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## DIGEST

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Pearson

HB No. 384

**Abstract:** Provides for a minimum amount of funds recognized as nonrecurring be applied toward payment of the balance of the unfunded accrued liabilities which existed as of June 30, 1988, for the La. State Employees' Retirement System and the Teachers Retirement System of La.

Present constitution provides that any money designated in the official forecast as nonrecurring shall be appropriated for the following purposes:

- (1) Retiring or defeasance of bonds in advance of and in addition to the existing amortization requirements of the state.
- (2) Providing for payments against the unfunded accrued liability of the public retirement systems which are in addition to any payments required for the annual amortization of the unfunded accrued liability of the public retirement systems.
- (3) Providing funding for capital outlay projects in the comprehensive state budget.
- (4) Providing for allocation or appropriation for deposit into the Budget Stabilization Fund. Article VII, §10.3(A)(3) and (C)(4) requires 25% of nonrecurring revenues be deposited into the Budget Stabilization Fund unless the fund balance exceeds 4% of the previous fiscal year's total state receipt.
- (5) Providing for allocation or appropriation for deposit into the Coastal Protection and Restoration Fund.
- (6) Providing for new highway construction for which federal matching funds are available, without excluding highway projects otherwise eligible as capital projects under other provisions of law.

Proposed constitutional amendment retains present constitution and further provides that for FY 2013-2014 and 2014-2015 a minimum of 5% of any money designated in the official forecast as nonrecurring be applied toward payment of the balance of the unfunded accrued liabilities for those liabilities which existed as of June 30, 1988, for the La. State Employees' Retirement System and the Teachers Retirement System of La. in proportion to the balance of such unfunded accrued liability of each system.

Proposed constitutional amendment further provides that for FY 2015-2016 and every fiscal year thereafter the minimum amount applied toward payment of the balance of the unfunded accrued liabilities shall increase to 10%.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Oct. 22, 2011.

(Amends Const. Article VII, §10(D)(2)(b))

#### Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Appropriations to the original bill.

1. Added that for FY 2013-2014 and 2014-2015 a minimum of 5% of any money designated in the official forecast as nonrecurring be applied toward payment of the balance of the unfunded accrued liabilities for those liabilities which existed as of June 30, 1988, for the La. State Employees' Retirement System and the Teachers Retirement System of La. in proportion to the balance of such unfunded accrued liability of each system.
2. Increased the minimum amount to 10% for FY 2015-2016 and every fiscal year thereafter.