
SENATE FLOOR AMENDMENTS

Amendments proposed by Senator Ewing to Re-reengrossed House Bill No. 640 by Representative Downer

1 AMENDMENT NO. 1

2 Delete Senate Committee Amendments No. 1 through 5 proposed by the
3 Senate Committee on Finance and adopted by the Senate on June 11, 1999

4 AMENDMENT NO. 2

5 On page 1, line 3, after "state funds;" delete the remainder of the line and
6 delete lines 4 and 5 and on line 6, delete "monies in the funds;" and insert:

7 "to provide for the disposition of money accruing to the state as a result
8 of the settlement of litigation between several states and certain tobacco
9 companies; to establish and provide for the Education Trust Fund out
10 of a portion of such money as a permanent trust fund; to establish and
11 provide for the Education Expenditure Fund out of the investment
12 earnings attributable to the investment of money in the Education Trust
13 Fund; to establish and provide for the Education Support Fund out of
14 a portion of such money; to establish and provide for the Health Care
15 and Research Fund out of a portion of such money; to provide for the
16 authorization to use a portion of such money to secure revenue bonds;
17 to provide for the expenditure of such money and its earnings; to
18 provide for related matters;"

19 AMENDMENT NO. 3

20 On page 2, delete lines 3 through 26 and delete pages 3 through 6 and insert:

21 "§10.8, Master Settlement Agreement Disposition
22 Section 10.8. (A)(1)(a) Education Trust Fund. The Education
23 Trust Fund is hereby established as a special permanent trust fund in
24 the state treasury. Excluding any amounts appropriated during the 1999
25 Regular Session of the Louisiana Legislature and after allocation of
26 money to the Bond Security and Redemption Fund as provided in
27 Article VII, Section 9(B) of this constitution, the treasurer shall deposit
28 in and credit to the Education Trust Fund fifty percent of all money
29 which is received as a result of the Master Settlement Agreement,
30 referred to in this Article as the "settlement agreement", executed
31 November 23, 1998, and approved by Consent Decree and Final
32 Judgment entered in the case "Richard P. Ieyoub, Attorney General, ex
33 rel. State of Louisiana v. Philip Morris, Incorporated, et al.", bearing
34 Number 98-6473 on the docket of the Fourteenth Judicial District for
35 the parish of Calcasieu, state of Louisiana.
36 (b) The treasurer shall deposit into the Education Trust Fund so
37 much of the investment earnings attributable to the investment of the
38 money in the Education Trust Fund as the Revenue Estimating
39 Conference annually determines is necessary to protect the corpus of
40 the fund from losing value as the result of inflation.
41 (c) The amounts deposited as provided in this Paragraph shall be

1 permanently credited and no appropriation shall be made from the
 2 Education Trust Fund.

3 (2) Investment. The treasurer shall invest the money in the
 4 Education Trust Fund with the same authority and subject to the same
 5 limitations as for the Louisiana Education Quality Trust Fund. The
 6 treasurer may contract, subject to the approval of the State Bond
 7 Commission, for the management of such investments and, if a contract
 8 is entered into, an amount necessary to pay the costs of the contract
 9 shall be appropriated out of the investment earnings.

10 (3) Appropriations. (a) Except for the amount determined
 11 annually by the Revenue Estimating Conference required to protect the
 12 corpus from the effect of inflation and the amount required to pay the
 13 contract entered into to manage the investment of the money in the
 14 corpus, all interest earnings, dividends, realized capital gains or other
 15 earnings accruing from the investment of the money in the Education
 16 Trust Fund, referred to in this Article as "investment earnings", shall,
 17 after allocation of the money to the Bond Security and Redemption
 18 Fund as provided in Article VII, Section 9(B) of this constitution be
 19 deposited in and credited to the Education Expenditure Fund.

20 (b) The money in the Education Expenditure Fund shall be
 21 invested by the state treasurer as is money in the state general fund and
 22 such investment earnings shall, after allocation of the money to the
 23 Bond Security and Redemption Fund, be deposited in the Education
 24 Expenditure Fund. The money in the Education Expenditure Fund shall
 25 annually be appropriated as provided in Subparagraphs (4) and (5) of
 26 this Paragraph.

27 (4)(a) Fifty percent of the balance of the Education Expenditure
 28 Fund shall annually be appropriated for allocation by the state
 29 Department of Education to support educational programs for children
 30 from early childhood through the twelfth grade.

