
DIGEST

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Pearson

HB No. 435

Abstract: Provides that a minimum of 10% of the funds recognized as nonrecurring will be applied toward payment 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 law provides that the Revenue Estimating Conference shall designate in each official forecast those monies which are nonrecurring. At a minimum, 25% shall be appropriated for deposit in the Budget Stabilization Fund. The remainder of such nonrecurring monies 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 Wetlands Conservation and Restoration Fund.
- (5) 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 law further requires that at a minimum, 10% of nonrecurring funds be appropriated for providing payment of the unfunded accrued liabilities and clarifies that the payments be applied toward the unfunded accrued liability existing as of June 30, 1988, for the La. State Employees' Retirement System and the Teachers Retirement System of La.

Effective upon approval of the proposed amendment of Article VII, Section 10(D)(2)(b) of the Const. of La. in HB No.____ of the 2011 R.S.

(Amends R.S. 39:54(B))