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## DIGEST

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HB 25 Original

2020 Regular Session

Ivey

**Abstract:** Provides for payment of the initial unfunded accrued liability (IUAL) of the Teachers' Retirement System of La. (TRSL) by general appropriation by the Legislature of La.

Present law establishes the calculation for annual employer contribution rates for employers in the state retirement systems—of which TRSL is one. Part of the annual contribution is used to fund debt service on the IUAL amount.

Present constitution creates the minimum foundation program (MFP), which is designed to provide minimum education funding for public schools in the state. The MFP monies are used by school districts to cover education-related expenses, including salaries and retirement costs for the teachers and school employees in the district.

Proposed law requires the legislature to appropriate sufficient funds annually to cover the IUAL payment to TRSL through the general appropriations bill. Further requires the State Bd. of Elementary and Secondary Education to consider the appropriation when formulating the MFP formula and to make appropriate adjustments.

(Adds R.S. 17:23)