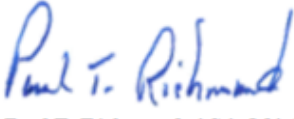


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<p>House Bill 14 HLS 18RS-180 Reengrossed 1 with Senate Retirement Committee Amendment #3723</p> <p>Author: Representative Smith Date: May 9, 2018 LLA Note HB 14.04</p> <p>Organizations Affected: Teachers' Retirement System of Louisiana</p> <p>RE1 INCREASE APV</p>	<p>This Note has been prepared by the Actuarial Services Department of the Legislative Auditor with assistance from either the Fiscal Notes staff of the Legislative Auditor or staff of the Legislative Fiscal Office. The attachment of this Note provides compliance with the requirements of R.S. 24:521 as amended by Act 353 of the 2016 Regular Session.</p> <div style="text-align: center;">  Paul T. Richmond, ASA, MAAA, EA Manager Actuarial Services </div>
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Bill Header: RETIREMENT/TEACHERS: Provides relative to the reemployment of retired interpreters, educational transliterators, and certified educators of the hearing impaired in positions covered by the Teachers' Retirement System of Louisiana.

Cost Summary:

The estimated actuarial and fiscal impact of HB 14 on the retirement systems and their plan sponsors is summarized below. Actuarial costs pertain to estimated changes in the *actuarial present value of future benefit payments*. Fiscal costs or savings pertain to changes to all cash flows over the next five year period including retirement system cash flows, OPEB cash flows, or cash flows related to other government entities.

An increase in actuarial costs is denoted throughout the actuarial note by "Increase" or a positive number. Actuarial savings are denoted by "Decrease" or a negative number. An increase in expenditures or revenues (fiscal impact) is denoted by "Increase" or a positive number. A decrease in expenditures or revenues is denoted by "Decrease" or a negative number.

Estimated Actuarial Impact:

The top part of the following chart shows the estimated change in the *actuarial present value of future benefit payments and expenses*, if any, attributable to the proposed legislation. The bottom part shows the effect on cash flows.

Actuarial Costs Pertaining to:		Actuarial Cost
The Retirement Systems		Increase
Other Post Employment Benefits (OPEB)		Negligible
Other Government Entities		0
Total		Increase
Five Year Fiscal Cost Pertaining to:	Expenses	Revenues
The Retirement Systems	Increase	Increase
Other Post Employment Benefits	Negligible	0
Other Government Entities	0	0
Total	Increase	Increase

This bill complies with the Louisiana Constitution which requires unfunded liabilities created by an improvement in retirement benefits to be amortized over a period not to exceed ten years.

Bill Information

Current Law

Current law suspends the benefits of a reemployed retired member of the Teachers' Retirement System of Louisiana (TRSL). There are exceptions for retirees who are reemployed in Reemployment-Eligible Critical Shortage Positions which are defined as:

1. A position for a full-time or part-time classroom teacher who teaches any student in kindergarten through twelfth grade in a school *where a critical shortage exists*;
2. A position for a full-time certified speech therapist, speech pathologist, audiologist, educational diagnostician, school social worker, school counselor, or school psychologist whose position of employment requires a valid Louisiana ancillary certificate approved and issued by the State Department of Education in a school district *where a critical shortage exists*.

Pension benefits payable to a retiree reemployed in a Reemployment-Eligible Critical Shortage Position are subject to the following suspension of benefit rules.

1. If a retiree is reemployed in a Reemployment-Eligible Critical Shortage Position before the first anniversary (third anniversary if he retired with a reduced benefit) of his original date of retirement, the retiree's benefit will be suspended until the earlier of the date he terminates reemployment and the first anniversary date (third anniversary date if he retired with a reduced benefit) of his original retirement. The retiree's income from reemployment is unlimited.

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2. If a retiree is reemployed in a Critical Shortage Position thereafter, the retiree may continue to work in the Reemployment-Eligible Critical Shortage Position and earn an unlimited income from employment. He will also receive his full pension benefit as long as the Board of Elementary and Secondary Education and the board of trustees of TRSL have received certification that a critical shortage exists.
3. The employing school board must recertify annually to the Board of Elementary and Secondary Education and the TRSL board of trustees that a critical shortage continues to exist.

Proposed Law

HB 14 adds the following “*designated positions*” to the list of Reemployment-Eligible Critical Shortage Positions.

- a. Interpreter,
- b. Educational transliterator,
- c. Educator of the deaf or hard of hearing, and
- d. Pre-kindergarten teacher.

A reemployed retiree must satisfy the following conditions to avoid a suspension of his pension benefit under HB 14.

- a. The reemployed retiree must qualify and be reemployed in one of the *designated positions*, and
- b. The employer must have a certified critical shortage of personnel able and willing to fill the *designated position*.

Implications of the Proposed Changes

Pension benefits of a person reemployed in a *designated position* are suspended because the enumerated *designated positions* are not included in the list of Reemployment-Eligible Positions under current law. Under HB 14 a retired member of TRSL may be reemployed in a *designated position* and, under some circumstances, continue to receive his pension benefit.

Proposed law does not change current law with regard to reemployment before the first anniversary (third anniversary if he retired with a reduced benefit) of his original date of retirement. The reemployed retiree’s pension benefit will be suspended until the earlier of the date he terminates reemployment and the first anniversary date (third anniversary date if he retired with a reduce benefit) of his original retirement.

Thereafter, he may receive his annual pension benefit (assuming the critical shortage position is certified on an annual basis) in addition to his employment earnings.

I. ACTUARIAL ANALYSIS SECTION

**A. Analysis of Actuarial Costs
(Prepared by the LLA)**

This section of the actuarial note pertains to actuarial costs or savings associated with the retirement systems, with OPEB, and with other government entities.

1. Retirement Systems

The actuarial present value of future benefits for TRSL associated with HB 14 is expected to increase. Our analysis is summarized below with the use of two examples and the following assumptions:

- a. Assumptions:
 - 1). A retired teacher has been retired for at least one year.
 - 2). He is reemployed into a position as an interpreter, an educational transliterator, an educator of the deaf or hard of hearing, or a pre-kindergarten teacher. These positions may at times be referred to hereinafter as *designated positions*.
 - 3). His annual salary is \$48,000 a year.
 - 4). His pension benefit from TRSL is \$30,000 a year.
- b. Examples:
 - 1). Example 1: A retired teacher who is more than one year past his original retirement date has been reemployed as an interpreter, an educational transliterator, an educator of the deaf or hard of hearing, or a pre-kindergarten teacher by a school district with a critical shortage in these areas.
 - a). *Benefit Payable by TRSL under Current Law*

If HB 14 is not enacted the *designated positions* are irrelevant. The retired teacher will not be serving in a Reemployment-Eligible Critical Shortage Position. If the retiree continues to be reemployed, the retired teacher will continue to receive an annual salary of \$48,000 from his employer. His pension benefit will be suspended and he will continue to receive \$0 from TRSL for as long as he is reemployed. Neither the reemployed retiree

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nor his employer will contribute to TRSL and the reemployed retiree will not accrue any additional pension benefits.

b). *Benefit Payable by TRSL under HB 14*

If HB 14 is enacted and the reemployed retiree has been serving in a *designated position*, then the reemployed retiree will begin to serve in a Reemployment-Eligible Critical Shortage Position with the enactment of HB 14. The reemployed retiree will continue to receive a \$48,000 annual salary from his employer. His pension benefit will not be suspended; after the enactment of HB 14, TRSL will begin to pay \$30,000 a year to the reemployed retiree.

Because he is considered to be a "retired teacher" as defined in the law, the reemployed retiree and his employer will contribute to TRSL. However, the reemployed retiree will not accrue any additional pension benefit. Upon subsequent termination of employment, the reemployed retiree's contributions will be refunded to him without interest. TRSL will retain contributions made by the employer.

c). *Conclusions*

- (1). TRSL's expenditures for pension benefits will increase \$30,000 with the enactment of HB 14.
 - (2). TRSL's annual revenue will increase \$16,560 (\$12,720 from the employer and \$3,840 from the reemployed retiree).
 - (3). TRSL's expenditures will increase by \$3,840 (the amount of employee contributions refunded) for the fiscal year in which the reemployed retiree terminates his employment.
- 2). Example 2: A retired teacher who is more than one year past his original retirement date continues to be retired. However, he misses employment in the K-12 environment. He does not become reemployed primarily because his pension from TRSL will be completely suspended. However, if HB 14 is enacted, the combination of his salary from reemployment (\$48,000) plus his pension from TRSL (\$30,000) may be enough to entice him to be reemployed.

