

Minutes of Meeting
2014 Regular Session
April 24, 2014

I. CALL TO ORDER

Representative J. Kevin Pearson, chairman of the House Committee on Retirement, called the meeting to order at 12:42 p.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 Frank A. Hoffmann
Representative Paul Hollis
Representative Barry Ivey
Representative Sam Jones
Representative Gregory A. Miller
Representative Jack Montoucet
Representative Edward J. Price
Representative H. Eugene Reynolds
Representative Kirk Talbot

MEMBERS ABSENT:

Representative Nick Lorusso, Vice Chair

STAFF MEMBERS PRESENT:

Stephanie Little, Committee Attorney
Shawn O'Brien, Committee Secretary
Cheryl Forrest, 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. 1225 by Representative Robideaux

Representative Robideaux and Senator Guillory presented House Bill No. 1225, which requires the four state retirement systems (Louisiana State Employees' Retirement System (LASERS), Teachers' Retirement System of Louisiana (TRSL), Louisiana School Employees' Retirement System (LSERS), and State Police Retirement System (STPOL)) to apply certain amounts of excess investment returns to their outstanding debt and limits creation of additional liabilities through benefit increases.

Representative Pearson offered a set of amendments which Ms. Little explained would exclude particularized liabilities in variance contribution debts for all four systems from required payments on "oldest" debt of the system; reinsert some present law into the bill; provide for a 10-year amortization for purposes of determining whether the balance in the experience account is sufficient to fully fund, on an actuarial basis, any increase granted on or after July 1, 2015, calculated using a 10-year amortization period, and any recalculation of prior amortization bases created as a result of credits to the account being adjusted accordingly; provide relative to payments for LASERS and TRSL; provide relative to payments to the experience account; add, for LSERS and STPOL, provisions establishing each system's current assumed rate of return as a threshold for granting a benefit increase above 2%; require a report to the House and Senate Committees on Retirement by September 2, 2014 and review and approval by the joint committee by December 31, 2014; and to provide for the effective date of the Act.

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

Representative Pearson offered a set of technical amendments which Ms. Little said would make changes to the previously adopted amendment to the effect that actuarial gains allocated to the experience accounts shall be amortized as a loss with level payments over a ten-year period.

Representative Pearson offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 10 yeas and 0 nays. Representatives Pearson, Hoffmann, Hollis, Ivey, Jones, Miller, Montoucet, Price, Reynolds, and Talbot voted yea.

Representative Pearson offered a set of amendments that Ms. Little explained would remove provisions restricting the granting of benefit increases to every other year when the system is above 85% funded.

Representative Pearson offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 10 yeas and 0 nays. Representatives Pearson, Hoffmann, Hollis, Ivey, Jones, Miller, Montoucet, Price, Reynolds, and Talbot voted yea.

Representative Pearson offered a set of amendments which Ms. Little explained would add a provision authorizing each system to grant a partial benefit increase under certain circumstances.

Representative Pearson offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 10 yeas and 0 nays. Representatives Pearson, Hoffmann, Hollis, Ivey, Jones, Miller, Montoucet, Price, Reynolds, and Talbot voted yea.

Ms. Maureen Westgard, director, Mr. Roy Mongrue, and Ms. Shelley Johnson, TRSL, 8401 United Plaza Blvd., Baton Rouge, LA, 225-925-1830, provided information on the bill.

Ms. Cindy Rougeou, executive director, LASERS, 8401 United Plaza Blvd., Baton Rouge, LA, 225-922-0604, informed the committee that the LASERS board is neutral on the bill.

Mr. Charles Bujol, Executive Director, LSERS, 8660 United Plaza Blvd., Baton Rouge, LA, stated that LSERS is neutral on the bill.

Mr. Irwin Felps, LSPRS, 9224 Jefferson Highway, Baton Rouge, LA, 225-295-8400, provided information relative to the collaboration of the systems on the bill and said that his board is neutral on the legislation.

Mr. Jim Malohn, St. Charles Parish School Board, 13855 River Rd., Luling, LA, 985-785-6289, spoke on the bill for information relative to costs to school systems.

Mr. Paul Richmond, actuarial services manager, Office of the Legislative Auditor, answered questions on the fiscal analysis he had provided on the bill.

Ms. Lauren Bailey, executive counsel, LSERS, 8660 United Plaza Blvd., Baton Rouge, LA; Mr. Charles G. Hall, TRSL, LASERS, LSERS, and LSPRS (no address provided) 225-928-7866; Mr. Graig Luscombe, La. Retired Teachers Assn., Inc., 9412 Common St., Baton Rouge, LA, 225-927-8837; and Mr. Frank Jobert, Retired State Employees Association, 9412 Common St., Baton Rouge, LA, 225-930-0961, were present to provide information.

