

2021 Regular Session

SENATE BILL NO. 238

BY SENATOR MILLIGAN

SCHOOLS. Provides with respect to the Caddo Educational Excellence Fund. (gov sig)

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17

AN ACT

To amend and reenact R.S. 17:408.1(A) and (B), relative to the Caddo Educational Excellence Fund; to provide for the investment of the funds; to provide for the withdrawal of certain earnings; and to provide for related matters.

Notice of intention to introduce this Act has been published.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 17:408.1(A) and (B) are hereby amended and reenacted to read as follows:

§408.1. Caddo Educational Excellence Fund; creation; investment; **withdrawal**

A.**(1)** There is hereby established the Caddo Educational Excellence Fund, hereafter in this Section called the "fund", which shall be a permanent trust fund in the official repository of the Caddo Parish School Board, held and invested on behalf of the Caddo Parish School Board, the investment income of which may be withdrawn by the Caddo Parish School Board during ~~January of each calendar~~ **the following fiscal** year on its own warrant. All money thus withdrawn shall be expended only as authorized in Subsection C of this Section.

**(2) Withdrawals from the fund shall be limited as follows:**

1                   (a) In the fiscal year following a year that the earnings of the fund were  
2                   greater than five percent, withdrawals from the fund shall not exceed five  
3                   percent of the fund.

4                   (b) In the fiscal year following a year that the earnings of the fund were  
5                   between three and five percent, withdrawals from the fund shall not exceed the  
6                   rate of earnings from the previous year.

7                   (c) In the fiscal year following a year that the earnings of the fund were  
8                   less than three percent, withdrawals from the fund shall not exceed three  
9                   percent of the fund.

10                   B. Funds collected pursuant to ~~R.S. 4:552(A)~~ R.S. 27:93(A) and allocated  
11                   pursuant to ~~R.S. 4:552(A)(2)(d)~~ R.S. 27:93(A)(2)(d) shall be periodically transferred  
12                   to the official repository of the Caddo Parish School Board. The funds shall be  
13                   invested in the same manner ~~as monies in the state general fund are invested as~~  
14                   post-employment benefits trusts are permitted to be invested pursuant to R.S.  
15                   33:5162. Earnings on principal may also be invested. However, the amount of  
16                   earnings shall be kept account of separately from fund principal and shall be  
17                   available for the school board to withdraw as provided in this Section.

18                                               \*           \*           \*

19                   Section 2. This Act shall become effective upon signature by the governor or, if not  
20                   signed by the governor, upon expiration of the time for bills to become law without signature  
21                   by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
22                   vetoed by the governor and subsequently approved by the legislature, this Act shall become  
23                   effective on the day following such approval.

---

The original instrument and the following digest, which constitutes no part  
of the legislative instrument, were prepared by Cheryl Serrett.

---

DIGEST

SB 238 Engrossed

2021 Regular Session

Milligan

Present law establishes the Caddo Educational Excellence Fund and provides for the investment and withdrawals from the fund.

Proposed law retains present law and further limits the withdrawal of the earnings income as follows:

- (1) In the fiscal year following a year that the earnings of the fund were greater than five percent, withdrawals from the fund shall not exceed five percent of the fund.
- (2) In the fiscal year following a year that the earnings of the fund were between three and five percent, withdrawals from the fund shall not exceed the rate of earnings from the previous year.
- (3) In the fiscal year following a year that the earnings of the fund were less than three percent, withdrawals from the fund shall not exceed three percent of the fund.

Present law provides that the funds shall be invested in the same manner as monies in the state general fund.

Proposed law provides instead that monies shall be invested in the same manner as post-employment benefits trusts are permitted to be invested in law.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 17:408.1(A) and (B))