

House Committee on Retirement

Minutes of Meeting
2014 Regular Session
May 15, 2014

I. CALL TO ORDER

Representative J. Kevin Pearson, chairman of the House Committee on Retirement, called the meeting to order at 3:12 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 Nick Lorusso, Vice Chair
Representative Frank A. Hoffmann
Representative Paul Hollis
Representative Barry Ivey
Representative Sam Jones
Representative Gregory A. Miller
Representative Edward J. Price
Representative Kirk Talbot

MEMBERS ABSENT:

Representative Jack Montoucet
Representative H. Eugene Reynolds

STAFF MEMBERS PRESENT:

Stephanie Little, Committee Attorney
Karen Stephens, Committee Secretary
Danielle Broussard, Committee Clerk
Cheryl Forrest, Sergeant at Arms
Catherine Collins, Sergeant at Arms

ADDITIONAL ATTENDEES PRESENT:

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

III. DISCUSSION OF LEGISLATION

Senate Bill No. 2 by Senator Mills

Representative Barras presented Senate Bill No. 2 on behalf of the author. It provides for the prospective termination of a hospital district plan.

Representative Pearson offered a set of amendments to restrict applicability of proposed law to any hospital service district located in a parish with a total population between 70,000 and 80,000 persons; to add a provision requiring continuation of the agreement for coverage for all employees hired prior to the prospective termination; and to change the effective date.

Representative Jones offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 7 yeas and 0 nays. Representatives Pearson, Hoffmann, Ivey, Jones, Lorusso, Miller, and Talbot voted yea.

Ms. Dainna Tully, Parochial Employees Retirement System, P. O. Box 14619, Baton Rouge, LA, 225-928-1361, informed the committee that her board is opposed to the bill based on the termination of new hires, which cost the retirement system less and therefore keep aggregate costs down.

Mr. Gary Curran, Actuary, 10555 N. Glenstone Place, Baton Rouge, LA 70810, 225-679-4825, provided information on the negative impact of the bill on the cost structure of the plan and allocating costs properly vs. maintaining equity among participating groups.

Mr. Parker Templeton, CEO, Hospital Service District #1 of Iberia Parish, 2315 E. Main St., New Iberia, LA 70560, 337-519-9914, spoke in favor of the bill and answered questions.

Mr. Nick Cahanin, Iberia Medical Center (no address provided), 337-298-6414; Mr. Burt C. Cestia, Jr., Hospital Service District, Iberia Parish, 2826 Teal Drive, New Iberia, LA, 337-365-4831; Mr. Clark Cosse', Louisiana Hospital Association (LHA), 9521 Brookline Ave., Baton Rouge, LA, 225-928-0076; Ms. Jennifer McMahan, LHA, (no address provided); and Mr. Tyron Picard, Iberia General Medical Center, 807 Richard (address incomplete), submitted witness cards in support of the bill.

Representative Lorusso offered a motion to report Senate Bill No. 2 with amendments. Without objection, Senate Bill No. 2 was reported with amendments by a vote of 8 yeas and 0 nays. Representatives Pearson, Hoffmann, Ivey, Jones, Lorusso, Miller, Price, and Talbot voted yea.

Senate Bill No. 6 by Senator Martiny

On behalf of the author, Representative Lorusso presented Senate Bill No. 6, which adds an additional retiree representative to the board of trustees of the Firefighters' Retirement System.

Representative Lorusso offered a set of technical amendments and made a motion to adopt them. Without objection, the amendments were adopted by a vote of 8 yeas and 0 nays. Representatives Pearson, Hoffmann, Ivey, Jones, Lorusso, Miller, Price, and Talbot voted yea.

Representative Pearson offered a set of amendments to change the date of the new member's election and term of office. 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, Hoffmann, Ivey, Jones, Lorusso, Miller, Price, and Talbot voted yea.

Stacy Birdwell, Firefighters Retirement System, 9021 Aurora La., Shreveport, LA 71115, was present for information on the bill.

Ms. Paulette Bailey-Wilson, Louisiana Municipal Association (LMA), 4919 Jamestown Ave., Baton Rouge, LA 70808; Mr. Ty Bromell, Police Jury Association, 707 N. 7th Street, Baton Rouge, LA, 70802, 225-343-2835; and Mr. John Gallagher, LMA, 700 N. 10th St., Baton Rouge, LA 225-344-5001, submitted witness cards in opposition to the bill.