31 (b) The State Board of Elementary and Secondary Education
 32 shall annually prepare a program and budget for the expenditure of the
 33 money after seeking and considering the input of each local school
 34 system, the state schools, and the approved private schools with regard
 35 to the needs of students, particularly those students at risk of academic
 36 failure. The proposed program and budget for the expenditure of the
 37 money shall be submitted to the legislature not less than sixty days
 38 prior to the beginning of each regular session of the legislature. In
 39 addition, the program and budget shall be submitted in a concurrent
 40 resolution for the approval or rejection of the legislature. If it is rejected
 41 it may be resubmitted by the board. The program and budget shall be
 42 approved by a vote of two-thirds of the elected members of both houses
 43 prior to appropriation of the money provided for in this Paragraph.

44 (c) No amount appropriated as required in this Subparagraph
 45 shall displace, replace, or supplant appropriations from the general fund
 46 for elementary and secondary education, including implementing the
 47 Minimum Foundation Program. This Subparagraph means that no
 48 appropriation for any fiscal year from the balance of the Education
 49 Expenditure Fund shall be made for any purpose for which a general
 50 fund appropriation was made the previous year unless the total
 51 appropriations for the fiscal year from the state general fund for such
 52 purposes exceed general fund appropriations of the previous year. Nor
 53 shall any money allocated to a city or parish school board pursuant to
 54 this Section displace, replace, or supplant locally generated revenue
 55 which means that no allocation to any city or parish school board from

1 the investment earnings attributable to the Education Trust Fund shall
 2 be expended for any purpose for which a local revenue source was
 3 expended the previous year unless the total of the local revenue amount
 4 expended that fiscal year exceeds the total of such local revenue
 5 amounts for the previous year.

6 (5) Fifty percent of the balance of the Education Expenditure
 7 Fund shall be appropriated to meet the costs to the state of a program
 8 of tuition assistance for students attending Louisiana institutions of
 9 postsecondary education. At any time the amount provided for in this
 10 Subparagraph exceeds what is required, the excess shall be
 11 appropriated as provided in Subparagraph (4) of this Paragraph.

12 (B) Revenue Bond Authority. Upon two-thirds vote of both
 13 houses of the legislature and the approval of the State Bond
 14 Commission, or its successor, the treasurer may issue and sell bonds,
 15 notes, or other obligations, hereinafter referred to as "bonds" secured
 16 by a pledge of not more than fifty percent of the monies received by the
 17 state as a result of the settlement agreement. Such bonds may be issued
 18 only up to the amounts authorized by the legislature and, regardless of
 19 such authority, at no time in amounts or at rates exceeding the security
 20 that is available as provided in this Paragraph . The treasurer may pay
 21 from the forty percent of the revenues attributable to the settlement
 22 agreement any principal, interest, or premium, if any, and other
 23 obligations incident to the issuance, security, prepayment, defeasance,
 24 and payment in respect thereof without the need for legislative
 25 appropriation. Any revenue bonds issued under the authority of this
 26 Paragraph shall not be general obligation bonds secured by the full faith
 27 and credit of the state.

28 (C)Education Support Fund. (1)After allocation of money to the
 29 Bond Security and Redemption Fund as provided in Article VII,
 30 Section 9(B) of this constitution, the treasurer shall deposit in and
 31 credit to the Education Support Fund ten percent of the remaining
 32 amount of money attributable to the settlement agreement and ten
 33 percent of any proceeds from any bonds issued as authorized in
 34 Paragraph (B) of this Article. The money in the fund shall be invested
 35 by the state treasurer as provided for money in the state general fund
 36 and, after allocation of money to the Bond Security and Redemption
 37 Fund as provided in Article VII, Section 9(B) of this constitution, all
 38 earnings on the investment of the money shall be deposited and
 39 credited to the Education Support Fund. The money in the Education
 40 Support Fund shall annually be appropriated for the purposes provided
 41 in this Paragraph.

42 (2) The balance in the Education Support Fund shall annually be
 43 appropriated to each city and parish or other local school system in an
 44 amount that bears the same relationship to such balance that the
 45 system's total state share amount as contained in the minimum
 46 foundation program budget letter approved by the State Board of
 47 Elementary and Secondary Education bears to the whole amount of the
 48 state share appropriated pursuant to the minimum foundation formula
 49 in the year to which the budget year relates.

50 (3) The amounts appropriated pursuant to this Paragraph shall
 51 be expended for early childhood education programs focused on
 52 enhancing the preparation of at-risk children for school and on
 53 remediation and assistance to those children who fail to achieve the
 54 required scores on any tests passage of which are required pursuant to
 55 state law or rule for advancement to a succeeding grade.