Mr. Robert Scott and Mr. Steven Procupio, Public Affairs Research Council, 4664 Jamestown Ave., Suite 300, Baton Rouge LA, 225-926-8414, submitted a witness card in support of the bill.

Mr. Mike Myers, Red River United, 1726 Line Ave., Shreveport, LA, 318-424-4579; Ms. Julie Cherry, Mr. Ernest Stephens, Mr. John Sabathe, and Mr. Louis Reine, Louisiana AFL-CIO, 429 Government St., Baton Rouge, LA, 225-383-5741; Mr. Ed Parker, AFSCME, 429 Government St., Baton Rouge, LA, 225-927-2800; and Mr. Nick Felton, president, New Orleans Fire Fighters, 3520 Gen. DeGaulle Drive, New Orleans, LA, 504-366-8564, submitted witness cards in opposition to House Bill No. 1225.

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

Representative Price offered a motion to report House Bill No. 1225 with amendments. Without objection, House Bill No. 1225 was reported with amendments by a vote of 10 yeas and 0 nays. Representatives Pearson, Hoffmann, Hollis, Ivey, Jones, Miller, Montoucet, Price, Reynolds, and Talbot voted yea.

Senate Bill No. 16 by Senator Guillory

Senator Guillory presented Senate Bill No. 16, which grants a permanent benefit increase to eligible retirees of the Louisiana State Police Retirement System (LSPRS) in accordance with statutory procedure.

Mr. Irwin Felps and Mr. Charles C. Hall, LSPRS, 9224 Jefferson Highway, Baton Rouge, LA, 225-295-8400, were present to provide information if requested.

Ms. Ann Stehr, National Assn. of Social Workers, 18906 Spyglass Hill, Baton Rouge, LA, 225-241-0947; Mr. Bobby Savoie and Mr. Andrew Mull, AARP-LA, (no address provided), Baton Rouge, LA, 225-936-1293; Mr. David Young, La. State Troopers Assn., 8120 Jefferson Hwy., Baton Rouge, LA, 225-938-3221; Ms. Deborah Meaux and Mr. Shane Riddle, LAE, 8322 One Calais Ave., Baton Rouge, LA, were present in support of the bill.

Representative Jones offered a motion to report Senate Bill No. 16 favorably. Without objection, Senate Bill No. 16 was reported favorably by a vote of 10 yeas and 0 nays. Representatives Pearson, Hoffmann, Hollis, Ivey, Jones, Miller, Montoucet, Price, Reynolds, and Talbot voted yea.

Senate Bill No. 18 by Senator Guillory

Senator Guillory presented Senate Bill No. 18, which grants a permanent benefit increase to eligible retirees of the Louisiana State Employees Retirement System (LASERS) in accordance with statutory procedure.

Ms. Cindy Rougeou, executive director, LASERS, 8401 United Plaza Blvd., Baton Rouge, LA, 225-922-0604, was present to provide information if requested.

Ms. Ann Stehr, National Assn. of Social Workers, 18906 Spyglass Hill, Baton Rouge, LA, 225-241-0947; Mr. Bobby Savoie and Mr. Andrew Mull, AARP-LA, (no address provided), Baton Rouge, LA, 225-936-1293; Mr. David Young, La. State Troopers Assn., 8120 Jefferson Hwy., Baton Rouge, LA 70809, 225-938-3221; Ms. Deborah Meaux and Mr. Shane Riddle, Louisiana Association of Educators, 8322 One Calais Ave., Baton Rouge, LA; Mr. Ed Parker, AFSCME, 429 Government St., Baton Rouge, LA, 225-927-2800; and Mr. Frank Jobert, RSEA, 9412 Common St., Baton Rouge, LA 225-930-0961, submitted witness cards in support of the bill.

Representative Price offered a motion to report Senate Bill No. 18 favorably. Without objection, Senate Bill No. 18 was reported favorably by a vote of 10 yeas and 0 nays. Representatives Pearson, Hoffmann, Hollis, Ivey, Jones, Miller, Montoucet, Price, Reynolds, and Talbot voted yea.

Senate Bill No. 19 by Senator Guillory

Senator Guillory presented Senate Bill No. 19, which grants a permanent benefit increase to eligible retirees in accordance with statutory procedure.

