State of Louisiana
Office of the Commissioner

Jeff Landry
Governor

Taylor F. Barras
Commissioner of Administration

Division of Administration
P.O. Box 94095
Baton Rouge, Louisiana 70804-9095
Phone (225) 342-7000
Fax (225) 342-1057

MINUTES

OPTIONAL RETIREMENT PLAN (ORP) TASK FORCE

Established by House Resolution No. 352 of the 2026 Regular Legislative Session

October 27, 2026
2:00 PM
Thomas Jefferson Room – 136C
1201 North 3rd Street, Baton Rouge, LA 70802

Members Present	Appointing Authority
Randy Davis	Division of Administration
Gena Doucet	Louisiana Community and Technical College System
Philip Auter	Louisiana House of Representatives
Sheantel I. Baker	Louisiana State University Board of Supervisors
Paul Favaloro	Louisiana House of Representatives
Jason Fountain	Teachers' Retirement System of Louisiana
Roger Husser	Division of Administration
Mark McLean	Board of Regents
Eddie Meche	University of Louisiana System
Dr. Jeannine O'Rourke	University of Louisiana System
Trey Roche	Teachers' Retirement System of Louisiana
Daniel Tirone	Louisiana State University Board of Supervisors

Also present: Division of Administration staff: Connor Boldt, Angela McCulloch, Nancy Keaton

I. Call to Order

Chair Randy Davis presided and called the Optional Retirement Plan (ORP) Task Force to order at 2:06 PM.

II. Roll Call

Connor Boldt called the roll and a quorum was announced present.

III. Approval of the Minutes from the October 13, 2026 Meeting

A motion was made by Ms. Doucet and seconded by Mr. McLean to approve the minutes of the October 13, 2026 meeting. The motion carried without objection.

IV. Public Comment

The Chair called for public comment. None was offered.

V. Discussion of the Preliminary Draft of Proposed Recommendations

The Chair introduced the preliminary draft of proposed recommendations distributed to members the previous week. Recommendations were divided into long-term changes to the plan to keep the differences from recurring and short-term, one-time remedies for differences in outcomes between ORP participants and members of the defined benefit plan. He stressed that the draft is a starting point, that nothing in it is final, and that no votes on recommendations would be taken at this meeting.

The Chair asked members to keep recommendations clear, concise, and attainable. He cautioned that the number of recommendations and the time remaining may limit the actuary's ability to cost every proposal, noted that Mr. Herbold is expected to report at the next meeting on how much he can complete, and suggested that the task force may need to narrow its recommendations to those it considers most important. In response to a question, he explained that the cost tiers are a general ranking only and that the participant data stratified by years of service, which was provided to Mr. Herbold, may allow costs to be estimated by service tier. A member suggested that some items may be better presented as matters for consideration or further study than as recommendations, and the Chair agreed. Members also noted that the resolution first directs the task force to identify the differences between the plans and to quantify them. The Chair observed that recent changes, such as the extension of the election period to seven years, may already address some concerns for newer employees.

Item No. 1: Service Credit for ORP Years and Transfer of ORP Balances:

Long-term recommendation 1 would authorize an optional, actuarially priced purchase of TRSL service credit using ORP balances, personal funds, or both, so that a participant could remain in the ORP, switch without converting, or switch and purchase credit. Mr. Favaloro questioned whether such a purchase offers value compared with buying an annuity with the ORP balance. The Chair responded that the choice would rest with the individual, citing his own conversion under a one-time opportunity offered around 2011, and members noted that the option itself provides equity because none exists today. The draft lists three timing options: a second election at ten years, a purchase at any time, and a purchase at retirement. The Chair noted that the ten-year option came from his own submission, made before he learned the window had already been extended to seven years. A member favored allowing a purchase at any time because the actuarial price rises later in a career, while Mr. Roche explained that each additional opportunity to switch increases the cost to the system. Mr. Roche also noted that a fully paid purchase could still increase the unfunded accrued liability (UAL) through anti-selection.

At the Chair's request, Mr. Roche explained anti-selection: a member considering a purchase knows more about his or her own health, longevity, and career plans than the actuarial assumptions reflect, and will buy only when the purchase is in the member's interest, so purchases tend to cost the system more than projected. He added that the normal cost rises the later a member joins and that roughly 70 percent of TRSL's funding comes from investment earnings, so removing the irrevocable election would carry a cost because members would have more opportunities to switch.

