
DIGEST

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CONFERENCE COMMITTEE REPORT DIGEST

HB 579

2025 Regular Session

Emerson

Keyword and oneliner of the instrument as it left the House

FUNDS/FUNDING: Provides for the transfer, deposit, and use of monies among state funds

Report adopts Senate amendments to:

1. Establish the Early Childhood Education Stability Fund.
2. Make technical changes.

Report amends the bill to:

1. Authorize appropriation from the Early Childhood Education Stability Fund to the Department of Education in addition to the State Board of Elementary and Secondary Education.
2. Change the termination date of the Law Enforcement Recruitment Incentive Program from July 1, 2025 to July 1, 2027.
3. Make technical and conforming changes.

Digest of the bill as proposed by the Conference Committee

**Louisiana Education Quality Trust Fund (LEQTF)
and the Louisiana Quality Education Support Fund (Support Fund)**

Present law provides for allocations to the LEQTF and the Support Fund and appropriations from these funds.

Proposed law repeals provisions related to the allocations made to the LEQTF and the Support Fund. Retains provisions related to appropriations from the funds. Proposed law repeals all provisions related to both funds effective July 1, 2027.

Millennium Trust

Present law creates a special fund in the state treasury called the Millennium Trust. Provides for deposits into the fund from monies received as a result of the tobacco settlement, as well as any interest income and realized capital gains on investment of monies in the fund. Provides for 75% of the tobacco settlement funds to be deposited into the Millennium Trust. Creates three special subfunds within the Millennium Trust: (1) the Health Excellence Fund; (2) the Education Excellence Fund; and (3) the TOPS Fund.

Present law provides that beginning in FY 2012, deposits shall be made as follows: (1) 1/3 of all dividend and interest income and all realized capital gains on investments of monies in the fund to the Health Excellence Fund; (2) 1/3 of all dividend and interest income and all realized capital gains on investments of monies into the Education Excellence Fund; and (3) 100% (of the 75%) of the tobacco settlement proceeds deposited into the Millennium Trust Fund and 1/3 of all dividend and interest income and all realized capital gains of monies invested into the TOPS Fund. Requires the treasurer to report annually to the legislature the amount of investment earnings credited to the TOPS fund.

Proposed law retains the Millennium Trust as a special fund within the state treasury. Retains the Health Excellence Fund and the TOPS Fund, but repeals the Education Excellence Fund. Provides for deposits as follows: (1) ½ of all dividend and interest income and all realized capital gains of monies invested to the Health Excellence Fund; and (2) 100% (of the 75%) of the tobacco settlement proceeds deposited into the Millennium Trust and ½ of all dividend and interest income and all realized capital gains of monies invested into the TOPS fund. Repeals language regarding deposit and the distribution of monies in the fund for prior fiscal years.

Present law provides for the investment of monies in the Millennium Trust. Directs the treasurer to invest monies in the trust in the same investments permitted for the LEQTF. Provides for investment maturity and interest rates on certificates of deposit. Authorizes the treasurer to enter into direct security repurchase agreements, reverse security repurchase agreements, and securities lending contracts in order to generate passive income. Provides definitions for direct security repurchase agreements, reverse security repurchase agreements, and securities lending contracts. Requires the treasurer to annually submit a report on the performance of the trust to the Joint Legislative Committee on the Budget and the commissioner of administration. Requires the treasurer to annually submit a report on the performance of the Education Excellence Fund to the state superintendent of education.

Proposed law retains present law relative to investment of monies in the Millennium Trust; however, proposed law provides an enumerated list of the types of investments allowable for monies in the fund, mirroring the types of investments allowable for monies in the LEQTF. Requires any investment managers hired on a contract basis to advise the treasurer to be selected by the treasurer and approved by the state bond commission. Removes the provision in present law that requires submission of the annual report regarding the performance of the Education Excellence Fund to the state superintendent of education. Retains all other provisions in present law.

