
DIGEST

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HB 5 Reengrossed

2024 Third Extraordinary Session

Bacala

Abstract: Requires school systems to provide a salary increase using savings attributable to the state's payment of certain unfunded accrued liability of the Teachers' Retirement System of La.

Proposed law requires each public school system to provide a salary increase, plus any related benefits, 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 related benefits 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 (House Bill No. 7 of this 2024 3ES).

Proposed 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 proposed law, plus related benefits, the remaining amount necessary to fully fund such salary increases and benefits shall be provided for in the minimum foundation program (MFP) formula.

Proposed 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 proposed law, plus any related benefits, the school system shall only expend such excess savings on the following:

- (1) Instruction and school administration as defined in State Bd. of Elementary and Secondary Education rules in accordance with the minimum instructional expenditure requirement contained in the MFP formula.
- (2) School security enhancements.

Proposed law provides that for proposed 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.
- (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 the Act which originated as House Bill No. 7 of this 2024 3ES of the Legislature is adopted at a statewide election and becomes effective.

(Adds R.S. 17:418.1)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Education to the original bill:

1. Specify further with respect to positions to which proposed law applies.
2. Relative to school systems not realizing sufficient savings to fully fund salary increases and benefits, provide that remaining funding shall be provided for in the MFP formula.

The House Floor Amendments to the engrossed bill:

1. Limit use of excess savings to purposes specified in the minimum instructional expenditure requirement in the MFP formula and to school security enhancements.