

2017 Regular Session

SENATE RESOLUTION NO. 39

BY SENATOR MILKOVICH

RETIREMENT SYSTEMS. Urges and requests the systems to report certain investment information including amounts paid to investment professionals.

1 A RESOLUTION

2 To urge and request each state retirement system to provide the Senate Committee on  
3 Retirement with comprehensive quarterly reports on the funds invested, a listing of  
4 each investment and with whom, the returns on each investment and the fees paid for  
5 services related to that investment, the methodology by which the fees are calculated,  
6 and to whom paid, commencing with the quarter beginning on July 1, 2017.

7 WHEREAS, the state of Louisiana maintains four state retirement systems for public  
8 employees, namely the Louisiana State Employees' Retirement System, the Teachers'  
9 Retirement System of Louisiana, the Louisiana School Employees' Retirement System, and  
10 the State Police Retirement System, hereinafter referred to as "retirement systems"; and

11 WHEREAS, Article X, Section 29, of the Louisiana Constitution provides a  
12 guarantee of benefits for members of the retirement systems and also requires the state to  
13 appropriate funds to pay the annual normal costs of the retirement systems and the annual  
14 cost of amortizing the retirement systems' unfunded accrued liabilities; and

15 WHEREAS, the three primary sources of funding for each retirement system are  
16 employee contributions, employer contributions, and earnings on the investment of the  
17 system's assets; and

1           WHEREAS, for each system, the employee contribution rates are fixed by statute,  
2           but the employer contribution rate fluctuates from year to year and is set based on the rate  
3           of return the system earns on its investment of assets, thus making the employer contribution  
4           dependent on the skill and expertise exercised by the systems' board of trustees in managing  
5           and investing their assets; and

6           WHEREAS, retirement system board members rely upon the counsel and guidance  
7           of investment advisors, consultants, and managers in making investment decisions, and such  
8           decisions directly impact the state general fund and funding by local school districts, the  
9           employer contribution rates required to fund the retirement systems, and the ability to  
10          provide permanent benefit increases to retirees and their survivors; and

11          WHEREAS, the Senate has monitored the investments of the retirement systems for  
12          over a decade by reviewing the reports submitted pursuant to Senate Resolution No. 175 of  
13          the 2005 Regular Session of the Legislature.

14          THEREFORE, BE IT RESOLVED that each retirement system is urged and  
15          requested to provide the Senate Committee on Retirement with comprehensive quarterly  
16          reports detailing the amount of funds invested, a listing of each investment and with whom,  
17          the returns on each investment and the fees paid by the retirement system for services related  
18          to that investment for the quarter and for the plan year to date, the methodology by which  
19          the fees are calculated, and to whom paid, commencing with the quarter beginning on  
20          July 1, 2017. For all private assets, the reported methodology by which the fees are  
21          calculated shall not include any proprietary or trade secret information, or any information  
22          the disclosure of which could cause a competitive disadvantage in the pricing of investment  
23          services related to such assets.

24          BE IT FURTHER RESOLVED that a copy of each retirement system's report shall  
25          be made available on the official website of that system.

26          BE IT FURTHER RESOLVED that this Resolution shall replace Senate Resolution  
27          No. 175 of the 2005 Regular Session of the Legislature and the reports required pursuant to  
28          that Resolution shall cease following the submission of the reports for the quarter ending  
29          June 30, 2017.

1 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the  
2 Louisiana State Employees' Retirement System, the Teachers' Retirement System of  
3 Louisiana, the Louisiana School Employees' Retirement System, and the State Police  
4 Retirement System.

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The original instrument and the following digest, which constitutes no part  
of the legislative instrument, were prepared by Margaret M. Corley.

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DIGEST

SR 39 Engrossed

2017 Regular Session

Milkovich

To urge and request each state retirement system to provide the Senate Committee on Retirement with a full quarterly report on the funds invested.