



**HOUSE RESOLUTION 143 TASK FORCE MEETING**  
**Wednesday, August 27, 2025**  
**Claiborne Building, Suite 6-200**  
**10:00 AM – 12:00 PM**

<b>Task Force Members Present</b>	<b>Affiliation</b>
Dr. Bryan Fuller	University of Louisiana System (ULS)
Ashley Jackson	University of Louisiana System (ULS)
Eddie Meche	University of Louisiana System (ULS)
Dr. Jeannine O'Rourke	University of Louisiana System (ULS)
Dr. Jane Cassidy	Louisiana State University System (LSU)
Tommy Smith	Louisiana State University System (LSU)
Dr. Daniel "Dan" Tirone	Louisiana State University System (LSU)
Dr. Ghirmay S. Ghebreyesus	Southern University System (SUS)
Dawn M. Harris	Southern University System (SUS)
Beth Alford	Louisiana Community and Technical Colleges System (LCTCS)
Gena Doucet	Louisiana Community and Technical Colleges System (LCTCS)
Dr. Mark McLean	Louisiana Community and Technical Colleges System (LCTCS)
Dr. Wendi Palermo	Louisiana Community and Technical Colleges System (LCTCS)
Dr. Samuel Gladden	Board of Regents
Kenneth "Kenny" Herbold	Louisiana Legislative Auditor
Kenneth "Trey" Roche	Teacher's Retirement System of Louisiana
Heath Williams	Office of Group Benefits
<b>Task Force Members Absent</b>	<b>Affiliation</b>
Dr. Cynthia Bryant	Southern University System (SUS)
Desiree Honore Thomas	Southern University System (SUS)
Haley "Niki" Norton	Louisiana State University System (LSU)
<b>Staff Members Present</b>	<b>Affiliation</b>
Elizabeth Bentley-Smith	Board of Regents

<b>Guest Presenters</b>	<b>Affiliation</b>
Brenda Mundell	Commonwealth of Pennsylvania
Kristen Bach	Loyola University New Orleans
Rachel Dirmann	Loyola University New Orleans

### **CALL TO ORDER**

Dr. Mark McLean, Chair, called the meeting to order at 10:00 a.m.

### **ROLL CALL**

Ms. Elizabeth Bentley-Smith called roll and quorum was established.

### **APPROVAL OF MINUTES**

Dr. McLean requested a motion to approve the July meeting minutes. Tommy Smith made a motion to accept the July meeting minutes, which was seconded by Dr. Jeannine O'Rourke, and passed without opposition.

### **PRESENTATION OF PHASED RETIREMENT PLAN OPTIONS FOR UNIVERSITY FACULTY/STAFF**

Ms. Bentley-Smith, Facilitator, opened the presentation segment of the meeting, welcoming guest speakers from the Pennsylvania State System of Higher Education and Loyola University New Orleans. She introduced Brenda Mundell as the first presenter and noted that supporting materials—including presentation slides, a phased retirement application form, and template letters—were provided in each Task Force member's folder.

#### **Pennsylvania State System of Higher Education**

*Presenter: Brenda Mundell, Director of HR Shared Services, System Office (Harrisburg, PA)*

#### **Background & Purpose**

The Pennsylvania State System of Higher Education comprises 10 universities (formerly 14) and serves a predominantly unionized workforce (90%) under the Armed Services Board of Contract Appeals (ABSCA). A joint labor–management committee developed a phased retirement program for faculty, allowing a structured transition into retirement over a period of up to three years.

- Duration: Typically three years; shorter terms permitted.
- Compensation: Salary and benefits prorated based on reduced workload.
- Eligibility: Faculty must meet service requirements for retiree health benefits prior to entry; age requirements may be met during the phased period.
- Retirement Plans:
  - Defined-contribution participants may withdraw funds to supplement income.

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- Defined-benefit participants may join if comfortable with pension calculations.
- Benefits:
  - Health premiums remain at full-time rates.
  - Retirement contributions and life insurance are prorated.

### **Process & Oversight**

- Participation is voluntary and faculty-initiated.
- Requires management review and approval.
- Workload reductions (typically 50–99%, possibly down to 25% in final year) are generally approved as submitted.
- Agreements are binding; retirement date is fixed unless modified with six months' notice and presidential approval.
- The program is managed systemwide with union involvement; documentation is centrally maintained.

### **Participation & Trends**

- Eligible Faculty: 700–800.
- Annual Participation: 12 to 34 faculty members since 2019–2020 (less than 5% of eligible faculty).
- Influencing Factors: Competing incentives (e.g., sick-leave multipliers) affect participation.

### **Challenges & Outcomes**

- Cost savings are difficult to quantify due to variables such as salary reductions, backfill costs, overload assignments, adjunct usage, and replacement salaries.
- Supports strategic workforce planning by helping institutions anticipate retirements and manage workload allocation.
- Departments may assign additional workload to phased retirement participants due to unforeseen needs (e.g., illness).

