

2025 Regular Session

HOUSE BILL NO. 473

BY REPRESENTATIVE EMERSON AND SENATOR EDMONDS

A JOINT RESOLUTION

Proposing to amend Article VII, Section 10.8(A)(1), (2), and (4), (B), and (C)(1) of the Constitution of Louisiana, to enact Article VII, Section 10.17, and to repeal Article VII, Sections 10(F)(4)(d), 10.1, 10.8(A)(3) and (C)(3), and 10.16(A)(9), relative to monies in the state treasury; to repeal the Education Excellence Fund within the Millennium Trust, the Louisiana Education Quality Trust Fund, and the Louisiana Quality Education Support Fund; to apply monies held in those funds to liabilities of the Teachers' Retirement System of Louisiana and to require local public school systems to pay a teacher pay raise with savings realized from payment of those retirement system liabilities; to require additional state general fund expenditures for the Minimum Foundation Program relative to such pay raises; to direct the state treasurer to take certain actions with respect to monies in repealed funds; to provide for calculation and transfer of such monies to the Overcollections Fund for use by specified entities pursuant to outlined restrictions; to execute technical changes; to provide for submission of the proposed amendment to the electors; and to provide for related matters.

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state of Louisiana, for their approval or rejection in the manner provided by law, a proposal to amend Article VII, Section 10.8(A)(1), (2), and (4), (B), and (C)(1) of the Constitution of Louisiana and to enact Article VII, Section 10.17 to read as follows:

1 §10.8. Millennium Trust

2 Section 10.8. Millennium Trust

3 (A) Creation. (1) There shall be established in the state treasury as a special
4 permanent trust the "Millennium Trust". After allocation of money to the Bond
5 Security and Redemption Fund as provided in Article VII, Section 9(B) of this
6 constitution, the treasurer shall deposit in and credit to the Millennium Trust certain
7 monies received as a result of the Master Settlement Agreement, hereinafter the
8 "Settlement Agreement", executed November 23, 1998, and approved by Consent
9 Decree and Final Judgment entered in the case "Richard P. Ieyoub, Attorney
10 General, ex rel. State of Louisiana v. Philip Morris, Incorporated, et al.", bearing
11 Number 98-6473 on the docket of the Fourteenth Judicial District for the parish of
12 Calcasieu, state of Louisiana; and all dividend and interest income and all realized
13 capital gains on investment of the monies in the Millennium Trust. The treasurer
14 shall deposit in and credit to the Millennium Trust ~~the following amounts of monies~~
15 ~~received as a result of the Settlement Agreement:~~

16 ~~(a) Fiscal Year 2000-2001, forty-five percent of the total monies received~~
17 ~~that year.~~

18 ~~(b) Fiscal Year 2001-2002, sixty percent of the total monies received that~~
19 ~~year.~~

20 ~~(c) Fiscal Year 2002-2003 and each fiscal year thereafter, seventy-five~~
21 ~~percent of the total monies received that year. each fiscal year as a result of the~~
22 ~~Settlement Agreement. However, beginning in Fiscal Year 2011-2012 after the~~
23 ~~balance in the Millennium Trust reaches a total of one billion three hundred eighty~~
24 ~~million dollars, the The monies deposited in and credited to the Millennium Trust,~~
25 ~~received as a result of the Settlement Agreement, shall be allocated to the various~~
26 ~~funds within the Millennium Trust as provided in Subsubparagraphs (2)(b), (3)(b),~~
27 ~~and (4)(b) and (c) of this Paragraph. TOPS Fund.~~

28 ~~(d) For Fiscal Year 2000-2001, Fiscal Year 2001-2002, and Fiscal Year~~
29 ~~2002-2003, ten percent of the total monies received in each of those years for credit~~
30 ~~to the Education Excellence Fund which, notwithstanding the provisions of~~

1 Subparagraph (C)(1) of this Section, shall be appropriated for the purposes provided
2 in Subsubparagraph (d) of Subparagraph (3) of Paragraph (C) of this Section.

