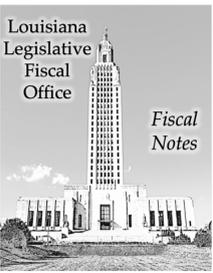


**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 466** HLS 25RS 1010  
 Bill Text Version: **ENROLLED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> June 13, 2025	10:20 AM	<b>Author:</b> CARLSON
<b>Dept./Agy.:</b> Education		
<b>Subject:</b> Teacher pay increase		<b>Analyst:</b> Julie Silva

TEACHERS/SALARY EN INCREASE GF EX See Note Page 1 of 2

Requires school systems to provide a salary increase for teachers and other school employees using savings attributable to the state's payment of certain unfunded accrued liability of the Teachers' Retirement System of Louisiana

Requires school systems to provide a salary increase for teachers and other school employees using savings attributable to the state's payment of certain unfunded accrued liability of the Teachers' Retirement System of Louisiana. Proposed legislation is dependent on the adoption of the proposed constitutional amendment currently under consideration by the legislature as HB 473, which liquidates the balances of the Education Excellence Fund, the Louisiana Education Quality Trust Fund, and the Louisiana Quality Education Support Fund and transfers those balances to the Teacher's Retirement System of Louisiana (TRSL) for payment of the system's total unfunded accrued liability (IUAL/UAL). Requires local public school systems to pay a teacher pay raise with savings realized from payment of those retirement system liabilities Proposed legislation requires that applicants for teacher certification are to either: (1) complete the number of prescribed semester hours in the teaching of foundational numeracy as required in rules promulgated by the Board of Elementary and Secondary Education (BESE), or (2) complete numeracy training that is appropriate to their certification area and approved by the Louisiana Department of Education (LDOE). Expands numeracy professional development requirements to include all kindergarten through third grade mathematics teachers, effective 8/01/27.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>					<b>\$0</b>

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>					<b>\$0</b>

**EXPENDITURE EXPLANATION**

**Certificated and Noncertificated School Employee Pay Increases**

Proposed legislation is anticipated to increase SGF expenditures for the Minimum Foundation Program beginning in FY 27 due to the inclusion of the proposed pay raises within the funding formula (detailed below). Local fund expenditures will also increase; however, this increase will be offset due to the savings realized if the proposed constitutional amendment currently under consideration by the legislature as HB 473 is adopted by the legislature and subsequently approved by the electorate at a statewide election to be held on 4/18/26.

If approved, the constitutional amendment directs that the treasurer transfer the balances of the Louisiana Quality Education Trust Fund (Permanent Fund), the Louisiana Education Quality Support Fund (Support Fund), and the Education Excellence Fund (EEF) to the Teacher's Retirement System of Louisiana (TRSL) for payment to the system's unfunded accrued liability (UAL), no later than 5/15/26.

Proposed legislation further requires the MFP formula submitted by BESE and effective for the 2026-27 school year to include the permanent salary increase and related benefits for all public school system personnel eligible for the pay stipends provided in FY 24 and FY 25. The legislature is required to include appropriate funding for these increases; however, any portion of the funding for a public school system that participates in TRSL will be adjusted to account for the net savings realized by that public school system for the 2026-2027 school year attributable to the payments made to the UAL.

**Continued on Page Two**

**REVENUE EXPLANATION**

Proposed legislation, in conjunction with proposed constitutional amendment, is anticipated to result in a net zero impact to local fund revenues.

Senate  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

**Patrice Thomas**  
**Deputy Fiscal Officer**



# LEGISLATIVE FISCAL OFFICE

## Fiscal Note

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<b>Date:</b> June 13, 2025	10:20 AM	<b>Author:</b> CARLSON
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**CONTINUED EXPLANATION from page one:**

The FY 25 beginning balances of the Permanent Fund (\$1.45 B), the Support Fund (\$36 M), and the EEF (\$482 M) will result in a pay down of an estimated \$1.96 B of the total UAL. Local education agencies are expected to see a decrease in local fund expenditures resulting from the transfer of these fund balances to TRSL.

The estimated total cost to provide the pay raises included in proposed legislation is \$217.2 M in FY 27 and annualized in the following FYs. The pay down of a portion of the TRSL UAL, if the constitutional amendment currently under consideration as HB 473 is approved, is estimated to decrease contribution payments to TRSL across all local elementary and secondary education school systems for employees in the K-12 plan by \$236.2 M. While the savings realized across all systems statewide exceeds the total estimated amount of the pay raises as provided in proposed legislation, due to the varying savings across school systems, some may realize more or less than the funding needed to cover their individual responsibility. LDOE estimates this would result in a total cost of \$200.5 M in local funds (dollars saved as a result of the TRSL UAL paydown) and \$16.7 M SGF for all non-TRSL participant employees eligible for the increase. Based on the most recent simulation prepared by TRSL and LDOE, an estimated seven school systems will not realize savings sufficient to fully cover the mandated pay increase at a total cost of \$265,000. Conversely, some local school systems will have a surplus of funding available after the required pay raises are provided, estimated at \$35.8 M statewide. This funding is available for specific uses, detailed below.

The \$236.2 M reduction to K-12 plan TRSL participant employer payroll contributions is assumed to be a combination of Local Funds and distributions from the MFP. Proposed law stipulates that the net savings of each school system be used to provide pay raises of at least \$2,250 for certificated personnel and at least \$1,225 for noncertificated personnel, plus any associated retirement costs, beginning with the 2026-2027 school year. 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, plus any related benefits, the school system is permitted to spend such savings on only the following: 1) employing personnel that qualifies for differentiated compensation allocations in critical shortage areas; 2) employing personnel for Summer enrichment programs pursuant to R.S. 17:401.11; 3) early childhood education as authorized by the Cecil J. Picard LA 4 Early Childhood Program, pursuant to R.S. 17:407.26; 4) school security enhancements; and 5) school technology upgrades.

Proposed law stipulates that the net savings of each school system be used to provide pay raises of \$2,250 for certificated personnel and \$1,225 for noncertificated personnel, plus any associated retirement costs, beginning with the 2026-2027 school year. Proposed legislation further requires LDOE to calculate and submit to the legislature: (1) the cost to fully fund the permanent salary increase and related benefits, if the net savings realized by a school system are insufficient to do so and (2) the total amount needed to provide a permanent salary increase and related benefits for public school system personnel whose employers do not participate in TRSL. This amount is to be included in the MFP formula adopted by BESE and subsequently submitted to the legislature for approval. Proposed legislation stipulates the funding and permanent salary increase are to be deemed part of the MFP formula most recently adopted by BESE and approved by the legislature until a new formula including these requirements is approved.

Note: LDOE reports there may also be impacts to MFP expenditures due to the change in TRSL contribution rates effectuated by the proposed constitutional amendment (HB 473). A series of prior year pay raises, provided by the legislature, are included within the formula. These raises also include payments for applicable retirement costs, which should also realize an actuarial rate reduction. This would result in an estimated \$10 M reduction in MFP Level 4 costs.

### Numeracy Training/Professional Development

LDOE reports they do not anticipate an increase in expenditures to expand the provision of approved numeracy skills instruction courses to include kindergarten through third grade teachers who teach mathematics. LDOE already provides these courses, at no cost, to kindergarten through twelfth grade mathematics teachers. The courses were developed using Federal COVID-19 relief funding, specifically Elementary and Secondary School Emergency Relief (ESSER) funds; however, these funds are no longer available. Future updates to the training, if necessary will require identification of another funding source, assumed to be SGF. Local fund expenditures may be realized if a school system opts to offer stipends for teachers who take required training courses outside of their job-embedded training time. LDOE reports there will not be significant costs to revise teacher certification requirements and update policies to align with the proposed law. **Note: Proposed law continues to limit program implementation to the designation and allocation of funds by LDOE but removes the prior prohibition on the use of state funds or obligated federal funds.**

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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Deputy Fiscal Officer