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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Cheryl Serrett.

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DIGEST

SB 87 Original

2017 Regular Session

Morrish

Present law (R.S. 11:102) establishes the calculation for annual employer contribution rates for employers in the state retirement systems, including the Teachers' Retirement System of Louisiana (TRSL). Part of the annual contribution is paid to fund debt service on the unfunded accrued liability (UAL).

Present constitution requires the state Board of Elementary and Secondary Education (BESE) to annually develop and adopt a formula to determine the cost of a minimum foundation program(MFP) of education in all public elementary and secondary schools and equitably allocate the funds to parish and city school systems.

Proposed law retains present law and constitution.

Proposed law requires BESE to allocate annually from the funds appropriated for the MFP an amount sufficient to cover the portion of the oldest outstanding UAL payment owed by elementary and secondary employers in TRSL and to remit the payment to TRSL on behalf of all employers receiving MFP funds. Such allocations shall be made until all unfunded accrued liability in TRSL is fully liquidated.

Proposed law requires TRSL to annually determine the percentage of the year's oldest UAL payment attributable to elementary and secondary employers and to invoice the Department of Education (DOE) each year for that amount.

Proposed law requires DOE to transfer the required amount to the TRSL on behalf of all employers receiving MFP formula funds in 12 equal monthly payments.

Proposed law further provides that employers participating in TRSL are liable for the remainder of their required payments to TRSL.

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

(Adds R.S. 17:25.2)