

MINUTES
Louisiana Deferred Compensation Commission Meeting
May 21, 2024

The monthly meeting of the Louisiana Deferred Compensation Commission was held on Tuesday, May 21, 2024, in the office of the Service Provider, 9100 Bluebonnet Centre Blvd, #203, Baton Rouge, LA, 70809 at 10:00 a.m.

Members Present

Virginia Burton, Chair, Participant Member
Doug Buras, Designee of Commissioner of Financial Institutions
Stewart Guerin, Designee of the Commissioner of Insurance
Beverly Hodges, Participant Member
Andrea Hubbard, Vice Chair, Co-Designee of the Commissioner of Administration
Laney Sanders, Secretary, Participant Member

Members Not Present

Julius Roberson, Co-Designee of the LA State Treasurer
Representative Tony Bacala, Designee of the Speaker of the LA House of Representatives
Senator Valarie Hodges, Designee of the President of the Louisiana State Senate

Others Present

Stephen DiGirolamo, CFA – Managing Director, Wilshire Associates-*via video conference*
William Thornton, Senior Manager, Client Portfolio Svcs, AAG, Denver-*via video conference*
Cindy Rougeou, Retired LASERS Executive Director, Participant Member
Brett Robinson, State of Louisiana Attorney General’s Office, Baton Rouge
Justin Lester, State of Louisiana Attorney General’s Office, Baton Rouge
Karen Monaghan, Sr Client Services Manager, Empower, Denver-*via video conference*
Michela Palmer, Communications Strategist Participant Mktg Comm Gov, Empower, Denver-*via video conference*
Shannon Dyse, Relationship Manager, Empower, Baton Rouge
Rich Massingill, Manager, Participant Engagement, Empower, Baton Rouge
Chad Anderson, Retirement Plan Advisor, Empower, Baton Rouge-*via video conference*
Shannon Wheeler, Retirement Plan Advisor, Empower, Baton Rouge-*via video conference*
Jo Ann Carrigan, Sr. Field Administrative Support, Empower, Baton Rouge

Call to Order

Ms. Burton called the meeting to order at 10:04 a.m. Ms. Carrigan called roll of Commission members.

Public Comments

Ms. Burton stated that the meeting is accessible to the public and invited anyone who had joined the meeting to participate in the call. There were no public comments.

Approval of Commission Meeting Minutes – April 16, 2024

The minutes of the April 19, 2024, Commission Meeting were reviewed. Ms. Hodges motioned to accept the minutes as presented. Ms. Sanders seconded the motion. The Commission unanimously approved the motion.

1Q2024 LA Market Overview

Mr. Thornton reviewed 1Q2024 marketing trends including:

- Inflation-Still trending to target.
- Low inventories are driving housing inflation.
- Growth remains strong with only incremental signs of slowing.
- Consumer balance sheets remain in good shape.
- Rates are restrictive but the economy is strong.
- Fixed income rates remain attractive.

Louisiana Custom Stable Value Fund: Mr. Thornton reviewed the CSFV 1Q2024 statement noting minimal, proactive changes made to the portfolio related to lengthening duration which ultimately helps the credited rate. The quarterly statement reflects continued improvement and Mr. Thornton shared that he was hopeful that the rate will increase in 3Q2024.

LA Credit Letter: Mr. Thornton reported that there were no changes to the credit letter noting that the recommendation is to continue holding Lehman Brothers Unsecured Notes so that the Plan may benefit from any future distributions. There were no derivative securities being used within the Stable Value portfolio as of the date of the letter.

Securities Sold: Mr. Thornton reviewed the list of securities sold during the months of February, March, and April 2024. Proactive efforts are being made by the investment team to move in a direction that will improve the credit rate.

Wilshire-1Q2024 Performance

Mr. DiGirolamo reviewed the 1Q2024 performance noting continued increases across different sectors within the US Equity Market for the quarter. Non-US Equity markets were not as strong as the US Equity market but were positive. The first quarter of 2024 was a continuation of 2023 performance with US Equity leading the way. Volatility continues to be a factor in results. Mr. DiGirolamo noted that there has been a gradual flow of assets out of the Stable Value Fund as new assets are going toward the Target Date Funds. It was a strong start to the year, not just in terms of markets but in terms of the Plan.

