

2016 Regular Session

SENATE BILL NO. 147

BY SENATOR GATTI

SCHOOLS. Provides for charter schools to pay a proportionate share of the local school district's of Teachers' Retirement System UAL payment. (6/30/16)

1 AN ACT

2 To enact R.S. 17:3995(K), relative to charter school funding; to provide for the calculation
3 of the proportionate unfunded accrued liability contribution to the Teachers'
4 Retirement System of Louisiana; to provide for payment of the proportionate
5 contribution; to provide for application of such payment; to provide for an effective
6 date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 17:3995(K) is hereby enacted to read as follows:

9 §3995. Charter school funding

10 * * *

11 **K. According to the Supreme Court of Louisiana in *East Baton Rouge***
12 ***Parish School Board, et al. vs. Louisiana School Employees' Retirement System,***
13 **149 So.3d 244 (2014), writ denied, the state includes in each year's minimum**
14 **foundation program formula funding the amount necessary for each employer**
15 **receiving the money to make that year's required contributions to the Teachers'**
16 **Retirement System of Louisiana, including the normal cost payment, and that**
17 **year's payment for amortization of the unfunded accrued liability. In**

1 recognition of the court's decision, this Subsection is intended to facilitate the
2 appropriate application of those amounts to the unfunded accrued liability.

3 (1) Between the first and the fifteenth of July of each year, the retirement
4 system shall calculate the total aggregate employer contribution to be applied
5 to the unfunded accrued liability of each public school district in the state for
6 the preceding fiscal year. This sum shall be referred to as the "UAL
7 Contribution".

8 (2) On or before July fifteenth of each year, each public school district
9 shall notify the retirement system of the aggregate total of the state portion of
10 the minimum foundation program formula base per pupil amount, inclusive of
11 Level 1 and Level 2, but not to include any weighted funding, received from the
12 state of Louisiana in the preceding fiscal year. This amount shall be referred to
13 as the "Base MFP".

14 (3) The retirement system shall divide the UAL Contribution by the Base
15 MFP to yield the "UAL Proportion".

16 (4) The retirement system shall notify the Department of Education, by
17 August first of each year, the UAL Proportion for each public school district.

18 (5)(a) The department shall withhold from the base per pupil amount,
19 inclusive of Level 1 and Level 2, but not to include any weighted funding, that
20 would otherwise be provided to each charter school through the minimum
21 foundation program formula, the proportion of such funding equal to the UAL
22 Proportion of the public school district in which the charter school is physically
23 located.

24 (b) For virtual charter schools, the department shall use the UAL
25 Proportion of the public school district which is the home for the highest
26 number of students enrolled in the virtual charter school.

27 (6) The aggregate dollar amount withheld from any charter school's
28 allocation shall be remitted to the retirement system at the same time the net
29 amount of the minimum foundation program funding is transmitted to that

1 **charter school.**

2 **(7) The retirement system shall apply the funding received in accordance**
3 **with this Subsection at the same time and in the same manner as all other**
4 **employer contributions.**

5 Section 2. This Act shall become effective on June 30, 2016; if vetoed by the
6 governor and subsequently approved by the legislature, this Act shall become effective on
7 June 30, 2016, or on the day following such approval by the legislature, whichever is later.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Margaret M. Corley.

DIGEST

SB 147 Original

2016 Regular Session

Gatti

Present law provides that charter schools shall receive per pupil funding as provided through the minimum foundation program formula.

Proposed law provides that the Supreme Court of La. has stated that the per pupil funding provided for through the minimum foundation program (MFP) formula includes the contributions to the Teachers' Retirement System of La. (TRSL), both normal cost and that year's payments of the unfunded accrued liability.

Proposed law provides that between the 1st and the 15th of July each year TRSL shall calculate the total aggregate employer contributions to be applied to the unfunded accrued liability of each public school district in the state for the preceding fiscal year. (UAL Contribution)

Proposed law provides that on or before July 15th of each year, each public school district shall notify TRSL of the aggregate total of the state portion of the MFP received from the state. (Base MFP)

Proposed law provides a formula (UAL Contribution divided by the Base MFP) to determine the UAL Proportion.

Proposed law requires TRSL to notify the Department of Education of the UAL Portion for each school district by August 1st of each year.

Proposed law provides that the department shall withhold from per pupil amount that would be provided to each charter school, the portion of such funding equal to the UAL Proportion of the public school district in which the charter school is physically located.

Proposed law provides that for a virtual charter school, the department shall use the UAL Proportion of the public school district which is the home of the highest number of students enrolled in the virtual charter school.

Proposed law provides that the aggregate dollar amount withheld from any charter school's allocation shall be remitted to the retirement system at the same time the net amount of the minimum foundation program funding is transmitted to the charter school.

Proposed law provides that funding received by TRSL in accordance with proposed law shall be applied in the same manner and at the same time as all other employer contributions.

SLS 16RS-380

ORIGINAL
SB NO. 147

Effective June 30, 2016.

(Adds R.S. 17:399(K))