

RESOLUTION
FROM THE UNIVERSITY OF LOUISIANA AT MONROE'S FACULTY SENATE
TO THE STATE OF LOUISIANA BOARD OF REGENTS
OPPOSING
GOVERNOR JINDAL'S PROPOSED CHANGES IN THE LOUISIANA STATE RETIREMENT PLANS
(LASERS AND TRSL)

WHEREAS the governor's proposed changes to State retirement plans (LASERS and TRSL) are predicated on the belief that the senate bills introducing this new legislation (SB 52, SB 47, SB 51) will provide a \$500 million reduction in the state's UAL (unfunded accrued liability), and a \$450 million reduction in employer contribution costs in the first fiscal year, and

WHEREAS these bills, by cutting employee retirement benefits, reducing employee disposable income, and privatizing State services, serve to hinder the ability of the State's educational establishment to achieve their role, scope, and mission of public education and serving the needs of Louisiana's residents,

WHEREAS privatization of State services has not historically produced substantial savings for Louisiana, these Louisiana Senate bills in particular will not achieve their purported benefits and will merely serve to tax one fund in order to pay another, while making liberal use of language that frames cuts to pay as contributions to retirement, and,

WHEREAS these changes when implemented include 1) an increased employee contribution from 8 percent to 11 percent, 2) an increase in full retirement age from 55 to 67 (or the highest Social Security retirement age) which means those who might be able to retire in 2-3 years, will now find it necessary to wait 14-15 years to retire with their full benefits, and 3) changes to the final average calculation for employee benefits would be based on a 5-year average compensation rather than the existing 3-year basis,

WHEREAS proposed legislation 4) would take all new hires off of a defined benefit plan—where employees know exactly how much they receive when they retire--and place them on cash balance or defined contribution plans, and,

WHEREAS approval of the governor's proposal to overhaul the retirement system for thousands of state employees, would go into effect for all post-secondary, Board of Regents, or post-secondary management board (state) employees on June 30, 2012 with the exception of the Cash Balance Plan which would commence for all new employees January 1, 2013, and for which there were no public hearings or discussions with employees regarding any proposed changes or provisions for phasing in the proposed changes,

WHEREAS questions regarding legality and/or constitutionality of Governor Jindal's proposed changes that target some groups and not others and impose tax increases on some but not others are certain to bring court challenges and impose significant litigation costs on the State and programs under review,

LET IT HEREBY BE RESOLVED that the Faculty Senate of the University of Louisiana at Monroe opposes the proposed changes to Louisiana Retirement Systems being proposed in Senate Bills 52, 47, and 51 and will join the Faculty Advisory Council, and the Faculty Summit Council in unanimous and categorical objection to the Governor's proposed changes to State retirement systems as they are currently presented.

ULM Faculty Senate
March 2012