### **Q&A Highlights**

- Dr. Samuel Gladden asked whether approval from a dean or president is needed for the percentage work rate or for the request as a concept.
  - Brenda Mundell response: Workload percentages are approved by the dean or president; unusual requests may be modified. There are employees who are in the faculty bargaining unit who are not in the classroom (ex: athletic director was denied accommodation because the job requires full-time effort).
- Dr. Gladden asked whether employees in the phased retirement are considered full-time or part-time.
  - Brenda Mundell response: Participants retain full-time status for health insurance under the Affordable Care Act (ACA) and collective bargaining agreements.
- Dr. Gladden asked about federal laws that guide this consideration, who would make that determination, and how the program complies with federal law.

- Brenda Mundell response: No. The system complies with the ACA for benefit eligibility. Under the collective bargaining agreement, faculty at 50% effort or greater are eligible for the health plan benefits. Phasing employees contribute to benefit plans at a full-time level despite being part-time.
- Dr. Gladden asked whether there is a mentorship component to the phased retirement plan.
  - Brenda Mundell response: There is no formal mentorship provision; workload reduction applies evenly across teaching, service, and scholarship. Participants must relinquish their “Chair” role.
- Dr. Gladden asked if the 50% effort has to be applied equally to each of their job responsibilities.
  - Brenda Mundell response: Yes, it is 50% across the board.
- Ms. Bentley-Smith asked about the definition of faculty and if it applies to regular full-time (tenured or tenure-track) faculty or excludes adjuncts and other bargaining unit roles.
  - Brenda Mundell response: Phased retirement applies to “non-temporary” or tenured/tenure-track. All participants are typically tenured as they must be retirement-eligible.
- Ms. Bentley-Smith asked if collective bargaining includes only those who are full professors with tenure.
  - Brenda Mundell response: Yes. CB does not include temps/adjuncts.
- Eddie Meche asked if a faculty member can appeal a denial.
  - Brenda Mundell response: There is no formal appeal process; denials are rare and typically due to inability to backfill.

## **Loyola University New Orleans**

*Presenters: Rachel Dirmann, Director of HR & Payroll; Kristen Bach, Benefits Manager*

Rachel Dirmann opened the session by noting similarities between Loyola’s phased retirement model and that of Pennsylvania State System, as previously presented.

### **Program Overview**

- Managed by the Office of the Provost with support from Human Resources and Benefits.
- Operates in a non-union environment, simplifying implementation.
- Designed for full-time tenured faculty aged 60+ with at least 15 years of continuous service.
- Not available to staff.

### **Program Structure**

- Duration: Up to three years; full term commonly utilized.
- Year 1: Faculty retain full-time salary and status.
- Years 2–3: Faculty remain full-time employees but receive 50% of base salary; the salary remains fixed throughout.
- Work plan: Developed collaboratively by the faculty participant, department chair, and dean; includes teaching, research, service, and administrative duties.

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- Faculty-initiated; university does not initiate participation.

### **Benefits & Status**

- Faculty retain tenure and professional rank.
- Full-time benefits eligibility continues (health, life insurance, retirement).
- Retirement contributions via 403(b) continue, including employer contributions based on prorated salary.
- Faculty may adjust contribution levels; distributions allowed at age 59½, though no increase in uptake observed.

### **Program Completion**

- Employment and tenure end at program conclusion.
- Merit status or recognition handled outside the phased retirement framework.
- Publicly accessible resources include policy, work plan template, and electoral form.

### **Program Impact & Implementation Notes**

- Typically, 3–4 faculty participate at a time; eight are starting this fall, with others in progress.
- The program facilitates retirement planning and transition management (e.g., adjuncts, overloads, curriculum adjustments).
- No formal mentorship or appeal mechanisms; informal peer support may occur.

### **Q&A Highlights**

- Mr. Meche asked about the calculation of cost savings.
  - Rachel Dirmmann response: No comprehensive analysis is available yet; financial impact varies by department and replacement strategy.
- Mr. Smith asked about 403(b) retirement contributions
  - Kristen Bach confirmed employer contributions continue based on reduced salary; employee contributions are optional. Distributions are allowed after age 59½, but phased retirement does not appear to influence uptake.

## **FISCAL IMPACTS OF PHASED RETIREMENT PLAN OPTIONS**

**Ms. Bentley-Smith** reported on findings in response to Mr. Smith’s request. Key insights included:

- Fiscal impact cannot be clearly quantified. Ranges depend heavily on variables like inclusion of faculty versus staff, institutional differences, and replacement strategies.
- Using Pennsylvania’s example: cost savings could vary widely—potentially as low as 1% or as high as 5% of the retirement-eligible population.
- Illustrative scenario: a high-salary faculty member (e.g., \$200,000) being replaced by adjuncts (\$3,000–\$5,000) may yield significant savings.