3 (2)(a) The Health Excellence Fund shall be established as a special fund
4 within the Millennium Trust. ~~The treasurer shall credit to the Health Excellence~~
5 ~~Fund one-third of the Settlement Agreement proceeds deposited each year into the~~
6 ~~Millennium Trust, and one-third of all investment earnings on the investment of the~~
7 ~~Millennium Trust. The treasurer shall report annually to the legislature as to the~~
8 ~~amount of Millennium Trust investment earnings credited to the Health Excellence~~
9 ~~Fund.~~

10 ~~(b) Beginning Fiscal Year 2011-2012, and each fiscal year thereafter, the~~
11 The treasurer shall credit to the Health Excellence Fund ~~one-third~~ one-half of all
12 investment earnings on the investment of the Millennium Trust. The treasurer shall
13 report annually to the legislature as to the amount of Millennium Trust investment
14 earnings credited to the Health Excellence Fund.

15 ~~(c) (b) Beginning on July 1, 2012, after~~ After allocation of money to the
16 Bond Security and Redemption Fund as provided in Article VII, Section 9(B) of this
17 constitution, the state treasurer shall deposit in and credit to the Health Excellence
18 Fund an amount equal to the revenues derived from the tax levied pursuant to R.S.
19 47:841(B)(3).

20 * * *

21 (4)(a) The TOPS Fund shall be established as a special fund within the
22 Millennium Trust. ~~The treasurer shall deposit in and credit to the TOPS Fund one-~~
23 ~~third of the Settlement Agreement proceeds deposited into the Millennium Trust, and~~
24 ~~one-third of all investment earnings on the investment of the Millennium Trust. The~~
25 ~~treasurer shall report annually to the legislature as to the amount of Millennium Trust~~
26 ~~investment earnings credited to the TOPS Fund.~~

27 ~~(b) Beginning Fiscal Year 2011-2012, and each fiscal year thereafter, the~~
28 The treasurer shall credit to the TOPS Fund one hundred percent of the Settlement
29 Agreement proceeds deposited into the Millennium Trust, and ~~one-third~~ one-half of
30 all investment earnings on the investment of the Millennium Trust. The treasurer

1 shall report annually to the legislature as to the amount of Millennium Trust
2 Settlement Agreement proceeds and investment earnings credited to the TOPS Fund.

3 ~~(c) Upon the effective date of this Subsubparagraph, the state treasurer shall~~
4 ~~deposit, transfer, or otherwise credit funds in an amount equal to such Settlement~~
5 ~~Agreement proceeds deposited in and credited to the Millennium Trust received by~~
6 ~~the state between April 1, 2011 and the effective date of this Subsubparagraph to the~~
7 ~~TOPS Fund.~~

8 * * *

9 (B) Investment. Monies credited to the Millennium Trust pursuant to
10 Paragraph (A) of this Section shall be invested by the treasurer ~~with the same~~
11 ~~authority and subject to the same restrictions as the Louisiana Education Quality~~
12 ~~Trust Fund.~~ as provided by law. However, the portion of monies in the Millennium
13 Trust which may be invested in stock may be increased to no more than fifty percent
14 by a specific legislative instrument which receives a favorable vote of two-thirds of
15 the elected members of each house of the legislature. The legislature shall provide
16 for procedures for the investment of such monies by law. The treasurer may
17 contract, subject to the approval of the State Bond Commission, for the management
18 of such investments and, if a contract is entered into, amounts necessary to pay the
19 costs of the contract shall be appropriated from the Millennium Trust.

20 (C) Appropriations. (1)(a) ~~Appropriations from the Education Excellence~~
21 ~~Fund shall be limited to an annual amount not to exceed the estimated aggregate~~
22 ~~annual earnings from interest, dividends, and realized capital gains on investment of~~
23 ~~the trust allocated as provided by Paragraph (A) of this Section and as recognized by~~
24 ~~the Revenue Estimating Conference. Amounts determined to be available for~~
25 ~~appropriation shall be those aggregate investment earnings which are in excess of an~~
26 ~~inflation factor as determined by the Revenue Estimating Conference. The amount~~
27 ~~of realized capital gains on investment which may be included in the aggregate~~
28 ~~earnings available for appropriation in any year shall not exceed the aggregate of~~
29 ~~earnings from interest and dividends for that year.~~

1 ~~(b)(i) For Fiscal Year 2011-2012, appropriations from the Health Excellence~~
2 ~~Fund shall be limited to an annual amount not to exceed the estimated aggregate~~
3 ~~annual earnings from interest, dividends, and realized capital gains on investment of~~
4 ~~the trust and credited to the Health Excellence Fund as provided by Subsubparagraph~~
5 ~~(A)(2)(b) of this Section and as recognized by the Revenue Estimating Conference.~~

