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MINUTES

OPTIONAL RETIREMENT PLAN (ORP) TASK FORCE

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

August 25, 2026
2:04 PM – 3:58 PM
Thomas Jefferson Room – 136C
1201 North 3rd Street, Baton Rouge, LA 70802

Members Present	Appointing Authority
Roger Husser	Division of Administration
Kenny Herbold	Louisiana Legislative Auditor
Laura Lapeze	Department of Revenue
Carrie Robison	Board of Regents
Mark McLean	Board of Regents
Sheantel L. Baker	Louisiana State University Board of Supervisors
Jeff Fleming	Louisiana Community and Technical College System
Gena Doucet	Louisiana Community and Technical College System
Randy Davis	Division of Administration
Dr. Paramreet Singh	Louisiana State University Board of Supervisors
Paul Favaloro	Louisiana House of Representatives
Philip Auter	Louisiana House of Representatives
Eddie Mesh	University of Louisiana System
Trey Roche	Teachers' Retirement System of Louisiana
Jason Fountain	Teachers' Retirement System of Louisiana
Dr. Robyn Merrick	Southern University Board of Supervisors

I. Call to Order

Chair Randy Davis called the third meeting of the Optional Retirement Plan (ORP) Task Force to order at approximately 2:04 p.m.

II. Roll Call

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

The Chair stated that Item 6 incorrectly referred to employee contribution rates and should refer to employer contribution rates. A motion was made By Mark McLean and seconded by Jason Fountain to amend the agenda accordingly. The motion carried without objection.

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

The Chair presented the minutes of the August 13, 2026 meeting for approval. A motion was made by Gena Doucet and seconded by Philip Auter to approve the minutes. The motion carried without objection.

IV. Determination of the Ten-Item Groupings and Adoption of Order of Review

The Chair reviewed the ten study items assigned by House Resolution No. 352 and proposed possible groupings. He emphasized that the task force must address both immediate concerns affecting long-term ORP participants and prospective recommendations for the future. Members discussed organizing the work around the affected population, the extent of any disparity, available remedies, implementation cost, and final recommendations.

Members noted that data availability would affect the order of review. The Board of Regents was working to determine years of service and retirement-plan enrollment, but that information was not yet available in the requested form. A member suggested creating a matrix for each study item showing the information required, the responsible source, expected collection time, and the meeting at which the item could be considered.

A motion was made by Mr. Roche and seconded by Dr. Merrick to table determination of the groupings and order of review until additional information becomes available. The motion carried without objection.

V. Report on Data Availability and Modeling Approaches Concerning Reductions in Employer ORP Contributions on ORP Participants

The task force received an actuarial update on information needed to model the effect of historical employer contribution rates. Potential data sources include Board of Regents records on compensation, age, employment dates, and service, as well as provider records on contributions, balances, and investment returns. Provider data may be limited.

Representative profiles

Members supported using generic higher-education participant profiles informed by actual data. Profiles could reflect different ages, salaries, service periods, and investment approaches. The model would hold investment returns constant within each scenario, apply the employer contribution rates actually in effect, and compare the result with a higher employer rate, such as 8 percent. Multiple return assumptions would show how compounding affects the dollar difference. Illustrative approaches included stock-and-bond portfolios, target-date funds, and conservative and aggressive return scenarios.

Volunteer and provider data

Members discussed obtaining records from at least one participant from each provider, and preferably three or four, to determine what information providers can furnish.

Working approach

The task force reached informal consensus to proceed with generic profiles and clearly stated assumptions. Analytical staff will use available higher-education data and historical returns to compare actual ORP outcomes, outcomes under higher employer contributions, and corresponding defined benefit results. The approach may be adjusted as provider and Board of Regents data become available.

Long-term participant data

Members emphasized the need to identify the number of ORP participants with 20, 25, 30, and 35 years of service because different service groups may require different recommendations and costs.

The Chair referenced a 2024 report showing 16,480 defined benefit members and 6,922 ORP members at that time. The report stated that TRSL had received 795 applications to transfer from ORP as of December 31, 2024. Mr. Roche stated during the meeting that the number of completed transfers had since grown to slightly more than 1,200. These figures were discussed as preliminary context and should be updated before the task force relies on them in a recommendation.

Next steps

- Analytical staff will construct generic participant profiles, state the assumptions, and model actual and alternative employer contribution rates.
- Staff will seek longer-term provider return information, including average return data if available.
- The Board of Regents will continue compiling retirement-plan enrollment and years-of-service information, including service groupings for long-term participants.
- The task force will define the questions and outcomes it wants the actuarial analysis to answer at the next meeting.

- The actuarial team will provide a progress report on September 22 and advise before agenda preparation whether numerical results will be available.

VI. Review of Employer Contribution Rates to the ORP (HR 352, Task Item No. 6)

The Chair introduced a historical contribution-rate chart covering 1991 through fiscal year 2025–2026. The chart summarized employer transfers to ORP, administrative charges, shared unfunded accrued liability amounts, and total employer rates. Staff reported that the figures had been checked against Appendix F of the 2024 task force report.

Current and historical figures

- The ORP employer transfer rate historically ranged from approximately 5 percent to more than 7 percent.
- The chart used 6.2 percent as a reference line for the current minimum employer transfer.
- For fiscal year 2025–2026, members discussed an 8 percent employee contribution, a 3.05 percent employer normal cost, a 0.36 percent administrative expense, a 15.17 percent shared UAL rate, and a 20.33 percent total employer contribution.
- Members discussed a decline in the ORP employer transfer from 6.95 percent to 5.76 percent around 2009–2010. The actuary attributed the change to revised defined benefit assumptions and an experience study rather than directly to the market decline.

Relationship to the defined benefit plan

The actuary explained that the ORP employer transfer was originally tied to the defined benefit plan's normal cost so that the employer cost would be comparable regardless of the employee's election. The transfer rate therefore changed when the defined benefit normal cost changed. Members discussed whether that design was transparent to employees making irrevocable ORP elections and how contribution changes affected long-term participants.

A motion was made by Ms. Doucet and seconded by Mr. Husser to accept the historical contribution-rate information into the record. The motion carried without objection.

VII. Public Comment

The Chair called for public comment. None was offered.

VIII. Adjournment

There being no further business, a motion was made by Ms. Baker to adjourn and was seconded by Ms. Doucet. The meeting adjourned at 3:43 p.m.