

2015 Regular Session

SENATE BILL NO. 188

BY SENATOR CLAITOR

FUNDS/FUNDING. Provides for the dedication of certain proceeds for higher education and eliminates certain dedications of proceeds. (gov sig)

1 AN ACT  
2 To amend and reenact R.S. 17:3129.6, R.S. 39:94(A)(3) and (C)(4)(b), and R.S. 46:2691(A)  
3 and the introductory paragraph of (B)(1), and 2731(B)(1), and to repeal R.S. 39:91,  
4 relative to special treasury funds; to provide for the transfer, dedication, use, and  
5 appropriation as specified of the Higher Education Initiative Fund; to provide for the  
6 transfer, dedication, use, and appropriation as specified of the Budget Stabilization  
7 Fund; to provide for the transfer, dedication, use, and appropriation as specified of  
8 the Medicaid Trust Fund for the Elderly; to provide for the transfer, dedication, use,  
9 and appropriation as specified of the Health Trust Fund; to repeal the Deepwater  
10 Horizon Economic Damages Collection Fund; to provide for an effective date; and  
11 to provide for related matters.

12 Be it enacted by the Legislature of Louisiana:  
13 Section 1. R.S. 17:3129.6 is hereby amended and reenacted to read as follows:  
14 §3129.6. Higher Education Initiatives Fund  
15 A. The "Higher Education Initiatives Fund", hereinafter referred to in this  
16 Section as the "fund", is hereby created within the state treasury for the purpose of  
17 dedicating monies for the improvement of Louisiana's higher education institutions,

1 including but not limited to **the** improvement of university-based teaching training  
2 programs and development of innovative teaching strategies, development of  
3 additional distance learning university classrooms, including infrastructure  
4 connections and purchase of equipment, and enhancement of library and scientific  
5 equipment.

6 **B.(1) After allocation of monies to the Bond Security and Redemption**  
7 **Fund as provided in Article VII, Section 9(B) of the Constitution of Louisiana,**  
8 **the treasurer shall deposit in and credit to the Higher Education Initiatives**  
9 **Fund ninety percent of each receipt of economic damages proceeds of the**  
10 **settlement, judgment, or final disposition of the state's economic damages**  
11 **claims asserted in State of Louisiana v. BP Exploration & Production, et al.,**  
12 **MDL NO. 2179 (E.D.LA. pending) (hereinafter "DWH litigation") to recover**  
13 **economic damages sustained by the state from the Deepwater Horizon explosion**  
14 **and oil spill that occurred on or about April 20, 2010, at the MC 252 site in the**  
15 **Gulf of Mexico. After deposits of economic damages proceeds to the Health**  
16 **Trust Fund equal the amount of thirty million dollars as provided in R.S.**  
17 **46:2731(B)(1), deposits of economic damages proceeds to the Health Trust Fund**  
18 **shall cease and the economic damages proceeds that would otherwise have been**  
19 **deposited into the Health Trust Fund shall be deposited into the Higher**  
20 **Education Initiatives Fund. Additional** The sources of monies deposited into the  
21 ~~fund~~ **Higher Education Initiatives Fund** shall be legislative appropriation and  
22 grants, gifts, and donations received by the state for the purposes of this Section.

23 **(2)** Monies in the ~~fund~~ **Higher Education Initiatives Fund** shall be subject  
24 to appropriation by the legislature and shall be available exclusively for higher  
25 education institutions or for the Board of Regents, hereinafter referred to in this  
26 Section as the "board". The board shall develop regulations and guidelines for the  
27 distribution and allocation of monies appropriated to the board which shall be subject  
28 to approval by the Joint Legislative Committee on the Budget. All unexpended and  
29 unencumbered monies in the ~~fund~~ **Higher Education Initiatives Fund** at the end of

1 the fiscal year shall remain in the fund. Such monies shall be invested by the  
2 treasurer in the same manner as the monies in the state general fund, and all interest  
3 earned shall be credited to the fund **Higher Education Initiatives Fund** following  
4 compliance with the requirements of Article VII, Section 9(B) of the Constitution of  
5 Louisiana, relative to the Bond Security and Redemption Fund.

