

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 2468
Version: As Introduced

DATE: March 5, 2012

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Subject: General Education Revenue TRA adjustment eliminated

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Overview

A school district's general education revenue is adjusted for certain changes that have been made to school district employer-paid retirement contributions. A school district's general education revenue is reduced by two decreases in employer contribution rates and increased by two increases in the employer contribution rate. The calculation for the reduction is as follows:

- (1) The 1984 PERA (Public Employees Retirement Association) adjustment is equal to the amount of the 1984 PERA rate reduction times the school district's 1984 PERA payroll.
- (2) The fiscal year 1997 TRA (Teachers Retirement Association) reduction equals 2.34 percent times the district's 1997 TRA payroll.
- (3) The fiscal year 1999 PERA increase equals .70 percent times the district's 1999 PERA payroll.
- (4) The fiscal year 2007 increase equals .50 percent times each district's 2007 TRA payroll.

The reduction is a fixed total dollar amount (not a per pupil amount) and does not change each year unless the district's teacher payroll is significantly lower than in the previous fiscal year, in which case the Commissioner of Education recalculates a lower reduction based on the new payroll data. The adjustment is statutorily eliminated as of June 30, 2020.

This bill repeals the adjustment beginning in FY 2014 at an annual cost of approximately \$31 million.

- 1 Repealer.** Repeals the general education revenue TRA and PERA adjustment effective for fiscal years 2014 and later.