Ms. Ann Stehr, National Assn. of Social Workers, 18906 Spyglass Hill, Baton Rouge, LA, 225-241-0947; Mr. Bobby Savoie and Mr. Andrew Mull, AARP-LA, (no address provided), Baton Rouge, LA, 225-936-1293; Mr. David Young, La. State Troopers Assn., 8120 Jefferson Hwy., Baton Rouge,

LA 70809, 225-938-3221; Ms. Deborah Meaux and Mr. Shane Riddle, Louisiana Association of Educators, 8322 One Calais Ave., Baton Rouge, LA 70804; and Mr. Mike Meyers, Red River United, 1726 Line Ave., Shreveport, LA 71101, 318-424-4579, submitted witness cards in support of the bill.

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

Mr. Charles Bujol, executive director, and Ms. Lauren Bailey, executive counsel, Louisiana School Employees' Retirement System (LSERS), 8660 United Plaza Blvd., Baton Rouge, LA; and Mr. Charles G. Hall, LSERS, (no address provided) 225-928-7866, were present to provide information if requested.

Representative Reynolds offered a motion to report Senate Bill No. 19 favorably. Without objection, Senate Bill No. 19 was reported favorably by a vote of 10 yeas and 0 nays. Representatives Pearson, Hoffmann, Hollis, Ivey, Jones, Miller, Montoucet, Price, Reynolds, and Talbot voted yea.

Senate Bill No. 21 by Senator Guillory

Senator Guillory presented Senate Bill No. 21, which grants a permanent benefit increase to eligible retirees in accordance with statutory procedure.

Ms. Ann Stehr, National Assn. of Social Workers, 18906 Spyglass Hill, Baton Rouge, LA, 225-241-0947; Mr. Bobby Savoie and Mr. Andrew Mull, AARP-LA, (no address provided), Baton Rouge, LA, 225-936-1293; Mr. David Young, La. State Troopers Assn., 8120 Jefferson Hwy., Baton Rouge, LA, 225-938-3221; Mr. Benjamin Sandifer, Mr. James Stewart, president, and Mr. Lonnie Dunn, past president, Louisiana Retired Teachers Assn., Inc., 9412 Common St., Baton Rouge, LA 70809, 225-927-8837, Ms. Deborah Meaux and Mr. Shane Riddle, Louisiana Association of Educators, 8322 One Calais Ave., Baton Rouge, LA; Mr. Mike Myers, Red River United, 1726 Line Ave., Shreveport, LA, 318-424-4579; Ms. Mary Patricia Wray, Louisiana Federation of Teachers, 9623 Brookline Ave., Baton Rouge, LA; and Mr. Graig Luscombe, La. Retired Teachers Assn., Inc., 9412 Common St., Baton Rouge, LA, 225-927-8837, submitted witness cards in support of the bill but did not speak.

Ms. Maureen Westgard, director, Mr. Roy Mongrue, and Ms. Shelley Johnson, Teachers Retirement System of Louisiana, 8401 United Plaza Blvd., Baton Rouge, LA, 225-925-1830, were available to provide information on the bill.

Representative Ivey offered a motion to report Senate Bill No. 21 favorably. Without objection, Senate Bill No. 21 was reported favorably by a vote of 10 yeas and 0 nays. Representatives Pearson, Hoffmann, Hollis, Ivey, Jones, Miller, Montoucet, Price, Reynolds, and Talbot voted yea.

House Bill No. 22 by Representative Pearson

Representative Pearson presented House Bill No. 22, which relative to the Harbor Police Retirement System in the city of New Orleans, increases service required for eligibility for disability benefits, authorizes payment of benefits to handicapped or disabled children, removes certain specified actuarial assumptions, and provides relative to the board of trustees.

Mr. Randy Roche, Harbor Police, 12021 Lake Sherwood Ave., Baton Rouge, LA, 225-933-2727, assisted the author in his presentation of the bill.

Representative Talbot offered a set of amendments adding a provision that the Act becomes effective only if House Bill No. 1278 of the 2014 Regular Session does not become effective.

Representative Talbot offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 10 yeas and 0 nays. Representatives Pearson, Hoffmann, Hollis, Ivey, Jones, Miller, Montoucet, Price, Reynolds, and Talbot voted yea.

Mr. Robert Hecker, and Mr. Warner Tureaud, Harbor Police Retirement System, #1 Third Street, New Orleans, LA, 504-891-7585; Mr. Frank Jobert, Jr., trustee, Harbor Police Retirement System, 49 Inlet Drive, Slidell, LA, 985-643-8393; Mr. Joseph M. Orlesh and Mr. Matt Gresham, Port of New Orleans, 1350 PNO Place, New Orleans, LA, 504-528-3255; and Mr. Frank Jobert, Jr., Retired State Employees Association, 9412 Common Street, Suite 7, Baton Rouge, LA, 225-930-0961, submitted witness cards in support of the bill but did not testify.

