

Regular Session, 2008

HOUSE RESOLUTION NO. 151

BY REPRESENTATIVE PATRICIA SMITH

A RESOLUTION

To urge and request the State Board of Elementary and Secondary Education to study the financial impact on the East Baton Rouge Parish School Board of the board's continuing obligation to contribute to health insurance premiums of retirees despite the loss of revenue resulting from the creation of other school systems within the parish and the opening of charter schools, and to report its findings and recommendations for alternative methods of financing this ongoing obligation to the House Committee on Education prior to the 2009 Regular Session.

WHEREAS, the legislature has created the Baker, Central Community, and Zachary Community school systems from portions of what were formally parts of the East Baton Rouge Parish school system, and numerous charter schools have opened in the parish; and

WHEREAS, when the student population of a school system is reduced, its funds from the state are reduced because it no longer bears the cost of educating those students; and

WHEREAS, however, such a reduction in student population does not reduce all costs, and one cost that is not affected is that associated with contributions to the health insurance premiums of retirees; and

WHEREAS, this cost is a critical concern in East Baton Rouge Parish because the creation of the other school systems and the opening of charter schools have resulted in a sudden decline in student population that has occurred more rapidly than the decline in the number of retirees that the board is obligated to support, and therefore the board is being required to fund health care benefits for a retirement population of a large system on the income of a now much smaller system; and

WHEREAS, rising health care costs and the fact that people are, on average, living longer after retirement have further contributed to the financial burden that retiree health insurance premiums cause for the East Baton Rouge Parish School Board; and

WHEREAS, in light of this inequity, the legislature considered House Bill No. 824 of the 2008 Regular Session which would have required the Baker, Central Community, and Zachary Community school boards to pay a portion of the East Baton Rouge Parish School Board's retiree health insurance premium costs proportionate to the portion of students that left with the individual school system; and

WHEREAS, the legislature should have very specific information on the impact and cost of such legislation and information on alternative solutions to this financial problem for its future deliberations on this issue.

THEREFORE, BE IT RESOLVED that the House of Representatives of the Legislature of Louisiana does hereby urge and request the State Board of Elementary and Secondary Education to study the financial impact on the East Baton Rouge Parish School Board of the board's continuing obligation to contribute to health insurance premiums of retirees despite the loss of revenue resulting from the creation of other school systems within the parish and the opening of charter schools, and to report its findings and recommendations for alternative methods of financing this ongoing obligation to the House Committee on Education prior to the 2009 Regular Session.

---

SPEAKER OF THE HOUSE OF REPRESENTATIVES