

2024 Regular Session

HOUSE RESOLUTION NO. 169

BY REPRESENTATIVE BACALA

A RESOLUTION

To establish a task force to study the Optional Retirement Plan within the Teachers' Retirement System of Louisiana in relation to the unclassified staff and faculty recruitment and retention crisis faced by Louisiana's public postsecondary education institutions and to report its findings to the House Committee on Retirement not later than ninety days prior to the convening of the 2025 Regular Session of the Legislature.

WHEREAS, higher education is facing a recruitment and retention crisis, and state public higher education officials have informed the legislature that current retirement options are limited and do not provide a flexible choice for unclassified staff and faculty and that a more flexible retirement option is needed to make Louisiana's public higher education institutions more competitive with other states, especially when seeking to retain or recruit individuals from among the limited pool within certain highly specialized disciplines; and

WHEREAS, the Legislature of Louisiana appreciates the leadership role of Louisiana public higher education institutions in accommodating Louisiana workforce needs through their programs and recognizes that because those programs often rely on industry-experienced faculty and staff; and

WHEREAS, the Legislature created the Optional Retirement Plan (ORP), a defined contribution plan within the Teachers' Retirement System of Louisiana (TRSL); the traditional TRSL plan is a defined benefit plan with a guaranteed pension, but the ORP is a defined contribution plan without a guaranteed pension, making the ORP unique among the plans available to public employees in Louisiana; and

WHEREAS, a participant in the defined contribution plan assumes all risk associated with the investment of his or her contributions and is not guaranteed a pension upon retirement or upon termination of employment prior to retirement, but rather, their individual retirement benefits are based on the value of the account at the time of the individual's retirement and solvency of the carrier; and

WHEREAS, TRSL participants have a lifetime benefit guaranteed by the state of Louisiana; ORP participants have no lifetime guarantee; eligible TRSL participants receive disability and survivor benefits; ORP participants do not receive disability or survivor benefits other than the value of their ORP account at the time of disability or death; and

WHEREAS, the ORP is within the Teachers' Retirement System of Louisiana, which has a board to represent interests of TRSL members; there is neither a board to represent interests of ORP participants nor a seat dedicated to ORP participants on the TRSL board; and

WHEREAS, although ORP participants do not receive a defined retirement pension, they are nevertheless subject to a reduction or elimination of any earned Social Security benefits through the Windfall Elimination Provisions and the Government Pension Offset; and

WHEREAS, the House of Representatives needs comprehensive, objective information on these and other aspects of the ORP to make informed decisions about possible adjustments to the laws providing for it.

THEREFORE, BE IT RESOLVED that the House of Representatives of the Legislature of Louisiana does hereby establish a task force to study the Optional Retirement Plan within the Teachers' Retirement System of Louisiana in relation to the unclassified staff and faculty recruitment and retention crisis faced by Louisiana's public postsecondary education institutions and to report its findings to the House Committee on Retirement not later than ninety days prior to the convening of the 2025 Regular Session of the Legislature.

BE IT FURTHER RESOLVED that the task force hereby established shall examine aspects of the ORP program, including but not limited to:

(1) Provide ORP providers an opportunity to share industry best practices on individual savings and plan design.

(2) How nonpension retirement plans are managed in other states.

(3) Advantages and disadvantages associated with selection of the ORP.

(4) Information about what other states offer to their respective public postsecondary employees.

(5) The feasibility of allowing a participant in ORP to change their decision to participate in the ORP.

(6) Employer contribution rates for the defined benefit pension plans and ORP and the benefits accrued to the members.

(7) Differences, if any, in the definitions of "higher education" and "postsecondary education" as these terms are used in laws establishing institutions and interpreted by TRSL in the administration of retirement plans.

(8) Other issues the task force believes the legislature should be aware of.

BE IT FURTHER RESOLVED that the task force shall be comprised of fifteen members appointed as follows:

(1) The Board of Supervisors for the University of Louisiana System shall appoint three members, at least two of whom shall be Optional Retirement Plan participants and one of those shall be a faculty member in a hard-to-recruit research, scientific, or medical discipline.

(2) The Board of Supervisors of Louisiana State University and Agricultural and Mechanical College shall appoint three members, at least two of whom shall be Optional Retirement Plan participants and one of those shall be a faculty member in a hard-to-recruit research, scientific, or medical discipline.

(3) The Board of Supervisors of Southern University and Agricultural and Mechanical College shall appoint three members, at least two of whom shall be Optional Retirement Plan participants and one of those shall be a faculty member in a hard-to-recruit research, scientific, or medical discipline.

(4) The Board of Supervisors of Community and Technical Colleges shall appoint two members, at least one of whom shall be an Optional Retirement Plan participant.

(5) The Board of Regents shall appoint two members, at least one of whom shall be an Optional Retirement Plan participant.

(6) The board of trustees of the Teachers' Retirement System of Louisiana shall appoint two members, at least one of whom shall be an Optional Retirement Plan participant.

(7) The actuary for the legislative auditor shall serve as an ex-officio member.

BE IT FURTHER RESOLVED that the appointing authorities shall submit the names and contact information for their appointees, no later than July 1, 2024, to the commissioner of higher education, who shall call the first meeting of the task force no later than August 1, 2024.

BE IT FURTHER RESOLVED that at the first meeting, the members of the task force shall elect a chair and such other officers as it deems necessary; the chair shall call subsequent meetings.

BE IT FURTHER RESOLVED that the Board of Regents shall provide staff for the task force, the Legislative Auditor shall provide actuarial services requested by any member of the task force for any aspects discussed, and task force members shall serve without compensation and without reimbursement of expenses associated with participation or travel except that which they are entitled to from their employers.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES