

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 579** HLS 25RS 889

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action: **w/ SEN COMM AMD**

Proposed Amd.:

Sub. Bill For.:

Date: June 5, 2025	1:19 PM	Author: EMERSON
Dept./Agy.: Treasury		Analyst: Deborah Vivien
Subject: TRSL fund transfer		

FUNDS/FUNDING EG1 -\$9,000,000 GF RV See Note
Provides for the transfer, deposit, and use of monies among state funds

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Current law allocates the proceeds of the Master Settlement Agreement (MSA) to the Millennium Trust (75%) and Louisiana Fund (25%). All of the Millennium Trust MSA payment is deposited to the TOPS Fund. Investment earnings on the Millennium Trust, after retaining an inflation factor, are split equally between the TOPS Fund, Health Excellence Fund, and Education Excellence Fund. Current law creates the LA Education Quality Trust Fund (LEQTF) Permanent and Support Fund that receive 8g offshore revenue and earnings. The Support Fund is annually appropriated to BESE and Board of Regents. Proposed law maintains current law unless the constitutional amendment in HB 473 of 25RS is approved by voters on 11/3/26. Regardless of status of HB 473, currently allowable appropriation of funds remains through FY 26. On 7/1/26 (FY 27), the LEQTF Permanent and Support Funds as well as the Education Excellence Fund appropriations are repealed. HB 473 directs these funds to TRSL for payment of the UAL debt. Proposed law authorizes certain allowable investments concerning various funds and creates and funds the Early Childhood Education Stability Fund with \$11 M in SGF annually.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0					\$0

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	(\$9,000,000)	(\$9,000,000)	(\$9,000,000)	(\$9,000,000)	(\$36,000,000)
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$11,000,000	\$11,000,000	\$11,000,000	\$11,000,000	\$44,000,000
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$8,000,000

EXPENDITURE EXPLANATION

The bill is the statutory companion to HB 473 of 25RS that dissolves the Louisiana Education Quality Trust Fund (Permanent Fund), the Louisiana Quality Education Support Fund (Support Fund), and the Education Excellence Fund (EEF). The beginning FY 25 balances in the three funds totaled nearly \$2 B (Permanent Fund - \$1.45 B; Support Fund - \$36.2 M; and EEF - \$482 M).

The bill appears to retain spending provisions through FY 26. The funds are repealed on 7/1/26 (FY 27).

Spending on early childhood currently funded by the LEQTF Support Fund through BESE will now be funded with a SGF-supported dedication of \$11 M annually, which effectively preserves current practice from a budgetary perspective.

Treasury requires certain resources to create and administer a statutory dedication, as in this bill. Should aggregate session action result in the creation of funds beyond that which can be absorbed within existing resources, additional funding may be required.

REVENUE EXPLANATION

Proposed legislation provides the statutory companion to HB 473 of 25RS that dissolves the Louisiana Education Quality Trust Fund (Permanent Fund), the Louisiana Quality Education Support Fund (Support Fund), and the Education Excellence Fund (EEF) appropriation. The beginning FY 25 balances in the three funds totaled nearly \$2 B (Permanent Fund - \$1.45 B; Support Fund - \$36.2 M; and EEF - \$482 M).

Recurring funds from 8g offshore mineral revenue appear to flow to the SGF in FY 27 and beyond (a few million per year in recent years, estimated as \$2 M for this note). However, the bill also creates the Early Childhood Education Stability Fund with the mandate that \$11 M in SGF annually be deposited to the newly created fund to preserve certain spending on early childhood education currently funded by the LEQTF Support Fund through BESE. This provision creates a recurring SGF dedication that may be partially offset by 8g revenue (\$2 M) with the full \$11 M flowing into the new fund, as indicated in the table above.

The bill appears to retain revenue provisions through FY 26 when the funds are repealed. However, HB 473 transfers the balance of the funds by May 31, 2026, before the end of FY 26. The actual balance transfer will depend on the market at the time of divestment.

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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