1 (D) Health Care and Research Fund. (1) After allocation of
2 money to the Bond Security and Redemption Fund as provided in
3 Article VII, Section 9(B) of this constitution, the remaining amount of
4 money attributable to the settlement agreement and any remaining
5 proceeds from any bonds issued as authorized in Paragraph (B) of this
6 Article after the amounts required in Paragraph (C) of this Article are
7 deposited and credited to the Education Support Fund shall be
8 deposited in and credited to the Health Care and Research Fund. The
9 money in the fund shall be invested by the state treasurer as provided
10 for money in the state general fund and, after allocation of money to the
11 Bond Security and Redemption Fund as provided in Article VII,
12 Section 9(B) of this constitution, all earnings on the investment of the
13 money shall be deposited and credited to the Health Care and Research
14 Fund. The money in the Health Care and Research Fund shall annually
15 be appropriated for the purposes provided in this Paragraph.

16 (2)(a) Twenty-five percent of the money in the Health Care and
17 Research Fund shall be appropriated to the Board of Regents for
18 allocation by them to fund health science research project grants
19 submitted to the Board of Regents and recommended to the legislature
20 for funding by the Board of Regents after competitive review by a
21 committee established by the Board of Regents for such purpose and
22 comprised of persons with expertise in the areas of health research and
23 the needs of the state.

24 (b) The Board of Regents shall annually submit to the legislature
25 and the governor not less than sixty days prior to the beginning of each
26 regular session of the legislature a proposed program and budget for the
27 expenditure of the money. In addition, the program and budget shall be
28 submitted in a concurrent resolution for the approval or rejection of the
29 legislature. If it is rejected it may be resubmitted by the board. The
30 program and budget shall be approved by a vote of two-thirds of the
31 elected members of both houses prior to appropriation of the money
32 provided for in this Subparagraph.

33 (3) Seventy-five percent of the money in the Health Care and
34 Research Fund shall be appropriated, upon a vote of two-thirds of the
35 elected members of both houses of the legislature, for any or all of the
36 following programs or purposes:

- 37 (a) Early intervention in health or health-related problems.
- 38 (b) School-based health clinics.
- 39 (c) Infant mortality prevention.
- 40 (d) Judicial programs of intensive court-supervised probation for
41 persons accused of drug offenses designed to rehabilitate the offender.
- 42 (e) Providing health insurance for indigent children.
- 43 (f) Teen pregnancy prevention."

44 AMENDMENT NO. 4

45 On page 7, line 1, change "Section 3." to "Section 2."

46 AMENDMENT NO. 5

47 On page 7, line 4, change "Section 4. " to "Section 3."

48 AMENDMENT NO. 6

49 On page 7, line 8, after "To" delete the remainder of the line and delete lines

1 9 through 26 and delete page 8 and insert"

2 "divide all tobacco settlement money accruing to the state, except such
3 amounts as are appropriated by the 1999 Regular Session of the
4 Legislature, into two funds; to establish the Education Trust Fund out
5 of fifty percent of the money attributable to the tobacco settlement as
6 a permanent special trust fund; to provide for the investment of such
7 money, including a limited authority to invest in stocks; to provide for
8 the deposit of investment earnings attributable to the Education Trust
9 Fund into the Education Expenditure Fund; to provide for the
10 appropriation of fifty percent of the money in the Education
11 Expenditure Fund to be allocated of by the state Department of
12 Education to be expended for education programs for children from
13 early childhood through the twelfth grade pursuant to a program and
14 budget approved by a vote of two-thirds of the elected members of each
15 house of the legislature; to provide for the appropriation of fifty percent
16 of the money in the Education Expenditure Fund to meet the costs to
17 the state of a program of tuition assistance for students attending
18 Louisiana institutions of postsecondary education; to provide for the
19 legislature to authorize the state treasurer by a vote of two-thirds of the
20 elected members of each house of the legislature to issue and sell
21 revenue bonds secured by not more than fifty percent of the tobacco
22 settlement money; to establish and provide for the Education Support
23 Fund out of ten percent of any revenue bond proceeds and ten percent
24 of any remaining tobacco money; to provide for the balance in the
25 Education Support Fund to annually be appropriated to local school
26 systems for use in early childhood education and high stakes testing
27 remediation; to establish and provide for the Health Care and Research
28 Fund; to provide for any remaining amount of the forty percent of the
29 tobacco settlement money and any revenue bond proceeds remaining
30 after deposits in the Education Support Fund to be deposited in the
31 Health Care and Research Fund; to provide that twenty-five percent of
32 the money in the Health Care and Research Fund be appropriated to the
33 Board of Regents for allocation to health science research project
34 grants recommended after a competitive grant selection process and
35 approved by the legislature by a vote of two-thirds of the elected
36 members of each house of the legislature; to provide for seventy-five
37 percent of the money in the Health Care Research Fund to be
38 appropriated by a vote of two-thirds of the elected members of each
39 house of the legislature for any of all of certain health related
40 intervention and prevention programs. (Adds Article VII, Section 10.8)