

**EXECUTIVE DIRECTOR UPDATE**  
**Week 2 of the 91<sup>st</sup> General Assembly**  
**January 20, 2017**

**Overview of Week 2 of the 91<sup>st</sup> General Assembly**

Despite that this is just the conclusion of the second week, the news in this update is material, positive, and likely sets the tone for the entire session on ATRS, its legislative package, and on ATRS retirement legislation generally. On Wednesday, I met with the 4 leaders of the Joint Retirement Committee along with Governor Hutchinson's staff office. The meeting was very positive and focused on protecting the members of ATRS and protecting the financial strength of ATRS.

The Joint Retirement Committee's leadership is **Representative Douglas House**, House Co-chair; **Senator Bart Hester**, Senate Co-chair; **Representative Gary Deffenbaugh**, House Vice chair; and **Senator Blake Johnson**, Senate Vice chair. During the meeting, **two important themes** should be highlighted right now. **First**, the leadership would **not** support any effort to merge or consolidate ATRS or any other Arkansas public retirement system and has no expectation that such a proposal will be introduced in this session. That is great news for ATRS members!

The **second** theme is that the leadership is focused on maintaining the financial strength of ATRS and agrees that ATRS should have the tools and mechanisms necessary to react to downturns in the financial markets or changes in actuarial standards to pay all earned and lawful benefits. This meeting theme aligns with the legislative package of the ATRS Board.

The meeting was meaningful and productive. ATRS is grateful to the committee leadership and Governor Hutchinson's staff for having this important meeting with ATRS. The committee leadership and governor's staff dedicated a long period of time on a very busy day to fully discuss the issues on ATRS and retirement. The meeting **set the tone** for the approach of the leadership and ATRS for the session. ATRS executive staff is very **appreciative** for their time and candid discussion.

At this point, two (2) of the 20 ATRS package bills have been introduced. Hopefully, the remaining 18 package bills will be introduced by the end of next week. Members of the General Assembly have committed to sponsoring bills for ATRS and will do so next week. The deadline to file retirement bills is January 27th. By the time you receive the executive director update next week, a clearer picture of all the bills in the Joint Retirement Committee will be known.

This week, **Senator John Cooper** of Jonesboro introduced the first 2 ATRS package bills. SB141 is a bill that gives the ATRS Board authority to modify the formula that prevents unfair manipulation of salary in the final average calculation. SB142 is a bill that helps ensure the independence of the ATRS internal auditor by placing the employee performance evaluation with the ATRS audit committee. Thank you, Senator Cooper for assisting ATRS on these important bills.

### **Joint Public Retirement & Social Security Committee**

The first Public Retirement Committee meeting will be held on Monday, January 23, 2017. This meeting will be an organizational meeting which will include briefings by the retirement systems' directors and committee actuary. No bills are expected to be heard during this first organizational meeting.

The Capitol is full of activity as the session gears up to full power. It is a busy time for ATRS and its staff. ATRS will try to keep its members informed about the bills that impact ATRS, its members and employers.