
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Jay R. Lueckel.

DIGEST

Present law creates the Millennium Trust as a special permanent trust in the state treasury to receive certain monies as a result of the Tobacco Master Settlement Agreement executed November 23, 1998, and approved by Consent Decree and Final Judgment entered in the case "Richard P. Ieyoub, Attorney General, ex rel. State of Louisiana v. Philip Morris, Incorporated, et al.", bearing Number 98-6473 on the docket of the Fourteenth Judicial District for the parish of Calcasieu, state of Louisiana; and all dividend and interest income and all realized capital gains on investment of the monies in the Millennium Trust.

Present law provides that beginning Fiscal Year 2002-2003, and each fiscal year thereafter, 75% percent of the total monies received that year shall be allocated as follows:

1. Heath Excellence Fund which is a special fund established within the Millennium Trust - the state treasurer shall credit to the Heath Excellence Fund one-third of the Settlement Proceeds deposited each year into the Millennium Trust and one-third of all investment earnings on the investment of the Trust.
2. Education Excellence Fund which is a special fund established within the Millennium Trust - the state treasurer shall credit to the Education Excellence Fund one-third of the Settlement Proceeds deposited each year into the Millennium Trust and one-third of all investment earnings on the investment of the Trust.
3. TOPS Fund which is a special fund established within the Millennium Trust - the state treasurer shall credit to the TOPS Fund one-third of the Settlement Proceeds deposited each year into the Millennium Trust and one-third of all investment earnings on the investment of the trust.

Proposed law provides that beginning Fiscal Year 2011-2012 after the balance in the Millennium Trust reaches a total of \$1.38 billion, the monies received from the Settlement Agreement shall be allocated as follows:

1. Heath Excellence Fund - 100% of the Settlement Agreement proceeds and one-third of all investment earnings on the investment of the trust.
2. Education Excellence Fund - one-third of all investment earnings on the investment of the trust.
3. TOPS Fund - one-third of all investment earnings on the investment of the trust.

Proposed law provides that upon the effective date of the amendment, the state treasurer shall

deposit, transfer, or otherwise credit funds in an amount equal to such Settlement Agreement proceeds to the Health Excellence Fund received by the state between April 1, 2011 and the effective date of the amendment.

Present law limits appropriations from the Health Excellence Fund, Education Excellence Fund, and the TOPS Fund to an annual amount not to exceed the estimated aggregate annual earnings from interest, dividends, and realized capital gains on investment of the trust, adjusted for inflation, and as recognized by the Revenue Estimating Conference.

Proposed law retains present law limitations on appropriations from the TOPS Fund and the Education Excellence Fund relative to interest, dividends, and realized capital gains on investment of the trust.

Proposed law provides that for Fiscal Year 2011-2012, appropriations from the Health Excellence Fund shall be limited to the annual Settlement Agreement proceeds plus an amount of Settlement Agreement proceeds equal to such proceeds received by the state between April 1, 2011 and the effective date of the Act, as well as the estimated aggregate annual earnings from interest, dividends, and realized capital gains on investment of the trust.

Proposed law further provides that for Fiscal Year 2012-2013, and each fiscal year thereafter, appropriations from the Health Excellence Fund shall be limited to the amount of annual Settlement Agreement proceeds credited to and deposited into the Health Excellence Fund and the estimated aggregate annual earnings from interest, dividends, and realized capital gains on investment of the trust, adjusted for inflation and as recognized by the Revenue Estimating Conference.

Present law provides for spending investment earnings from the Health Excellence Fund for the following purposes:

1. Initiatives to ensure the optimal development of Louisiana's children through provision of appropriate health care, school-based health clinics, and early childhood intervention programs, among others.
2. Initiatives to benefit citizens relative to health care through the pursuit of innovation in advanced health care sciences.
3. Provision of comprehensive, chronic disease management services.

Proposed law retains present law and further provides that beginning Fiscal Year 2011-2012 and each fiscal year thereafter, the annual Settlement Agreement proceeds credited to and deposited into the Health Excellence Fund shall be used exclusively for initiatives to ensure the provision of health care services of the citizens of Louisiana, including services provided by the hospitals operated by LSU. Further, such proceeds shall be appropriated for programs and services that allow, to the greatest extent possible, for federal financial participation under Title XIX of the U.S. Social Security Act.

Section 1 of the Act takes effect and becomes operative if the amendment of Article VII, Section 10.8 of the Constitution of Louisiana contained in the Act which originated as Senate Bill No. ____ of the 2011 Regular Session of the Legislature is adopted at the statewide election to be held on October 22, 2011, and at the same time as such proposed amendment becomes effective. Sections 2 and 3 of the Act, which are the effective date provisions, become effective on July 1, 2011.

(Amends R.S. 39:98.1(A)(3), (B), (C), and (D) and 98.3(A) and adds R.S. 39:98.3(B)(4))