

Regular Session, 2010

HOUSE CONCURRENT STUDY REQUEST NO. 8
BY REPRESENTATIVE TUCKER

Approved
6-21-10

RETIREMENT/STATE SYSTEMS: Relative to state retirement systems, requests the House and Senate committees on retirement to study issues related to board membership and system investments

A CONCURRENT STUDY REQUEST

2 To the House Committee on Retirement and the Senate Committee on Retirement to meet
3 and to function as a joint committee to study issues related to investments and board
4 membership of the four state public retirement systems: the Louisiana State
5 Employees' Retirement System (LASERS), the Teachers' Retirement System of
6 Louisiana (TRSL), the Louisiana School Employees' Retirement System (LSERS),
7 and the State Police Pension and Retirement System (STPOL) and to report the
8 findings of the joint committee to the legislature not later than 60 days prior to the
9 convening of the 2011 Regular Session of the Legislature of Louisiana.

10 WHEREAS, the Louisiana Constitution requires the state to guarantee the benefits
11 payable to members of the state retirement systems; and

12 WHEREAS, the solvency of the state retirement systems is dependent upon the
13 systems' ability to meet their respective Actuarially Assumed Rates of Return over the long
14 term; and

15 WHEREAS, a state retirement system's failure to meet its Actuarially Assumed Rate
16 of Return in a given fiscal year can have a detrimental impact on the funding status of the
17 system, which in turn can lead to increased employer contributions on behalf of the state and
18 the local school systems; and

1 WHEREAS, monumental market losses in Fiscal Year 2008-2009 led to a significant
2 decrease in funding for the state retirement systems, causing dramatic increases in the
3 employer contributions on behalf of the state and the local school systems; and

4 WHEREAS, for the fiscal year ending June 30, 2009, LASERS' funded ratio was
5 59.3%, TRSL's funded ratio was 55.7%, LSERS' funded ratio was 65.5%, and STPOL's
6 funded ratio was 58.37%, and the unfunded accrued liability for those four state retirement
7 systems combined equaled \$16,836,958,351; and

8 WHEREAS, the state has a compelling interest in maintaining financially sound
9 systems for the benefit of the membership they individually serve and for Louisiana's public;
10 and

11 WHEREAS, increasingly complex market conditions and investment vehicles must
12 be relied upon by the state retirement systems in order to meet rates of return on investments
13 necessary to properly fund the systems and provide sustainable levels of benefits; and

14 WHEREAS, the decisionmaking with regard to system investments should be
15 undertaken by knowledgeable and qualified individuals.

16 THEREFORE, the Legislature of Louisiana requests the House Committee on
17 Retirement and the Senate Committee on Retirement to meet and to function as a joint
18 committee to study issues relative to investments and board membership of the four state
19 retirement systems and to report the findings of the joint committee to the legislature not
20 later than sixty days prior to the convening of the 2011 Regular Session of the Legislature
21 of Louisiana.

DIGEST

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Tucker

HCSR No. 8

Requests the House and Senate committees on retirement to study issues related to investments and board membership of the four state public retirement systems and to report the findings of the joint committee to the legislature not later than 60 days prior to the 2011 R.S.