
SENATE FLOOR AMENDMENTS

Amendments proposed by Senators Ewing and Campbell 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 Louisiana Educational Excellence Fund out of the
12 investment earnings attributable to the investment of money in the
13 Education Trust Fund; to establish and provide for the Education
14 Support Fund out of a portion of such money; to establish and provide
15 for the Health Care and Research Fund out of a portion of such money;
16 to establish and provide for the Louisiana Investment for Tomorrow
17 Fund as an alternative to the deposit of a portion of the money to the
18 Education Support Fund and the Health Care and Research Fund upon
19 approval by the legislature; to provide for the authorization to use a
20 portion of such money to secure revenue bonds; to provide for the
21 expenditure of such money and its earnings; to provide for related
22 matters;"

23 AMENDMENT NO. 3

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

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

1 money in the Education Trust Fund as the Revenue Estimating
 2 Conference annually determines is necessary to protect the corpus of
 3 the fund from losing value as the result of inflation.

4 (c) The amounts deposited as provided in this Paragraph shall be
 5 permanently credited and no appropriation shall be made from the
 6 Education Trust Fund.

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

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

25 (b) The money in the LEEF Fund shall be invested by the state
 26 treasurer as is money in the state general fund and such investment
 27 earnings shall, after allocation of the money to the Bond Security and
 28 Redemption Fund, be deposited in the LEEF Fund. The money in the
 29 LEEF Fund shall annually be disbursed or appropriated as provided in
 30 Subparagraphs (4) and (5) of this Paragraph.

31 (4)(a) Fifty percent of the balance of the LEEF Fund shall
 32 annually be disbursed by the state treasurer to each city, parish or other
 33 local school system, the Louisiana School for the Deaf, the Louisiana
 34 School for the Visually Impaired, the Louisiana Special Education
 35 Center in Alexandria, the Louisiana School for Math, Science, and the
 36 Arts, the New Orleans Center for Creative Arts, after such school is
 37 operational, and the Louis Armstrong High School for the Arts, after
 38 such school is operational, and the state superintendent on behalf of all
 39 school children attending private elementary and secondary schools in
 40 the state that have been approved by the State Board of Elementary and
 41 Secondary Education, both academically and as required for such
 42 school to received money from the state, referred to in this Section as
 43 "private schools". Such disbursement shall be in amounts determined by the
 44 calculation provided in Subsubparagraph (b) of this Subparagraph and
 45 such amounts shall be indicative of the undivided interest each such
 46 recipient has in the monies deposited in the Education Trust Fund .

47 (b) Out of one-half of the investment earnings from the
 48 Education Trust Fund, the state treasurer shall credit fifteen percent of
 49 such amount to all private schools collectively; two hundred and fifty
 50 thousand dollars annually each to the Louisiana School for the Deaf,
 51 the Louisiana School for the Visually Impaired, the Louisiana Special
 52 Education Center in Alexandria, the Louisiana School for Math,
 53 Science, and the Arts, the New Orleans Center for Creative Arts, after
 54 such school is operational, and the Louis Armstrong High School for
 55 the Arts, after such school is operational; and, of the remaining funds,

1 thirty percent shall be equally divided among all city, parish, and other
 2 local school system and seventy percent shall be divided among all city,
 3 parish, and other local school systems in an amount to each system that
 4 bears the same relationship to the total of the remainder being divided
 5 that the system's total state share amount as contained in the minimum
 6 foundation program budget letter approved by the State Board of
 7 Elementary and Secondary Education bears to the whole amount of the
 8 state share appropriated pursuant to the minimum foundation formula
 9 in the year to which the budget year relates.

10 (c) The state treasurer shall annually report to each participating
 11 school and system the value of its undivided interest in the Education
 12 Trust Fund.

13 (d)(i) All money disbursed as provided in this Subparagraph
 14 shall be expended to enhance instruction or academic achievement by
 15 students. No expenditures shall be made for building maintenance,
 16 renovation, or upkeep; capital improvements; or increases in salary for
 17 any employee. Five percent shall be spent on programs to prevent
 18 smoking and substance abuse.

19 (ii) The state superintendent of education shall be responsible
 20 for receiving and allocating all money due private schools.

21 (iii) Each school and school system participating shall annually
 22 prepare and submit to the state Department of Education a plan
 23 developed and prepared by a committee comprised of teachers as
 24 provided by law, for the expenditure of funds disbursed pursuant to this
 25 Paragraph. The department shall review such plans for compliance with
 26 the requirements of this Subparagraph and to assure that the
 27 expenditure plans will support excellent educational practice. No
 28 money shall be disbursed to any participating school or school system
 29 if the submitted plan is rejected by the department; however, any
 30 undisbursed money shall remain credited t the school or school system.
 31 All such plans shall be available to the standing committees of the
 32 legislature for review. Such plans shall be used by the Legislative
 33 Auditor to determine whether the money is being expended in
 34 compliance with the requirements of law.