Representative Montoucet offered a motion to report House Bill No. 22 with amendments. Without objection, House Bill No. 22 was reported with amendments by a vote of 10 yeas and 0 nays. Representatives Pearson, Hoffmann, Hollis, Ivey, Jones, Miller, Montoucet, Price, Reynolds, and Talbot voted yea.

House Bill No. 64 by Representative Havard

Representative Havard presented House Bill No. 64, which provides that certain employees of the Eastern La. Mental Health System are eligible for membership in the Hazardous Duty Services Plan in the La. State Employees' Retirement System (LASERS).

Representative Talbot offered a set of amendments which Ms. Little explained would restrict applicability of present law to employees of the system who are employed as therapeutic corrections guards or officers in the forensic program and add references to proposed law regarding therapeutic guards and officers to provisions with respect to membership and benefit calculations in the Hazardous Duty Services Plan.

Representative Talbot offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 10 yeas and 0 nays. Representatives Pearson, Hoffmann, Hollis, Ivey, Jones, Miller, Montoucet, Price, Reynolds, and Talbot voted yea.

Ms. Maris E. LeBlanc, deputy director, LASERS, 8401 United Plaza Blvd., Baton Rouge, LA, 225-922-2644, was available to provide information.

Mr. Ed Parker, AFSCME, 429 Government St., Baton Rouge, LA, 225-927-2800, submitted a witness card in support of the bill.

Mr. Frank Jobert, Retired State Employees Association, 9412 Common St., Baton Rouge, LA, 225-930-0961, submitted a card in opposition to the bill.

Representative Jones offered a motion to report House Bill No. 64 with amendments. Without objection, House Bill No. 64 was reported with amendments by a vote of 10 yeas and 0 nays. Representatives Pearson, Hoffmann, Hollis, Ivey, Jones, Miller, Montoucet, Price, Reynolds, and Talbot voted yea.

House Bill No. 67 by Representative Montoucet

Representative Montoucet presented House Bill No. 67, which provides that the benefit accrual rate for members of the Firefighters Retirement System (FRS) first hired on or after July 1, 2014, is based on length of service and extends maximum DROP participation from three to five years for members with 30 or more years of service. The bill was heard and amended at the March 13, 2014 meeting with no final action taken.

Representative Talbot offered a motion to reconsider the vote by which amendments had been adopted at the earlier meeting. Without objection, the committee voted to reconsider such vote by a vote of 9 yeas and 0 nays. Representatives Hoffmann, Hollis, Ivey, Jones, Miller, Montoucet, Price, Reynolds, and Talbot voted yea.

Representative Ivey offered a set of amendments to add a provision making 3-1/3% accrual rate applicable to certain disability and survivor benefits for new hires with less than 30 years of service.

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

Mr. Steven Stockstill, Board of Trustees, Firefighters Retirement System, 3100 Brentwood Dr., Baton Rouge, LA 70809, 225-925-4060, provided information.

Mr. Chad Major, Professional Fire Fighters Assn. (no address provided), spoke in support of the bill.

Mr. Ricky Campbell, Mr. Tony Smith, Mr. Michael Paternostro, Mr. Bennie Oubre, and Mr. Shane Spillman, representing the Professional Fire Fighters Assn. (no address provided); Mr. Arnold Lowther, Baker Firefighters (no address provided); Mr. Perry Jeselink, Monroe Firefighters, 2500 Bonita Pl., Monroe, LA, 318-614-7798; Mr. Robert Burkett, Jefferson Firefighters, Kenner, LA, 504-469-3445; Stacy Birdwell, Firefighters Retirement System, 9021 Aurora (address incomplete); and Ms. Barbara Sellers, Shreveport Firefighters, 222 Lafitte Rd., Shreveport, LA, submitted witness cards in support of the bill but did not speak.

Mr. Paul Richmond, actuarial services manager, Office of the Legislative Auditor, at Representative Talbot's request, explained his analysis indicating that the bill has an actuarial cost.

Representative Ivey offered a motion to report House Bill No. 67 with amendments, to which Representative Talbot objected. A roll call vote was taken, and House Bill No. 67 was reported with amendments by a vote of 8 yeas and 1 nays. Representatives Hoffmann, Hollis, Ivey, Jones, Miller, Montoucet, Price, and Reynolds voted yea. Representative Talbot voted nay.