6 ~~(ii) For Fiscal Year 2012-2013, and each fiscal year thereafter,~~
7 ~~appropriations~~ Appropriations ~~from the Health Excellence Fund shall be limited to~~
8 ~~an annual amount not to exceed the estimated aggregate annual earnings from~~
9 ~~interest, dividends, and realized capital gains on investment of the trust and credited~~
10 ~~to the Health Excellence Fund as provided by Subsubparagraph (A)(2)(b)~~ (A)(2)(a)
11 ~~of this Section and as recognized by the Revenue Estimating Conference and the~~
12 ~~amount of proceeds credited to and deposited into the Health Excellence Fund as~~
13 ~~provided by Subsubparagraph (A)(2)(c)~~ (A)(2)(b) ~~of this Section.~~

14 ~~(c)(i) For Fiscal Year 2011-2012, appropriations from the TOPS Fund shall~~
15 ~~be limited to the amount of Settlement Agreement proceeds credited to and deposited~~
16 ~~into the TOPS Fund as provided by Subsubparagraphs (A)(4)(b) and (c) of this~~
17 ~~Section, and an annual amount not to exceed the estimated aggregate annual earnings~~
18 ~~from interest, dividends, and realized capital gains on investment of the trust and~~
19 ~~credited to the TOPS Fund as provided by Subsubparagraph (A)(4)(b) of this Section~~
20 ~~and as recognized by the Revenue Estimating Conference.~~

21 ~~(ii) (b)(i) For Fiscal Year 2012-2013, and each fiscal year thereafter,~~
22 ~~appropriations~~ Appropriations ~~from the TOPS Fund shall be limited to the amount~~
23 ~~of annual Settlement Agreement proceeds credited to and deposited into the TOPS~~
24 ~~Fund as provided in Subsubparagraph (A)(4)(b)~~ Subparagraph (A)(4) ~~of this Section,~~
25 ~~and an annual amount not to exceed the estimated aggregate annual earnings from~~
26 ~~interest, dividends, and realized capital gains on investment of the trust and credited~~
27 ~~to the TOPS Fund as provided in Subsubparagraph (A)(4)(b)~~ Subparagraph (A)(4)
28 ~~of this Section and as recognized by the Revenue Estimating Conference.~~

29 ~~(iii) (ii) Further, for Fiscal Year 2011-2012, and each fiscal year thereafter,~~
30 ~~amounts~~ Amounts ~~determined to be available for appropriation from the TOPS Fund~~

1 from interest earnings shall be those aggregate investment earnings which are in
2 excess of an inflation factor as determined by the Revenue Estimating Conference.
3 The amount of realized capital gains on investment which may be included in the
4 aggregate earnings available for appropriation in any year shall not exceed the
5 aggregate of earnings from interest and dividends for that year.

6 * * *

7 §10.17. Payment of State Retirement Debt

8 Section 10.17.(A)(1) Notwithstanding any other provision of this
9 constitution to the contrary, no later than May 31, 2026, the state treasurer shall
10 transfer to the Teachers' Retirement System of Louisiana the liquidated fair market
11 value of each of the following:

12 (a) The Education Excellence Fund.

13 (b) The Louisiana Education Quality Trust Fund.

14 (c) The Louisiana Quality Education Support Fund.

15 (2) The Teachers' Retirement System of Louisiana shall apply monies
16 received pursuant to Subparagraph (1) of this Paragraph to its oldest outstanding
17 positive amortization base. After liquidation of such base, any remaining monies
18 shall be applied to the next-oldest outstanding positive amortization base, until all
19 such monies have been applied. If application of monies pursuant to the provisions
20 of this Subparagraph are insufficient to fully liquidate an amortization base, after
21 application of such monies the net remaining liability of such amortization base shall
22 be reamortized with annual level-dollar payments calculated in the same manner as
23 other system amortization payments and over the remainder of the amortization
24 period originally established for that base.

25 (B)(1) Any net savings attributable to the payments made pursuant to
26 Paragraph (A) of this Section shall be used by each public school system that
27 participates in the Teachers' Retirement System of Louisiana to provide a permanent
28 salary increase, plus any related benefits, of two thousand two hundred fifty dollars
29 for certificated personnel and one thousand one hundred twenty-five dollars for
30 noncertificated personnel, as provided by law.