- She emphasized the need for institution-specific analysis, noting differences across systems (e.g., LCTCS, LSU, ULS, SUS).

## **DISCUSSION OF PHASED RETIREMENT PLAN OPTIONS**

- **Dr. Jane Cassidy** raised a query about health benefits: if an individual reduces to 50% workload, do they retain full-time benefits? At LSU, 50% typically renders an employee benefits-ineligible.
- **Heath Williams** explained that definitions vary. For OGB purposes, “full-time” is defined by the agency, and must align with federal standards. Benefits contributions and service accrual during a period of reduced workload need thorough consideration.
- **Dr. Tirone** clarified: if an individual is considered part-time and loses OGB coverage, they may not qualify for retiree insurance later—a significant concern.
- **Ms. Bentley-Smith** added that the packet includes a **federal phased retirement memo** (i.e., Department of Interior) with formulas for annuity computations and references to relevant statutes—useful for systems to reference.
- **Mr. Williams** noted applicability differences: not all universities participate in OGB (e.g., LSU First makes independent benefit decisions), requiring tailored approaches.
- **Dr. McLean** inquired whether institutions could **define “full-time” status internally**, given that FLSA does not mandate a universal definition.
  - **Mr. Williams** acknowledged that private institutions like Loyola have flexibility, whereas public institutions must align with statute, complicating consistent definitions.
- **Ms. Bentley-Smith** agreed, noting LSU’s autonomy and the need for a nuanced approach across different campuses and systems.
- **Mr. Meche** suggested that requiring benefits eligibility prior to program participation (e.g., minimum years of service) could mitigate unintended consequences.
- **Gena Doucet** suggested that statements of benefits may refer specifically to retirement benefits, not health insurance.
- **Dr. McLean** noted the small participation numbers (Loyola: 3–8, Pennsylvania similar) and inferred that while fiscal impact isn't large, the ability to plan for retirements might be the program’s most valuable element.

- **Ms. Bentley-Smith** agreed and emphasized that program administration (e.g., requiring sign-off from department chairs versus system-level control) significantly affects implementation and outcomes.
- **Mr. Meche** compared phased retirement to early retirement incentives, which often entail department-level financial decisions and appeal processes—suggesting possible models for phased retirement management.
- **Ms. Bentley-Smith** added that Pennsylvania’s incentives occasionally suppressed phased retirement participation.
- **Dr. McLean** raised a legal consideration: is offering phased retirement only to faculty (not staff) permissible?
  - **Mr. Williams** cautioned that inconsistent definitions across employee groups could pose legal risks.
  - **Mr. Roche** observed that, for TRSL membership, classifications differ for faculty and classified staff, complicating uniform treatment.
  - **Ms. Bentley-Smith** acknowledged that faculty employment patterns differ significantly from staff (e.g., teaching schedules vary widely), supporting differentiated approaches.
- **Dr. McLean** asked about the next agenda item—**ORP contribution rate increase**—which was noted as potentially increasing system costs by over \$11 million (if moving from 6.2% to 8%). While this is proposed within the SEC context, no guarantee of legislative funding exists. This was flagged for future discussion.
- **Mr. Smith** recalled historical precedent in which such increases were unfunded and cautioned about relying on state appropriations.
  - **Ms. Bentley-Smith** noted legislative awareness of fiscal constraints and the importance of transparent recommendations. Representative Bacala had supported task force efforts while stressing cost awareness.

## **DISCUSSION OF ORP CONTRIBUTION RATE AND ACCRUED LEAVE ENHANCEMENTS**

- **Ms. Bentley-Smith** provided a chart that shows the recommended increase in the ORP annual employer contributions from 6.2% to 8%. She reminded everyone that Louisiana’s contribution rate is on the lower end in comparison to SEC peers.

- **Ms. Bentley-Smith** provided a comparison of the accrued leave enhancements between TRSL and LASERS at the time of retirement. It was noted that ORP members receive annual leave conversion or payout benefits at retirement; however, sick leave conversion or payout is dependent upon employee retirement.

### **FUTURE MEETING DATES**

The next meeting will focus on recommendations related to phased retirement options. Presentations by NASRA and ORP providers are planned. Members were asked to come prepared with institution-/system-specific feedback. Upcoming meeting dates are:

- Wednesday, October 15, 2025
- Wednesday, November 12, 2025

### **OTHER BUSINESS**

- **Ms. Bentley-Smith** provided comparative figures for **Unfunded Accrued Liability (UAL)** contributions, showing slight savings year-over-year, and a breakdown by system.
  - **Dr. McLean** confirmed the value and opted to digest the data.
  - **Ms. Bentley-Smith** clarified that UAL funding figures reflect current projections and are subject to legislative appropriation, which can vary annually.
- No further comments were raised.

### **ADJOURNMENT**

Dr. McLean requested a motion to adjourn. Upon a motion and second, with no objections, the meeting was adjourned at 11:45 a.m.