

Regular Session, 2011

HOUSE BILL NO. 384

BY REPRESENTATIVE PEARSON AND SENATOR GAUTREAU

RETIREMENT/FUNDING: (Constitutional Amendment) Provides for a minimum of ten percent of nonrecurring revenue be applied toward reducing the balance of the unfunded accrued liability of the state retirement systems

1 A JOINT RESOLUTION

2 Proposing to amend Article VII, Section 10(D)(2)(b) of the Constitution of Louisiana, to

3 provide for allowable uses of nonrecurring revenue; to provide for the payment of

4 unfunded accrued liabilities; to provide for submission of the proposed amendment

5 to the electors; and to provide for related matters.

6 Notice of intention to introduce this Act has been published

7 as provided by Article X, Section 29(C) of the Constitution

8 of Louisiana.

9 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members

10 elected to each house concurring, that there shall be submitted to the electors of the state of

11 Louisiana, for their approval or rejection in the manner provided by law, a proposal to

12 amend Article VII, Section 10(D)(2)(b) of the Constitution of Louisiana, to read as follows:

13 §10. Expenditure of State Funds

14 Section 10.

15 * * *

16 (D) Appropriations.

17 * * *

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 (2) Except as otherwise provided in this constitution, the appropriation or
2 allocation of any money designated in the official forecast as nonrecurring shall be
3 made only for the following purposes:

4 * * *

5 (b) Providing for a minimum of ten percent of any money designated in the
6 official forecast as nonrecurring for payments against the unfunded accrued liability
7 existing as of June 30, 1988, of the ~~public retirement systems~~ Louisiana State
8 Employees' Retirement System and the Teachers Retirement System of Louisiana,
9 which are in addition to any payments required for the annual amortization of the
10 unfunded accrued liability of ~~the public~~ those retirement systems, as required by
11 Article X, Section 29(E)(2)(c) of this constitution; however, any such payments to
12 the public retirement systems shall not be used, directly or indirectly, to fund cost-of-
13 living increases for such systems.

14 * * *

15 Section 2. Be it further resolved that this proposed amendment shall be submitted
16 to the electors of the state of Louisiana at the statewide election to be held on October 22,
17 2011.

18 Section 3. Be it further resolved that on the official ballot to be used at said election
19 there shall be printed a proposition, upon which the electors of the state shall be permitted
20 to vote FOR or AGAINST, to amend the Constitution of Louisiana, which proposition shall
21 read as follows:

22 To provide that a minimum of ten percent of money designated in the official
23 forecast as nonrecurring be applied toward payments of the unfunded accrued
24 liability which existed as of June 30, 1988, for the Louisiana State
25 Employees' Retirement System and the Teachers Retirement System of
26 Louisiana. (Amends Article VII, Section 10(D)(2)(b))

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Pearson

HB No. 384

Abstract: Provides that a minimum of 10% of the funds recognized as nonrecurring will be applied toward payment of the unfunded accrued liabilities which existed as of June 30, 1988, for the La. State Employees' Retirement System and the Teachers Retirement System of La.

Present constitution provides that any money designated in the official forecast as nonrecurring shall be appropriated for the following purposes:

- (1) Retiring or defeasance of bonds in advance of and in addition to the existing amortization requirements of the state.
- (2) Providing for payments against the unfunded accrued liability of the public retirement systems which are in addition to any payments required for the annual amortization of the unfunded accrued liability of the public retirement systems.
- (3) Providing funding for capital outlay projects in the comprehensive state budget.
- (4) Providing for allocation or appropriation for deposit into the Budget Stabilization Fund. Article VII, §10.3(A)(3) and (C)(4) requires 25% of nonrecurring revenues be deposited into the Budget Stabilization Fund unless the fund balance exceeds 4% of the previous fiscal year's total state receipt.
- (5) Providing for allocation or appropriation for deposit into the Coastal Protection and Restoration Fund.
- (6) Providing for new highway construction for which federal matching funds are available, without excluding highway projects otherwise eligible as capital projects under other provisions of law.

Proposed constitutional amendment retains present constitution and further provides that a minimum of 10% of any money designated in the official forecast as nonrecurring be applied toward payment of the unfunded accrued liabilities and clarifies that the payments are for those liabilities which existed as of June 30, 1988, for the La. State Employees' Retirement System and the Teachers Retirement System of Louisiana.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Oct. 22, 2011.

(Amends Const. Article VII, §10(D)(2)(b))