

Regular Session, 2014

HOUSE BILL NO. 595

BY REPRESENTATIVE ABRAMSON

FUNDS/FUNDING: (Constitutional Amendment) Provides for accounts within the Education Excellence Fund and the deposit of certain gaming revenues into the fund

A JOINT RESOLUTION

Proposing to amend Article VII, Section 10.8(A)(1)(d) and (3), (C)(1)(a), (3)(introductory paragraph), (a), (e), (g), and (h), and (4) and to add Article VII, Section 10.8(C)(5) and (6) of the Constitution of Louisiana, relative to special treasury funds; to establish and provide with respect to certain accounts within the Education Excellence Fund; to provide for the deposit and use of state gaming revenues into certain accounts; 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)(d) and (3), (C)(1)(a), (3)(introductory paragraph), (a), (e), (g), and (h), and (4) and to add Article VII, Section 10.8(C)(5) and (6) of the Constitution of Louisiana, to read as follows:

§10.8. Millennium Trust

Section 10.8. Millennium Trust

(A) Creation

(1)

\* \* \*

1 (d) For Fiscal Year 2000-2001, Fiscal Year 2001-2002, and Fiscal Year  
2 2002-2003, ten percent of the total monies received in each of those years for credit  
3 to the Education Excellence Fund-Permanent Account which, notwithstanding the  
4 provisions of Subparagraph (C)(1) of this Section, shall be appropriated for the  
5 purposes provided in Subsubparagraph (d) of Subparagraph (3) of Paragraph (C) of  
6 this Section.

7 \* \* \*

8 ~~(3)(a)~~ (3) The Education Excellence Fund shall be established as a special  
9 fund within the Millennium Trust. ~~The treasurer shall credit to the Education~~  
10 ~~Excellence Fund one-third of the Settlement Agreement proceeds deposited each~~  
11 ~~year into the Millennium Trust, and one-third of all investment earnings on the~~  
12 ~~investment of the Millennium Trust. The fund shall be comprised of three accounts:~~  
13 ~~the Permanent Account, the Casino Support Services Account, and the Early~~  
14 ~~Childhood Development Account.~~

15 (a)(i) The Education Excellence Fund-Permanent Account shall be  
16 established as an account within the Education Excellence Fund. The treasurer shall  
17 report annually to the legislature and the state superintendent of education as to the  
18 amount of Millennium Trust investment earnings credited to the ~~Education~~  
19 ~~Excellence Fund~~ Permanent Account.

20 ~~(b)~~ (ii) Beginning Fiscal Year 2011-2012, and each fiscal year thereafter, the  
21 treasurer shall credit to the ~~Education Excellence Fund~~ Permanent Account, one-  
22 third of all investment earnings on the investment of the Millennium Trust. The  
23 treasurer shall report annually to the legislature and the state superintendent of  
24 education as to the amount of Millennium Trust investment earnings credited to the  
25 ~~Education Excellence Fund~~ Permanent Account.

26 (b) The Education Excellence Fund-Casino Support Services Account shall  
27 be established as an account within the Education Excellence Fund. After satisfying  
28 the requirements of Article VII, Section 9(B) of this constitution, the state treasurer  
29 shall deposit in and credit to this account the monies received by the state under the

1 contract to operate the official gaming establishment located in Orleans Parish.  
2 Notwithstanding the provisions of Paragraph (B) of this Section, monies in the  
3 account shall be invested in the same manner as the state general fund and any  
4 earnings on such investment shall be deposited into the account. Any unexpended  
5 and unencumbered monies remaining in the account at the end of the fiscal year shall  
6 remain to the credit of the account.

7 (c) The Education Excellence Fund-Early Childhood Development Account  
8 shall be established as an account within the Education Excellence Fund. The source  
9 of monies to be deposited into the account shall be those monies transferred from the  
10 Education Excellence Fund-Casino Support Services Account as provided in  
11 Subparagraph (4) of Paragraph (C) of this Section. Notwithstanding the provisions  
12 of Paragraph (B) of this Section, monies in the account shall be invested in the same  
13 manner as the state general fund and any earnings on such investment shall be  
14 deposited into the account. Any unexpended and unencumbered monies remaining  
15 in the account at the end of the fiscal year shall remain to the credit of the account.

16 (d) Upon the effective date of this Subparagraph, the state treasurer shall  
17 deposit, transfer, or otherwise credit monies in an amount equal to unencumbered  
18 monies deposited in and credited to the Education Excellence Fund to the Education  
19 Excellence Fund-Permanent Account.