Scope of the Task Force's Recommendations:

Mr. Favaloro stated that the task force's purpose is a one-time remedy for long-term employees nearing retirement who had no opportunity to change plans, rather than revisiting earlier studies of the plan. The Chair responded that the charge has two parts, remedies for long-term participants and plan changes to prevent the differences from recurring, and noted that several study items concern the plan generally. A member noted that employees hired before the employer contribution reached 6.2 percent in about 2014 were also affected and should not be excluded; Mr. Husser responded that those employees had earlier opportunities to switch plans. Members cautioned that any service cutoff would disadvantage those just below it.

A motion was made by Mr. Husser and seconded by Mr. Favaloro that the task force focus on long-term participants and the related study items while keeping long-term solutions for shorter-term participants in mind and recommending those as well. There was no discussion, and the motion carried without objection.

Mr. Tirone then proposed that the task force identify the structural issues that have affected long-term participants, recommend fixes, and, under each item, address in a separate section whether additional steps are needed for long-term participants who could not benefit from the fix. He cautioned that remedies limited to particular groups could lead the legislature to take no action if other groups would later seek the same treatment. Mr. Husser stated that this approach reflected the intent of his motion. The Chair urged members to focus on solutions rather than revisiting the causes already discussed, and noted that if cost estimates cannot be obtained for every recommendation, the report may need to state that costs are unknown and that further actuarial study and funding are required. Following a point of order, a substitute motion was made by Mr. Tirone and seconded by Mr. Husser to adopt this approach. The motion carried without objection.

Item No. 1: Remaining Recommendations:

Long-term recommendation 2 would require an actuarial study of safeguards for TRSL and its K-12 employers before service credit legislation is introduced. Mr. Roche explained that the TRSL actuary could not begin the work without direction from the legislature or funding, and could not cost a proposal until a bill is filed. Members agreed to combine long-term recommendations 1 and 2 into a single longer-term recommendation that includes the actuarial study and would not delay any short-term remedy.

Short-term recommendation 1 would grant full service credit for ORP years in exchange for the ORP balance without an additional purchase. Mr. Roche explained that the cost would be determined at the outset and amortized over ten years as required by the constitution, and would not be a recurring cost. Mr. Husser stated that, whether or not the item is recommended or funded, the task force should disclose the difference. Members discussed the need for a time limit on the election and the difficulty of setting an eligibility cutoff by years of service, and suggested that a graduated benefit could ease the effect of a cutoff or that the legislature could set it.

Short-term recommendation 2 would provide graduated, state-subsidized purchases of service credit, with the subsidy increasing with length of service and capped at the estimated lost growth from lower historical employer contributions; participants could then use ORP funds to purchase additional credit. Mr. Roche asked that the term "contribution shortfall" be revised, because the state paid the required rates, which were lower than those of peer states. Short-term recommendation 3 would open a one-time election for long-term participants who did not transfer under Act 109 if new transfer terms are approved; Mr. Roche explained that such a window would be needed for those participants to benefit from either of the first two remedies.

The Chair reviewed the action items listed for Item No. 1: the timing of the conversion option, whether to provide full credit or a 50 percent cap, eligibility, whether the actuarial study must precede legislation, and whether short-term recommendations 1 and 2 are presented as alternatives.

Next Steps

The Chair stated that review of the draft will continue at the next meeting. At Mr. Tirone's suggestion, members will submit specific proposed changes, additions, deletions, and questions in writing to the Chair and staff before the next meeting, and staff will compile them by item and send instructions to members. A member asked whether the report will include an introduction describing the two plans, participation, how the current situation arose, and peer employer contribution rates. The Chair responded that the draft was not intended to be the full report and welcomed suggestions on its structure, including consolidating reasons that repeat across items. Mr. Husser noted that he, Mr. Favaloro, and Mr. Tirone had discussed a preamble providing this background.

VI. Adjournment

There being no further business, a motion was made by Ms. Doucet and seconded by Mr. Tirone to adjourn. The motion carried without objection and the meeting was adjourned at 4:00 PM.