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## DIGEST

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HB 555 Original

2016 Regular Session

Gregory Miller

**Abstract:** Establishes a calculation for withholding certain minimum foundation program (MFP) funds from charter schools and remitting the withheld amount to the Teachers' Retirement System of La. (TRSL) for application to the oldest system Unfunded Accrued Liability (UAL).

Present law generally authorizes charter schools to receive the same amount of MFP funds as traditional schools in the same district.

Proposed law, relative to charter schools that *do not* participate in TRSL, requires certain amounts to be withheld from the MFP funds that would otherwise be sent to such schools. Requires TRSL to calculate a percentage based on the total UAL contribution from the prior year and each public school district's base MFP amount (inclusive of level 1 and level 2 funds, but not inclusive of weighted funds). The unique percentage calculated for each district is to be submitted to the Dept. of Education, who shall then use the percentage to calculate the amount to be withheld from each non-participating charter school in the district. Requires the retained amount to be remitted to TRSL for application to the oldest system UAL.

Proposed law requiring withholding of MFP funds applies only to the following:

- (1) Any charter school that was not participating in TRSL at the end of the fiscal year upon which calculations are based.
- (2) Any new charter school whose charter proposal is approved after July 1, 2016.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 17:3995(K))