20 \* \* \*

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

1 may be included in the aggregate earnings available for appropriation in any year  
2 shall not exceed the aggregate of earnings from interest and dividends for that year.

3 \* \* \*

4 (3) Appropriations from the Education Excellence Fund-Permanent Account  
5 shall be limited as follows:

6 (a) Fifteen percent of monies available for appropriation in any fiscal year  
7 from the Education Excellence Fund-Permanent Account shall be appropriated to the  
8 state superintendent of education for distribution on behalf of all children attending  
9 private elementary and secondary schools that have been approved by the State  
10 Board of Elementary and Secondary Education, both academically and as required  
11 for such school to receive money from the state.

12 \* \* \*

13 (e) Beginning Fiscal Year 2007-2008 and for each fiscal year thereafter, of  
14 the monies available for appropriation from the Permanent Account after providing  
15 for the purposes enumerated in Subsubparagraphs (a), (b), and (c) of this  
16 Subparagraph, one hundred percent of the monies available for appropriation in any  
17 fiscal year shall be appropriated for each city, parish, and other local school system  
18 on a pro rata basis which is based on the ratio of the student population of that school  
19 or school system to that of the total state student population as contained in the most  
20 recent Minimum Foundation Program.

21 \* \* \*

22 (g) Each recipient school or school system shall annually prepare and submit  
23 to the state Department of Education, hereinafter the "department", a prioritized plan  
24 for expenditure of funds it expects to receive in the coming year from the ~~Education~~  
25 ~~Excellence Fund~~ Permanent Account. The plan shall include performance  
26 expectations to ensure accountability in the expenditure of such monies. The  
27 department shall review such plans for compliance with the requirements of this  
28 Subparagraph and to assure that the expenditure plans will support excellence in  
29 educational practice. No funds may be distributed to any school or school system

1 until its plan has received both legislative and departmental approval as provided by  
2 law.

3 (h) No amount appropriated as required in this Paragraph shall displace,  
4 replace, or supplant appropriations from the general fund for elementary and  
5 secondary education, including implementing the Minimum Foundation Program.  
6 This Subsubparagraph shall mean that no appropriation for any fiscal year from the  
7 ~~Education Excellence Fund~~ Permanent Account shall be made for any purpose for  
8 which a general fund appropriation was made in the previous year unless the total  
9 appropriations for the fiscal year from the state general fund for such purpose exceed  
10 general fund appropriations of the previous year. Nor shall any money allocated to  
11 a city or parish school board pursuant to this Paragraph displace, replace, or supplant  
12 locally generated revenue, which means that no allocation to any city or parish  
13 school board from the investment earnings attributable to the ~~Education Excellence~~  
14 ~~Fund~~ Permanent Account shall be expended for any purpose for which a local  
15 revenue source was expended for that purpose for the previous year unless the total  
16 of the local revenue amount expended that fiscal year exceeds the total of such local  
17 revenue amounts for the previous fiscal year.

18 \* \* \*

19 (4) The disposition and appropriation of monies from the Education  
20 Excellence Fund-Casino Support Services Account shall be made in accordance with  
21 the provisions of this Subparagraph. Of the total monies deposited into the account  
22 each fiscal year:

23 (a) An amount equal to the revenues received by the state in Fiscal Year  
24 2013-2014 under the contract to operate the official gaming establishment located  
25 in Orleans Parish shall be available for appropriation for the following purposes:

26 (i) First, monies may be appropriated in an amount sufficient to satisfy any  
27 state obligation required pursuant to a casino support services contract for purposes  
28 of the official gaming establishment located in Orleans Parish as may be provided  
29 by law.

1           (ii) Of the monies remaining thereafter, up to one percent may be  
2           appropriated for services related to compulsive and problem gaming as may be  
3           provided by law.

4           (iii) Of the monies remaining thereafter, appropriations may be made for the  
5           support of salaries of public pre-kindergarten through twelfth grade certificated  
6           personnel and public post-secondary education faculty as may be provided by law.

7           (b) Any amounts in excess of the amount set forth in Subsubparagraph (a)  
8           of this Subparagraph shall be deposited in and credited to the Education Excellence  
9           Fund-Early Childhood Development Account.