House Bill No. 78 by Representative Montoucet

Representative Montoucet presented House Bill No. 78, which provides relative to retirement benefits of adult probation and parole officers in the Louisiana State Employees Retirement System (LASERS).

Mr. Danny Barras, La. Probation and Parole Officers Assn., 206 Martin Luther King, St. Martinville, LA, 337-983-8757, spoke in support of the bill.

Mr. Randal Johnson, 543 Spanish Town Rd., Baton Rouge, LA, 225-381-0166; Mr. Steven LaSalle, La. Probation and Parole Officers Assn., 4525 Lake Villa Dr., Metairie, LA 70002, 504-388-0355; Mr. Ed Parker, AFSCME, 429 Government Street, Baton Rouge, LA, 225-927-2800, submitted witness cards in support of the bill.

Ms. Cindy Rougeou, executive director, LASERS, 8401 United Plaza Blvd., Baton Rouge, LA, 225-922-0604, informed the committee that the LASERS board opposes the bill.

Ms. Maris E. LeBlanc, deputy director, and Mr. Trey Boudreaux, asst. director, LASERS, 8401 United Plaza Blvd., Baton Rouge, LA, 225-922-2644, provided information on the history of the fund that is the subject of the bill.

Mr. Thomas Bickham, Department of Corrections, 504 Mayflower St., Baton Rouge, LA 70802, provided information on the bill.

Mr. Frank Jobert, Retired State Employees Association, 9412 Common St., Baton Rouge, LA, 225-930-0961, and Mr. Charles Jenne, governor's office (no address provided), spoke in opposition to the bill.

Representative Montoucet offered a motion to report House Bill No. 78 favorably, to which Representative Pearson objected. A roll call vote was taken and by a vote of 4 yeas and 5 nays, the motion failed to pass. Representatives Ivey, Jones, Montoucet, and Price voted yea. Representatives Pearson, Hoffmann, Miller, Reynolds, and Talbot voted nay.

Representative Pearson offered a motion to involuntarily defer action on House Bill No. 78, to which Representative Ivey objected. A roll call vote was taken and by a vote of 4 yeas and 5 nays, the motion failed to pass. Representatives Pearson, Hoffmann, Miller, and Talbot voted yea. Representatives Ivey, Jones, Montoucet, Price, and Reynolds voted nay.

There was no final action taken on the bill.

House Bill No. 79 by Representative Pearson

Representative Pearson presented House Bill No. 79, which provides for enrollment of new hires of the Harbor Police Department of the Port of New Orleans in the Hazardous Duty Services Plan in the La. State Employees' Retirement System (LASERS) and for administration of the Harbor Police Retirement System by the LASERS.

Mr. Randy Roche, Harbor Police, 12021 Lake Sherwood Ave., Baton Rouge, LA, 225-933-2727, assisted the author in his presentation on the bill.

Mr. Frank Jobert, Retired State Employees Association, 9412 Common St., Baton Rouge, LA, 225-930-0961; Mr. Patrick Gallwey, Mr. Matt Gresham, and Mr. Joseph M. Orlesh, Port of New Orleans, 1350 Port of New Orleans Place, New Orleans, LA, 504-528-3305; Mr. Warner Tureaud, Harbor Police Retirement System, #1 Third St., New Orleans, LA 70130, 504-528-3284; and Mr. Frank Jobert, Jr., Harbor Police Retirement System, 49 Inlet Drive, Slidell, LA 70458, 985-643-8393, submitted cards in support of the bill but did not testify.

Mr. Ed Parker, AFSCME, 429 Government St., Baton Rouge, LA, 225-927-2800, filed a card in opposition to the bill but did not speak.

Ms. Cindy Rougeou, executive director; Ms. Maris E. LeBlanc, deputy director; and Mr. Trey Roche, staff attorney, LASERS, 8401 United Plaza Blvd., Baton Rouge, LA, 225-922-0604, filed witness cards for information, stating the LASERS Board's support of the bill.

Representative Talbot offered a motion to report House Bill No. 79 by substitute. Without objection, House Bill No. 79 was reported by substitute by a vote of 6 yeas and 0 nays. Representatives Pearson, Miller, 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

Representative Reynolds offered a motion to adjourn. Without objection, the meeting was adjourned by a vote of 6 yeas and 0 nays. Representatives Pearson, Miller, Montoucet, Price, Reynolds, and Talbot voted yea.

The meeting was adjourned at 3:23 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.