

CONSTITUTIONAL AMENDMENT 3

Did you know this about Constitutional Amendment 3?

It **will not** take money away from your retirement.

It **will not** remove funds from TRSL.

It **will not** affect monthly TRSL retiree benefits.

It **will not** hurt the retirement system.

It **will not** hurt the trust fund that pays TRSL retirement benefits.

It **will** pay off retirement debt early.

It **will** save just over \$1 billion in interest payments.

It **will** lower employer payments to TRSL.

It **will** create savings to fund permanent pay raises for teachers and support staff.

Here are facts to know...

About Constitutional Amendment 3:

- **Fact:** Constitutional Amendment 3 proposes to liquidate three constitutionally protected education trust funds and use the money in those trusts to make a one-time payment to TRSL's unfunded accrued liability (UAL).
- **Fact:** The one-time payment would reduce the UAL and lower the annual debt payments employers make to TRSL. K-12 employers would be required to use the savings from lower payments to make permanent salary increases of \$2,250 for certificated personnel and \$1,125 for non-certificated personnel, starting July 1, 2026. The proposed constitutional amendment does not include a mandate for the use of savings by higher education employers.
- **Fact:** Constitutional Amendment 3 would create a permanent funding source for K-12 pay increases.
- **Fact:** The Legislature is required to provide funding to cover the cost of pay increases for any employer that does not have sufficient savings to fully fund raises.
- **Fact:** Constitutional Amendment 3 would erase a portion of the UAL; it would not eliminate the UAL entirely.

Here are facts to know (cont'd)

About Your TRSL Retirement:

- **Fact:** TRSL is a strong, sustainable, actuarially funded system that provides lifetime retirement income through its defined benefit retirement plan.
- **Fact:** TRSL defined benefits are secure and guaranteed by the State of Louisiana.
- **Fact:** TRSL defined benefits are funded through employee contributions, employer contributions, and earnings from the investment of plan assets.

About the TRSL Unfunded Accrued Liability (UAL):

- **Fact:** As of FY 2025, TRSL has a \$7.1 billion UAL—a portion of this debt is due to the underfunding of benefits from 1936 when the System was created.
- **Fact:** The required, annual UAL payment is calculated as a percentage of all K-12 and higher ed payroll and is paid by employers.

About the Education Trust Funds:

- **Fact:** The three education trust funds are the Louisiana Education Quality Trust Fund, the Louisiana Quality Education Support Fund, and the Education Excellence Fund. The estimated balance in these trusts is \$2.3 billion.
- **Fact:** The investment earnings from these accounts support certain educational programs in K-12 and higher education.

Legislation Effective if Constitutional Amendment 3 passes:

- **Act 366 of 2025:** Employers with savings in excess of what is needed to fund pay raises can use those funds for staffing in certain critical shortage areas/subjects, summer enrichment program staffing, early childhood education programs, school security enhancements, technology, and uniform pay increases, including related benefits.
- **Act 385 of 2025:** In 2025, the Louisiana Legislature created the Early Childhood Education Stability Fund—with an \$11 million annual appropriation—to fund early childhood education programs and initiatives, beginning July 1, 2026.