1 (2)(a) Notwithstanding any provision of this constitution or law to the
2 contrary, the minimum foundation program formula effective for the 2026-2027
3 school year shall include both of the following:

4 (i) A permanent salary increase and related benefits for public school system
5 personnel whose employers do not participate in the Teachers' Retirement System
6 of Louisiana equivalent to the permanent salary increase and related benefits
7 provided pursuant to the provisions of Subparagraph (1) of this Paragraph.

8 (ii) A calculation of the total amount necessary to complete funding of the
9 permanent salary increase and related benefits granted pursuant to Subparagraph (1)
10 of this Paragraph for each public school system that participates in the Teachers'
11 Retirement System of Louisiana that did not realize net savings for the 2026-2027
12 school year attributable to the payments made pursuant to Paragraph (A) of this
13 Section sufficient to fund such permanent salary increase and related benefits.

14 (b)(i) Until the legislature approves a formula pursuant to Article VIII,
15 Section 13 of this Constitution that includes the funding and permanent salary
16 increase and related benefits required pursuant to Subsubparagraph (a) of this
17 Subparagraph, they are deemed part of the formula most recently adopted by the
18 State Board of Elementary and Secondary Education and approved by the legislature.

19 (ii) The provisions of this Subparagraph shall not be construed to infringe
20 on the authority granted to the State Board of Elementary and Secondary Education
21 pursuant to Article VIII, Sections 3(A) and 13(B) of this Constitution and shall cease
22 to apply when a new minimum foundation program formula that includes the funding
23 and permanent salary increase required pursuant to Subsubparagraph (a) of this
24 Subparagraph is adopted by the State Board of Elementary and Secondary Education
25 or its successor and is approved by the legislature in conformity with the provisions
26 of Article VIII, Section 13(B).

27 (c) Funding amounts required pursuant to the provisions of Item (a)(ii) of
28 this Subparagraph shall be maintained for each public school system at the level
29 established for that system for the 2026-2027 school year until a new minimum
30 foundation program formula that includes the funding and permanent salary increase

1 required pursuant to Subsubparagraph (a) of this Subparagraph is adopted by the
2 State Board of Elementary and Secondary Education or its successor and is approved
3 by the legislature in conformity with the provisions of Article VIII, Section 13(B).

4 (3) For the purposes of this Paragraph, the following terms shall have the
5 following meanings, unless the context clearly indicates otherwise:

6 (a) "Personnel" shall mean persons employed in the positions for which an
7 across-the-board pay raise was proposed in the Fiscal Year 2023-2024 minimum
8 foundation program formula for that fiscal year and for which a stipend was provided
9 for Fiscal Year 2024-2025 in Act No. 4 of the 2024 Regular Session of the
10 Legislature.

11 (b) "Public school system" shall mean any city, parish, or other local public
12 school board; charter school; and any other elementary or secondary school
13 governing authority.

14 Section 2. Be it resolved by the Legislature of Louisiana, two-thirds of the members
15 elected to each house concurring, that there shall be submitted to the electors of the state of
16 Louisiana, for their approval or rejection in the manner provided by law, a proposal to repeal
17 Article VII, Sections 10(F)(4)(d), 10.1, 10.8(A)(3) and (C)(3), and 10.16(A)(9).

18 Section 3. Within two weeks of the effective date of this Act, the Department of
19 Education shall coordinate with the Department of Treasury to certify amounts maintained
20 in the Education Excellence Fund held to the credit of a political subdivision or school. The
21 state treasurer is hereby authorized and directed to transfer to the Overcollections Fund an
22 amount equal to the total certified balance. Notwithstanding any provision of constitution
23 or law to the contrary, monies held in the Overcollections Fund pursuant to the provisions
24 of this Section may be withdrawn by the Department of Education without appropriation in
25 order to remit to each entity its certified amount prior to the end of fiscal year 2026-2027.
26 Use of monies received pursuant to the provisions of this Section shall be restricted to
27 expenditure for pre-kindergarten through twelfth grade instructional enhancement for
28 students, including early childhood education programs focused on enhancing the
29 preparation of at-risk children for school, remedial instruction, and assistance to children
30 who fail to achieve the required scores on any tests passage of which are required pursuant

1 to state law or rule for advancement to a succeeding grade or other educational programs
2 approved by the legislature. Expenditures for maintenance or renovation of buildings, capital
3 improvements, and increases in employee salaries are prohibited.

