

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 157** SLS 26RS 115
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

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Dept./Agy.: Education	Analyst: Julie Silva
Subject: Parental Leave for Educators Act	

SCHOOLS OR INCREASE GF EX See Note Page 1 of 1
 Provides for paid parental leave for eligible employees. (gov sig)

Proposed law requires paid parental leave for eligible employees of local education agencies (LEAs), including charter schools be provided beginning 1/01/27. Requires that full-time employees must be compensated 100% of their base pay for a maximum of six weeks. Further requires that a part-time employee is to be compensated 100% of his or her base pay, based upon a prorated percentage of hours the employee normally works, for no longer than six weeks. Prohibits the use of an employee's sick, annual, or other leave during the paid parental leave period. Provides paid parental leave is to run concurrently with leave requested under the Family and Medical Leave Act (FMLA). Creates the Paid Parental Leave for Educators Fund as a special fund in the treasury. Provides that the source of monies into the fund are those transferred, donated, or appropriated by the legislature. Subject to appropriation by the legislature, monies in the fund are to be used solely to fund costs associated with reimbursing LEAs for substitute teacher expenditures incurred as a result of the use of paid parental leave by permanent employees. Implementation of the paid parental leave program is contingent upon the appropriation of funds for its purpose.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						
REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total						

EXPENDITURE EXPLANATION

Proposed legislation is anticipated to result in an indeterminable but significant increase in state expenditures to reimburse local education agencies (LEAs) for substitute teacher pay while eligible certified teachers are on paid parental leave. Funding will originate as SGF appropriations to the statutorily dedicated Parental Leave for Educators Fund, from which reimbursements will be made.

Current law defines a certified teacher as "Any employee of a local public school board, state special school, or a school or program administered by the special school district who holds a teacher's certificate and whose legal employment requires such teacher's certificate." The LFO interprets this to include certificated classroom teachers, therapists, counselors, principals, and other school administrators. School nurses are certified employees; however, they are not certified teachers. Based on this definition, in the 2025-26 school year, there are an estimated 61,400 employees who would be eligible for the provisions of proposed legislation.

Using available substitute pay data from 25 of the 69 Louisiana LEAs, average daily rates for long-term substitutes were estimated at \$121 per day, with low and high averages of \$93 and \$149 per day, respectively. Some districts may pay substitutes significantly higher or lower than these averages. For the purposes of this fiscal note, and to estimate maximum potential exposure, the high daily rate of \$149 is used. Utilization is based on Office of State Uniform Payroll (OSUP) data on paid parental leave utilization by classified state employees and is estimated at 2%. Applying this to the total number of certified teachers, approximately 1,228 teachers (2% of 61,400) are projected to utilize paid parental leave annually. Assuming a six-week (30-day) paid parental leave period, **the estimated annual cost to reimburse LEAs is \$5.5 M (1,228 teachers x 30 days x \$149 per day ≈ \$5.5 M)**

Actual costs will vary depending on substitute pay, the number of teachers utilizing leave, and the length of substitute assignments. Utilization may also differ due to workforce demographics, including a higher proportion of female employees in the teaching workforce, who historically utilize paid parental leave at higher rates.

Creating the Parental Leave for Educators Fund as a new statutory dedication within the state treasury will result in a marginal increase in workload for the Department of the Treasury, which can generally be absorbed within existing resources. However, to the extent that other legislative instruments create new statutory dedications, there may be material additional costs associated with the aggregate effort to administer these funds.

REVENUE EXPLANATION

LEAs are likely to realize an increase in revenues resulting from reimbursement payments made by LDOE in an amount equal to the amount paid by the LEA to substitute teachers. Actual increases are situational and will vary by LEA. Proposed law creates the Parental Leave for Educators Fund but does not provide for a recurring source of revenues. Monies deposited into the fund will be contingent upon transfers, donations, or appropriations into the fund by the legislature.

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
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