DIGEST

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HB 466 Original

2025 Regular Session

Carlson

Abstract: Requires school systems to provide a salary increase using savings attributable to the state's payment of certain unfunded accrued liability of the Teachers' Retirement System of La.

<u>Proposed law</u> requires each public school system to provide a salary increase, plus any related benefits, of at least \$2,000 for certificated personnel and at least \$1,000 for noncertificated personnel. Requires each school system to fund the increase and related benefits using the net savings realized by the system from the reduction in its employer contribution rate attributable to the state's payment of certain unfunded accrued liability of the Teachers' Retirement System of La. (TRSL). Applies beginning with the school year following the effective date of <u>proposed law</u>.

<u>Proposed law provides that for proposed law purposes:</u>

- (1) "Personnel" means persons employed in the positions for which an across-the-board pay raise was proposed in the FY 2023-2024 MFP formula for that fiscal year and for which a stipend was provided for FY 2024-2025 in Act No. 4 of the 2024 R.S.
- (2) "Public school system" means any city, parish, or other local public school board, any charter school, or any other elementary or secondary school governing authority that participates in TRSL.

<u>Proposed law</u> provides that if the amount of the net savings realized by a school system is insufficient to fully fund the salary increases in the amounts specified in <u>proposed law</u>, plus related benefits, the remaining amount necessary to fully fund such salary increases and benefits shall be provided for in the minimum foundation program (MFP) formula.

<u>Proposed law</u> provides that if the amount of net savings realized by a school system is in excess of the amount needed to fully fund the salary increases in the amounts specified in <u>proposed law</u>, plus any related benefits, the school system shall only expend such excess savings on the employing personnel that qualify for differentiated compensation allocations in certain critical shortage areas; employing personnel for summer enrichment programs; childhood education programs; and school security enhancements.

Effective if and when the proposed amendment of Article VII of the Constitution of La. contained in the Act which originated as House Bill No. ____ of this 2025 R.S. of the Legislature is adopted at a statewide election and becomes effective.

(Adds R.S. 17:418.1)