4 Section 4. Within two weeks of the effective date of this Act, the State Board of
5 Elementary and Secondary Education and the Board of Regents shall each coordinate with
6 the Department of Treasury to certify amounts maintained in the Louisiana Quality
7 Education Support Fund held to the agency's credit within the fund. The state treasurer is
8 hereby authorized and directed to transfer to the Overcollections Fund an amount equal to
9 the certified balances of each agency. Monies held in the Overcollections Fund for each
10 agency shall be appropriated and used in accordance with the following:

11 (A) Higher Education. Monies attributable to the certified balance of the Board of
12 Regents shall be appropriated to the Board of Regents and allocated for any or all of the
13 following higher educational purposes to enhance economic development:

14 (1) The carefully defined research efforts of public and private universities in
15 Louisiana.

16 (2) The endowment of chairs for eminent scholars.

17 (3) The enhancement of the quality of academic, research, or agricultural
18 departments or units within a community college, college, or university.

19 These funds shall not be used for athletic purposes or programs.

20 (4) The recruitment of superior graduate students.

21 (B) Elementary and Secondary Education. Monies attributable to the State Board
22 of Elementary and Secondary Education shall be appropriated to the State Board of
23 Elementary and Secondary Education and allocated for any or all of the following purposes:

24 (1) To provide compensation to city or parish school board professional
25 instructional employees.

26 (2) To insure an adequate supply of superior textbooks, library books,
27 equipment, and other instructional materials.

28 (3) To fund exemplary programs in elementary and secondary schools designed
29 to improve elementary or secondary student academic achievement or
30 vocational-technical skill.

1 (4) To fund carefully defined research efforts, including pilot programs,
2 designed to improve elementary and secondary student academic
3 achievement.

4 (5) To fund school remediation programs and preschool programs.

5 (6) To fund the teaching of foreign languages in elementary and secondary
6 schools.

7 (7) To fund an adequate supply of teachers by providing scholarships or stipends
8 to prospective teachers in academic or vocational-technical areas where there
9 is a critical teacher shortage.

10 Section 5.(A) Notwithstanding any provision of this Act to the contrary, any transfer
11 to the Teachers' Retirement System of Louisiana pursuant to the provisions of this Act shall
12 be net of amounts needed to satisfy the requirements of Sections 3 and 4 of this Act and
13 amounts needed to satisfy 2025-2026 fiscal year appropriations from the following funds:

14 (1) Louisiana Education Quality Trust Fund.

15 (2) Louisiana Quality Education Support Fund.

16 (3) Education Excellence Fund.

17 (B) Unexpended monies in each of the funds listed in Paragraph (A) of this Section
18 shall be transferred to the state general fund on July 1, 2026. No appropriation from any
19 such fund from the 2025-2026 fiscal year shall be carried forward to next fiscal year.

20 Section 6. Notwithstanding any provision of law to the contrary, after the effective
21 date of this Act, unless or until directed otherwise by law the treasurer shall deposit into the
22 state general fund any monies that would have been deposited in or credited to the following
23 funds:

24 (A) Louisiana Education Quality Trust Fund.

25 (B) Louisiana Quality Education Support Fund.

26 (C) Education Excellence Fund.

1 Section 7. To the extent any additional funding is needed for the minimum
2 foundation program formula for Fiscal Year 2026-2027 because of the provisions of this Act,
3 the total amount of such funding shall be submitted by the State Board of Elementary and
4 Secondary Education to the legislature for inclusion in the Fiscal Year 2026-2027 general
5 appropriation bill no later than May 15, 2026.

6 Section 8. Be it further resolved that this proposed amendment shall be submitted
7 to the electors of the state of Louisiana at the statewide election to be held on April 18, 2026.

8 Section 9. Be it further resolved that on the official ballot to be used at the election,
9 there shall be printed a proposition, upon which the electors of the state shall be permitted
10 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
11 follows:

12 Do you support an amendment to fund a \$2,250 teacher pay raise and \$1,125
13 support staff pay raise by utilizing the remaining savings from paying down
14 the debt of the Teachers' Retirement System of Louisiana with monies from
15 certain constitutional funds?

16 (Effective January 1, 2027) (Amends Article VII, Section 10.8(A)(1), (2),
17 and (4), (B), and (C)(1); Adds Article VII, Section 10.17; Repeals Article
18 VII, Sections 10(F)(4)(d), 10.1, 10.8(A)(3) and (C)(3), and 10.16(A)(9))

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE