

2017 Regular Session

SENATE RESOLUTION NO. 39

BY SENATOR MILKOVICH

RETIREMENT SYSTEMS. Directs the systems to report certain investment information including amounts paid to investment professionals.

1 A RESOLUTION

2 To direct each state retirement system to provide the Senate Committee on Retirement
3 with comprehensive quarterly reports on the funds invested, a listing of each
4 investment and with whom, the returns on each investment and the fees paid for
5 services related to that investment, the formula by which the fees are calculated, and
6 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 directed to provide
15 the Senate Committee on Retirement with comprehensive quarterly reports detailing the
16 amount of funds invested, a listing of each investment and with whom, the returns on each
17 investment and the fees paid by the retirement system for services related to that investment
18 for the quarter and for the plan year to date, the formula by which the fees are calculated, and
19 to whom paid, commencing with the quarter beginning on July 1, 2017.

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

24 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the
25 Louisiana State Employees' Retirement System, the Teachers' Retirement System of
26 Louisiana, the Louisiana School Employees' Retirement System, and the State Police
27 Retirement System.

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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| SR 39 Original | DIGEST 2017 Regular Session | Milkovich |
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To direct each state retirement system to provide the Senate Committee on Retirement with a full quarterly report on the funds invested.