10          (c) Changes to the purposes for and limitations on appropriations and the  
11          transfer of money from the Casino Support Services Account as provided for in this  
12          Subparagraph may be authorized for a specific fiscal year by a favorable vote of two-  
13          thirds of the elected members of each house. Any such change shall be approved by  
14          passage of a specific instrument which clearly states the intent to change a purpose  
15          or limitation on an appropriation or the transfer of money, and the instrument shall  
16          only be considered in the fiscal year preceding the fiscal year for which the change  
17          is proposed. Notwithstanding the provisions of Article III, Section 2 of this  
18          constitution, such law may be introduced and considered in any regular session of  
19          the legislature.

20          (5) Appropriations from the Education Excellence Fund-Early Childhood  
21          Development Account shall be restricted to the support of early childhood  
22          development and education services as may be provided by law.

23          (6) Appropriations from the TOPS Fund shall be restricted to support of state  
24          programs for financial assistance for students attending Louisiana institutions of  
25          postsecondary education.

26          Section 2. Be it further resolved that this proposed amendment shall be submitted  
27          to the electors of the state of Louisiana at the statewide election to be held on November 4,  
28          2014.

1           Section 3. Be it further resolved that on the official ballot to be used at the election,  
2 there shall be printed a proposition, upon which the electors of the state shall be permitted  
3 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as  
4 follows:

5           Do you support an amendment to establish separate accounts within the  
6 Educational Excellence Fund to provide for casino support services and early  
7 childhood development services and to provide for the deposit and use of  
8 monies in the fund? (Amends Article VII, Section 10.8(A)(1)(d) and (3),  
9 (C)(1)(a), (3)(introductory paragraph), (a), (e), (g), and (h), and (4); Adds  
10 Article VII, Section 10.8(C)(5) and (6))

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#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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Abramson

HB No. 595

**Abstract:** Establishes accounts within the Education Excellence Fund to provide for the Casino Support Services Contract and early childhood development and education services.

Present constitution creates the Education Excellence Fund within the Millennium Trust and provides that 1/3 of the investment earnings on investment of monies from the Tobacco Master Settlement Agreement be deposited into the Fund.

Proposed constitutional amendment retains present constitution and further establishes three accounts in the Education Excellence Fund: the Permanent Account, the Casino Support Services Account, and the Early Childhood Development Account.

Proposed constitutional amendment requires monies received by the state from the operation of the official gaming establishment located in Orleans Parish be deposited into the Education Excellence Fund-Casino Support Services Account created in proposed constitutional amendment.

Proposed constitutional amendment further provides that the accounts receive monies as follows:

- (1) The Permanent Account receives 1/3 of the investment earnings on investment of monies from the Tobacco Master Settlement Agreement.
- (2) The Casino Support Services Account receives state monies under the contract to operate the official gaming establishment located in Orleans Parish.
- (3) The Early Childhood Development Account receives monies transferred from the Education Excellence Fund-Casino Support Services Account once the obligations of that account have been paid according to proposed law.

Proposed constitutional amendment provides that upon the effective date of proposed constitutional amendment, the state treasurer shall deposit, transfer, or otherwise credit any unencumbered funds within the Education Excellence Fund to the Permanent Account.

Proposed constitutional amendment provides that the appropriation of monies from the Education Excellence Fund-Casino Support Services Account shall be equal to the revenues received by the state in FY 2013-2014 under the contract to operate the official gaming establishment located in Orleans Parish, which monies shall be available for appropriation for the following purposes:

- (1) Satisfaction of any state obligation required pursuant to a casino support services contract for purposes of the official gaming establishment located in Orleans Parish.
- (2) 1% percent for services related to compulsive and problem gaming.
- (3) Of the monies remaining, appropriations may be made for the support of salaries of public pre-kindergarten through 12th grade certificated personnel and public postsecondary education faculty as provided in the SELF Fund.

Proposed constitutional amendment requires that all monies remaining thereafter from the revenues received under the contract be deposited in and credited to the Education Excellence Fund-Early Childhood Development Account.

Proposed constitutional amendment provides that changes to the purposes and limitations on appropriations and transfers of money from the Casino Support Services Account as provided for in proposed constitutional amendment may be authorized for a specific fiscal year by a favorable vote of 2/3 of the elected members of each house. Such a bill may be introduced on any regular session of the legislature.

Proposed constitutional amendment provides that appropriations from the Education Excellence Fund-Early Childhood Development Account shall be restricted to the support of early childhood development and education services as may be provided by present constitution.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 4, 2014.

(Amends Const. Art. VII, §10.8(A)(1)(d) and (3), (C)(1)(a), (3)(intro. para.), (a), (e), (g), and (h), and (4); Adds Const. Art. VII, §10.8(C)(5) and (6))