2018 Second Extraordinary Session

HOUSE CONCURRENT RESOLUTION NO. 1

BY REPRESENTATIVE IVEY

BUDGETARY PROCEDURES: Urge and request that the executive budget include certain retirement expense information in the report of discretionary and nondiscretionary expenditures

1	A CONCURRENT RESOLUTION
2	To urge and request that certain information concerning the unfunded accrued liabilities of
3	the state retirement systems be included in the listing of nondiscretionary expenses
4	contained in the executive budget and supporting document.
5	WHEREAS, the Louisiana constitution requires there be established by law
6	retirement systems for state employees and officials, teachers and other employees within
7	the public educational system, and certain law enforcement officers, hereafter referred to as
8	"state retirement systems"; and
9	WHEREAS, each state retirement system currently maintains an unfunded accrued
10	liability, specifically as follows:
11	(1) Louisiana State Employees Retirement System, \$6.8 billion.
12	(2) Teachers Retirement System of Louisiana, \$10.5 billion.
13	(3) Louisiana School Employees Retirement System, \$662 million.
14	(4) Louisiana State Police Retirement System, \$288 million.
15	WHEREAS, addressing the unfunded accrued liability of the state retirement systems
16	is critical to the continuation of the function of those systems, and the magnitude of the
17	unfunded accrued liabilities of each system may not be widely known by persons outside of
18	those who manage the systems; and

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1 WHEREAS, the Louisiana constitution requires that the legislature provide for the 2 funding of employer contributions owed to the state retirement systems, including specific 3 funding for amortization of the unfunded accrued liability of each system; and 4 WHEREAS, state law requires that the executive budget contain specific reports 5 listing discretionary and nondiscretionary expenditures for each state agency, and provides 6 for a non-exclusive list of items which are to be considered "nondiscretionary expenditures"; 7 and 8 WHEREAS, since the unfunded accrued liabilities of the state retirement systems are 9 a mandatory state budget obligation, information concerning these state liabilities should be 10 included as nondiscretionary expenditures in the state budget. 11 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby 12 urge and request the commissioner of administration to include within each executive budget 13 listing of nondiscretionary expenditures, an illustrative estimate of the amounts necessary 14 for funding for each state agency to provide for the employer portion of the normal cost, the 15 unfunded accrued liability existing as of June 30, 1988, and any additional unfunded accrued 16 liability. 17 BE IT FURTHER RESOLVED that it is understood that a calculation of an official 18 estimated amount to be payable each year by state agencies could be burdensome and cause 19 confusion with other estimates developed for purposes of funding the systems, therefore it 20 is requested that the commissioner of administration develop a method of calculating an

21 illustrative estimate for this purpose, to be based upon information available which may 22 include the most recent actuarial valuation report approved by the Public Retirement 23 Systems' Actuarial Committee and any other information deemed appropriate for this 24 purpose by the commissioner.

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BE IT FURTHER RESOLVED, that any estimated amount included in an executive budget concerning unfunded accrued liabilities shall be deemed to be exclusively for general 27 informational purposes to aid members of the Louisiana Legislature and the public, and shall 28 thus be unacceptable for utilization for any other purpose.

29 BE IT FURTHER RESOLVED that a suitable copy of this Resolution be transmitted 30 to the commissioner of administration.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Ivey

Urge and request the commissioner of administration to include an illustrative estimate of the amounts necessary for payment of the employer portion of the normal cost and UAL amortization costs for the state retirement systems within the executive budget's and supporting document's list of nondiscretionary expenditures.