

RÉSUMÉ DIGEST

ACT 8 (HB 5)

2024 Third Extraordinary Session

Bacala

New law requires each public school system to provide a salary increase, plus any associated retirement costs, of at least \$2,000 for certificated personnel and at least \$1,000 for noncertificated personnel that shall be applied beginning with the 2025-2026 school year. Requires each school system to fund the increase and retirement costs using the net savings realized by the system from the reduction in its employer contribution rate for FY 2025-2026, attributable to the state's payment of certain unfunded accrued liability of the Teachers' Retirement System of La. (TRSL) as provided in proposed constitutional amendment (Act No. 1 of the 2024 3ES).

New law specifies that personnel shall receive the increase if the position is based on the staffing data submitted to the state Dept. of Education (Dept.) as of Oct. 1st and provides specific codes as listed in State Bd. of Elementary and Secondary Education rules for personnel in positions eligible for the increase. Requires each school system to place the increases on its salary schedule and provides that the increases shall not supplant or offset compensation to which personnel were entitled prior to the enactment of new law.

New law 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 new law, plus retirement costs, the school system is not required to provide the increases and costs in excess of the net savings amount. Provides that the remaining amount necessary to fully fund such salary increases and costs shall be provided for in the minimum foundation program (MFP) formula.

New law 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 new law, plus retirement costs, the school system shall only expend such excess savings on the following:

- (1) Employing certain personnel in critical shortage areas.
- (2) Employing personnel for summer enrichment programs.
- (3) Early childhood education programs for at-risk children.
- (4) School security enhancements.

New law requires each school system to provide an annual report regarding the implementation of new law and compliance with new law and requires the Dept. to provide an annual report to the House and Senate education committees relative to such compliance. Requires school systems that do not comply with new law to appear before the committees.

New law provides that for new law purposes:

- (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 RS (the employees in positions identified by the aforementioned codes).
- (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.

Effective if and when the proposed amendment of Article VII of the Constitution of La. contained in Act No. 1 of the 2024 3ES of the legislature is adopted at a statewide election and becomes effective.

(Adds R.S. 17:418.1 and 3996(B)(89))