a). *Benefits Payable from TRSL under Current Law*

If HB 14 is not enacted, the *designated positions* are irrelevant. The retired teacher will not be serving in a Reemployment-Eligible Critical Shortage Position. He will remain retired rather than becoming reemployed. He will receive no reemployment income. He will continue to collect a pension of \$30,000 per year from TRSL. Obviously, no employee or employer contributions are payable to TRSL and the retiree does not accrue any additional benefits.

b). *Benefits Payable from TRSL under HB 14*

If HB 14 is enacted and the retiree becomes reemployed on a full-time basis in a *designated position* in a critical shortage situation, his annual income from employment will be \$48,000. TRSL will pay the reemployed retiree \$30,000 a year in pension benefits. This amount will be paid to the reemployed retiree for as long as the critical shortage is certified annually.

With the enactment of HB 14, the reemployed retiree becomes a "retired teacher". The reemployed retiree and his employer will contribute to the system; however the retiree will not accrue additional retirement benefits and his contributions will be refunded without interest when he terminates active service. Employer contributions will remain in the system.

c). *Conclusion*

TRSL's pension expenditures will remain at \$30,000 a year with the enactment of HB 14. The system will collect contributions from both the school and the reemployed retiree under HB 14, with employee contributions being refunded when the reemployed retiree leaves active employment.

c). *Statistical analysis*

The cost of HB 14 depends on the number of retired interpreters, educational transliterators, educators of the deaf or hard of hearing and pre-kindergarten teachers who are either reemployed when HB 14 is enacted or who are induced to be reemployed with the enactment of HB 14. HB 14 will have an actuarial cost associated with retirees reemployed in a *designated position*. There is an actuarial cost because, in our opinion, there will be many such reemployed retirees.

The actuarial present value of future benefit payments will remain the same for those who are induced to retire as a result of HB 14.

The actuarial present value of TRSL revenues will increase as a result of HB 14.

The actuarial present value of refunds of employee contributions will increase as a result of HB 14.

In our opinion, the net cost (expenditures minus revenues) will increase as a result of HB 14.

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d. *Words of caution*

We were unable to develop a more precise conclusion about costs or savings associated with HB 14 because we could not obtain critical information. The following data would have been useful to us.

- 1). The number of positions for interpreters, educational transliterators, educators of the deaf or hard of hearing, or pre-kindergarten teachers in the state of Louisiana.
- 2). The number of vacant positions for interpreters, educational transliterators, educators of the deaf or hard of hearing, or pre-kindergarten teachers.
- 3). The number of positions for interpreters, educational transliterators, educators of the deaf or hard of hearing, or pre-kindergarten teachers that are being filled by TRSL retirees.
- 4). The number of retired interpreters, educational transliterators, educators of the deaf or hard of hearing, or pre-kindergarten teachers in total, and the number who are between the ages of 60 and 70.
- 5). A spreadsheet showing the number of active interpreters, educational transliterators, educators of the deaf or hard of hearing, or pre-kindergarten teachers by age and service, with the total salary being received by those in each cell.
- 6). A spreadsheet showing the number of retired interpreters, educational transliterators, educators of the deaf or hard of hearing, or pre-kindergarten teachers by age and working status (either working or not working) along with the total pension benefit being paid by TRSL to interpreters, educational transliterators, educators of the deaf or hard of hearing, and pre-kindergarten teachers in each cell.

2. Other Post-Employment Benefits (OPEB)

The actuarial cost or savings of HB 14 associated with OPEB, including retiree health insurance premiums, is expected to be negligible. Our analysis is summarized below.

When a retired TRSL member returns to active employment with coverage for health insurance, he is no longer receiving other post-employment benefits. Therefore, the OPEB costs and liabilities are decreased to reflect the time he will be expected to remain employed until his subsequent second retirement. However, the post-employment benefit decrease is approximately offset by a comparable increase in benefits while the reemployed retiree is in active employment.