35 (e) No amount appropriated as required in this Subparagraph
 36 shall displace, replace, or supplant appropriations from the general fund
 37 for elementary and secondary education, including implementing the
 38 Minimum Foundation Program. This Subsubparagraph means that no
 39 appropriation for any fiscal year from the balance of the LEEF Fund
 40 shall be made for any purpose for which a general fund appropriation
 41 was made the previous year unless the total appropriations for the fiscal
 42 year from the state general fund for such purposes exceed general fund
 43 appropriations of the previous year. Nor shall any money allocated to
 44 a city or parish school board pursuant to this Section displace, replace,
 45 or supplant locally generated revenue which means that no allocation
 46 to any city or parish school board from the investment earnings
 47 attributable to the Education Trust Fund shall be expended for any
 48 purpose for which a local revenue source was expended the previous
 49 year unless the total of the local revenue amount expended that fiscal
 50 year exceeds the total of such local revenue amounts for the previous
 51 year.

52 (5) Fifty percent of the balance of the LEEF Fund shall be
 53 appropriated to meet the costs to the state of a program of tuition
 54 assistance for students attending Louisiana institutions of
 55 postsecondary education. At any time the amount provided for in this

1 Subparagraph exceeds what is required, the excess shall be
 2 appropriated as provided in Subparagraph (4) of this Paragraph.

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

17 (2) The balance in the Education Support Fund shall annually be
 18 appropriated to each city and parish or other local school system in an
 19 amount that bears the same relationship to such balance that the
 20 system's total state share amount as contained in the minimum
 21 foundation program budget letter approved by the State Board of
 22 Elementary and Secondary Education bears to the whole amount of the
 23 state share appropriated pursuant to the minimum foundation formula
 24 in the year to which the budget year relates.

25 (3) The amounts appropriated pursuant to this Paragraph shall
 26 be expended for early childhood education programs focused on
 27 enhancing the preparation of at-risk children for school and on
 28 remediation and assistance to those children who fail to achieve the
 29 required scores on any tests passage of which are required pursuant to
 30 state law or rule for advancement to a succeeding grade or other
 31 educational programs approved by the legislature.

32 (C) Health Care and Research Fund. (1) After allocation of
 33 money to the Bond Security and Redemption Fund as provided in
 34 Article VII, Section 9(B) of this constitution, the remaining amount of
 35 money attributable to the settlement agreement and any remaining
 36 proceeds from any bonds issued as authorized in Paragraph (B) of this
 37 Article after the amounts required in Paragraph (C) of this Article are
 38 deposited and credited to the Education Support Fund shall be
 39 deposited in and credited to the Health Care and Research Fund. The
 40 money in the fund shall be invested by the state treasurer as provided
 41 for money in the state general fund and, after allocation of money to the
 42 Bond Security and Redemption Fund as provided in Article VII,
 43 Section 9(B) of this constitution, all earnings on the investment of the
 44 money shall be deposited and credited to the Health Care and Research
 45 Fund. The money in the Health Care and Research Fund shall annually
 46 be appropriated for the purposes provided in this Paragraph.

47 (2)(a) Twenty-five percent of the money in the Health Care and
 48 Research Fund shall be appropriated to the Board of Regents for
 49 allocation by them to fund health science research project grants
 50 submitted to the Board of Regents and recommended to the legislature
 51 for funding by the Board of Regents after competitive review by a
 52 committee established by the Board of Regents for such purpose and
 53 comprised of persons with expertise in the areas of health research and
 54 the needs of the state.

55 (b) The Board of Regents shall annually submit to the legislature

1 and the governor not less than sixty days prior to the beginning of each
 2 regular session of the legislature a proposed program and budget for the
 3 expenditure of the money. In addition, the program and budget shall be
 4 submitted in a concurrent resolution for the approval or rejection of the
 5 legislature. If it is rejected it may be resubmitted by the board. The
 6 program and budget shall be approved by a vote of two-thirds of the
 7 elected members of both houses prior to appropriation of the money
 8 provided for in this Subparagraph.

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

13 (a) Early intervention in health or health-related problems.

14 (b) School-based health clinics.

15 (c) Infant mortality prevention.

16 (d) Drug prevention and treatment programs, including but not
 17 limited to, judicial programs of intensive court-supervised probation for
 18 persons accused of drug offenses designed to rehabilitate the offender.

19 (e) Providing health insurance for indigent children.

20 (f) Teen pregnancy prevention.