Present law provides for appropriations from the subfunds within the Millennium Trust: (1) the Education Excellence Fund; (2) the Health Excellence Fund; and (3) the TOPS fund. Provides limitations to the amounts appropriated from the Education Excellence Fund, the Health Excellence Fund, and the TOPS fund. Provides for specific purposes for monies appropriated from the Health Excellence Fund, the Education Excellence Fund, and the TOPS fund.

Proposed law retains provisions in present law regarding appropriations from the Health Excellence Fund and the TOPS fund. Proposed law repeals prior year limitations on amounts that may be appropriated from the funds.

Proposed law repeals provisions related to the allocations made to the Education Excellence Fund and retains the provisions in present law regarding appropriations from the fund. Proposed law repeals all provisions of the Education Excellence Fund effective July 1, 2027.

Louisiana Unclaimed Property Permanent Trust Fund

Present law creates a special fund in the state treasury called the Louisiana Unclaimed Property Permanent Trust Fund. Prohibits appropriations from the fund. Provides for the fund to ensure a source of payment for claims made by owners of unclaimed property. Deposits into the fund derive from the amount of all monies received as a result of the Uniform Unclaimed Property Act of 1997. Provides for realized capital gains, dividend income, and interest income earned on the investments in the fund to be deposited into the state general fund. Proposed law retains present law.

Present law directs the treasurer to invest monies in the trust in the same manner as investments for the LEQTF. Proposed law provides an enumerated list of the types of investments allowable for monies in the fund, mirroring the types of investments allowable for monies in the LEQTF. Further allows for contractors selected by the treasurer and approved by the bond commission to manage fund assets.

Proposed law authorizes the treasurer to enter into direct security repurchase agreements, reverse security repurchase agreements, and securities lending contracts in order to generate passive income.

Early Childhood Education Stability Fund

Proposed law establishes the Early Childhood Education Stability Fund as a special fund in the state treasury. Requires the state treasurer to deposit \$11 M from the state general fund into the fund each fiscal year. Authorizes monies to be appropriated to the State Board of Elementary and Secondary Education, the Department of Education, or both for early childhood education programs and initiatives.

Law Enforcement Recruitment Incentive Fund

Present law establishes the Law Enforcement Recruitment Incentive Fund and provides for deposit, use, and administration of monies in the fund. Further provides that the fund terminates on July 1, 2025. Proposed law changes this termination date to July 1, 2027 and otherwise retains present law.

Certain ancillary funds

Present law with respect to the Medicaid Trust Fund for the Elderly, the Rockefeller Wildlife Refuge Trust and Protection Fund, and the Russell Sage or Marsh Island Refuge Fund authorizes investment of certain portions of these funds in investments authorized for the LEQTF. Proposed law updates these authorizations to investments permitted for the Millennium Trust. Further directs the La. State Law Institute to change references in present law for these funds to reflect the new authorization provided in proposed law.

Securities lending

Present law authorizes the treasury to execute securities lending contracts in certain circumstances. Restricts collateral for such lending agreements in part to securities authorized for investment by the treasurer pursuant to the LEQTF. Proposed law directs the La. State Law Institute to change this reference from LEQTF to Millennium Trust.

Present law further restricts in part investment of any cash collateral pledged for a securities lending contract to investments authorized for the LEQTF. Proposed law directs the La. State Law Institute to change this reference from LEQTF to Millennium Trust.

Effectiveness

Generally effective if and when the proposed amendment of Art. 7 of the Constitution of La. contained in the Act which originated as House Bill No. 473 of the 2025 Regular Session of the Legislature is adopted at a statewide election and becomes effective.

Provisions relative to the Law Enforcement Recruitment Incentive Fund are effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 17:3801(A) and (C), 3802(A)(1), R.S. 39:98.1, 98.2(A) and (E), 98.3(A) and (C)(introductory paragraph), and 100.161(B)(3), and R.S. 40:1669(J); Adds R.S. 17:407.30.2 and R.S. 39:98.2(F) and 100.161(E); Repeals Chapter 35 of Title 17 and R.S. 39:98.3(C) and (E) and 100.116(A)(9))