The liability for post-retirement medical insurance protection provided to members by the Office of Group Benefits, the Louisiana State University health program, or any other program covering teachers remains approximately the same regardless of whether a TRSL retiree is reemployed or remains in retired status. The liability is based on the present value of estimated claims and estimated claims will not change just because the member's status has changed from retiree to employee.

However, depending on the respective rules, the allocation of premiums between the employee and the employer may change slightly (but not materially) as an employee moves from a retired status to an active reemployed status. Therefore:

- a. OGB, LSU, or other insurer's revenues may increase slightly or decrease slightly as a result of HB 14.
- b. Employer premium expenditures may increase slightly or decrease slightly as a result of HB 14.

3. Other Government Entities

The actuarial cost or savings of HB 14 associated with government entities other than those identified in HB 14, is expected to be \$0.

**B. Actuarial Data, Methods and Assumptions
(Prepared by the LLA)**

Unless indicated otherwise, the actuarial note for HB 14 was prepared using actuarial data, methods, and assumptions as disclosed in the most recent actuarial valuation report adopted by PRSAC. The data, methods and assumptions are being used to provide consistency with the actuary for the retirement system who may also be providing testimony to the Senate and House retirement committees.

**C. Actuarial Caveat
(Prepared by the LLA)**

There is nothing in HB 14 that will compromise the signing actuary's ability to present an unbiased statement of actuarial opinion.

II. FISCAL ANALYSIS SECTION

Tables A, B, C, and D have been prepared by the LLA. These tables include information developed by the LLA from its own sources as well as information supplied by Tanesha Morgan of the Legislative Fiscal Office (LFO). Table D includes all costs and savings pertaining to Louisiana government.

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The LFO has requested that the information supplied by Tanesha Morgan be included in the actuarial note verbatim and without any changes. This information is shown below under Fiscal Costs Developed by the LFO. The reader should note that complete fiscal cost information is contained within Table D. Fiscal costs developed by the LFO only reflect the portion of Table D that was supplied by the LFO.

Table A pertains to fiscal costs or savings associated with the retirement systems; Table B pertains to OPEB; Table C pertains to fiscal costs associated with government entities other than the retirement systems and sponsors. Table D is the cumulative sum of Tables A, B, and C.

**A. Estimated Fiscal Impact – Retirement Systems
(Prepared by the LLA using information supplied by the LFO)**

1. Narrative

Table A shows the estimated fiscal impact of the proposed legislation on the retirement systems and the government entities that sponsor them. Fiscal costs and savings include both administrative and actuarial costs and savings. A fiscal cost is denoted by “Increase” or a positive number. Fiscal savings are denoted by “Decrease” or a negative number. A revenue increase is denoted by “Increase” or a positive number. A revenue decrease is denoted by “Decrease” or a negative number.

Retirement System Fiscal Cost: Table A

EXPENDITURES	2018-19	2019-2020	2020-2021	2021-2022	2022-23	5 Year Total
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agy Self Generated	Increase	Increase	Increase	Increase	Increase	Increase
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	0	Increase	Increase	Increase	Increase	Increase
Annual Total	Increase	Increase	Increase	Increase	Increase	Increase

REVENUES	2018-19	2019-2020	2020-2021	2021-2022	2022-23	5 Year Total
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agy Self Generated	0	Increase	Increase	Increase	Increase	Increase
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	0	0	0	0	0	0
Annual Total	\$ 0	Increase	Increase	Increase	Increase	Increase

The effects on retirement related fiscal costs or savings during the five-year measurement period are shown in Table A and in Items 2 and 3 below. A precise cost or savings cannot be determined because the actual cost or savings depends upon the age, service, and salary characteristics of retired interpreters, educational transliterators, educators of the deaf or hard of hearing, and pre-kindergarten teachers who return to work and upon the ratio of interpreters, educational transliterators, educators of the deaf or hard of hearing, or pre-kindergarten teachers that continue reemployment to those who are induced to retire. The best information that can be given relative to retirement related fiscal costs or savings, based on the information available to us, is that costs will increase and that the increase in cost will be small; probably less than \$100,000 a year.