Mayson Foster, LMA/City of Hammond, 800 W. Dakota, Hammond, LA 70401, 985-345-6339; and Mr. Ronnie Harris, LMA, 700 N. 10th St., Baton Rouge, LA 225-344-5001, spoke in opposition to the bill.

Representative Lorusso offered a motion to report Senate Bill No. 6 with amendments, to which Representative Hoffmann objected. A roll call vote was taken and by a vote of 2 yeas and 6 nays, the motion failed to pass. Representatives Lorusso and Miller voted yea. Representatives Pearson, Hoffmann, Ivey, Jones, Price, and Talbot voted nay.

There was no final action taken on the legislation.

Senate Bill No. 13 by Senator Peacock

Senator Peacock presented Senate Bill No. 13, which provides for use of entry age normal valuation method by the State Employees' Retirement System (LASERS) and the Teachers' Retirement System (TRSL).

Representative Price offered a set of amendments which Ms. Stephanie Little, committee attorney, explained would remove provisions relative to allocations of excess returns to the unfunded accrued liability of LASERS and TRSL, to the cessation of reamortization of system debt after application of excess returns, and to the threshold above which excess returns are credited to the LASERS and TRSL experience accounts, leaving only the entry age normal provision and the effective date.

Representative Price offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 7 yeas and 0 nays. Representatives Pearson, Hoffmann, Ivey, Jones, Lorusso, Miller, and Price voted yea.

Ms. Cindy Rougeou, executive director, LASERS, 8401 United Plaza Blvd., Baton Rouge, LA, 225-922-0604 provided information on the entry age normal valuation method in the bill.

Ms. Maureen Westgard, director, TRSL, 8401 United Plaza Blvd., Baton Rouge, LA, 225-925-6454, informed the committee of TRSL's support for the bill as amended.

Frank Jobert, Jr., RSEA, 9412 Common St., Suite 7, Baton Rouge, LA 70809, 225-930-0961, 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.

Representative Hoffmann offered a motion to report Senate Bill No. 13 with amendments. Without objection, Senate Bill No. 13 was reported with amendments by a vote of 6 yeas and 0 nays. Representatives Pearson, Hoffmann, Jones, Lorusso, Miller, and Price voted yea.

Senate Bill No. 30 by Senator Cortez

Representative Pearson presented Senate Bill No. 30, which provides for technical corrections.

Ms. Cindy Rougeou, executive director, and Mr. Trey Roche, attorney, LASERS, 8401 United Plaza Blvd., Baton Rouge, LA, 225-922-0604, informed the committee that the LASERS board had requested the bill be filed.

Mr. Frank Jobert, Jr., RSEA, 9412 Common St., Suite 7, Baton Rouge, LA 70809, 225-930-0961, submitted a witness card in support of the bill.

Mr. Richmond answered questions from the committee.

Representative Price offered a motion to report Senate Bill No. 30 favorably. Without objection, Senate Bill No. 30 was reported favorably by a vote of 6 yeas and 0 nays. Representatives Pearson, Hoffmann, Jones, Lorusso, Miller, and Price voted yea.

Senate Concurrent Resolution No. 5 by Senator Guillory

Representative Pearson presented Senate Concurrent Resolution No. 5 on behalf of the author. The resolution memorializes Congress to reduce or eliminate the reductions in federal law applicable to social security benefits for those receiving public retirement system benefits.

Ms. Maureen Westgard, director, Teachers' Retirement System of Louisiana, 8401 United Plaza Blvd., Baton Rouge, LA, 225-925-6454, was available to provide information.

Mr. Frank Jobert, Jr., RSEA, 9412 Common St., Suite 7, Baton Rouge, LA 70809, 225-930-0961; Mr. Graig Luscombe, La. Retired Teachers Assn., Inc., 9412 Common St., Baton Rouge, LA, 225-927-8837; and Mr. Joe Mapes, La. Fraternal Order of Police, 731 Lakeland Dr., Baton Rouge, LA, 225-268-8572, submitted cards in support of the bill

Representative Pearson offered a motion to report Senate Concurrent Resolution No. 5 favorably. Without objection, Senate Concurrent Resolution No. 5 was reported favorably by a vote of 6 yeas and 0 nays. Representatives Pearson, Hoffmann, Jones, Lorusso, Miller, and Price 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 4:09 p.m.

Respectfully submitted,

J. Kevin Pearson, Chairman
House Committee on Retirement

/so

Date Approved: April 22, 2015

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