were available to provide information on the bill.

Mr. Craig A. Luscombe, La. Retired Teachers Assn., 9412 Common St., Baton Rouge, LA 70809; 225-927-8837; Mr. Frank L. Jobert, Jr. Retired State Employees Association, 9412 Common Street, Suite 7, Baton Rouge, LA 70809, 225-930-0961; Ms. Mary Patricia Wray, Louisiana Federation of Teachers (LFT), 9623 Brookline Ave., Baton Rouge, LA 70809; and Ms. Deborah Meaux, LAE, 8322 One Calais, Baton Rouge, LA 70809, testified in opposition to House Bill No. 86.

Mr. Mike Myers, Red River United, 1726 Line Ave., Shreveport, LA 71101, 318-424-4579; Mr. Shane Riddle, Louisiana Association of Educators (LAE), 8322 One Calais Ave., Baton Rouge, LA 70809, 225-343-9243; Mr. Ed Parker, AFSCME, 429 Government St., Baton Rouge, LA 225-927-2800; Mr. Johnny Sabathe, Pipetrades, 3515 North I-10 Service Rd., Metairie, LA, 70002; Mr. David Duplechain, SMART, 421 Government St., Baton Rouge, LA; Mr. Shane Spillman, Firefighters, (address illegible), Baton Rouge, LA 70811; Mr. Ernest Stephens, Ms. Julie Cherry, and Mr. Louis Reine, LA AFL-CIO, 429 Government St., Baton Rouge, LA 225-383-5741; Mr. Erwin Felps, LSPRS, 9224 Jefferson, Baton Rouge, LA 70809, 225-295-8460; and Mr. David Young, La. State Troopers Assn., 8120 Jefferson Hwy., Baton Rouge, LA 70809, 225-928-2000, were present in opposition to the bill.

Representative Ivey offered a motion to report House Bill No. 86 with amendments, to which Representative Montoucet objected. A roll call vote was taken and by a vote of 4 yeas and 5 nays, the motion failed to pass. Representatives Lorusso, Hollis, Ivey, and Talbot voted yea. Representatives Hoffmann, Jones, Montoucet, Price, and Reynolds voted nay.

There was no final action taken on the bill.

House Bill No. 38 by Representative Pearson

Representative Pearson presented House Bill No. 38, which provides relative to retirement eligibility for certain members of state retirement systems.

There was no discussion on the bill.

Representative Pearson offered a motion to voluntarily defer action on House Bill No. 38. Without objection, action on House Bill No. 38 was voluntarily deferred by a vote of 10 yeas and 0 nays. Representatives Pearson, Lorusso, Hoffmann, Hollis, Ivey, Jones, Montoucet, Price, Reynolds, and Talbot voted yea.

House Bill No. 41 by Representative Pearson

Representative Pearson presented House Bill No. 41, which provides for application of remaining funds in the State Police Retirement System's experience account, after payment of a permanent benefit increase to eligible retirees and beneficiaries, to specified debt of the system.

There was no discussion on the bill.

Representative Pearson offered a motion to voluntarily defer action on House Bill No. 41. Without objection, action on House Bill No. 41 was voluntarily deferred by a vote of 10 yeas and 0 nays. Representatives Pearson, Lorusso, Hoffmann, Hollis, Ivey, Jones, Montoucet, Price, Reynolds, and Talbot voted yea.

House Bill No. 43 by Representative Pearson

Representative Pearson presented House Bill No. 43, which provides for application of remaining funds in the Teachers' Retirement System of La.'s experience account, after payment of a permanent benefit increase to eligible retirees and beneficiaries, to specified debt of the system.

There was no discussion on the bill.

Representative Pearson offered a motion to voluntarily defer action on House Bill No. 43. Without objection, action on House Bill No. 43 was voluntarily deferred by a vote of 10 yeas and 0 nays. Representatives Pearson, Lorusso, Hoffmann, Hollis, Ivey, Jones, Montoucet, Price, Reynolds, and Talbot voted yea.

IV. OTHER BUSINESS

There was no other business to come before the committee.

V. ANNOUNCEMENTS

There were no announcements.

VI. ADJOURNMENT

The meeting was adjourned at 12:53 p.m.

Respectfully submitted,

J. Kevin Pearson, Chairman
House Committee on Retirement

/so

Date Approved: _____

The committee has acknowledged on April 22, 2015, that these minutes were prepared in accordance with the rules of the House of Representatives.