2. Expenditures:

- a. TRSL expenditures (Agy Self-Generated) will increase under HB 14 because TRSL will distribute more in benefits each year under HB 14 than it will under current law.
- b. TRSL may incur administrative costs to make minor software modifications to existing computer programs to identify members that are rehired under this measure. These costs are negligible and are anticipated to be absorbed through the agency’s existing budget.
- c. Expenditures from Local Funds will increase under HB 14 because school districts will contribute more per year, on average, to TRSL with the enactment of HB 14 than would have been contributed under current law.

3. Revenues:

- a. TRSL revenues (Agy Self-Generated) will increase each year if HB 14 is enacted because school districts and reemployed retirees will contribute more per year to TRSL under HB 14 than they would have contributed under current law.

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**B. Estimated Fiscal Impact – OPEB
(Prepared by the LLA)**

1. Narrative

Table B shows the estimated fiscal impact of HB 14 on actuarial costs or savings associated with OPEB and the government entities that sponsor these benefit programs. Fiscal costs or savings in Table B include administrative costs associated with the government entity sponsoring the OPEB program. A fiscal cost is denoted by “Increase” or a positive number. Fiscal savings are denoted by “Decrease” or a negative number. A revenue increase is denoted by “Increase” or a positive number. A revenue decrease is denoted by “Decrease” or a negative number.

OPEB Fiscal Cost: Table B

EXPENDITURES	2018-19	2019-2020	2020-2021	2021-2022	2022-23	5 Year Total
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agy Self Generated	0	0	0	0	0	0
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	Negligible	Negligible	Negligible	Negligible	Negligible	Negligible
Annual Total	Negligible	Negligible	Negligible	Negligible	Negligible	Negligible

REVENUES	2018-19	2019-2020	2020-2021	2021-2022	2022-23	5 Year Total
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agy Self Generated	0	0	0	0	0	0
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	0	0	0	0	0	0
Annual Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

HB 14 will have the following effects on OPEB related fiscal costs and revenues during the five year measurement period.

2. Expenditures:

- a. Expenditures by local school districts for medical benefits may increase or decrease depending on the employment status of employees and/or retirees and whether retirees pay a larger or smaller percentage of the medical premium. Eventually, however, the reemployed retiree will re-retire and the retirees share of the insurance premium will be the same it would have been had the retiree not returned to work. The state does not maintain sufficient records to enable us to determine how employer costs will be affected in individual school districts. In our opinion, the cost difference between HB 14 and current law will be negligible.

3. Revenue

- a. This bill is not expected to have a fiscal impact on revenue.

**C. Estimated Fiscal Impact: Other Government Entities (unrelated to the retirement systems or OPEB)
(Prepared by Tanesha Morgan, Legislative Fiscal Office)**

1. Narrative

From time to time, legislation is proposed that has an indirect effect on cash flows associated with other government entities, unrelated to the retirement systems or OPEB. Table C shows the estimated fiscal impact (administrative and actuarial) of HB 14 on such government entities. A fiscal cost is denoted by “Increase” or a positive number. Fiscal savings are denoted by “Decrease” or a negative number.

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Fiscal Costs for Other Government Entities: Table C

EXPENDITURES	2018-19	2019-2020	2020-2021	2021-2022	2022-23	5 Year Total
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agy Self Generated	0	0	0	0	0	0
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	0	0	0	0	0	0
Annual Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

REVENUES	2018-19	2019-2020	2020-2021	2021-2022	2022-23	5 Year Total
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agy Self Generated	0	0	0	0	0	0
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	0	0	0	0	0	0
Annual Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

HB 14 will have the following effects on fiscal costs and revenues related to other government entities during the five year measurement period.

2. Expenditures:

- a. There is no anticipated direct material effect on expenditures for governmental entities other than TRSL as a result of this measure. However, there may be implementation costs to make minor software modifications to existing computer programs to identify members that are rehired under this measure. These costs are negligible and are anticipated to be absorbed through TRSL’s existing budget.

3. Revenues:

- a. There is no anticipated direct material effect on revenues for governmental entities other than TRSL as a result of this measure.