Plan Documents Rules/Legislative Updates

Mr. Robinson reported that he received no comments during the 20 day “comment period” regarding the rule changes made. The final copy of the rules will be published in June 2024. Mr. Robinson will begin compiling a list of new rules to be added by year-end and then as needed to incorporate Secure 2.0 provisions that become available. Mr. Robinson provided an update of proposed legislation noting that SB49 will be the only legislation that will impact the Plan as it relates to beneficiaries and divorce.

Secure 2.0

Mr. Dyse reviewed the Secure 2.0 roadmap noting that the Domestic Abuse distribution optional provision is now available through Empower and can be adopted by the Commission by vote. Another optional provision is the Qualified Disaster Recovery Distribution allowing participants affected by a federally declared disaster to withdraw up to \$22,000 and not be subject to the 10% early withdrawal penalty. Repayment may be made within three years. Terminally ill participants who are eligible for a distribution within the Plan will be exempt from the 10% early withdrawal penalty under another optional provision. These provisions will become available in August of 2024 and can be adopted by the Commission by vote. All Secure 2.0 optional provisions adopted by the Commission will require amendments to the Plan Document, if approved. Mr. Robinson will keep an ongoing list of options approved that must be added to the Plan Document.

Service Provider’s Report

Plan Update as of April 30, 2024: Mr. Dyse reviewed the Plan Update as of April 30, 2024. Assets as of April 30, 2024: \$2,225.05 Million; Asset Change YTD: \$23.83 Million. Contributions YTD: \$39.10 Million; Distributions YTD: \$69.04 Million. Net Investment Difference YTD: \$53.77 Million.

UPA – April 2024: Mr. Dyse presented the April 2024 UPA report. The UPA balance at the end of April 2024 was \$2,272,334.30.

UEW Report – April 2024: Mr. Dyse presented the UEW Report for the month of April 2024. Nineteen requests were submitted and approved.

Participant Engagement – 1Q2024

Mr. Massingill reviewed the activity performed by Retirement Plan Advisors during the first quarter of 2024 which included benefit fairs, group meetings and one-on-one/retirement readiness meetings. Year-to-date, there were 1,056 meetings held. The Plan is at full staff as a seventh Retirement Plan Advisor has been hired and is currently in training. There was a slight increase in new enrollments during the first quarter (128 of the 525 new enrollments were facilitated by an RPA). Overall, 50% of the meetings held produced a positive action (1056/528). Mr. Robinson asked if a member of the staff could attend new hire orientation meetings at the AG’s office to present an overview of the Plan. Mr. Massingill agreed to add the orientation meetings to the RPA schedule going forward.

Delegation of Authority

Mr. Dyse presented a letter stating that Representative Tony Bacala has been appointed to serve as Speaker of the House of Representative, Phillip DeVillier’s, designee on the Louisiana Deferred Compensation Commission.

There was discussion related to confirming the number of tablets and OnBoard licenses available. Mr. Dyse will contact OnBoard to determine the cost of adding two additional licenses for Commission members and guest contributors.

NAGDCA 2024 CONFERENCE

The NAGDCA 2024 Conference will be held in Phoenix, AZ, September 15-18, 2024. There is no virtual option available for the NAGDCA 2024 Conference. There was discussion on how the Commission can secure a credit card for use in purchasing/conference registrations. Ms. Sanders will assist Mr. Dyse in determining the action needed. Ms. Hodges motioned to approve any Commission member wishing to attend the Conference be allowed to do so. Ms. Sanders seconded the motion. The motion passed without further discussion or objection.

Other Business

Mr. Dyse presented a 1Q2024 cashflow report at the fund level within the Plan, as requested by Ms. Hodges at a previous meeting. Mr. Dyse will include a report of this nature on a regular basis.

Ms. Burton suggested that Empower create a new member training/orientation program for members joining the Commission going forward. It was suggested that Travis of LASERS be contacted for assistance in developing the orientation material.

Adjournment

With there being no further items of business to come before the Commission, Chair Burton declared the meeting adjourned at 11:25 a.m.

Laney Sanders, Secretary