

114TH CONGRESS
2D SESSION

H. R. 5427

To prohibit the use of education funds provided under the Elementary and Secondary Education Act of 1965 for excess payments to certain retirement or pension systems.

IN THE HOUSE OF REPRESENTATIVES

JUNE 9, 2016

Mr. DOLD introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To prohibit the use of education funds provided under the Elementary and Secondary Education Act of 1965 for excess payments to certain retirement or pension systems.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Stand Up For Stu-
5 dents Act”.

1 **SEC. 2. PROHIBITION ON USE OF EDUCATION FUNDS FOR**
2 **EXCESS PAYMENTS TO CERTAIN RETIRE-**
3 **MENT OR PENSION SYSTEMS.**

4 (a) IN GENERAL.—Subpart 2 of part F of title VIII
5 of the Elementary and Secondary Education Act of 1965
6 (20 U.S.C. 7901 et seq.) is amended by adding at the end
7 the following:

8 **“SEC. 8549D. PROHIBITION ON USE OF EDUCATION FUNDS**
9 **FOR EXCESS PAYMENTS TO CERTAIN RETIRE-**
10 **MENT OR PENSION SYSTEMS.**

11 “(a) IN GENERAL.—Except as provided under sub-
12 section (b), no State receiving funds under this Act may
13 require any local educational agency using funds under
14 this Act to hire or pay the salary of teachers to use such
15 funds to make contributions to a teacher retirement or
16 pension system for a plan year in excess of the normal
17 cost of pension benefits for such plan year for which the
18 employing local educational agency has responsibility.

19 “(b) EXCEPTION BASED ON FUNDED RATIO.—Sub-
20 section (a) shall not apply with respect to a teacher retire-
21 ment or pension system for a plan year if the system cer-
22 tifies to the Secretary, at such time and in such manner
23 as the Secretary may require, that the system has a fund-
24 ed ratio for such plan year exceeding 50 percent.

25 “(c) DEFINITIONS.—For purposes of this section:

1 “(1) NORMAL COST.—The term ‘normal cost’
2 means the portion of the cost of projected benefits
3 allocated to the current plan year, not including any
4 unfunded liabilities the teacher retirement or pen-
5 sion system has accrued.

6 “(2) FUNDED RATIO.—The term ‘funded ratio’
7 means, with respect to a teacher retirement or pen-
8 sion system for a plan year, the ratio of—

9 “(A) the value of the system’s assets for
10 the plan year (as determined using reasonable
11 actuarial assumptions), to

12 “(B) the accrued liability of the system for
13 the plan year (as so determined).”.

14 (b) CONFORMING AMENDMENT.—The table of con-
15 tents in section 2 of such Act is amended by inserting
16 after the item relating to section 8549C, the following:

“Sec. 8549D. Prohibition on use of education funds for excess payments to cer-
tain retirement or pension systems.”.

17 **SEC. 3. EFFECTIVE DATE.**

18 The amendments made by this Act shall take effect
19 as if enacted on the date of enactment of the Every Stu-
20 dent Succeeds Act (Public Law 114–95).

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