**D. Estimated Fiscal Impact – All Retirement Systems, OPEB, and All Government Entities
(Prepared by the LLA)**

1. Narrative

Table D shows the estimated fiscal impact of HB 14 on all government entities within the state of Louisiana. Cell values in Table D are the sum of the respective cell values in Table A, table B, and Table C. A fiscal cost is denoted by “Increase” or a positive number. Fiscal savings are denoted by “Decrease” or a negative number. A revenue increase is denoted by “Increase” or a positive number. A revenue decrease is denoted by “Decrease” or a negative number.

Total Fiscal Cost: Table D (Cumulative Costs from Tables A, B, & C)

EXPENDITURES	2018-19	2019-2020	2020-2021	2021-2022	2022-23	5 Year Total
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agy Self Generated	Increase	Increase	Increase	Increase	Increase	Increase
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	Negligible	Increase	Increase	Increase	Increase	Increase
Annual Total	Increase	Increase	Increase	Increase	Increase	Increase

REVENUES	2018-19	2019-2020	2020-2021	2021-2022	2022-23	5 Year Total
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agy Self Generated	0	Increase	Increase	Increase	Increase	Increase
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	0	0	0	0	0	0
Annual Total	\$ 0	Increase	Increase	Increase	Increase	Increase

The “increase” amounts shown in Chart D are small to negligible in value.

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Fiscal Costs Developed by the LFO

1. Narrative

Present law provides that in certain circumstances a retiree may return to work in a "critical shortage area" (defined in present law) without reduction of benefits. Such circumstances include returning as a certified classroom teacher, as a certified speech therapist, speech pathologist, audiologist, educational diagnostician, school social worker, school psychologist, or school counselor. Proposed law adds interpreter, educational transliterator, or educator of the hearing impaired to the list of certified professionals who may return to work in a critical shortage area without reduction of benefits.

Fiscal Costs for Other Government Entities

EXPENDITURES	2018-19	2019-2020	2020-2021	2021-2022	2022-23	5 Year Total
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agy Self Generated	0	0	0	0	0	0
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	0	0	0	0	0	0
Annual Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

REVENUES	2018-19	2019-2020	2020-2021	2021-2022	2022-23	5 Year Total
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agy Self Generated	0	0	0	0	0	0
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	0	0	0	0	0	0
Annual Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

HB 14 will have the following effects on fiscal costs and revenues related to other government entities during the five year measurement period.

2. Expenditures:

There is no anticipated direct material effect on governmental expenditures as a result of this measure. However, there may be implementation costs to make minor software modifications to existing computer programs to identify members that are rehired under this measure. These costs are negligible and are anticipated to be absorbed through the agency's existing budget.

3. Revenues:

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Credentials of the Signatory Staff:

Paul T. Richmond is the Manager of Actuarial Services for the Louisiana Legislative Auditor. He is an Enrolled Actuary, a member of the American Academy of Actuaries, a member of the Society of Actuaries and has met the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinion contained herein.

John D. Carpenter, Legislative Fiscal Officer, has supervised the preparation of the fiscal analyses contained herein.

Information Pertaining to Article (10)(29(F) of the Louisiana Constitution

HB 14 contains a retirement system benefit provision having an actuarial cost.

One or more interpreter, educational transliterator, educator of the deaf or hard of hearing, or pre-kindergarten teacher will receive a larger benefit from TRSL under HB 14 than he would have received without HB 14.

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Dual Referral Relative to Total Fiscal Costs or Total Cash Flows:

The information presented below is based on information contained in Table D for the first three years following the 2018 regular session.

Senate

House

13.5.1 Applies to Senate or House Instruments.
If an annual fiscal cost \geq \$100,000, then bill is dual referred to:
Dual Referral: Senate Finance

6.8F Applies to Senate or House Instruments.
If an annual General Fund fiscal cost \geq \$100,000, then the bill is dual referred to:
Dual Referral to Appropriations

13.5.2 Applies to Senate or House Instruments.
If an annual tax or fee change \geq \$500,000, then the bill is dual referred to:
Dual Referral: Revenue and Fiscal Affairs

6.8G Applies to Senate Instruments only.
If a net fee decrease occurs or if an increase in annual fees and taxes \geq \$500,000, then the bill is dual referred to:
Dual Referral: Ways and Means