6 \* \* \*

7 Section 2. R.S. 39: 94(A)(3) and (C)(4)(b) are hereby amended and reenacted to read  
8 as follows:

9 §94. Budget Stabilization Fund

10 A. There is hereby created in the state treasury a special fund to be designated  
11 as the Budget Stabilization Fund, hereafter referred to in this Section as the "fund",  
12 which shall consist of all money deposited into the fund in accordance with Article  
13 VII, Section 10.3 of the Constitution of Louisiana. Money shall be deposited in the  
14 fund as follows:

15 \* \* \*

16 (3) ~~The greater of twenty-five million dollars from any source, or twenty-~~  
17 ~~five~~ **Twenty-five** percent of any money designated in the official forecast as  
18 nonrecurring as provided in Article VII, Section 10(D)(2) of the Constitution of  
19 Louisiana, shall ~~annually~~ be deposited in and credited to the fund.

20 \* \* \*

21 C. The money in the fund shall not be available for appropriation except  
22 under the following conditions:

23 \* \* \*

24 (4)

25 \* \* \*

26 (b) Notwithstanding any provision of this Section to the contrary, except  
27 pursuant to a specific appropriation by the legislature ~~or the annual deposit required~~  
28 ~~by Paragraph (A)(3) of this Section~~, no appropriation or deposit to the fund shall be  
29 made in the same fiscal year as an appropriation, use or withdrawal is made from the

1 fund or until such time as the official forecast exceeds the actual collections of state  
2 general fund (direct) revenue for Fiscal Year 2008. The provisions of this  
3 Subparagraph shall be null, void, and of no effect on July 1, 2017.

4 Section 3. R.S. 46:2691(A) and the introductory paragraph of (B)(1), and 2731(B)(1)  
5 are hereby amended and reenacted to read as follows:

6 §2691. Medicaid Trust Fund for the Elderly

7 A.~~(1)~~ There is hereby established as a permanent trust fund in the state  
8 treasury designated the "Medicaid Trust Fund for the Elderly", hereinafter referred  
9 to as the "fund". After allocation of money to the Bond Security and Redemption  
10 Fund as provided in Article VII, Section 9(B) of the Constitution of Louisiana, the  
11 treasurer shall deposit in and credit to the fund ~~the following sources:~~

12 ~~(a) All~~ **all** money that is received from any source, including but not limited  
13 to an intergovernmental transfer program provided for in this Chapter and all income  
14 on investment of monies in the fund.

15 ~~(b) As provided in R.S. 39:91, a portion of the proceeds of the settlement,~~  
16 ~~judgment, or final disposition of the state's economic damages claims asserted in~~  
17 ~~State of Louisiana v. BP Exploration & Production, et al., MDL NO. 2179 (E.D.LA.~~  
18 ~~pending) to recover economic damages sustained by the state from the Deepwater~~  
19 ~~Horizon explosion and oil spill that occurred on or about April 20, 2010, at the MC~~  
20 ~~252 site in the Gulf of Mexico, not to exceed seven hundred million dollars, except~~  
21 ~~when the terms and conditions stipulated in the settlement or judgment require~~  
22 ~~otherwise. Deposits into the fund from such proceeds received by the state associated~~  
23 ~~with the Deepwater Horizon oil spill shall cease when either of the following occurs:~~

24 ~~(i) An amount not to exceed seven hundred million dollars has been deposited~~  
25 ~~into the fund.~~

26 ~~(ii) The full amount of the monies available as provided for in this~~  
27 ~~Subparagraph has been deposited into the fund.~~

28 (2) Monies in the fund shall be invested by the treasurer in the manner  
29 hereinafter provided. All unencumbered and unexpended monies in the fund at the

1 end of the fiscal year shall remain in the fund.

2 ~~(3)~~ Monies in the fund may be used as the source of state matching funds for  
3 Medicaid funds to make enhanced payments to local government-owned health care  
4 facilities.