21 (D) Louisiana Investment for Tomorrow Fund.(1)
 22 Notwithstanding the provisions of Paragraphs (B) and (C) of this
 23 Article and in lieu of the deposit of money attributable to the settlement
 24 agreement in the funds established in such Paragraphs, upon two-thirds
 25 vote of the elected members of each house of the legislature fifty
 26 percent of the money received by the state as a result of the settlement
 27 agreement shall be deposited into the Louisiana Investment for
 28 Tomorrow Trust Fund which is hereby created as a special permanent
 29 trust fund in the state treasury and is referred to in this Article as the
 30 "LIFT Fund".

31 (2) Investment. The treasurer shall invest the money in the LIFT
 32 Fund with the same authority and subject to the same limitations as for
 33 the Louisiana Education Quality Trust Fund. The treasurer may
 34 contract, subject to the approval of the State Bond Commission, for the
 35 management of such investments and, if a contract is entered into, an
 36 amount necessary to pay the costs of the contract shall be appropriated
 37 out of the investment earnings.

38 (3) Investment earnings from investment of money in the LIFT
 39 Fund shall be appropriated as provided in Paragraphs (B) and (C) of
 40 this Article.

41 (F) Revenue Bond Authority. Upon two-thirds vote of both
 42 houses of the legislature and the approval of the State Bond
 43 Commission, or its successor, the treasurer may issue and sell bonds,
 44 notes, or other obligations, hereinafter referred to as "bonds" secured
 45 by a pledge of not more than fifty percent of the monies received by the
 46 state as a result of the settlement agreement. Such bonds may be issued
 47 only up to the amounts authorized by the legislature. At no time may
 48 the cumulative principle balance of bonds exceed fifty percent of the
 49 LIFT Fund balance, including an amount equal to fifty percent of the
 50 amount of settlement agreement money due in the next succeeding
 51 fiscal year. The treasurer may pay from the fifty percent of the
 52 revenues attributable to the settlement agreement any principal, interest,
 53 or premium, if any, and other obligations incident to the issuance,
 54 security, prepayment, defeasance, and payment in respect thereof
 55 without the need for legislative appropriation. Any revenue bonds

1 issued under the authority of this Paragraph shall not be general
2 obligation bonds secured by the full faith and credit of the state."

3 AMENDMENT NO. 4

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

5 AMENDMENT NO. 5

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

7 AMENDMENT NO. 6

8 On page 7, line 8, after "To" delete the remainder of the line and delete lines
9 9 through 26 and delete page 8 and insert"

10 "divide all tobacco settlement money accruing to the state, except such
11 amounts as are appropriated by the 1999 Regular Session of the
12 Legislature, into two funds; to establish the Education Trust Fund out
13 of fifty percent of the money attributable to the tobacco settlement as
14 a permanent special trust fund; to provide for the investment of such
15 money, including a limited authority to invest in stocks; to provide for
16 the deposit of investment earnings attributable to the Education Trust
17 Fund into the Louisiana Educational Excellence Fund(LEEF Fund); to
18 provide for the appropriation of fifty percent of the money in the LEEF
19 Fund to be disbursed to each city, parish, and other local school
20 system, certain state schools, and state approved private schools to be
21 expended on instructional programs; to provide for the appropriation
22 of fifty percent of the money in the LEEF Fund to meet the costs to the
23 state of a program of tuition assistance for students attending Louisiana
24 institutions of postsecondary education; to provide for the legislature
25 to authorize the state treasurer by a vote of two-thirds of the elected
26 members of each house of the legislature to issue and sell revenue
27 bonds secured by not more than fifty percent of the tobacco settlement
28 money; to establish and provide for the Education Support Fund out of
29 ten percent of any revenue bond proceeds and ten percent of any
30 remaining tobacco money; to provide for the balance in the Education
31 Support Fund to annually be appropriated to local school systems for
32 use in early childhood education and high stakes testing remediation;
33 to establish and provide for the Health Care and Research Fund; to
34 provide for any remaining amount of the forty percent of the tobacco
35 settlement money and any revenue bond proceeds remaining after
36 deposits in the Education Support Fund to be deposited in the Health
37 Care and Research Fund; to provide that twenty-five percent of the
38 money in the Health Care and Research Fund be appropriated to the
39 Board of Regents for allocation to health science research project
40 grants recommended after a competitive grant selection process and
41 approved by the legislature by a vote of two-thirds of the elected
42 members of each house of the legislature; to provide for seventy-five
43 percent of the money in the Health Care Research Fund to be
44 appropriated by a vote of two-thirds of the elected members of each
45 house of the legislature for any of all of certain health related
46 intervention and prevention programs; to create and provide for the
47 Louisiana Investment for Tomorrow Fund as a special permanent trust
48 fund into which fifty percent of the money attributable to the settlement

1 agreement shall, upon a two-thirds vote of the elected members of each
2 house of the legislature, be deposited in lieu of the Education Support
3 Fund and the Health Care and Research Fund. (Adds Article VII,
4 Section 10.8)