

HOUSE BILL 2327

By Hardaway

AN ACT to amend Tennessee Code Annotated, Title 8 and Title 49, relative to funding of retirement benefits for LEA employees.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-35-242, is amended by adding the following language as a new subsection (c):

(c)

(1) The department of the treasury, with the assistance of the department of education, shall examine the requirements for funding retirement benefits for LEA employees, other than those under the Tennessee consolidated retirement system (TCRS), which impose a fiscal obligation on an LEA. The department of treasury and the department of education shall determine the pro rata share of the per student state and local funds expenditure of each LEA that is required to fund such benefits according to the accounting and financial reporting standards of GASB.

(2) This subsection shall only apply to LEAs in which there exists at least one (1) charter school authorized by the LEA, the achievement school district, or the state board of education.

SECTION 2. Tennessee Code Annotated, Section 49-13-112(b)(3)(C), is amended by deleting the language "or retirement".

SECTION 3. Tennessee Code Annotated, Section 49-13-112(b)(3)(C), is further amended by designating the existing language as subdivision (b)(3)(C)(i) and by adding the following language as a new subdivision (b)(3)(C)(ii):

Notwithstanding subsection (a) and in addition to withholding funds pursuant to a charter agreement in subdivision (b)(3)(C)(i) to cover the cost of the LEA providing services for employee benefits for charter school employees, an LEA may withhold from the per student state and local funds received by the LEA, the pro rata share, as determined under § 8-35-242(c)(1), that is necessary to fund all retirement benefits, other than those under the Tennessee consolidated retirement system, for LEA employees or charter school employees, which impose a financial obligation on the LEA, whether the charter agreement includes such agreement or not.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring

it.