5 B.(1) ~~After July 1, 2014, the~~ The principal in the fund ~~from proceeds~~  
6 ~~received by the state associated with the Deepwater Horizon oil spill or any other~~  
7 ~~source shall not be subject to appropriation unless authorized by a joint resolution~~  
8 ~~approved by two-thirds of the elected members of each house of the legislature~~  
9 **appropriation,** and except to provide for:

10 \* \* \*

11 §2731. Health Trust Fund

12 \* \* \*

13 B.(1) **After allocation of monies to the Bond Security and Redemption**  
14 **Fund as provided in Article VII, Section 9(B) of the Constitution of Louisiana,**  
15 **the treasurer shall deposit in and credit to the Health Trust Fund ten percent**  
16 **of each receipt of economic damages proceeds, until an amount not to exceed**  
17 **thirty million dollars has been deposited into the Health Trust Fund, of the**  
18 **settlement, judgment, or final disposition of the state's economic damages**  
19 **claims asserted in State of Louisiana v. BP Exploration & Production, et al.,**  
20 **MDL NO. 2179 (E.D.LA. pending) (hereinafter "DWH litigation") to recover**  
21 **economic damages sustained by the state from the Deepwater Horizon explosion**  
22 **and oil spill that occurred on or about April 20, 2010, at the MC 252 site in the**  
23 **Gulf of Mexico. Once deposits of economic damages proceeds into the Health**  
24 **Trust Fund equal thirty million dollars, deposits of economic damages proceeds**  
25 **into the Health Trust Fund shall cease and the proceeds that otherwise would**  
26 **have been deposited into the Health Trust Fund shall be deposited into the**  
27 **Higher Education Initiative Fund as provided in R.S. 17:3129.6.** After allocation  
28 of monies to the Bond Security and Redemption Fund as provided in Article VII,  
29 Section 9(B) of the Constitution of Louisiana, the treasurer in each fiscal year shall



unexpended monies in the fund at the end of the fiscal year remain in the fund and that all interest earned on the fund shall be credited to the fund.

Proposed law retains present law.

Present law provides that the greater of \$25 million from any source or twenty-five percent of any nonrecurring monies in the official forecast shall be annually deposited into the Budget Stabilization Fund.

Proposed law retains the provision providing that twenty-five percent of any nonrecurring monies in the official forecast shall be annually deposited into the Budget Stabilization Fund but deletes the requirement for an annual \$25 million deposit into the Budget Stabilization Fund from any source.

Present law establishes the Medicaid Trust Fund for the Elderly in the state treasury and directs the treasurer to deposit into the Medicaid Trust Fund for the Elderly all money that is received from any source, including the intergovernmental transfer program and all income on investment of monies in the fund. Proposed law retains present law.

Present law further provides that a portion of the proceeds of the settlement, judgment, or final disposition of the state's economic damages claims asserted in *State of Louisiana v. BP Exploration & Production, et al.*, not to exceed \$700 million, shall be deposited into the Medicaid Trust Fund for the Elderly, and shall not be subject to appropriation unless authorized by a joint resolution approved by two-thirds of the elected members of each house of the legislature. Proposed law deletes present law.

Present law provides for the establishment of the Health Trust Fund and provides that 10% of the receipts of economic damages proceeds, up to \$30 million, from the state's economic damages claims asserted in *State of Louisiana v. BP Exploration & Production, et al.*, shall be deposited in a trust account established in the Health Trust Fund named the Medicaid Disabilities Account. The money in the Medicaid Disabilities Account shall be used solely for services provided by home and community based healthcare providers utilized by the developmentally disabled. Proposed law retains present law relative to the Medicaid Disabilities Account. Proposed law further provides that once deposits into the fund reach \$30 million, proceeds will thereafter be deposited into the Higher Education Initiative Fund.

Present law provides for the establishment of the Deepwater Horizon Economic Damages Collection Fund and provides that the economic damages proceeds deposited into the fund from the state's economic damages claims asserted in *State of Louisiana v. BP Exploration & Production, et al.*, shall be transferred by the treasurer, within 30 days of receipt, as follows:

- (1) Forty-five percent to the Budget Stabilization Fund until the fund reaches its statutorily mandated cap.
- (2) Forty-five percent to the Medicaid Trust Fund for the Elderly until \$700 million has been deposited into the fund.
- (3) Ten percent to the Health Trust Fund until \$30 million has been deposited into the fund.

Present law provides that present law shall be null, void, and of no effect at the later of the conclusion of the Deepwater Horizon economic damages litigation or July 1, 2024.

Proposed law repeals present law except for the provisions relating to deposits in the Health Trust Fund.

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

(Amends R.S. 17:3129.6, R.S. 39:94(A)(3) and (C)(4)(b), R.S. 46:2691(A), (B)(1)(intro para), and 2731(B)(1); repeals R.S. 39:91)